Cultural understandings of graduate employability in accounting in China and India.

Analysis of interviews with Chinese and Indian employers, alumni and key stakeholders in Australian international education.
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Executive Summary

The project was funded by the Global Research Perspectives Program of CPA Australia. It investigated how socio-cultural understandings of employability and generic skills inform the value attached to different credentials in accounting by international graduates and employers in China and India.

The context is that in which professional labour markets are increasingly volatile in developed and developing knowledge economies making it more difficult for international graduates returning to their home country.

This study provides evidence as to employer perceptions and cultural differences in key source markets for Australian international students as to the value of a range of Australian credentials (universities and professional post-graduate programs) and to other credentials (domestic and international). It illustrated how transitioning into employment is becoming more complex and tenuous with increasingly multidirectional flows of graduates’ cross-nationally.

Methodology

China and India were chosen as the primary sources of international students in accounting in Australian universities. Shanghai and Beijing in China and Delhi and Mumbai in India were selected for the study as global cities where industries would be most likely to recruit international graduates in accounting. We focus on interviewing employers in mid to large multinational companies (MNCs) and nationally-based firms.

The report comprises of a literature review and qualitative analysis of interviews with stakeholders: employers, alumni and policy makers. The policy analysis of Chinese and Indian contexts was integrated into the literature review. Interviews were conducted by researchers in country and Skype with 14 participants in each of China and India. Interviewees included a range of mid and large companies, national and multinational as well as government officials and accounting education providers. A survey of alumni was developed to inquire about post-graduation employment, but due to logistical difficulties in disseminating the survey online, only 55 responded and then many who were postgraduates and not undergraduates, the focus of the study.

Background

A literature review of the relationship between credentials and employability of accounting graduates in India and China as well as Australia identified a number of key issues.

Labour markets for accountants in India and China

- Despite the apparent slowdown of the Chinese economy there is still a significant growth in demand for accountants in both China and India, although there are indications of rising unemployment of graduates (both returnees and domestic) in general.
- Accounting is becoming increasingly diversified as a field and now covers a range from management through to financial advice.
- Demand is greatest for more skilled and experienced accountants in India and China, as in Australia, through policies focusing on returning the Chinese diaspora in particular.
- International credentials still have value, as Australia is considered to have high standards in the accounting field.

Perceived mismatch between employer expectations and graduate competencies.

This has been an enduring issue for employers whenever there is over-supply in any field. Key issues informing this debate identified in the literature are

- The massification of higher education in West and now in India and China and other Asian nations (Singapore, South Korea, Japan) has produced an oversupply of accountants
- That most of returning international graduates do not get employed in area of specialist training in accounting
- Indian and Chinese students value Western credentials as they see they are of high quality (particularly accounting) and add value to their certification.
- That there is an ongoing employer complaint that universities are not preparing their graduates to be ‘work ready’ in terms of the skills and attributes they possess
- The significant oversupply of graduates with the necessary credential which signifies ‘hard’ skills that indicate technical proficiency allows employers to be more selective
- The rationale mobilised in selection is the global discourse that the 21st century accountant has to have a range of ‘soft skills’ as well as ‘hard skills’. The soft skills usually encompass personal qualities, core skills and process skills.
• That country specific literature indicates greater complexity as cultural practices mediate recruitment practices. Decisions are not just based on the 'portfolio' indicative of hard and soft competencies. In particular guanxi in China and caste in India are factors, although Indian HE selection itself perpetuates higher-level caste dominate graduates.

• That gender matters with regard to the choice of accountancy and recruitment.

At the same time, there is little to no research as to how professional degrees are valued relative to other degrees other than evidenced in their popularity by Indian and Chinese employers and alumni.

Research findings
The analysis of Indian and Chinese mid and large-scale multinational and national employers found the following.

Accounting education and accounting providers

• Asian economies such as China and India, while rapidly industrialising, have invested considerably in higher education and the higher-order skills capacity leading to a shift regarding which credentials are valued, with less of a preference for Western credentials other than from a few key institutions (Harvard, Stanford, Cambridge, Oxford).

• India and China are actively promoting their own international student markets, with India and China being among the 'cheapest' with order of cost being from highest: Australia, Singapore, the United States, Britain, Hong Kong, Canada. France, Malaysia, Indonesia, Brazil, Taiwan, Turkey, China, Mexico and India (Economic Times 2014).

• Accounting education and practice in China and India is becoming more diversified and competitive.

• There is a trend for graduates in both China and India to acquire many qualifications and certificates to give them competitive advantage in the labour market, including the CPA Professional qualification in China.

• Indian universities were considered to be too unresponsive in terms of the changing needs of the labour market, too academic and the B. Com was not considered to have significant value.

• The MBA either from a local Indian or international university was considered to be of lower status and easier than qualification from Institute of Chartered Accountants in India (ICAI).

• The structure of accounting education in India with dominant providers (ICAI) makes inroads by non-Indian providers difficult, despite a range of partnership models.

• Of the range of international credentials offered, US CPA program, the UK ACCA program and CISA, an international body of chartered accountants, the last was considered to have some potential for gaining a foothold in the Indian accounting education market.

• Twinning arrangements were considered to have potential in India as it involved local knowledge of the field.

• Lack of a free trade agreement between India and Australia was considered a barrier.

Credentials and the accountancy employment market

• In India, there is a clear hierarchy of credentials dependent on the ranking within India of the institution employment.

• Employment demand in India created by the increasing range of financial services in a highly differentiated market is largely met by domestic providers (ICAI and Mumbai Stock Exchange).

• Most Indian accounting graduates gaining employment through the work/training blended experience of the articleship.

• Demand for chartered accountants of most large multinational and mid-size firms in India is satisfied by the ICAI chartered accountancy credential.

• No mention of unemployment in accounting although many qualified accountants did not work in their specialist field.

• Indian and Chinese markets were not as yet saturated because of the opportunities due to relatively buoyant economies and expanding role of accountants.

• Indian employers did not have a global sensibility with regard to needing international expertise to gain access to international markets as considered they had adequate domestic demand.

• The growth of Chinese multinational companies and the aspiration of local companies to expand their business to the international market have created a demand for foreign professional accountancy credentials such as ACCA or CPA Australia.

Recognition of CPA

• Overall, CPA Australia or ACCA is well-recognised in China and potentially makes graduates more employable as considered indicative to employers as to the professional knowledge and skills of graduates. CPA credential is a form of 'professional capital' that differentiates a candidate from others.

• Local professional bodies like Shanghai Certified Public Accountants provide accountants in Shanghai financial incentives to obtain the CPA Australia qualification/certificate.

• In China, CPA Australia membership is valued because it is cost effective relative to a Master’s degree.
• Australian international graduate returnees to India know CPA exists but are not aware that ICAI and CPA Australia have an agreement regarding accreditation
• All Indian interviewees considered the approach of CPA Australia to be fragmented and that CPA Australia needed to increase numbers or to build the market ‘in country’ and know the market better as was the case for the CPA (US).
• Distance education program such as CPA costing $7000 is a significant investment when there cannot be a guarantee of employment in India.

Perceptions of Australian international graduates
• Generally, Chinese employers and key stakeholders think overseas graduates have good communication and presentation skills, have been exposed to international practices, acquire a ‘big picture’ perspective and have a better professional knowledge base.
• In India, employers and the various providers of accountancy education consider most Australian international graduates, particularly those with the MBA, undertake jobs in their family businesses or set up their own business.

Graduate Attitudes
• Chinese employers considered returning international graduates (RIG) lacked ability and a willingness to work under pressure, worked more slowly than locals and lacked the ‘competitive’ spirit needed to operate in Chinese workplaces and labour market.
• Chinese employers considered RIGs were more laid-back and slower to adapt than locals.
• Indian employers considered international graduates expected to gain promotion faster and were impatient about starting lower down the organisation.
• Individual graduates with international degrees valued their international experience in terms of how they viewed the world and opportunities more than Indian employers, who do not seem to have the same global orientation.

Graduate Expectations
Employers and alumni comment that many Chinese and Indian graduate returnees tend to have high or unrealistic expectation of their employment and remuneration that may not match the real job market or employer needs as they lack the ability to adapt to the company culture and local culture.

Recruitment
• In both India and China recruitment occurs through graduate markets on campus, advertisement on line, brokers/consultants, internships or internal referral.
• In India, recruitment in accounting is most often through the university graduate markets and campus placement programs in elite universities.
• Indian employers did not see any need to go beyond selecting high quality of graduates with CA from top institutions and only consider Stanford, Harvard or similar international credentials in UK of equal status
• Social networks are important in gaining employment in India and China but in particular prior experience is most valued.

Best fit
• A key aspect in both China and India was ‘cultural fit’ justified as the need to have amicable working teams, feeling comfortable and complementing existing skills which often means recruiting those of the same gender, ethnicity, language, background and experience, in India caste or in China, guanxi.
• In China, guanxi is viewed as a type of interpersonal skill needed for the job, the ability to engage and make connections for work-related purposes and therefore a resource.
• International graduates are perceived to possess dual guanxi: the established guanxi associated with their family and home context and business-related guanxi built through transnational networks.

Preference for local graduates
• Local graduates were seen in both China and India as having distinctive advantages as they possessed local knowledge around regulation and practice, skills and capabilities
• Local graduates from top universities in China and India are becoming more demanding and asking for salary nearly as high as international graduates.
• An employers’ preference for domestic or international credentials depends largely on their business orientation and scope and whether dealing with local clients or foreign partners and undertaking international business.

• Medium sized Indian employers did not have a ‘global’ outlook and do not recognise the benefits of international experience i.e. did not have a global sensibility

• Reducing preference for American or US post-graduate degrees, meaning an overseas qualification is less distinctive and does not give international graduates the competitive advantage as before.

Graduate employability

• The trend towards a more customer and technology driven workplace meant employers were looking for additional capabilities beyond technical skills e.g. 21st century skills of intercultural competence, problem solving, critical thinking but also have right attitudes and cultural fit.

• All employers referred to the importance of the ‘soft’ skills once ‘technical skills’ were tested when recruiting.

• Communication and interpersonal skills were considered the most significant because of the nature of the accounting occupation.

• Both the major provider such as the Institute of Chartered Accountants India and the BSE are revising curriculum to address development of 21st century skills specifically.

English language competence

• English language skills are considered to be important in the accountancy labour market

• In India, English language skills were assumed.

• Concerns that many international Chinese graduates may not develop adequate English proficiency during their overseas study as they socialise mainly with their co-nationals.

• A growing number of graduates from local universities in China are enhancing their English skills thus reducing the gap between international and local graduates in terms of English language competency.

• Many universities in China have partnerships with foreign universities and offer course in English and foreign programs.

Work experience and internship

• work experience is the point of distinction in a job market where there are multiple applicants.

• In both China and India, employers stressed the crucial role of internships in enhancing the employability of international graduates.

• In India, the articleship pathway was preferred over a returning international graduate except if they had worked for the ‘Big 4’.

Diversity

• Chinese and Indian workplaces in the field of accounting promote educational and cultural diversity while remaining male dominant in the field of accounting education and practice.

• Pressure is increasing from the Indian government and organisations such as ICAI to have more women in the workplace. In India, over 60% of ICAI course enrolments are female.

• Accountancy suits cultural norms about women’s domestic responsibilities because of flexibility

• Employers are not looking for more diversity in workforce, with few women in Boards

• Women’s familial responsibilities were privileged and required greater flexibility from women than male career paths.

• Little evidence of seeking to gain greater cultural diversity through recruitment of non-Indian accountants in other than the large multinationals where there was a level of cross-national diversity.
**Recommendations for Australian providers of accounting education in China and India**

The issues related to employment for accounting international graduates in China identified and presented in the previous section have implications for Australian providers – universities and professional organisations - of accounting education for the Chinese and Indian labour markets.

The study suggests the need for a focus on local partnerships and offshore programs for both universities and professional organisations.

*For universities:*

- The need for universities to brand Australian higher education as a high-quality sector and reduce competition with each other in order to be able to make significant inroads into the Indian market particularly.
- Universities as well as other providers of accounting education to offer more opportunities of internship and professional experience.
- Greater co-operation between universities and providers in India and China and other organisations e.g. IDP to provide platform for graduate pathways into employment.
- Organisation or agent looking after the employability for international graduates and oversees from recruitment to employment (the entire spectrum).
- Connecting job seekers and recruiters through alumni associations based in China and India encouraging alumni to nurture employment networks in home country and globally.
- Universities to strengthen quality of accounting education.

*For the CPA:*

- The profile of the CPA Australia professional qualification in India needs to be more widely advertised, in particular its agreement with ACAI;
- CPA Australia provide more country specific tailored courses in India.
- CPA Australia provide more information for returning international graduates regarding their home country labour markets and accounting field.
- Identify and act on the range of opportunities for developing key partnerships in both India and China, although each has distinctive accounting education provision and labour markets. Gaining recognition of both CPA Australia as a brand and professional qualification requires improved promotion and infrastructure for CPA Australia on the ground to build relationships, specifically the case for the CPA Australia in India where they had not gained the same traction in the accounting field as they had in China.
Introduction

The project, funded through the Global Research Perspectives Program of CPA Australia, investigated how socio-cultural understandings of employability and generic skills inform the value attached to different credentials in accounting by international graduates and employers in China and India. The focus was to:

(i) consider how employability relates to employer and student perceptions of the nature and relative importance of different credentials provided by a range of international (including Australian) and domestic providers in India and China in the field of accounting;

(ii) investigate cultural understandings regarding employability and the relationship between credentials and recruitment practices based on how different employers (multinationals, medium size firms and small business) recruit graduates in the field of accounting in China and India.

The context is that in which professional labour markets are increasingly volatile in developed and developing knowledge economies (Brown et al., 2012) making it more difficult for international graduates gaining employment in their host and home country (Sharma, 2012, Tran et al., 2014).

The study provides evidence as to employer perceptions and cultural differences in key source markets for Australian international students regarding the value of a range of Australian credentials (universities and professional post-graduate programs) and to other credentials (domestic and international). It illustrates how transitioning into employment is becoming more complex and tenuous with increasingly multidirectional flows of graduates’ cross-nationally (Brown et al.2012).

Research question and methodology

The overarching question was: How are different credentials (professional, VET and university) and providers (Australian, other international or domestic) valued by international students and employers in China and India in accounting?

The sub-questions were:

• How are Australian credentials viewed relative to other international and domestic credentials?
• How do understandings about generic competencies of employability of the global worker articulate into recruitment practices in China and India in accounting?
• How do Chinese and Indian employers understand ‘employability’ and ‘work readiness’ when recruiting international/local graduates (relative importance of work integrated learning, credentials/grades, English language skills, intercultural capacity, communication skills, social networks etc.)?
• What policy environments (e.g. visas, deregulation of fees) are conducive to international graduate employment?

Selection of sites and professions

Global professional labour markets work across networks of global cities more than between urban/provincial labour markets (Sassen, 2001, 2002, 2011). The focus of the project was on global cities given that these are key sites of knowledge economy capacity building. In China, Shanghai and Beijing and in India, Delhi and Mumbai, were the most likely sites of employment for the global worker. We focused on employers in mid to large multinational companies (MNCs) and nationally-based firms.

Method

A qualitative approach involving policy analysis and interview was used. The policy analysis mapped the Chinese and India national policiescapes. In-depth interviews with employers elicited nuanced socio-cultural understandings as to perceptions and decisions associated with desirable graduate attributes and the relative value of credentials. Interviews with alumni considered how different capitals were mobilised to gain employment. Similar lines of questioning were used in each interview, conducted in pairs to provide cross-site validity and consistency within and between countries.

Together, these provided a rich set of explanations which indicated some cultural differences, but also general trends.

A survey of employers and alumni was planned but met with logistical difficulties in terms of its dissemination and capacity to attract sufficient respondents. A number of strategies were undertaken including contacting all organisations within Australia, China and India who could place an invitation to alumni to undertake the survey on their website. These organisations included Austrade, the Department of Foreign Affairs and Trade (DFAT) newly created Alumni portal, and schools of Business at Australian universities. The primary source of survey responses was through Deakin India and Deakin’s contacts in China, each who provided an alumni email list. The total number of respondents has reached 55 (51 from India and 4 from China), but primarily post graduate and not undergraduate, the focus of this study.
Survey research of this kind is now being done through brokers due to the difficulties we have outlined about distribution of each survey, an approach which could not be undertaken in this project due to cost.

**Data collection**

The multi-layered approach examines interactions between the policy environment, labour markets, and employer, alumni and provider responses. The policy analysis drew on published academic research, reports produced by international organisations such as the OECD, World Bank and the ILO, think tanks and advisory groups and commentaries in the media. Labour market analysis relied on extant data in each country site and occupation. The employer sample was determined through a range of Deakin networks and the assistance of in-country organisations e.g. Australian Chamber of Commerce, Austrade and CPA Australia contacts in China and India. The sample includes international corporations (MNCs), medium and large domestic companies and NGOs. In addition, we carried out interviews with representatives from peak bodies such as Austrade and the Indian Chartered Accountants Institute and Bombay Stock Exchange. From those interviews, we identified other employers in each site to have a sample of MNCs, SMEs, NGOs to interview, totaling 14 interviews in each country (n=28). A thematic analysis of employer and alumni interviews was undertaken. The Indian employers all expressed a preference for being interviewed in English and an interpreter was present for those Chinese employers who indicated their preference to speak in Chinese.

**Structure**

Section One begins with a brief discussion of the global context and why graduate employability has become an issue in international education. Section Two describes the conceptual framework, provides key definitions and identifies debates about the concept of employability. Section Three identifies the main issues in the literature and policy about graduates’ employability and a perceived mismatch between graduate skills and employer needs. Section Four maps out pathways through Australian accounting education, credentials and accreditation processes against the context of the significant growth of Australian international graduates in accountancy and the changing nature of the field of accountancy globally. Section Five is an analysis of the available English-language literature on labour markets for graduates in the field of accounting in the two country contexts, China and India. It examines how cultural understandings inform the return to the home country of Australian international graduates. The Fifth Section is an analysis of 24 interviews from Chinese employers and Section Six of Indian employers. Analysis of alumni interviews are also included regarding their experiences of returning to their home country, of applying for work, access to and transition into employment in their discipline and how their international credential was valued. The concluding Section analyses the role of cultural understandings in the credential-employment nexus in China and India, identifies the gaps requiring further research and makes recommendations for the stakeholders – employers, universities and government.
Section 1: The internationalisation of higher education and graduate employability

Graduate employability has become a pressing issue for all key stakeholders: students, education providers and employers in the last decade (De Wit 2010). Graduate employability of international students cannot be separated out of the processes of internationalisation and massification of higher education globally since 2000 (Burke 2016). While universities have always had an international orientation due to the academic research collaborations, internationalisation has shifted from being an ad-hoc process to being a key strategy for governments and is becoming a core mainstream activity for universities, especially in English speaking countries (de Wit, 2010; Hudzik, 2014). In particular, internationalisation is increasingly understood to be best achieved through more strategic international partnerships and/or offshore campuses (Proctor 2016, Blackmore et al 2015, Helms 2015, IIE 2011).

One aspect fueling this interest has been the transformation of higher education globally and its massification to meet the demand of the rising middle class in Asia and the increased participation rates of non-traditional users in the UK and Australia, the latter aiming for 40% of 18-24 year olds with a university degree (Mok & Jiang, 2015; Mok, 2016; Mok & Wu 2016). This expansion is based on the perceived need to link higher education more closely to national economies and provide the higher-order skills demanded by a ‘knowledge economy’ (Peters, 2007). International education has been driven by three ideologies: an instrumental one that sees international students as an income source for domestic universities; an educational one that sees international students as providing opportunities for building new knowledge and cultural understanding; and a third altruistic perspective which considers such cross-cultural exchanges are beneficial for all stakeholders in terms of developing a global sensibility and citizenship (Stier 2010). The stronger vocational imperative underpinning most policies has arguably marginalised the more traditional roles of universities in terms of addressing increasing economic and social inequality and nurturing global citizenship (Lauder et al., 2012). The global policy discourse, emanating from the OECD (1996) and more recent national policies such as Australia’s ‘Securing Australia’s Future’ (Australian Government, 2012), positions universities as being central to knowledge economies, both in terms of innovation as well as producing the global knowledge worker (Li & Lowe, 2016; Kupfer, 2012).

In particular, the processes of internationalisation of higher education in Western provider countries, of which international education is a key aspect, are being driven globally by the growing demand for higher education, greater utilitarianism in attitudes towards higher education and the need of higher education institutions to generate revenue as a result of decreasing public funding’ (Pawar, 2016, p. 53; Altbach & Knight, 2007). International education is a field largely dominated until recently by the (Global North) USA, UK, Germany and Canada (which includes Australia). International education has rapidly expanded over the past decades fed by the growth in demand of Asian middle classes, particularly China and India (Welch & Hao, 2016). In 2015, China as largest international student source country for Australia had 58,064 international students (an 18.7% increase from 2014) with India at 31,758 (a 10.7% increase) and the third source country Vietnam (in decline) and Malaysia fourth, with a 17% increase (ABS, 2016). While this trend towards internationalisation has been most evident in Western post-industrial economies as they are re-orienting towards service and communication industries, Asian economies, such as China and India, while rapidly industrialising, have increasingly invested in higher education and higher-order skills capacity building (Mok et al., 2016).

The international education market connects the competition fetish fed by the global ranking of universities to the desirability of international students to attend world-class universities and of such universities to capture talent, and in so doing reproduce what are now global elites (Li & Lowe, 2016). This ‘war for talent’ as Brown et al. (2011) argue, favours large multinational corporations and newly emerging Asian economies as high skills are bought for a lower price. Recent entrants into the international education market are China, Hong Kong and Singapore within Asia (Welch & Hao, 2016). The entrance of for-profit institutions, often Western owned, in India and China also indicates how international education is perceived to be a global edu-business and a way to expand their markets and viewing education as a commodity. By contrast, not-for-profit organisations altruistically view internationalisation and transnational student mobility as a way to develop research collaborations, enhance human capacity, increase international understandings and for cultural exchange.

Additionally, increased interest in international trade has also opened up global labour markets, encouraging greater transnational mobility of students and workers generally. Australia’s Diaspora Advantage: Realising the potential for building transnational business networks with Asia (Rizvi et al., 2016), positions the ‘phenomenon and potential of Australian Asian business diasporas’ as ‘a rich source of innovation, enterprise and entrepreneurialism’ (Rizvi et al., 2016, i). Over 17% of people living and working in Australia (4 million) identify as being Asian, with the Chinese diaspora totaling 1.2 million and the Indian diaspora totaling 610,000 (Liu, 2016, 4). There is therefore greater connectedness both culturally and economically between Australia, China and India, recently fostered by the New Colombo Plan (Tran, 2017). As a signature initiative of the government, the New Colombo Plan utilises international education and student mobility as a mechanism of public diplomacy, with the goal to make ‘people to people’ connections between Australia and the Indo Pacific (Australian Government, 2016).

International education therefore has numerical motivations and trajectories, enhanced by different government sponsored policy initiatives such as the Australian International Education 2025 Roadmap, (2015). In India, policy initiatives include The University Grants Commission that identify internationalisation as a priority area in the Tenth Plan and with strategies to promote student mobility. This involves an expert committee for the Promotion of Indian Higher Education Abroad (PiHEAD), a General Cultural Scholarship Scheme (GCSC) providing scholarships to countries from Latin America, Africa and Asia, the Global Initiative for Academic Networks, and the Connect to India program (Pawar, 2016; Heslop, 2014). At the same time, China has strong
policies such as 12th Five Year Plan and the Medium and Long-term Human Resources Development Plan (2010-20) to bring back to the homeland, or at least use, expatriate global networks to exploit the resources of the highly skilled and talented to benefit China (Welch & Hao, 2016; Ding, 2015; Huang & Kuah-Pearce, 2015). This brain-gain which has accelerated in recent years creates problems for new returnee graduates as the preference in migration and visa, as well as higher education and labour market, policies in Australia, China and India is to target highly skilled and experience mid-career talent - ‘already made’ transnational workers or ‘talent circulators’ (Huang & Kuah-Pearce 2015; Blackmore & Gribble, 2012, Welch & Hao, 2016).

What is evident is that there is significant personal investment by families in sending their children to international universities. An IEAA survey in 2015 found that of the respondents from the 10 largest source countries, that

more than 10 per cent of the sample received a scholarship from the Australian Government, while a similar proportion (9.9 per cent) received a scholarship from their home government. Overall, family funds were the most common source of funding for their Australian education, with 48 per cent of respondents selecting this option. 37 per cent of respondents were self-funded and 10 per cent used loans to fund their study. 5 per cent received a scholarship from their host university (IEAA 2015, p. 3).

Furthermore, it argued that this investment has been worthwhile in terms of employment outcomes. Of the 2012 graduate cohort who had been in the workforce for around three years at the time of the study, 79 per cent of respondents reported being in full-time employment, while a further 4 per cent were self-employed and 6 per cent were studying (IEAA 2015, p. 1), with many moving from contract to permanent employment, senior management or in a directorial capacity at the time of the study. While only 41 per cent of the 2014 cohort were in similar positions, the data suggested that they may also rise quickly in their careers. These respondents concluded (2015, p. 8) that

- My Australian degree was worth the financial investment. 81%
- The content of my academic units developed my skills and readiness for the workplace. 84%
- My university developed my skills and readiness for the workplace. 80%
- I would recommend my university to potential international students. 79%
- I would recommend Australia to potential international students. 78%
- Having an Australian qualification means I can progress more quickly in my chosen career. 77%
- Having a qualification from Australia means I can command a higher salary than local graduates in my home country. 60%

Five years on, in 2017, the issue is what has changed in the accounting field more specifically.
Section 2: Conceptual framework

The focus of the study is to explore the concept of graduate employability in relation to the value of specific domestic and international credentials in the field of accounting from employer and Australian international graduate perspectives (Kupfer, 2012). The context is of intensified transnational mobility of workforces in India and China. What constitutes employability in the 21st century global labour market is also central to the debates about the role of the university in the 21st century in terms of the social, political as well as economic benefits that derive from a liberal and not just a vocational curriculum. The context is that employers, government and professional organisations, while not the primary decision-makers regarding what constitutes university curriculum, are increasingly making demands of universities (Bunney et al., 2014).

Employability and employment

Employability is itself an overused and ambiguous concept, often confused with gaining employment, which is evidence of employability. The Australian government defined employability in 2006 as:

Skills required not only to gain employment, but also to progress within an enterprise so as to achieve one's potential and contribute successfully to enterprise strategic directions. Employability skills are also sometimes referred to as generic skills, capabilities or key competencies (Department of Education, Science and Training, 2006, p. 3).

Work and study is also increasingly seen to be interconnected with the expectation that study results in academic qualifications which in turn creates opportunities of employment. However, university degrees no longer guarantee graduates’ entrance into labour markets because employers expect qualities and added value above and beyond the credential (Tomlinson, 2008). Recent evidence in Australia, for example, indicates it is taking longer for Australian graduates to gain secure employment (extended from 6 to 18 months) although they may be ‘employable’ (Graduate Careers, 2016). Being employable does not guarantee being employed.

Conceptually, Knight and Yorke (2004, 9) define graduate employability as ‘suitability for graduate employment’ and emphasise that employability must be well differentiated from graduate employment rates. They further define employability as ‘a set of achievements, understandings and personal attributes that make individuals more likely to gain employment and be successful in their chosen occupations’ (Knight & Yorke, 2004, p. 22). It is therefore important to make a distinction between employability skills and employment skills.

- Employment skills are those professional or technical skills of the discipline and profession which are assumed to have been acquired and signified in the qualification or credential.
- Employability skills are what generic capacities/capabilities increasingly expected to be possessed by individual students on graduation as result of an educative process which has produced what is now required in 21st century workplace. These are ‘transferable skills that are not job-specific but support employment more generally, such as team-working, communication, and leadership skills (Li, 2016, p.196).

Furthermore, how employability is understood is context specific. Tomlinson (2016) describes three levels which inform understandings of employability with regard to international students that are at work in the host country: the macro-level, meso-level and micro-level.

- The macro-level is how host and home country labour markets are structured, the nature of each economy and specific professional regulative contexts;
- the meso-level of employability is at the institutional level and is about the expectations of the employer, the HR processes, and the specific demand for graduate employment; and finally,
- the micro-level employability is how international students subjectively construct their own sense of employability in relation to their aspirations and understandings of work due to their prior life history, relationships and cultural background and educational and work experiences in their host country.

For example, relevant to this study, complex social and cultural dynamics (social networks and kinship such as guanxi in China) underlie business expectations and recruitment practices as well as the ways applicants interact with potential employers and thus affect graduate employability (Chu, 2010; Chua & Wellman, 2015). These dynamics are reinforced as graduates seek to maintain their transnational networks while studying and take on courses that claim to provide them with greater flexibility to be ‘global workers’ (Ding, 2015). Many Chinese graduates from Australian universities, for example, are seen to be privileged as they can get access to and capitalise on both their existing local guanxi in China as well as the emergent ‘transnational’ guanxi as a result of their cross-border mobility experience and networks. But the mobility increasingly required to be a global worker also varies according to cultural norms and practicalities around familial needs, such as childcare, ageing parents as well as career development which raises issues around gender cultural norms and expectations and individual aspirations.
Finally, there is the motivation for why international students choose particular country and institutional providers and with what effect on their final employment destination. Ong (1998) argues that many Chinese elite send their children overseas to gain prestigious credentials in order to benefit them as individuals but also set up important business connections that will benefit the family. These graduates from elite Western universities become ‘talent circulators’ as evident with increasing numbers of returnees in past 10 years to China. Indian parents from the middle class likewise send those children who have not gained access to the elite Indian universities or education institutions to Australian universities. Many of these graduates in both countries return to family businesses (Tran, 2016) and thus ‘disappear’ from the statistics (Brown et al., 2016). The majority of international graduates from Australian universities return to their home country following graduation. Of a recent cohort who came to Australia in 2012, just under 50 per cent had returned to their home country at the time of the study, while 43 per cent remained in Australia. A further 4 per cent had moved to a third country. Graduates from China, India and Pakistan are more likely to stay in Australia, while graduates from Indonesia, Singapore, Vietnam and Malaysia are more likely to return home. (IEAA 2015, p. 6)

The literature indicates, therefore, that employability is now of greater significance globally for all stakeholders - graduates, universities, employers and professional organisation- at the same time graduate employability is assuming greater conceptual complexity with multiple influences informing how it is understood (Holmes, 2013). In summary, there are three main perspectives within the literature:

1. **Possessive**: this assumes that graduate employability is a possession of the individual. The characteristics of employability are apparent in CV and interview on graduation and were considered to be identifiable through action and documentation (York, 2006).
2. **Positioning**: this perspective views graduate employability as a matter of social positioning and conceptualises employability skills as a form of social capital. Education in the form of the credential signifies technical skills and enhances existing cultural capital and consolidates social reproduction. But employability skills are now increasingly significant in the acquisition of the forms of social capital which improve an individual’s social positioning and potential for employment. E.g. Brown & Hesketh (2004) refer to differing types or approaches adopted by people including the ‘purist’ and the ‘player’.
3. **Processual**: These studies focus on the production of the graduate identity as a process in which universities are involved but also about managing the self in ‘becoming’ a graduate and in so doing becoming ‘employable’ (Holmes, 2013, p.549). Such a perspective sees identity as relational and an outcome of situated social processes, a process of ongoing transition in which graduates and employers negotiate in ways that confirm or reject that identity within a specific context.

A useful conceptualisation of employability that fits with the research literature is that developed by Brown, Hesketh, and Williams (2004) who refer to both an absolute and relative dimension of employability. The absolute is whether one accumulates the required skills, knowledge and attitudes to meet the specific job requirements. Relative employability is how individuals are positioned within the hierarchy of job seekers and how one utilises assets to gain a job. Personal capital has four aspects. It is based on ‘a combination of hard currencies including, credentials, work experience, sporting or music achievements, etc. and soft currencies, including interpersonal skills, charisma, appearance and accent’ (pp. 34-35), and narratives of employability and ‘self’. It is ‘the extent the self can be packaged to capitalise on those personal qualities valued by employers’(p.35). These factors come into play more in a highly competitive labour market.

Theoretically, the exploration of graduate employability incorporates a number of key interrelated educational and socio-economic concepts. The literature shows that the study of graduate employability is on the one hand an investigation into the supply of, and on the other hand an issue of demand for, particular and general knowledge, expertise, skills as indicated by education credentials (Gribble & Blackmore, 2012; Jackling, & Kenely, 2009).

Concerns about graduate employability in accounting education prefaced what has been heightened significance with regard to graduate employability in policy and the research literature in higher education generally (DET, 2015; UNESCO, 2012; Unni, 2016). Sin and Neave (2016, p.1477) identify two discourses: ‘individual responsibility versus a comprehensive context-aware construct’, arguing that the notion of ‘employability commands little consensus’; rather, it is ‘interpreted in the light of each interest group’s concerns’. Empirical research in the 2000s considering graduate labour market prospects (Cranmer 2006, p. 169) suggested that university classrooms could not achieve the expectations of policymakers or employers despite academic’s best intentions. To do so required ‘employment-based training and experience, and/or employer involvement in courses’. A 2007 report funded by business, higher education and government (BIHECC 2007, p. 3) considered that

*An analysis of the common themes of the strategies and a review of literature in the area shows that widely supported employability skill development approaches centre on one or more of the following: structural support through careers services or similar service providers; curriculum intervention in embedding employability skills either in course content, delivery strategy or both; work experiences as a structured part of the curriculum; and, the individual student taking responsibility for reflecting on and recording their learning in a portfolio or enhanced curriculum.*

One implication for the various stakeholders in this debate is whose responsibility is it to produce more ‘employable graduates’ and at what costs: the students, universities or employers. There has been a shift in responsibility from the state to the individual with regard to fees during the 2000s (Fejes, 2010) and a recent shift of responsibility also onto universities as employability has become a measure of university outcomes. Boden and Nedeva (2009) consider that universities’ increased instrumentalism favours meeting employer expectations as universities struggle to gain distinction in the global market and university rankings. This focus is most evident in the language of university strategic plans which indicate a shift from the development of generic skills
to that of graduate employability. The most recent policy move is also towards work integrated learning and internships based on university-industry partnerships, work experience being a key aspect of employability (Blackmore et al., 2015; Gribble et al., 2015). These are considered to be strategic for all stakeholders with an upsurge of initiatives with regard to experiential learning (work integrated learning, internships, work placement, practicum) and whole of program focus on generic skill capacity building (Willcoxson et al., 2010; Murray et al., 2012).

A second issue is the role of a university education relative to professional qualifications and what each credential signifies to the employer within wider debates as to the role of the university generally. Bunney et al. (2015) argue how the push for more work-related curriculum has created problems for both course administrators and academics in the accounting discipline, many of whom see the role of universities as being more than preparing graduates for the workforce, and who consider that universities have a social and cultural role. Bunney et al. (2015) argues that academics view developing generic skills is a systemic and transdisciplinary issue. Educational (and particularly academic) credentials are largely seen as the currency of opportunity. However, there is contrast between what students do for the purpose of passing examinations (that leads to an educational qualification), and the abstract ideal of inquisitive learning which is ‘consumer driven and involves an intrinsic interest in knowledge and learning for its own sake, for “building” personal growth and development’ (Brown, 2003, p. 142). The former may advance to a more critical approach to work and the workplace which is not necessarily how critical thinking is viewed within the suite of generic skills considered desirable by employers who may prefer a more orthodox approach of graduates ‘fitting into’ the workplace.

There is also a view held by those employers committed to corporate social responsibility that graduates should have a wider commitment beyond their workplace to the ‘public good’ that encompasses evidence of voluntarism and public service in a graduate’s CV (although voluntarism is the lowest desired employability characteristic in the employer survey of desired graduate attributes) (GCA, 2015). This global citizenship disposition is an ‘intellectual and global “mind-set” beyond disciplinary competencies and national boundaries’. It is what many academics consider is the role of the university to cultivate and for some employers what distinguishes one applicant from another (Lilley et al 2015, p, 225). Indeed, there is some expectation in some firms for their employees to actively engage in community work. But global citizenship is not part of the suite of capabilities usually mentioned by most employers and was listed last in importance in terms of graduate attributes (GCA, 2016).

A third view of employability is with regard to the university’s role in developing personal capabilities referred to as generic competencies or post-graduate attributes (Jackson, 2010) or ‘soft skills’ (Brown et al., 2004). These are now discussed in more detail.

Generic skills: what are they and are they generic?

The issue of graduate employability is not new, with the West Review (1998) in Australia focusing on the notion of graduate attributes (Bridgstock, 2009; Jones, 2009). Conceptually, with regard to what makes a graduate ‘employable’, there has been significant confusion, with a range of terms including attributes, competencies, capabilities, outcomes, transferable skills, core skills (Jones 2010)- that are used interchangeably in university policies and curriculum as well as government policy. Discourses about the needs of a knowledge based economy (OECD, 1995) have increasingly focused on the notion of generic skills as requisites for employability in the 21st century global workplace (Stoner and Milner, 2010). In 2002, the Australian Chamber of Commerce and Industry and the Business Council of Australia published in Employability skills for the future (DEST 2002) which named eight employability skills - communication, teamwork, problem solving, self-management, planning and organising, technology, lifelong learning and initiative and enterprise (Lees, 2002). These generic or ‘21st century’ skills are now seen as necessary in the 21st C workplace and for global citizenship. Other terms used for the same suite of concepts are key skills, core skills, life skills, generic skills, essential skills, key competencies, necessary skills and transferable skills. They are listed variously (Lilley et al. 2015). Generally, all lists include oral and written communication skills, interpersonal and intercultural sensitivity, critical thinking/problem solving, teamwork/collaboration and professionalism/work ethics (e.g. Are they Ready for Work, 2006). Others refer to the ‘soft skills’, namely ‘emotional intelligence, communication skills, conflict resolution and creating win–win outcomes via collaboration rather than compromise’ (Elder 2015, p. 10).

These capabilities can be broken down into three main categories: i) personal qualities including self-confidence, self-awareness, independence, emotional intelligence, adaptability, stress tolerance, initiative, willingness to learn and reflectiveness; ii) core skills including reading, numeracy, information retrieval, language skills, self-management, critical analysis, creativity, listening, written communication, oral presentation, explaining and global awareness; and iii) process skills including computer literacy, commercial awareness, political sensibility, ability to work cross-culturally, ethical sensitivity, prioritising, planning, applying, subject understanding, acting morally, coping with ambiguity and complexity, problem solving, influencing, arguing, justifying a point of view, resolving conflict, decision making, negotiating and team work (Lees, 2002). The areas of experiential learning, intercultural and communication skills, critical thinking and analysis are those in which universities are considered to be in need of improving (Shah & Richardson 2016, Daly et al., 2015). In turn, acquisition of these generic ‘skills’ is considered to mean the graduate is more employable.

While there are wider debates about whether the disciplinary context is significant in terms of whether there are ‘generic’ skills (Jones 2009, 2010), the debate has been particularly evident in the accounting field (Matthews, Jackson & Brown, 1990; Jackling & Watty, 2010). The generic skills discourse, first brought to the attention of the international accounting profession by the
landmark Mathews report (Mathews, Jackson, & Brown, 1990, Fortin & Legault, 2010), initially focused on the changing nature of
the accounting profession in response to technological development and globalisation. Subsequent research focused on
determining the precise nature of the skills required in the newly defined parameters of professional accounting. In the past
decade, however, academics have turned their attention to trialing a range of strategies for teaching generic skills in accounting
programs (Bunney et al 2014, p.256).

With concern regarding generic skills (Kavanagh & Drennan 2008) rising during the early 2000s, the initial focus in accounting was
on problem based learning (Hanson et al 2008), group work and cooperative learning (Hwang et al 2008), and written and oral
presentation (Kerby & Ramine 2009, Gray, 2010; Gray &Murray, 2011). In the editorial of a special issue on generic skills in
accounting in 2010, Jackling and Watty (2010, p.1) raised the following issues:

- Embedding generic skills within the accounting curriculum.
- Assessment of the acquisition of generic skills in accounting education.
- Aligning generic skills development with graduate employer needs.
- Balancing the development of generic and technical skills in accounting education.
- The role of work-based learning in developing generic skills.
- Evaluating curriculum changes designed to develop generic skills.
- Engaging stakeholders in curriculum design to enhance the development of generic skills.

Similar concerns about embedding generic skills in curriculum across all courses has become a major issue in universities (Stoner
and Mulner, 2010).

In summary, a combination of individual graduates’ characteristics, credentials, experiences, familial connections, gender as well
as their cultural context therefore contribute to how individual graduates (both from home and host country) transition to work.
Government policies and professional bodies’ regulations also shape the regulatory context about what credentials are accepted
and valued. Finally, employer’s needs and expectations mediate the process under which recruitment takes place. The cultural
and political as well as economic context are important as to what credentials in what disciplines are valued. Push-pull factors also
depend on the policy context in host and home countries regarding returnees, migration and work visa policies, possibilities within
field of employment and global / local economic conditions. The value of credentials rises and falls according to demand and
supply in specific labour markets, with credential inflation occurring globally in the professions, leading to a devaluing of
credentials with the massification of higher education globally.

Credentials can also be valued according to who holds them, raising issues of discrimination based on race, ethnicity, class, family
background, gender and sexuality, with gender and sexuality not often addressed in the literature. Merit alone is not enough,
although this is the assumption of the liberal view of meritocratic competition (Brown et al., 2016). Academic qualifications are a
form of ‘institutionalised’ cultural capital that Bourdieu (1986) argues disguises familial (as well as gender and racial/ethnic)
privilege that is then converted into economic capital in the labour market. There is now significant research indicating that
graduates can experience in their host country when seeking employment the ‘triple glass effect’- of the glass ceiling (prevents
movement upwards into management), a glass door (blocks access to prestigious firms) and a glass gate (denies entrance into
professional communities) (Ding, 2015, p. 268; Huang & Kuah-Pearce, 2015; Blackmore, Gribble, & Rahimi, 2015; Arber & Rahimi,
2015). There is less empirical evidence as to what happens to these graduates when they seek work in their home country within
their disciplines.

All such factors need to be considered in how graduate employability and transnational mobility are understood and acted upon
by employers in different cultural contexts, but specifically when graduates return to their home country. Transnational mobility
requires on the part of the more successful and mobile graduates coping strategies of continual, self-adjustment and a sense of
identity, lifelong learning and flexible citizenship (Ding, 2015; Tran, 2016; Tran & Gomes, 2017).
Section 3: A perceived mismatch between graduate competencies and employer expectations

Bui and Porter (2010) in a literature review refer to the longstanding discourse over decades in accounting education that employers consider universities are not making graduates ‘work-ready’ (e.g. Are Ready 2006) and that there is a gap between expectations of employers as to required employability skills and performance of graduates. Multiple contemporary factors exacerbate this perceived mismatch between skills and employability. First, academics have traditionally considered university degrees as developing students’ intellectual capability and ability to ‘challenge conformity and convention’ and ‘think for themselves’ (Bui & Porter, 2010, p. 234). Significant external pressure on universities. These include policies linking universities more closely to the knowledge economy, now funded on graduate satisfaction scores (including employment outcomes), employer complaints about lack of work-readiness and professional accreditation. In response, universities have developed pedagogy and curriculum linked to post-graduate attributes and academics are now expected to develop graduate employability (Jackling and De Lange 2009).

Second, students also do not consider that they have to develop employability skills or employment until later in their degree, thus not being fully prepared to make the necessary connections (Blackmore et al., 2015). Again, universities are beginning to respond to this emerging demand, by encouraging students to develop plans about how they are going to develop a work ready portfolio (Gribble, 2015; Murray et al., 2013). Blackmore et al. (2015) found that the ‘soft’ or generic skills are the areas that international students do not realise to be necessary until they complete their degrees and seek employment, and view the credential in itself as the focus. Students have until recently not considered they need to gain work experience, although they all expressed a desire to have greater opportunities to improve their English language skills to pass the IELTS tests and working in Australia during the degree provides that possibility. Tran and Soejatminah’s (2017) research however showed that in reality the provision of work experience for international students is far more challenging as it involves issues of visa status, different cultural expectations, recognition/misrecognition of skills and experiences across cultures, English language competency and local employers’ attitudes towards international students.

Academics are also confronted with the tension between escalating expectations to do work-related teaching and performing on research that is about publication in refereed journals which impacts the discipline but not necessarily in the workplace. While demands on academics are intensifying, increasing numbers of Chinese students mean that university support services are not keeping up in terms of student academic, social and wellbeing needs (Patel et al., 2016). Despite this, the IEAA study (2015, 9) found ‘Respondents indicated a high level of satisfaction with skills developed through their Australian degree. Positive satisfaction levels ranged from a high of 93 per cent for English language proficiency to 91 per cent for teamwork skills, 88 per cent for interpersonal skills and 79 per cent for technology skills’.

Third, recent research indicates that there are differing expectations according to the type of firm. While all accounting firms expect graduates to possess sound knowledge of accounting principles and concepts, a basic understanding of business, and good communication, teamwork and interpersonal skills, they also value ‘personality highly that accords with the firm’s culture and a demonstrated potential for continuous learning’ (Bui & Porter, 2010, p. 45). As did Blackmore et al. (2015), Bui and Porter (2010, 45) found

*Big 4 firms placed particular importance on well-developed analytical, critical and creative thinking skills, and oral presentation and writing skills. They attached relatively little importance to technical accounting skills. Employers from the medium and small firms emphasised the importance of graduates possessing good technical accounting skills, and good interpersonal (face-to-face communication) skills… aware of their inability to compete with the big firms in terms of salary, challenge and training opportunities, tend to seek graduates with average intellectual ability.*

Educators, Watty (2005) argues, aim to develop thinking skills and accorded secondary importance to technical accounting knowledge and bookkeeping skills—competencies expected of graduates by medium and small firms.

Fourth, the process of massification of national higher education systems and flows of international students seeking to gain comparative advantage in local and global labour markets, have led to rising under- or un-employment in many professional fields due to what Brown and Hesketh (2004) referred to as the *Mismanagement of Talent*. Mok et al. (2016, p. 1) state:

*The massification of higher education in China and Taiwan has inevitably resulted in an over-supply of university graduates, with growing social concerns for skill mismatch being found in the labour market, stagnant graduate employment and social mobility.*

They go on to argue that while human capital theory assumes there will be an adjustment between demand and supply with a lowering of wages, thus reducing income inequality. But Mok et al.’s (2016) study indicates the universalisation of higher education has actually intensified inequality. In 2013, nearly 7 million graduates entered the labour market with only one third in a secured position and then most in precarious employment. This leads to the ‘middle income trap’ for advancing economies such as China where economic success due to comparative cheaper wage costs diminishes as wages rise and productivity reduces (Maclean & Jagannathan, 2014). Mok et al. (2016) refer to the ‘ants’: ‘a new social group of higher education graduates with relatively low-paying jobs and disadvantaged social status — are contrary to the attractive ‘middle-class dream’, which they commonly expected before their graduation’. Despite their high skills, they are the ‘working poor in Chinese metropolises’ (Wen
addressing the persistent problem of skills-jobs mismatches, strengthening the participation of the private sector to increase market-oriented training, assuring inclusive growth, preparing for the expansion of green economy opportunities, and increasing emphasis on soft skills (p. 159)

Fifth, the question is who is making the claim that there is a mismatch between employer expectation and graduate employability skills. The QILT 2016 employer satisfaction survey which surveyed 3000 direct supervisors of graduate’s who responded to the Graduate Outcomes Survey had 84% overall satisfaction. Employer satisfaction with other graduate attributes was as follows:

- 92 per cent satisfaction with foundation skills – general literacy, numeracy and communication skills and the ability to investigate and integrate knowledge.
- 88 per cent satisfaction with adaptive skills – the ability to adapt and apply skills/knowledge and work independently.
- 85 per cent satisfaction with collaborative skills – teamwork and interpersonal skills.
- 92 per cent satisfaction with technical skills – application of professional and technical knowledge and standards.
- 84 per cent satisfaction with employability skills – the ability to perform and innovate in the workplace.

Overall, these results suggest employers are highly satisfied with graduates from Australia’s higher education system (QILT 2016, ii). In management and commerce, there was 80.2% overall satisfaction and 85% satisfaction for employability (QILT 2016, 11).

Yet Management and Commerce graduates were least likely to think that the qualification was important for current employment with graduates (42.2%) and supervisors (51.9%) than any other field. Both groups saw the qualification preparing for employment across all fields (89% graduate and 93 percent supervisors respectively). Supervisors saw preparedness for current employment was highest for domain specific skills (50.9%), employability (36.1%), adaptive skills (32.8%), technical skills (29%), foundational skills (20%), institutional and course attributes (12%), teamwork and interpersonal skills (8.0%) and personal attributes (8%) (ESS p. 15). This data is particularly interesting as for the first time it captures the perceptions of those who are directly supervising graduates rather than those higher up the organisation who are more likely to call upon anecdotal stories about graduate employability that filter up and around organisations. Further research is necessary to gauge supervisor perspectives rather than those from management around these issues.

What does this mean for international students in accounting education?

In the 2015 Australian Graduate Careers survey, 23.7 per cent of employers indicated that they had recruited international graduates in 2014, an increase from the 2013 figures of 13.3 per cent, 30.8% in 2011, peaking at 35.53 in 2008 compared to 15.3% in 2005. In 2013, Lawrence (2013, 3) reported

*Only a very small proportion of international students secure full-time graduate entry positions in Australia, particularly when compared with their domestic counterparts. This was highlighted by several universities for this study reporting that less than 5% of international students had obtained full-time employment in Australia within their preferred field.*

The rise and fall over 10 years directly relate to changes in visa and migration policies which are the critical drivers, as is the quality of education, of international education (Productivity Commission, 2015) but also other factors. The reason for half the participating employers who did not recruit international graduates (45.7 per cent) candidates was that the international graduates were not citizens or permanent residents of Australia, 30.7 per cent said there were enough suitable local candidates, 7.5% said they had not international graduate applicants and 6.7 said the visa/cost requirements of recruiting international candidates were prohibitive while 2.8% were concerned regarding retention (Graduate Outlook Report 2015, 9). Nearly 40% recruiters used programs (work experience, internships) as an opportunity to recruit and 7.9% employee referral. Gribble et al and Blackmore et al 2015 also found issues of English language proficiency when recruiting.

In accounting and finance, the Graduate Outlook Survey (2014) found Australian employers considered professional skills were involved in the four most important selection criteria. Selection criteria for employers in 2014 were

- ‘communication skills’ was the most important selection criterion, ranked as such by 58.3 per cent of graduate employers who included it in their three top criteria
- ‘Cultural alignment’ and ‘values fit’ was ranked second with 34.3 per cent, and ‘emotional intelligence’ third (26.2 per cent).
- Emotional intelligence (self-motivation, self-awareness etc.) (26.2%)
- Reasoning and problem-solving skills (22.6)
- Technical skills (14.4)
- Demonstrated leadership (13.1)
- ‘Academic results’ (19.6)
- ‘work experience’ (19.1)
While academic results and technical skills are important in recruitment, the ‘soft skills are considered to be more critical by employers. All the above were 80-90 % in terms of satisfaction with their intake of graduates in 2014, with attention to detail, work readiness just below at 77%. Again, these criteria were echoed within the accounting and finance industries ranking of importance.

Table 1 Selection criteria by importance and industry 2013

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Accounting and Finance Ranking</th>
<th>All Industries</th>
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<tbody>
<tr>
<td>Interpersonal and communication skills (written and oral)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Passion/knowledge of industry/drive/commitment/attitude</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Critical reasoning and analytical skills/problem solving/lateral thinking/technical skills</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Calibre of academic results</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Work experiences</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Cultural alignment/values/fit</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Emotional intelligence (including self-awareness, strength of character, confidence, motivation)</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Teamwork skills</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Activities (including intra and extra-curricular)</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Leadership skills</td>
<td>10</td>
<td>10</td>
</tr>
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Source: Lindsay and Edge (2014, 28).

While employers tend to attach higher importance to such ‘soft’ skills as critical analysis, planning, problem solving, oral communication, decision making and negotiating skills, graduates tend to cite their ‘hard’ discipline-based skills and specialised subject knowledge to look for jobs and in their CV (Wye & Lim, 2009). That is, graduates assume that the degree and credential is sufficient to gain a job, and professional/technical expertise is all that is required. This is in part because ‘how an individual approaches the labour market is intimately linked with their ideas about what kind of person they think they are and the kind of person they want to be’ (Brown, Hesketh & Williams, 2004, 145). While some assume employers will see their potential in an interview or on a CV, others are more adept at gaining positional advantage through being strategic in terms of how they present, the networks they call upon and the different forms of cultural, economic and social capital they can accumulate and display, ie personal capital. Strategies the more successful international graduates undertake after the undergraduate degree include going back to the home country to gain work experience and internships, developing a portfolio by working outward in or moving horizontally between jobs rather than aiming to move vertically, improving English and communication skills or undertaking a Masters, PhD or professional qualifications (Blackmore, Gribble & Rahimi, 2015). The last is more open to those with financial support, as scholarships for international students are difficult to gain and expensive (Brown et al., 2016).

Prior to and during the recruitment process, therefore, employers and graduates seem to hold different perceptions about employability (Jackling & de Lange, 2009). There has been a significant shift among UK and Australian employers who consider credentials tell them less about what they need to know about a candidate when making their recruitment decisions (Jackling & de Lange 2009). This has led employers to identify a range of behavioural competencies including ‘soft’ currencies of employability- communication skills, persuasiveness, drive resilience, adaptability, self-confidence, and problem-solving skills— alongside hard currencies including credentials, internships, sporting achievements and music prizes. Equally the value employers attach to both ‘hard’ and soft’ currencies of employability depend on how they are packaged in a narrative of productive potential (Brown et al., 2016, 194). The CV or portfolio as well as the interview is the narrative above and beyond the degree. There is a similar shift in China and India in recruitment practices with greater focus on soft skills and understandings of the local and global market or context related to graduates’ professional fields (see later analysis).

Taking the above into account in terms of supply factors, there are significant exclusions in the sorting processes of selection for interview and then interview related to demand (Ding, 2015, 268). Even when large firms, usually through their HR departments use a range of strategies to filter and select for interview (panel interview, referee report, an attitudinal interview and a few psychological testing), the tendency is at interview to select those who are more like themselves. Kieran and Otsuka (2009, 469) argue that there is a racial bias in recruitment practices of Australian firms.
Chinese accounting graduates remain a marginalised group within today's Australian society.... with even high-achieving Chinese graduates finding it difficult to obtain work with mainstream accounting firms and corporations. The main reasons appear to be their lack of Australian working experience, lack of knowledge of Australian culture, and lack of ‘Australian English’.

In the HR literature, this preference for sameness is referred to often by employers as looking for ‘best fit’, often justified as the need to have amicable working teams, feeling comfortable and complementing existing skill distribution. But best fit often means recruiting those of the same gender, ethnicity, language background and experience, thus leading to ‘homosociability’ (Blackmore et al., 2006). This is despite significant organisational and management theory and research that advocates the need for greater diversity (age, gender, race, language, background, experience) in the workplace as being more productive and innovative (Cope & Kalantzis, 1997).

This reproduction of sameness is often culturally specific, and for different reasons. The literature suggests that Chinese employers are considered to prefer candidates with domestic credentials because they have local knowledge in accounting practices regulation and law (Velde 2009). English language skills are not considered to be as important in China as it was a decade ago whereas in India English language is widely used in all education systems and in business. This suggests that English language capacity does not have the same added value for the applicant for either Chinese or Indian employers in many instances other than large multinational firms compared to Australian firms who see English language proficiency as critical (see analysis).

**University reputation**

Australian employers (61%) in the Graduate Outlook Survey (2015) also indicated they preferred recruiting from particular HE institutions over others (6 Go8s, 2 ATNs and 2 ungrouped) because the calibre of graduate was considered to be higher (38%), reputation (8.3%), relevance of course (28%), relationship with institution (6.5%) and location (8.5%) (Graduate Outlook Report 2015, 14).

- Calibre of academic performances and variety of co-curricular pursuits. These candidates are more well-rounded.
- Our clients have some preference for candidates from these institutions. Frankly, the university is NOT a big factor in deciding the candidates we look at. It’s about their work experience and their communication skills.

That is, other factors such reputation of the university, social networks and location come into play in a competitive labour market. This is about reproduction of particular forms of cultural (class) capital, which also links to familial economic, cultural and social capital.

**Discussion**

What constitutes graduate employability is therefore complex, taking on different meanings in different contexts with different employers and graduates. As argued above, other factors which lead to this potential mismatch and addressed in this review are the globalisation of the labour market; the number of graduates in the field of accounting; visa requirements for international graduates to gain work experience; the greater demand in developed and increasingly developing economies for experienced and skilled workers rather than for graduates and also at the meso and micro level informal criteria such as institutional reputation and familial links (Rizvi et al., 2015). In Australia, there is still demand for graduates with accounting firms third in recruitment after ‘legal and professional services’ (37.9 percent hiring between 1-20 graduates and 30.6 per cent more than 20), government, defence and health (25.8 per cent) and accounting and finance (21.0 per cent) (more than 20 graduates). Employers indicated difficulty in 2014 sourcing appropriate graduates to meet their needs in information technology (38.6 percent), engineering (20.0 per cent) and accounting (12.9 per cent) (Graduate Council Outlook, 2016, 6-7). That is, the shortages are in specialisms, with a focus on experienced high order skills. In a flooded global market being distinctive is important for graduates where the recruitment is in some instances shrinking or the nature of work offered is radically changing. The tight connection during the 20th century between employability and credentials is loosening.
Section 4: Graduate employability, transnational mobility and accounting education

The link between university credentials and work has become increasingly important and fraught because of economic globalisation. Economic globalisation, combined with new technologies, has led to increasingly mobile workplaces and workforces, often involving the use of offshore (cheaper) labour (http://www.smh.com.au/money/tax/australian-accountants-are-using-offshore-outsourcing-20160601-gp9g5j.html). Lauder, Brown and Ashton (2008) refer to the comparative advantage that Multinational Corporations (MNCs) get by access to a skilled workforce at a global level and how the skills sets which are available at a national level are not generally allied with what MNCs demand for their operation. The MNCs have the capacity to recruit talent globally, they are more able to address their demand for skills at a global level by accessing the specialist workers who have developed the desired skills through transnational experience.

From a different perspective, the mobility of work/places being outsourced/offshored between countries, even in accounting (Ryan, 2010), together with an increasingly mobile workforce has both provided industry and individuals with a broader range of options for knowledge and skill development. These trends have driven educational institutions to change their policies and practices with regard to curriculum and pedagogy (Stoner & Milner, 2008), with an intensified concern with regard to employability as a key issue in attracting and retaining domestic and international students. This rising focus is evident in the creation of new positions (Pro-vice-chancellors in Global Engagement and/or Graduate Employability), divisions (student support) and curriculum (work integrated learning) in universities (Gribble et al., 2014, 2015). Stoner and Milner (2008) in a UK study investigating the integration of generic employability skills (e.g. critical thinking and analysis) into the accounting curriculum with the aim to produce ‘argumentative accountants’ and away from ‘right’ and ‘wrong’ answers found students considered the prominent skill areas of interest were time management, modelling, and learning to learn.

There are also debates within the academic literature about whether Chinese have different ‘learning styles’ and expectations as a result of their pedagogical backgrounds. Patel et al., (2016) argue this is an issue for accounting which has a predominantly Chinese student cohort.

(Chinese Learners) have different learning approaches to local students, but not inferior or ‘shallow’ approaches. However, since CLs face distinctive financial and social pressures to achieve high results, their learning practices may be more sensitive to changes in teaching and assessment, such that cost constraints on educational resources might disproportionately affect their learning (Patel et al., 2016, 223).

The challenge for higher education institutions across the world is how to address the demand of our globalising world for a productive and mobile workforce, with the attributes of the ‘already made global worker’ who is able to work flexibly in a rapidly changing environment of precarious employment (Brown et al., 2004).

In particular, the increasing mobility of work and the workforce between nations and competitive national economies has created a pressing demand for the development of global outlooks and capabilities for graduates (Australian Government 2012; Cameron & O’Hanlon-Rose, 2011; Singh 2005; Tran, 2013; Tran & Nyland, 2013). Constantly attuning graduate attributes and workforce up-skilling is seen crucial for national capacity building (Ashwill & Duong, 2009; Brown et al., 2012; Tran et al., 2014; Truong & Tran, 2014). Despite this, the notion of being Asia literate has not been taken up by employers as expected after Australia in the Asia Century White Paper (Australian Government, 2012) that states:

Capabilities that are particularly important for the Asian century include job-specific skills, scientific and technical excellence, adaptability and resilience. Using creativity and design-based thinking to solve complex problems is a distinctive Australian strength that can help to meet the emerging challenges of this century. As a nation we also need to broaden and deepen our understanding of Asian cultures and languages, to become more Asia literate. These capabilities are needed to build stronger connections and partnerships across the region (Australian Government 2012, p. 1).

Despite this, the CPA Australia’s Competitiveness Survey (2012) found Australian employers ‘place a relatively low level of importance on access to, and knowledge of Asian markets and bilingual staff while overseas respondents rated Australia as relatively poor in its knowledge of Asia and its languages.

Critical, therefore, to understanding of graduate employability in relation to Australian accounting graduates and the CPA is an understanding of the relationship between higher education, professional accreditation and the labour market internationally and in the country contexts for graduates who return. These areas are explored in the following sections.

Australia: a major supplier of international accounting graduates

Historically, accounting education in Australia has shifted from traditional forms of apprenticeship and on-the-job training arrangements by institutional agents to university education (Gaffikin, 2006; Poullaos, 1994; Poullaos & Evans, 2008). As a discipline, accounting is historically where international students have been heavily concentrated (Nelson, 2003; 2002). As a profession, accounting operates in a global labour market. For Australian universities under financial stress due to budget cut policies, the revenue generated from full-fee paying international students provided the incentive to enrol more international
students in their accounting programs where there was demand. It has been argued that this demand, nationally and internationally, has been the key driver of Australian business schools:

*The rise of business degrees in universities was the direct result of the massification and later deregulation and marketisation of the Australian higher education system (AHES)…Business degrees first appeared in universities…in the 1980s, the beginning of the massification of higher education. However, their popularity and growth may be attributed to the marketisation of Australian higher education through the introduction of fee-paying international and postgraduate students in the late 1980s (Ryan, 2010, 23).*

The establishment and development of business schools at Australian higher education institutions was a response to this demand and produced further demand through new international and offshore markets (Ryan, 2010). Table 2 shows the rapid development of business schools and number of international students particularly between 1996 and 2007.

Table 2 Development of business schools and international students 1996 – 2007

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2007</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total student enrolments</td>
<td>634,094</td>
<td>1,029,846</td>
<td>62%</td>
</tr>
<tr>
<td>International enrolments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as a percentage of total enrolments</td>
<td>8%</td>
<td>27%</td>
<td>448%</td>
</tr>
<tr>
<td>Business enrolments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as a percentage of total enrolments</td>
<td>23%</td>
<td>30%</td>
<td>112%</td>
</tr>
<tr>
<td>International enrolments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as a percentage of all business enrolments</td>
<td>50%</td>
<td>51%</td>
<td>352%</td>
</tr>
<tr>
<td>Postgraduate coursework students</td>
<td>31%</td>
<td>40%</td>
<td>173%</td>
</tr>
</tbody>
</table>

Source: Ryan (2010, p. 23)

But the rapid expansion of international students over the 1980s and 1990s has a detrimental effect on the quality of accounting education and programs, the capacity for academics to undertake research and teach (Jackling & de Lange, 2009).

Accounting education reached a new milestone in 1999 when the Australian government introduced changes to its skilled migration selection policy that linked education to the labour market, with significant impact on the accounting profession. Accounting has been among the professional fields that are defined as skill shortages in Australia and listed on the occupational skills shortage list. New skilled migration policies encouraged international students who graduated in some selected fields, such as accounting and information technology to meet the accreditation criteria set by the relevant professional bodies and to apply for permanent resident visas onshore. Key criteria were being of a young age, having an Australian education and also familiarity with the English language (Birrell & Rapson, 2005). These policy reforms occurred simultaneously with an emerging unmet labour market demand following the business expansion of the Big Four corporations in Australia (Birrell & Rapson, 2005).

Post 1999, the number of international students enrolled in accounting increased rapidly, with many staying on as permanent residents. Fifty percent per cent of skilled migration applicants held Australian qualifications by mid 2000s (Hawthorne, 2010). This growth occurred particularly in the accounting graduate diploma and masters courses which were accredited by Australian accounting professional bodies: ‘By first semester 2003-04, overseas students enrolled in accounting courses made up around 47 per cent of all commencing students in the field – 65 per cent at the postgraduate level and 37 per cent at the undergraduate level’ (Birrell & Rapson, 2005, 1). By 2006, despite high numbers of international graduates of accounting gaining permanent resident visas, the accounting profession was still on the Department of Immigration list of the Occupations in Demand (MODL), suggesting that the majority of international graduates were not successful in gaining relevant employment in Australia, and that many returned home. The government responded to this issue by lifting the level of English language required for a post-graduation permanent resident visa, and terminated the exception of former international students from the work experience requirement (Gribble & Blackmore, 2012; Koleth, 2010).

However, migration policy has been the Australian government’s main approach to controlling the oversupply of international graduates on the national market. The explosion of student numbers particularly in the vocational education sector and hospitality specifically, associated with poor quality provision in a more deregulated education markets, led to radical changes in policy. In 2008 and 2009, while the planned level of permanent skilled migration was reduced by 14 percent and 20 percent respectively, priority was given to the employer-sponsored nomination scheme. In 2009, the level of English language required for a permanent resident visa was increased. The Migration Occupations in Demand List was replaced by the Critical Skills List. The government also made some changes in the skills testing regime to ensure applicants’ job readiness. In February 2010, responding to the continuing shortages in the professional fields of engineering, health and accounting, the Australian government announced a new series of changes to the skilled migration program (Gribble & Blackmore, 2012; Koleth, 2010).

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1 The Big Four are the four largest international professional services and accountancy networks. They include: KPMG, Deloitte Touche Tohmatsu, PricewaterhouseCoopers and ErnstYoung.
Employer’s concerns were that the policy assemblage was ‘delivering too many self-nominated migrants from a narrow range of occupations with poor to moderate English language skills who struggle to find employment in their nominated occupation’ (Bowen, 2010, n.p.). There was a shift in 2010 from a labour supply to an employer demand policy focus with the aim to get the ‘best and the brightest’, largely with mid-career level skills and experience points system. The resulting collapse in international student numbers led universities to pressure government to introduce a post study visa scheme which enabled gaining work experience. These post-study work options and further training have become increasingly important as to which country international students choose as their study destination. Post study visas have been used in the USA and UK, Australia’s major competitors, although Brexit is now impacting on the UK’s attractiveness (Gribble & Blackmore 2012). In general, largely due to the post-graduation visa options available for international students in the few years before 2009, there was a 63 per cent increase in the number of international accounting graduates between 2006 and 2010. In 2010, the number of international graduates of accounting programs at both undergraduate and postgraduate levels was around 12,700, which was significantly higher than a total of around 4600 domestic graduates in the field of accounting in the same year (DEEWR, 2012). Business, management and accounting were the popular choice of subject for international students studying Bachelor and Masters programs at Australian universities (around 54% of all commencements), growing from 23,000 international students commencing in 2002 to more than 51,000 commencements in 2015 (see Figure 1), with commencements in accounting programs comprising more than 34% of all commencements (AEI, 2015).

![Total commencements in Bachelor & Masters](image)

Source: (AEI, 2015)

Figure 1 International students’ commencements in Australian higher education institutions between 2002 and 2015 – a comparison of total commencements to the commencements in the programs related to management, business and accounting

Studies of Australian employers find they have expressed concerns about the employability of Australian graduates generally due to their ‘poor knowledge of the job application process, little understanding of the employer-sponsored migration process and lack of the communication skills needed in the workplace’ while satisfied with their discipline based technical skills (Gribble & Blackmore, 2012, p. 348). Employers consider that universities need to focus on providing practical work experience, work placements and internships to assist them to develop workplace skills and attributes and improve English language and communication skills. Universities are responding, seeking to enhance the university experience (Shah & Richardson, 2016) but find that employers are not prepared to provide work placement opportunities, particularly for international students, as it is time and labour intensive (Gribble et al., 2015). Furthermore, Tran and Soejatminah (2016) found employers’ hesitation in providing work placement or internship for international students is also due to a lack of recognition of these students’ potential contributions to their organisations and the complexities around the “international student visa” regulations. Atkins (1999) argues that

*Many of the gains in confidence and maturity reported by students as a consequence of being at university can be attributed to their lives outside the formal curriculum as much as their learning experiences within it* (1999, 276).

Jones (2014) point to the socio-cultural aspects of acculturation into the workplace such as the emotional aspects of identity formation (Wilson, 2011). Jones concludes that employers in the UK context were concerned about how an individual establishes professional credibility with colleagues and clients which is about attitudes and behaviours as much as discrete generic skills
Employability, therefore, is increasingly an Australian priority in universities, as evidenced in the appointment of designated roles, in mission statements and strategic plans and also in national policies on international education (Australian Government, 2015). Jones (2014) notes that there is a gap in research between how universities are seeking to develop employability skills and how graduates experience getting employment. The literature points to the difficulty of gaining data about transitions into work and the occupational futures of international graduates (Li & Lowe, 2016; Kim, 2016). OECD data can supply data on skilled foreign workers in member countries at a particular time, but not their path to that country, although estimations of student stay rates on a visa is possible. Studying transitions requires access to tax data and are largely estimates in the USA and UK. Australia, highly sensitive to migration, does collect such statistics (Hawthorne, 2010, 2014; Hawthorne & To, 2014). These allow a study of pathways and individual characteristics, such as language competence, country of origin and experience.

Challenges in 2017 for accounting education

Globalisation of markets and technology are key drivers in radically transforming work in what has been described as the digital revolution. This impacts on all professions, including technology and accounting and law in particular.

Accounting work is becoming increasingly segmented into compliance-style work where increasing automation is creating enormous economies of scale and facilitating the outsourcing to lower-cost economies of transactional processing in proportions never witnessed. At the other end of the spectrum, business advisory services with an emphasis on value creation and linked to the strategic direction of organisations, is becoming increasingly necessary and the focus of professional services firms. An outcome of these trends is the ‘potential for vast technological unemployment’ (O’Connell et al., 2015, 36; Roos, 2015).

There is a gap emerging between low skill compliance work and high cognitive skills in terms of managing change and innovation. Accounting as a field is highly differentiated and context dependent ranging from more routinised book keeping through to CEO, regulator in public service, private business consultant, audit and risk management. Therefore, technological change will produce differential impact. Many accountancy jobs require a level of abstract thinking and are not repetitive and routinised and therefore not readily automated. As the regulatory environment has intensified so have a wider array of activities. ‘Judgement and ethics’ are seen to be core work with greater need to be able to analyse and advise re big data. Likewise, the taxation, superannuation and regulatory environment continues to expand with new skills sets and opportunities for accountants. There will be ongoing requirements in the long term for real time accounting services, data analytics, cyber-security and cloud-based services.

Recently, the demand for accounting and business degrees has been volatile in the international student markets (Laswad & Tan, 2014). This can be attributed to a variety of factors including changing expectations about career prospects, currency movements, additional visa requirements, concerns about safety in some locations, and increasing competition for students stemming from other countries, such as the USA, UK, Singapore and, in more recent times, China. Many international students, on the completion of academic degrees with majors or specialisations in accounting, have struggled to secure full-time graduate accounting positions in the Australian accounting profession and within business on a timely basis (Arkoudis, Hawthorne, Baik, Hawthorne, O'Loughlin, Leach & Bexley, 2009; Lawrence, 2013). The result is that some graduates are working in a raft of lower paid non-accounting or non-business roles, para-accounting roles or returning to a Master-level degree in other disciplines, such as finance or marketing, to broaden or diversify their skills (Birrell & Rapsop, 2005; Birrell, 2006; Lawrence, 2013). These findings are confirmed for Australian international graduates, with few accounting international graduates gaining employment in Australia (Blackmore et al., 2015).

This report also considered graduate recruitment and professional development of accountants in four stakeholder groups: small, medium and large professional services firms, other employers of accounting graduates, regulators, including the major professional accounting bodies, and accounting academics. They concluded:

New entrants into this field will need to possess well developed professional skills on their entry into the profession and, in combination with evolving professional knowledge and a solid core of professional values, ethics and attitudes. In addition, they need to have an ability to create value as business and wealth advisors, interpreters and communicators of financial and non-financial information, and contribute to the strategic direction of organisations, in particular, and society, in general (O’Connell et al., 2015, 1).

The report also indicates that accounting is a key aspect of business beyond borders in the Asia Pacific region as both domestic and international operations of accredited providers accredited by the CPA expand. This expansion is also based on the wider view of accounting education being about careers in business and management (O’Connell et al., 2015, 1).

For academics,

Challenges have also arisen from technological advances and the rise of online education offerings, including massive open online courses (MOOCs), the increasing use of social media such as Twitter and Facebook by students and business alike, and that the traditional classroom format of lectures and tutorials is increasingly being “flipped” by the resources now available online (Evans, Burritt & Guthrie, 2013; O’Connell 2015, p.4).
Against this is an emergent trend towards a declining number of domestic accounting graduates. The *Shaping the Future Report* (O’Connell et al. 2015, 2) saw a major challenge for accounting is that domestic enrolment in accounting degrees is static or declining so increasing university reliance on international students. Accounting is not widely regarded as an attractive study choice in secondary schooling due to increased university fees to 25% of costs and a lower threshold on re-payment of loans in the 2017-18 federal budget. This suggests a growing demand for international graduates with Australian credentials. But to meet this demand requires policies regarding student fees, visas and migration should be more conducive to attracting international students in accounting and management.

The reasons for not appointing accounting graduates in Australia were varied: applicants lacked specialist skill, had inadequate knowledge of Australian accounting (overseas applicants), lacked understanding of the employers’ business needs or were not CPA or CA accredited. In particular, many applicants were seen to have inadequate written and oral communication skills and a lack of the capacity to liaise face-to-face with a diverse client base and to effectively work in a team as teamwork is now seen to be critical such as ‘soft skills’ of employability (Morgan 1997). Jackling and de Lange (2009, p. 369) stated that here is a divergence between what universities and professional bodies are providing and what employers seek with particular regard to ‘team skills, leadership potential, verbal communication and the interpersonal skills of graduates’. There is also some divergence between what students want as they become more focused on employment in precarious labour markets and university accounting curriculum.

There is some agreement between students and employers in terms of the skills required for success in a career in today’s business/accounting world, that is, analytical/problem-solving skills, oral and written communication skills, teamwork and continuous learning…. (However) many of the skills and attributes considered important by both groups are not given the desired level of priority during accounting programs (Kavanagh & Drennan, 2008, 296).

In order to retain and attract international graduates in Australia, the CPA and the Chartered Accountants of Australia offer through a number of providers the Skilled Migration Internship Program: Accounting. This involves at least 44 weeks’ training, including a 12-week internship; professional development and practical hands-on learning. The emphasis is on workplace preparation with regard to culture, ethics and expectations as well as recognition as a pathway for 485 visa holders seeking permanent residency under general skilled migration (GSM). These organisations also assess on behalf of the Australian government any migrant application to practice accounting in Australia. The eligibility criteria include: English language proficiency be evidenced (IELTS score 7); formal qualifications are held that are comparable to at least an Australian bachelor degree that cover at least seven out of a possible nine core competencies, including four mandatory knowledge areas specific to the accounting-related occupation chosen.

**CPA Australia professional pathways for international students**

The traditional type of accounting practice was remarkably different from the current practice at accounting firms for two main reasons. First, a large proportion of Australian domestic students will either be involved in international projects in Australia or will work overseas at some stage of their working lives. Second, international students who may not stay and work in Australian workplaces make a high proportion of the enrolments in Australian accounting schools (Lightbody, 2010). In 2017 Australia had over 345,000 international students enrolled in higher education making up 6% of total student international market and with 51.8% of all enrolled students in management and commerce (DET, 2017, 5). Similar to many other fields, accounting has been impacted by the expansion of some important globally-spread processes – the ever-increasing mobility of workforce and the
prevalence of outsourcing workforce from overseas and working from distance. These processes underline the importance of professional accreditation and the attention that the transnational application of both of the academic and professional credentials deserves.

The leading institutions in Australian accounting labour market provide accounting graduates with educational pathways that help them gain further professional recognition. CPA Australia and Charted Accountants Australia and New Zealand accredit programs of accounting in both universities and on-universities. If a graduate is from a program that is not accredited, the course can be recognised provided it covers the core competency requirements of the CPA. If not, the graduate can address the gaps with either a higher education course or with a CPA Australia course. The CPA Australia is not accredited as a Higher Education Provider, but their courses are pitched at the post-graduate level (www.cpaaustralia.com.au).

Both professional accounting bodies-- the CPA Australia and Charter Accountants Australia and New Zealand (CAANZ) seek to align their courses with the standards of the International Accounting Education Standards (IEAS) Board of the International of Accountants. These standards are technical competence; professional skills; professional values, ethics and attitudes; practical experience; and assessment of practice competence. These requirements are indicative of the broader understandings of accounting not just as technical competence but also as a social practice with wider organisational and social roles that have developed since the 1980s.

Both Australian accounting bodies recognise educational qualifications to maintain professional standards. For the higher education field in general, on the one hand, some argue TEQSA (established 2011) requirements have reduced Australian universities capacity to be innovative due to standardisation of courses while, on the other hand, TEQSA offers some guarantee of quality of the higher education sector which appeals to the international education market. Freeman and Hancock (2012, 73) stated that an issue confronting the field were the ‘tensions in the discipline arising from the number of pathways available for entry into the accounting profession and the potential challenges this creates for higher education accounting degrees’.

Joining the labour market after graduation is the preference of the majority of international accounting students/graduates who want to stay in Australia (Arber & Rahimi, 2015; Blackmore, Gribble, & Rahimi, 2015). This means that international graduates do not generally tend to go to the second phase of the accountancy career pathway unless they need to get some additional points for immigration by gaining individual accreditation. In addition, studies (Arber & Rahimi, 2015; Blackmore et al., 2015; Gribble et al., 2015; Tran & Soejatminah, 2016) also reveal that a lack of work experience, which often links to English language competency, is another barrier for international graduates following the career pathway after phase 1. Thus, domestic graduates have the advantage of English language (although not necessarily written skills and communication), familiarity with the culture of Australian workplaces, social networks, citizenship or permanent residency status and capacity to gain work experience, although the last is increasingly difficult to gain.

And yet there is a rapid increase in who supplies accounting credentials: vocational education and training providers, private higher education providers, public, private and corporate universities, and professional associations (Evans et al., 2012). The proliferation of pathways and providers has raised concerns regarding quality and the differentiation (or not) between academic education and training. There is a recent trend with one of the Big 4, PWC, introducing a learning-on-the-job pathway which echoes the pathway for many accountants the early twentieth century before university degrees became a necessary qualification (Sydney Morning Herald May 1, 2017). Australia has a hybrid model encompassing both university-based accounting undergraduate and postgraduate degrees (the US model) but with increasing opportunities for school leavers and non-accounting graduates to convert to accounting. Additional pathways of the ‘new’ British model have become available since the 1990s when the university was the entry point. Professional examinations were then offered by the professional accounting bodies at the same time that exporting education became a major government policy. This favoured international students enrolled in conversion courses (MPA). When accounting was included in the Migration Occupations in Demand List (MODL) the numbers of international students increased.

Concerns about the link between academic accounting education and professional training have new currency because of pressures from students and employers to move more quickly in preparation for entry into accounting practice (Evans et al., 2012, 9). Accounting education has been at the forefront of international education also due to radical and rapid changes within the field itself. Accounting has changed from ‘a principally quantitative function to a broad ranging role prompting the modification and review of university accounting programs’ (Bunney et al., 2015, p. 260). There were three main developments: ‘technological innovation’ making communication easier, the move to a ‘global business environment’ and the ‘concentration of power in a few market investors’ (Bunney et al., 2015, p. 260). Additionally, there has been a radical change in the professional labour market generally. Since the GFC, graduates have taken longer (up to 3 years compared to 18 months a decade ago) to find employment and there has been an overall casualisation of the Australian labour market. Full-time employment rates among undergraduates fell from 85.2 per cent in 2008 to 70.9 per cent in 2016 (Graduate Outlook Survey, 2016, 4) although they have increased minimally in 2017 (Graduate Outlook Survey 2017). In 2013, 70.9 per cent of graduates were in full-time employment immediately upon graduation. Three years later in 2016, 88.4 per cent of the same graduate cohort had found full-time work but have taken longer to do so.

There is some evidence of drop in demand in some areas. Tadros (2014) argued that

- Female accounting bachelor degree holders were the most likely to be working, with 80.4 per cent employed in a full-time role after graduation compared to any overall employment rate of 71.3 per cent for all bachelor graduates.
• Masters by coursework accounting graduates had worse job outcomes, with 72.6 per cent working full-time, than other masters by coursework graduates, with 82.1 per cent working full-time.

The Department of Employment’s Internet Vacancy Index shows the relative number of job ads for accountants remains lower than other professions and well off the 2008 peak. Firms find that job ads for accounting roles receive an average of more than 40 applications. This is the highest average level of applications for any profession tracked by the Department of Employment. This is also aligned with the findings of the Graduate Careers Australia (GCA, 2015), as shown in Figure 3.

![Figure 3 Proportion of employers who recruited international graduates, 2005 - 2014 (%)](source: GCA (2015, p. 7))

While this shift has been attributed to outsourcing, off-shoring and automation, there are different factors in the Indian and Chinese contexts. In Australia, concerns regarding oversupply of graduates in particular occupations led to some concern as to whether accounting would be taken from the Occupational Skills Shortage List. This would impact directly on the attractiveness of Australian as first choice.

The CPA argued in the 2015 review of the Skilled Occupation Shortage List that regional communities would be affected most by a projected shortage of accountants, and that ‘International graduate employability is a poor indicator of tightness, as unmet demand is currently for mid to senior tier roles and specialist positions’ and therefore should not be used to justify removal of accounting from the SOL. CPA Australia argued that ‘initiatives should aim to develop their employability skills and inform employer demands. There is a strong relationship between international education and skilled migration that should not be ignored’ (CPA Australia 2015). Various professional accounting organisations have sought to address this issue, for example, the Skilled Migration Internship Program: Accountants (SMIPA).

In summary, while there continues to be a shortage of accountants in specific areas, employers still consider work readiness is an issue. Certainly, Australian employers indicate that the greatest weakness of an undergraduate degree is lack of work experience, which is what a professional degree provides through internships. And international graduates are disadvantaged as they find it more difficult to gain work experience in Australia (Blackmore et al., 2012). There is also evidence of discrimination against Chinese and Indian graduates, usually couched in terms of English language competency or not being independent thinkers (Blackmore et al., 2012). Second, the field of international education and therefore accounting education is vulnerable to changes in federal policy on funding higher education, migration, international education trends and international student visa requirements.

Third, the competitiveness of the Australian professional accounting bodies for members is now ‘global’, with offshore bodies more serious competitors for local entrants than was previously the case. Fourth, technology has changed the nature of accounting work. As a result, accounting work has broadened to encompass aspects of corporate social responsibility and governance, sustainability and risk management as well as the traditional areas of financial accounting, management accounting and audit. Fifth, the overseas student is important in Australian accounting education because of the significant involvement of international students in accounting courses. Yet international graduates experience patchy involvement in accounting work in Australia because it has a complicated ‘pathway construction’ (Blackmore et al., 2012). Finally, the influence of global accounting bodies such as IFAC and global alliances such as the Global Accounting Alliance (GAA) is changing field. In particular, professional accounting organisations such as CPA Australia seek to align their courses with the International Accounting Education Standards Board’s (IAESB), but the scaling up of the field has potential to impact locally (Freeman and Hancock, 2012).

The next two sections address the nature of the labour markets for accountants in China and India.
Section 5: Accounting education: a global field

There has been with increased competition for students in the field of accounting education moves to develop international accreditation of course offered by universities. The highest status accreditation is the International Education Standards (IES) signals a clear move by the International Accounting Education Standards Board (IAESB) to ensure high quality standards in professional accounting education at a global level (Watty et al., 2013). Universities who gain accreditation with this body position their courses apart from others, and therefore attract students. While there are national bodies (for example, in Australia, a requisite body of knowledge is required to gain entry into a professional course with CPA) and international benchmark standards have been developed by the professional bodies. The notion of convergence towards common global standards is seen to be problematic for developing economies due to language/translation and cultural/learning differences, although both India and China are developing national standards.

The Chinese and Indian contexts

Employability is therefore increasingly used as an attractor to international students who are a major source of revenue for universities with international education Australia’s biggest service export industry that contributes almost AUD22 billion dollars to the national economy (Campus Review, 2017). China and India are two leading source countries for Australian international students (AEI, 2016). However, currently professional labour markets are increasingly volatile in developed and developing knowledge economies (Brown et al., 2012) with some evidence of unemployment among international graduates returning to their home country (Sharma, 2012; Tran et al., 2014; Chan, 2015) and among international as well as domestic graduates in Australia (Blackmore et al., 2015; Ekanayake & Jackling, 2014; Gribble & Blackmore, 2012; Australian Government, 2015, Kieran and Otsuka 2009). In Australia in 2016, 12.5% of bachelor degree accounting graduates were not working and still looking for full-time employment at the time of the survey. This is compared to all graduates who were unemployed (11.6% in 2014, 10.6 per cent in 2013 and 8.6 per cent in 2012) (Graduate Careers Australia, 2017). Studies of Australian international graduates (Blackmore et al., 2014) in accounting indicate factors leading to them not being employed include

- a lack Australian working experience, lack of knowledge of Australian culture, and lack of "Australian English". Australian accounting firms, due to a revealed preference to hire white Australian graduates, appear to be missing out on a vast reservoir of Chinese talent. Chinese accounting graduates speak two or three languages and have established business networks in China or at the very least insider knowledge of how that country’s business culture operates. Whilst their sub-cultural capital may be lower on average than white graduates on some conventional measures, it is higher in those areas of bilingual capability and cross-cultural knowledge which are becoming of increasing importance to Australian business (Keiran & Otsuka, 2009, 1).

While Chinese international graduates have greater difficulty with regard to gaining employment in Australia, often related to English language difficulty, they also are more likely to return to the family business (Arber & Rahimi, 2015; Arkoudis et al., 2013). Indian international graduates generally have a better command of English, but tend to be concentrated in information technology and computing fields rather than accounting, in particular since 2007, after the changes in Australian migration policies (Rafi & Lewis, 2013).

Studies indicate that over 48% of Australian international graduates in accounting return home (IEAA 2015) as they are unable to get a job in their field in Australia. Permanent residency in Australia is less likely if they do not find a sponsor under current visa rules. The issue becomes whether Australian international graduates are considered employable, and by whom, as they return home with the expectation that the credential will gain them a well-paid job in accounting (Blackmore et al 2015).

McKinsey Global Institute in the ‘The world at work- Jobs, pay and skills for 3.5 billion people see China and India driving demand and supply by 2020. Graduate unemployment in coastal China (7 million in 2013) is likely to be a result of a clash among three streams of forces, namely, the rapid expansion of higher education, the mismatch of university programs and market demand, and well-educated migrants flowing into coastal region from less developed regions seeking upward social mobility. These mobile Chinese do not have social insurance protection through being registered in local region and only gain contract based employment. There is debate over whether to continue with HE expansion with over 2 million graduates having little idea where they are going to be employed in 2014 (Chan, 2015).

While advanced economies will grow in knowledge-intensive services including healthcare and business services, job growth in China is shifting from labor-intensive manufacturing to capital-intensive manufacturing and services. Mass labour is increasingly shifting towards a boutique, high-tech workforce. Demand for STEM will increase in ways that US and other advanced economies will not meet, and there will be a shortage which can be met by higher education participation and women’s increased participation. The decision to promote domestic consumption of higher education (which was only 19% in 2004) was intended to reduce post-school unemployment, boost the economy as well as capture the willingness of Chinese families to invest in education. But this relied on the consolidation of the public higher education system (Bai, 2006 pp. 132-3) which is now occurring. In China, there is currently a perceived lack of executive talent at management level, the focus being on recruits with Mandarin and English skills who are familiar with local and business culture and willing to relocate on short notice. ‘There isn’t enough talent that fits the bill locally and not enough international talent equipped with the knowledge to take on the local Chinese market’
India is expected to be the world’s third largest economy after China and the USA by 2030, with manufacturing and services taking up 90% of economic activity, but ranks 74 on the Global Competitiveness ranking compared to China at 14. India will have a significant labour surplus. India has set key indicators that are around the mobility and employability of a highly skilled workforce (FICCI Higher Education Summit 2014). While India has the second highest HE enrolment worldwide, it has only 6 internationally ranked universities. This is because most Indian institutions lag in research, and ranking is not a high priority. In general, universities do not have an international outlook. Yet a large number of students go overseas—peaking in 2010 at 2,53,743 and now 190,055 in 2012—50% to USA, 15% to UK, 15% to Canada and 7% to Australia (FICCI Higher Education Summit 2014). The rationale for this diaspora is to get international placements, migrate, gain international exposure to international students and global industries, and undertake research. While students from developing nations come to India for better job prospects, opportunity to learn English and diversity of culture, developed nation students do not because of the lifestyle and status of HE institutions. A major issue is that only about 25% of India’s graduates are considered employable, particularly those graduates not graduating from the top universities and particularly not in accounting. In India, there is a 20% unemployment rate among youth (15-24 years) in 2011, against 17.6% in 2001 and for graduates in rural areas the unemployment rate among graduates is estimated to be 36.6% compared to 26.5% in urban areas.

This economic growth means demand for accountants in China and India is growing rapidly, but with specific cultural differences. For China, this has been a transition from a planned economy with government allocation of jobs for life with a minimum of social security, but also based on party affiliation and guanxi to a market economy with less security due to a mix of state and private, foreign and domestic ownership. There is a tension with China’s transitioning into a socialist market economy between exploiting the low costs of labour and providing sufficient labour market regulation to provide secure employment. There is significant local diversity in the corporate sector within a fragmented, decentralised labour market where local government has significant influence (Sheeldon et al., 2011).

India as the largest democracy has an open market economy, where the best jobs are still considered to be in the public sector, no matter how menial (‘peons’) even for tertiary graduates, as they offer security (BBC News, 2015). There is also great economic and social inequality based on a class /caste system which reduces educational and employment opportunities (Majumder, 2013). Indian cultural traditions encourage a strong bond between employer and employee in hierarchical organisations, and relationships (and recruitment) are shaped by religious beliefs as well as class position. A British Council study (2014) found that traditional values play a strong role in graduate employability, with a focus on individual responsibility, humility and abstinence and a commitment to family and kin which some argue reduces a desire for success and occupational aspirations. At the same time, there is a flourishing of entrepreneurialism, particularly in the south. A proliferation of private educational institutions, often unregulated, means that many graduates are considered unemployable (British Council, 2014).

In the last four decades, both countries have sustained rapid growth, however, at different rates. While GDP per capita has more than doubled in India, China has experienced a seven-fold increase in GDP per capita for the same period (Bosworth & Collins, 2008). This has produced a middle class in both countries but also greater inequality. In these decades, the rising demand for accountants in both of the economies has been the consequence of improvements in some key economic indices, including GDP per capita and foreign direct investment (FDI) in association with government policies to increasingly merge the national economy into the global economy. Furthermore, India and China—the two most populated countries of the world—are the top two biggest retail markets globally (Unni, 2016). While Asia has generally been more resilient in terms of the effect of the global financial crisis, there has been indication of the softening of the labour markets with reduced rate of growth in China. Key policy imperatives addressing the education-work nexus in China and India include China’s 12th Five Year Plan (2011-2015) and India’s 12th Five Year Plan (2012-2017). Increased government investment in HE, research and technology means China, India and many other countries in the Asia Pacific are growing their own technical expertise and garnering the international expertise of returning graduates and diaspora, thus competing against Western universities (Rizvi et al., 2015). China also has a policy to capture talent by encouraging expatriates and students to return, the number rapidly increasing over the past decade, with a focus on those with high quality international qualifications and skills, particularly in the higher education and research sector (Welch & Cai, 2011). Factors mitigating against highly skilled returnees include low salaries, children’s education, housing, working culture, politics and social conditions, lack of jobs for spouses and guanxi. China’s 12th Five Year Plan (2011-2015) shows that China is investing heavily in higher education, science and technology, rapidly shifting from mass production to knowledge economy occupations to compete with Western economies and a professional workforce. Growth of higher education sector has gone from 9.6% in 1998 to 24.2% in 2009 and increasing. This expansion has led to viewing education as a positional good, the emergence of graduate unemployment and greater stratification among universities (Wang & Lowe, 2012). But prior practices (guanxi) exist beside increased competition. Shanghai labour market and municipal government is particularly oriented through local initiatives towards building a knowledge economy, thus attracting the largest number of returnees.

The Chinese case is of interest. The return of Chinese skilled labour is a bridge between the homeland and host countries through transnational knowledge networks. Of Silicon Valley’s Asian population in the late 1990s, 77% of Indian residents had at least a Master degree while Chinese were 86%. In Australia, which has had the highest proportion of brain gain in the 1990s, skilled migrants rose from 39.8% in 1990-1 to 46.8% in 2003-4. Of long term Chinese immigrants to Australia, over 80% were in the highest occupational categories (Welch & Hao, 2016 p. 282). The US still attracts the most particularly at post-graduate level. This
Chinese knowledge diaspora is part of the Serve the Homeland policy (2001). This trend is supported by other policies: welcoming messages to returnees, investment in R & D rising by 19% annually, a highly stratified university sector and willingness of the knowledge diaspora to reinvest in China’s development due to a sense of cultural and identity beyond political allegiance. This comprises China’s quest to become an ‘innovation society’ (Welch & Hao, 2016). At the same time, free labour markets have existed only for the last generation of workers. There is little experience about how it works and young people have little familial experience to draw on (Wang & Lowe, 2012). There are still remnants of the hukou system which requires a residential permit to have access to services in a region.

Both Chinese and Indian policymakers have expressed concern for social instability unless university systems change as they are not seen to produce ‘employable’ graduates. UNESCO (2012) views Asian graduate employability as increasingly important due to rising graduate unemployment and employer dissatisfaction as to graduate ‘work readiness’. The lack of university responsiveness has resulted in a proliferation of privately operated providers as the private sector takes up where universities ‘fail’, particularly in India (Mishra, 2011). Private providers and professional organisations such as the CPA also offer international postgraduate courses and are developing international qualifications and standards frameworks to address this need. This addresses the preference of employers to have some form of postgraduate certification. Such courses ‘add value’ to the traditional university degree as they promise to make graduates more ‘industry ready’, although they are often delivered in association with universities as occurs at Curtin University.

Chinese and Indian labour markets for accountants

Because these are still growing economies with dynamic business environments, India and China’s double-digit growth rates (China and India’s GDP grew in 2013 (11 and 12% respectively) compared to US 3% this has slowed in 2016) mean that the accounting and auditing markets are still flourishing. Furthermore, accounting and auditing standards are constantly changing (Sawani, 2009) and therefore leading to growth in this market. New firms are opening offices to capture this expansion (Shikhare, 2015).

![Figure 4 Accounting and auditing market growth](image)

Source: Krasodomskyte, (2014)

Figure 4 Accounting and auditing market growth

As Krasodomskyte (2014, np) states:

> Large multinational firms have expertise in international accounting and auditing standards, strong quality control and professional personnel, thus making them very popular among big export-orientated clients. Domestic accounting and auditing firms, on the other hand, are able to benefit from knowledge and understanding of the local culture, political situation and government regulations. Such elements are particularly in demand among small and medium-sized businesses.

It is this global trade and connections of the Big 4 international accounting and auditing companies that makes them popular among Chinese and Indian clients, with local firms improving (eg. Huaxi Certified Public Accountants* Certified Public Accountants and BDO China took the third and fourth places among the top 100 accounting firms in China ranked by the Chinese Institute of Certified Public Accountants in 2014. ErnstYoung and KPMG China were only fifth and sixth). Indian companies are strong competitors against the Big Four, particularly with the 2013 merger between Haribhakti & Co and DB Desai & Co (Krasodomskyte, 2014).
Seeking improvement, Chinese and Indian companies are also becoming members of international auditors and accountants organisations (e.g. International Organisation of Supreme Audit Institutions (INTOSAI); the International Federation of Accountants (IFAC)). This is aided by tighter regulatory environments mandatory audit firm rotation (China in 2010 and India in 2013) with India introducing Financial Reporting Standards significantly contributing to the growth in demand for accountants and auditors. In turn, the MNCs collaborate with local firms to offer services so as to meet ‘local regulations and traditions’. This expansion is predicted to continue.

There is also a shortage of chartered accountants in China (Chen, 2012) as in other developing economies such as India (e.g. Jackling & Keneley, 2009). Yet there are few studies as to why Chinese students pursue the CPA credential. Of these, Wen et al. (2015) suggest the CPA credential offers professional independence in the workplace and thus addresses perceived difficulties in maintaining the certification as well as social prestige. Accounting in South Asia is perceived to have greater prestige than in the Anglophone and European cultures. Furthermore, it is a highly competitive market with 7.27 college graduates of whom only 7.7% signed employment contracts with companies during the six months after graduating (Chen, 2014). The fierce competition, a lack of transparency or the use of guanxi (connections) by other job applicants from wealthy families with stronger networking, and high debts arising from their higher education may have forced most students to put market-related factors as their priority. A CPA professional qualification is considered to offer comparative advantage in China. Wen et al. (2015) also argue that if they see a future financial gain and also have job satisfaction they are more likely to undertake a CPA qualification. The CPA qualification is easy to gain but difficult to maintain. Wen et al. (2015) concluded:

> genuine interests, perceived independence/autonomy at accounting firms and perceived difficulty in maintaining certification can all significantly affect students’ motivations to seek CPA certification. Students’ expectations of better market opportunities for those with the CPA qualification and the influences through personal relationships (families, professors, friends and accounting professionals) also positively affect the students’ choice to take the CPA Examination (2015, 356).

But as in Australia, the major employing Chinese firms raise the concerns of skill mismatch with higher education graduates (Chou 2014; Mok & Jiang, 2015). Despite this, the employment rate of university graduates has increased in China from 87.6% to 9.6% from 2008-2016, compared to 72.4% in Australia. (https://www.statista.com/statistics/280947/employment-rate-of-university-graduates-in-china/). China now produces twice as many graduates annually as the USA.

Little research exists on the impact on the returnee after a sojourn in the West. Pritchard (2011) concludes that literature indicates that the processes of re-acculturation are often fraught, highly emotional and often like grieving. Central to re-entry are issues around value dissonance between host and home country which leads to for some a ‘culture shock’ possibly after the initial honeymoon period. Some report that bosses desire having a full re-assimilation of the returning worker, but that is dependent on the cultural context (Hammer, Hart, and Rogan 1998). ‘(A) xenophobic response among bosses of returning managers functions to frustrate the returnee’s contributions to achieving company goals’ (Hammer et al., 1998, 81). This ignores the hybridised intercultural identity as a valuable resource which could be used as a source of innovation but which many returnees felt was not recognised and deprived the employee of offering a positive post adaptation contribution. They were expected to rid themselves of any ‘foreign’ behavior. Pritchard ‘s (2011) study of returning graduates to Sri Lanka and Taiwan from a Teaching English language degree in the UK indicated that it was the very things they missed from their home country when studying in a host country that they missed on return – family, friends and food. As educators, they felt they had brought back significant work-related knowledge and experience which they valued. They were more confident, qualified and recognised and many capitalised on their experience and went onto Ph.Ds. But they also felt their expertise was not fully recognised by the government (who paid their scholarships) or employers as workplace was too rigid.

Cultural differences

Employability skills in China

Culture mediates the education-employment nexus. The country specific literature compared to the more theoretical and generic discussions about graduate employment and credentialism indicates different forms of economic and cultural capital are valued differently in different fields and cultural contexts. ‘In China’s new, fast-paced business environment, guanxi has been more entrenched than ever, heavily influencing Chinese social behavior and business practice’ (Gu, 2006, n.p.). In the Chinese context therefore, such cultural factors as guanxi can impact on recruitment practices of graduates. In China, kinship networks are prominent all throughout the life course and guanxi continues to be an important factor in the labourmarket and academic success of Chinese individuals, despite the shift from socialism to capitalism. (Chua & Wellman, 2015 p. 903)

Guanxi has both expressive and instrumental aspects.

> Guanxi involves social exchanges between persons who participate in long-term relationships. There is also agreement that entailed in these relationships is commitment between participants and therefore both emotional attachment and a sense of reciprocal obligation (Barbalet, 2015, 1039).

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Bian (1997, 371) states:

_The stronger the tie between job seeker and control agent, the more successful the job-seeker would be, because the control agent would feel obliged to do favors for someone to whom he or she was strongly tied._

Bian (2002) later argues there is a direct link between job seekers and employers through guanxi networks, ‘in which job seekers connect to prospective employers and are matched to jobs’ (2002, 128). Bian and Huong’s (2015) analysis of a 2009 large-scale survey shows that (a) users of social contacts have a significantly higher wage at job entry than nonusers; (b) both strong ties and weak ties increase entry-level wage; (c) network-mobilised information and favoritism increase entry-level wage; and (d) these network effects are stronger in sectors of less institutionalisation are less likely to be as strong in highly credential fields, except when there is high unemployment.

China enjoys high economic growth rate thanks to being the workshop of the world and cheap labour. Recently the country moves toward providing services, leading to a surging demand for high-skilled labour force especially the knowledge-intensive sector (L.-K. Chen, Moursched, & Grant, 2013). To gain the knowledge needed for potential employment in China, education and training become important than ever before. Among the multiple factors that impact the employability of the graduates in China, three factors are more highlighted by scholars. They include geographical factor, individual students’ learning and employers’ expectations.

Geographical factor: High skilled graduates have a tendency to move to big cities such as Beijing and Shanghai to look for jobs, consequently leading to a problem of uneven distribution of skilled workers. This means that there is a labour abundance in big cities as opposed to labour shortage in medium-sized and small towns (Chen et al., 2013).

Students’ learning: It is well noted that China highly values education and academic qualifications. Traditional Chinese culture holds a strong belief that passing exams and having good qualifications can turn students into government officials (Zefang, Yanbin, & Wenjiao, 2009). This way of thinking influences students’ attitudes towards learning and today many students still believe that higher education and higher degrees can lead to higher social positions and financial rewards (Gu, 2006) and improve the chance of employment immensely (Fladrich, 2006; Yang, 2010). As a result, school leavers try their best to enter domestic universities. Wealthy families tend to send their children to world-class universities in the US, UK and Australia in a hope that their children will have a comparative advantage over the locally trained students upon their return (Chen, 2015, April 27).

However, recently, there have been many changes in China’s employment market due to globalisation and overheated economic growth, leading to the mismatch between students’ and employers’ expectations (Moorman, 2011). Student learning experiences and prior learning in China also impact on how they experience Western higher education, often negatively, although this reduces with time (Wong et al., 2015). Furthermore, the attitude towards a Chinese credential as a ‘promisory note’ to gain access to employment or ‘cultural-capital passports’ (Wang & Lowe, 2012, 158). They see little actual value of the educational experience or content associated or that the credential signifies the possession of skills. In part, it is due to how they see the nature of education offered by the Chinese university, which is considered to be about rote learning etc. Increasingly, the credential is seen to offer only positional advantage that then has to be enhanced by the status of the university. Furthermore, they value work experience over the credential over time. Increasingly, graduates are aware they have to be active agents in making themselves ‘more employable’ (Wang & Lowe, 2012), a conclusion we found with regard to international graduates in accounting in Australia who were successful in gaining employment (Blackmore et al., 2016).

Employers’ expectations: When recruiting university graduates, employers in China usually value the following graduate attributes: education level (Velde, 2009), political background and personal qualities (Zhu & Dowling, 2002), positive attitudes and behaviour, working cooperatively with others, responsible, adaptable, conflict resolving, effective communication skills (oral and written) and continuous learning (Velde, 2009; Venter, 2003). These attributes are essential for the competitiveness of industries (Venter, 2003). Employers expect graduates to be open to and responsible for learning new skills to catch up with the changes in the employment market (Velde, 2009). Employers in different sectors have different expectations, but lower expectations of new graduates (Velde, 2009). Accounting employers in China value self-confidence, communication skills, initiative and leadership (Siegel, 2000).

Additionally, China has a complex situation where two different economic systems coexist, namely modern market economy (valuing work-related and soft skills) and traditional command economy (valuing hierarchy, order and academic qualifications) (Venter, 2004). State-owned industries highly value good academic qualifications, political background and personal qualities (Zhu & Dowling, 2002). In China, there is only one party (the communist party of China), therefore communist party membership is certainly a bonus point in the Government sector. If overseas returning graduates want to work for the Government, they need to join the party to enhance their employability.

As for the private sector, multinational corporations and foreign-invested enterprises, employability means technical competence, management skills (Shen & Edwards, 2004) and work-related and soft skills (Venter, 2003). Employers highly value internships which means domestically trained students often have an advantage over the overseas returnees (Chen, 2015, April 27).

Graduates prefer working for large foreign-invested and State-owned enterprises because they provide high quality training which is often absent in small enterprises (Venter, 2003). But there is a supply paradox; only a small percentage (about 10%) of graduates can be employed by large multinational corporations (Chen et al., 2013). Foreign-owned businesses attach importance to technical competence and management skills (Shen & Edwards, 2004), yet, new graduates lack technical training, adequate
English and soft skills (e.g. teamwork and innovation) (L.-K. Chen et al., 2013). It is often the case that students are not well aware of the employers’ expectations in the labour market (Moorman, 2011). This situation needs to be reconsidered and graduates need to attach due importance to employability skills in different sectors.

India

In recent decades, financial services among IT and life sciences have become ‘new avenues of white-collar employment among Indian youth’ (Unni, 2016, 19). At the same time, there has been significant growth in the number of educational institutions, hence producing a large number of graduates annually (Unni, 2016). In India, agriculture and retail sectors are the top two largest sources of employment. The Indian retail sector provides job for 4% of the entire population and 8% of the total employed workforce (Rao, 2013). According to the latest data (14 July 2016) registered at Fundoodata.com, a business data aggregator of the Indian market, a total of 4629 MNCs operate in India. The growth of multinational companies has affected the demand for Western CPA qualifications (Shikhare, 2015).

Graduate employability and employment in India

The Indian higher education sector is also rapidly expanding as it is seen to be critical to economic growth. By 2020, 90% of India’s GDP and 75% of employment is expected to be contributed by the services and manufacturing sectors. Government policies are focusing on higher quality education and for India to be a hub for talent by promoting a culture of research, innovation and entrepreneurship (FICCI Higher Education Summit 2014). Issues they are addressing (FICCI Higher Education Summit 2014) include

- Low employability of graduates, driven by several factors including outdated curricula, shortage of quality faculty, high student-teacher ratios, lack of institutional and industry linkages, and lack of autonomy to introduce new and innovative courses.
- Low impact research output and patents filed given relatively low government and corporate spending on research, insufficient doctoral students, missing research focus and culture in most institutions, and lack of international research collaborations
- Limited focus on entrepreneurship on campus as reflected in the fact that there are few institutes that offer programs in entrepreneurship and have active incubation / entrepreneurship cells
- Complex regulatory requirements and hurdles, poor institutional governance standards, and lack of professional management; Makes implementation of HE reform difficult.

As in China, there is concern about the quality of the domestic higher education. A British Council report (Heslop, 2014, p. 4) stated the challenges in India were

- Supply-demand gap: India has a low rate of enrolment in higher education, at only 18%, compared with 26% in China and 36% in Brazil. There is enormous unmet demand for higher education. By 2020, the Indian government aims to achieve 30% gross enrolment, which will mean providing 40 million university places, an increase of 14 million in six years.
- Low quality of teaching and learning: The system is beset by issues of quality in many of its institutions: a chronic shortage of faculty, poor quality teaching, outdated and rigid curricula and pedagogy, lack of accountability and quality assurance and separation of research and teaching.
- Constraints on research capacity and innovation: With a very low level of PhD enrolment, India does not have enough high-quality researchers; there are few opportunities for interdisciplinary and multidisciplinary working, lack of early stage research experience; a weak ecosystem for innovation, and low levels of industry engagement.
- Uneven growth and access to opportunity: Socially, India remains highly divided; access to higher education is uneven with multidimensional inequalities in enrolment across population groups and geographies.

The report indicated that private businesses are impatient to enter HE market, but ‘for-profit’ higher education is unlikely soon, and therefore external providers should be cautious for the next few years. Foreign Education Providers bill is unlikely to be passed in the short to medium term. Indian employers as internationally, value the soft skills and in particular communication in English (Blom & Saeki, 2011), interpersonal skills, teamwork, and basic computer knowledge (Mishra, 2014).

Opportunities

The higher education system will grow exponentially with over 600 million people in India under 25 years old with the largest tertiary age population in the world by 2020 and the second largest graduate talent pipeline, following China, fueled by the middle-class appetite for education and willingness to pay for it (Heslop, 2014). Future opportunities and areas for international collaboration with Indian HE institutions are summarised in Table 3.
### Future Opportunities | Rationale

| Institutional collaborations in teaching and learning | Stated highest priority for international partnership. Increasing the quality of teaching and learning is central to government plans over next five years, including faculty exchange. Considerable scope and scale in state-funded institutions and the private sector. |
| Research collaboration in STEM | Top priority in research, mostly, but not exclusively, with the ‘tier 1’ institutions. Research funding is likely to increase. |
| Research collaboration in the humanities, arts and social sciences | Supporting multi and inter-disciplinary research; emerging opportunities for professional courses. Pockets of excellence across different institution types (public/private, central/state-funded). Potential interest in wider south Asia networks. |
| Multi-dimensional, system-wide support for higher education reform | Emerging opportunities through state governments as devolved authority and budgets are made to states based on performance and outcomes. |
| Students and early stage researchers | UK to India mobility increasingly important and demanded by Indian institutions; capacity building to enhance employability skills and researcher skills; encourage greater pipeline into research careers, English. |
| Enterprise education, entrepreneurship, links with industry | Important for job creation and enhancing employability. Across institution types, particularly state and private institutions; potentially in partnership with state governments. |
| Leadership and management | New roles for leaders and senior managers as reforms force more accountability and change which require strategic leadership and planning. |
| Vocational skills | Emerging interest in linking skills and HE sectors, increasing employability and access. Huge interest and need in developing skills market, particularly with private colleges, private universities and business. |
| Digital learning technologies | Vital component to achieve expansion and increase access and quality. Blended learning and MOOCs have large potential. Collaboration in pedagogies and design. |
| Conferences, policy dialogues and networks | Support to system reform and emerging areas of mutual interest; provide forums for shared learning and relationship-building between the UK and India in HE. Across all institution types, central and state government. |
| Links with industry, establishing incubation centres and innovation units | Top priority for government: driving innovation, supporting technology transfer, encouraging impact-driven research. All institution types; utilise private institutions for links with industry. |

Source: Heslop (2014, 7)
In India, there is the caste system that continues to produce inclusions/exclusions (Attewell & Newman, 2011). Although now illegal to discriminate on the basis of caste of which there are 6 main categories. Caste as does class in Western societies exists in terms of people’s names, how people refer to each other, their work, clothes, marriages and language. Whereas the reservation system requires public sector employers and universities to allocate a certain percentage of places to those from minority groups including religious minorities and Dalits (lowest caste), this is being debated as to whether it should be extended to the private sector, with strong opposition within that sector based on claims there is no discrimination. Discrimination studies (Attewell & Newman, 2011) of employer-employee correspondence, a study focusing on employer attitudes toward caste, and a prospective cohort study of lower-caste university graduates in elite institutions in both Indian and MNCs. First stage discrimination was whether they got an interview. In a study, fictitious candidates with names associated with different castes or religions (high caste, Dalits and Muslim) but with the same credentials were created. Applicants with names associated with a low-caste background faced odds of a positive outcome only 0.67 as large as those for an application with a typically high-caste name. Muslim applicants were at an even greater disadvantage, with odds of a positive outcome only 0.33 as large as those for a high-caste name applicant. These findings clearly imply that discrimination against applicants based on name association occurs even in the very first stage of the job search. ‘Social exclusion is not a residue of the past; it is alive and well even in modern, high-tech India.’ (Attewell & Newman, 2011)

Employer interviews indicated a

sense that (one) can characterise individuals by virtue of (the) group characteristics produced in (their native) regional settings…. Indian employers were found to operate on a ‘powerful set of regional stereotypes’, with the belief that corporate behavior can be predicted based on a prospective employee’s family background, regardless of the individual’s higher education.

In such contexts, the credential is trumped by the gender, class, religion and ethnicity of its possessor. Insider hiring by Indian companies continues, although paired with ‘an emphasis on credentials, worldliness, sophistication, and international exposure’, while still excluding Dalits. The third study was of how university graduates utilised their networks in terms of job searches, applications and expectations. Lower cast graduates expected lower earnings, lower status positions, often did not apply for more prestigious positions and thus self-selected out of the competition in expectation of discrimination and also with a smaller network of family and friends. What is not known is whether these students had international credentials and whether lower caste students had the opportunity to be mobile students. With particular regard to accounting, where firms recruited from the highest achievers from the top Indian universities or management schools, the likelihood of a Dalit being amongst that cohort was low, given the restricted access of Dalit community into higher education with only 10% of all school leavers gaining access (Nagarajan, 2014).

At the same time, there is a huge disparity across gender, socio-economic religious groups and geographical regions which means a Dalit or Muslim in south India, though from the most disadvantaged among communities, would have better access (although still slight) to higher education than even upper caste Hindus in many other regions (e.g. Bihar, Uttar Pradesh and West Bengal) compared to the Punjab in the South where many accounting students come from. Across most regions, women average 50% or less accessing higher education (i.e.5%) (Nagarajan, 2014). South India offers ‘socially inclusive access to higher education including technical education and education in English medium’ (In technical education Hindu are 22%, and Muslims 25% although still lowest of all ethnic communities). This lack of access to higher education means there is significant provision through the private sector with hundreds of small colleges offering variable quality (Nagarajan, 2014).
Summary
This literature review of the relationship between credentials and employability of accounting graduates in India and China indicates a number of key issues.

- Despite the apparent slowdown of the Chinese economy there is still a significant growth in demand for accountants, although there are indications of rising unemployment of graduates (both returnees and domestic) in general,
- International credentials still have value, as Australia seen to have high standards in accounting field, but this is being challenged with locally based provision.
- That demand is greatest for more skilled and experienced accountants, as in Australia, through policies focusing on returning the diaspora, China in particular.

The perceived mismatch between employer expectations and graduate competencies has been an enduring issue for employers whenever there is over supply in any field but there can still be specific shortages. Not surprisingly the literature identifies factors contributing to this perception:

- massification of higher education in the Western and now in India and China and other Asian nations (Singapore, South Korea, Japan) has produced potentially an oversupply of accountants
- the ongoing employer complaint that universities are not preparing their graduates to be ‘work ready’ in terms of the skills and attributes they possess;
- significant oversupply of graduates with the necessary credential (‘hard’ skills that indicate technical proficiency) allows employers to be more selective;
- the global discourse that the 21st century accountant has to have a range of ‘soft skills’ as well as ‘hard skills’(Lees, 2002).
- context specific literature indicates greater complexity as cultural practices mediate recruitment practices. Decisions are not just based on the ‘portfolio’ indicative of hard and soft competencies and what counts as desirability in an employee. In particular guanxi in China and caste in India are factors, although Indian HE selection itself perpetuates higher-level caste dominate graduates.
- additional factor of gender appropriateness of accounting.

It also indicates a lack of research as to how professional degrees are valued relative to other degrees other than evidenced in their popularity. While Indian and Chinese students value Western credentials as they see they are of high quality (particularly accounting) and add value to their certification. How Indian and Chinese employers value different credentials relative to each other is the focus of the following section.
Section 6: Chinese employer, alumni and key stakeholder perspectives

This section presents the analysis of the key issues associated with accounting education and employment of international accounting students in China. These include accounting education and accounting providers in China, flows of international students, accountancy employment market, recruitment into employment, managing expectations, guanxi, English language competence, internship and work experience, local versus international employees, graduate employability diversity. The analysis of the data generated from interviews with 14 key informants indicates that the growth of multinational companies and the aspiration of local companies to expand their business to the international market have created a demand for foreign professional accountancy credentials such as ACCA or CPA Australia. However, employers’ preference for domestic or international credentials depends largely on their business orientation and scope and whether they are dealing with local clients only or also with foreign partners and undertaking international business.

Overall, CPA Australia is very well recognised and has the potential to make graduates more employable in the Chinese labour market. The employers, alumni and key stakeholders such as OZEDU*, RCH* interviewed in this project identify four main values associated with acquiring a CPA Australia membership: (1) it is internationally recognised and seen as a global qualification; (2) it provides employees and graduates with practical professional knowledge; (3) it is cost effective as it is cheaper to obtain a CPA qualification than a Masters degree and (4) it differentiates a candidate from the others as it shows his/her willingness to take on extra professional learning. A foreign accountancy credential such as ACCA or CPA Australia symbolises a form of ‘globally institutionalised and cultural capital’ that gives students competitive advantage in the labour market, which can then be converted into economic capital.

Generally, employers and key stakeholders think overseas graduates appear to have good communication and presentation skills. In addition, overseas study provides them with an exposure to international practices and they often have big pictures, broader perspectives and better professional knowledge base. However, employers raise some concerns about international graduates including having unrealistic expectations and lacking the ability to adapt to the company culture and local culture. In addition, employers also comment on other limitations of recent cohorts of international returnees: (1) lack ability and willingness to work under pressure (2) English is not much better than locals (3) slower pace than locals and lack of the ‘competitive’ spirit needed to operate in Chinese workplaces and labour market. Shanghai, for example, is dynamic and quick to change but international graduates from Australia and NZ are seen to be used to laid-back style and slower to adapt than locals. Graduates from Australian universities in particular are seen as not being competitive and ‘tough’ enough but, to operate in the Chinese market, candidates need to be ‘aggressive’ and ‘competitive’. Meanwhile, local graduates have some distinctive advantages as they are considered to possess local knowledge, skills and capabilities to overcome the difficulties, the dedication to the job and the persistence and ability to work under pressure. Unlike international returnees some ten years ago who are often sought after by Chinese employers, today’s international graduates tend to have lost their distinctive advantage. The gap between international and local graduates is getting smaller as local graduates are becoming more proficient in English and many universities in China have partnerships with foreign universities and offer course in English and foreign programs. Having an overseas qualification is becoming less distinctive and does not give graduates a strong competitive advantage as before. Employers also noted that local graduates from top universities in China are becoming more demanding and asking for salary nearly as high as international graduates.

In the Chinese context, guanxi, the networks of relationships between family, friends and associates based on emotional attachments and reciprocal benefits, was a significant factor (Chua & Wellman, 2015 p. 903; Barbalet, p. 1039). Even though guanxi was traditionally seen to be attached with a negative connotation in the Chinese recruitment practice, several employers in this project view it as a type of interpersonal skill needed for the job. For these employers, guanxi is considered as candidates’ ability to engage and make connections and to draw on/use those connections for work-related purposes. In this regard, employers argue those who have guanxi should not be considered negatively since they have the resource and know how to use the resource. In addition, many international graduates are perceived to possess dual guanxi: the established guanxi associated with their family and home context and at the same time the new business-related guanxi they may build up through transnational networks, which gives them more advantage in their work.

Chinese employer and alumni perspectives

Interviews were undertaken with HR managers and alumni in top accounting firms, internet, media and game companies, a large aviation company, a water treatment company and a global recruitment company in Shanghai and Beijing. In addition, we interviewed representatives from OZEDU*, RCH*, Australia China Connect Beijing* in China, the Manager of Career Support Service from an Australian university in the Group of Eight and an International Director of Finance of a top recruitment company in Australia that deals with job seekers, many of whom are Chinese graduates.

*Pseudonym
Employers

1. **CNT Group**: CNT has secured KPMG accounting as a client and is thus in charge of HR related matters for accountants for KPMG and globally. CNT Group has acquired a lot of accounting firms from the Big Four (PWC, DTT, KPMG and EY). Currently CNT Group has a total of around 400+ full time employees in 11 cities in China, including Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu, Wuhan, and Tianjing. CNT Group provides three kinds of services to their clients: (1) tax and accounting, (2) corporate secretary: legal formatting and IPO services and (3) HR & payroll.

2. **Wanzy CPA** : Wanzy is an accounting firm with domestic capital. Unlike the Big Four (PWC, DTT, KPMG and EY) which have high requirements for English proficiency, Wanzy CPA focuses more on professional knowledge and technical skills in recruiting accountants. The firm however welcomes people who have a good command of English and western educational background because their clients include foreign companies that come to China to do business and Chinese companies that go abroad to open branches. Although a majority of their current businesses are domestic, the company plans to expand to the international market in the future.

3. **Green Group Aviation**, **Beijing**: Green Group is an investment group, which is a sub company of Green Group. The company is in charge of strategic investment for Green Group Aviation and Green Group Tourism. Its core business is to buy airline companies, foreign services companies and all companies involved in aviation or related industries. Green Group Aviation is now more overseas market driven or oriented. Therefore, it needs employees who understand not only China but overseas markets and cultures.

4. **Huaxi CPA**: Huaxi CPA is the largest local auditing company in Shanghai. Two big companies were merged into Huaxi CPA in 2013. The company now has 720 employees in Shanghai office. The headquarters are in Beijing.

5. **XIMUN**: XIMUN is a big internet company in Beijing. The company has recruited a large number of accountants in their Finance Department.

6. **Sea Viet**: Sea Viet is a recruitment agency. The company has 45 offices in about 24 countries globally with headquarters in the United Kingdom. In China, the company has offices in Shanghai and in the Greater China Region, it has offices in Hong Kong, Taiwan, Shanghai, Beijing, and Suzhou, as well as Shenzhen.

7. **Mylinch Ltd**: Mylinch Ltd. is a water treatment company with its head office in Singapore.

8. **Lochu Media**: Lochu has four sections of business, including media, video, search engine, and games. In total there are 11,000 employees. Last year the company received 200,000 applications and recruited 2,500 staff members.

9. **RCH Education** is an international education agency, providing student placement in Australia, and to New Zealand, the USA, UK, and Canada. RCH China is a middle-sized Australia-owned company with 11 branches in 10 cities in China. Shanghai office is the headquarter for RCH China.

10. **OZEDU**: OZEDU promotes Australian trade and manages and informs stakeholders in areas such as export industries, tourism and education.

11. **Australia China Connect Shanghai**: The association was established in 2007 and has about 20,000 members. It is a platform to help graduates from Australia and their career prospects and life experiences in China. Australia China Connect Shanghai helps to connect the alumni and supports them in finding a job, improving their career prospects, developing a plan for their life and, essentially, making sense of post-graduation back in China.

12. **Australia China Connect Beijing** (see organisation description above)

13. **Graduate Employment Service** – Australian university: This service from an Australian University in the Group of Eight provides students with career counseling service, resume or interview assistance and organises annual Careers Expo to support them with the development of career management skills and employability.

14. **Australian Recruitment Company**: This company connects jobseekers and employment opportunities and assists organisations find candidates for advertised roles.

Background of interviewees

1. **Xi Hao**: is Head of HR, China for CNT Group. Jenny has a Bachelor in Human Resource Management and an MBA. She has been working for CNT for 2 years. Prior to this, she worked for a US private software company.

2. **Li Heng**: is HR Manager for Wanzy CPA. She graduated from East China University of Science and Technology, and then she went to Fudan University for further study. Abby has been working for Wanzy CPA’s for 9 years. Prior to Wanzy CPA’s, she worked for two private companies and was responsible for HR and administrative management.

3. **Ji Sun**: is HR Manager for Green Group Aviation, Beijing. He did his Masters in Human Resource Management in Australia.

4. **Hi Kang**: is HR Manager for Huaxi CPA: Yang has been working for Huaxi CPA for eight to nine years, since she completed a Bachelors in Law in China in 2008.

5. **Cao Ling**: is the HR manager for XIMUN. She did her undergraduate study in China and has spent most of her career in HR.

6. **Gi Chu**: is the HR director for Sea Viet. He completed his Bachelor of Commerce majoring in Human Resource Management from Deakin university and also a Masters of e-Commerce. In addition, Bob has a Masters in Human Resource Management and IR from The University of Sydney. His responsibility at Sea Viet covers the full HR function, from recruitment, human resource planning, to human resource development, performance appraisals, as well as employee relations.
motivations associated with overseas study interrogate a range of educational, cultural, social, and personal meanings of mob
ing the inspirations underpinning overseas study of international students gener
By the end of 2016, there were 196,315 Chinese students in Australia, representing 27.5% of the total international student

Accounting education and accounting providers in China

Over the past decades, China has transitioned from a planned economy with government allocation of jobs for life with a minimum of social security and links to party affiliation and guanxi, to a socialist-oriented market economy with less security. The economy comprises a mix of state, private, joint-venture, foreign and domestic ownership. There is significant local diversity in the corporate sector within a fragmented, decentralised labour market where local government has significant influence (Sheldon et al., 2011). As the most populated country of the world, China is the biggest retail market globally (Unni, 2016). While Asia has generally been more resilient in terms of the effect of the global financial crisis, there has been indications of softening labour markets. The rising demand for accountants in China is the consequence of improvements in some key economic indices, including GDP per capita and foreign direct investment (FDI) in association with government policies to increasingly merge the national economy into the global economy.

UNESCO (2012) views Asian graduate employability as increasingly important due to rising graduate unemployment and employer dissatisfaction with graduate ‘work readiness’. The lack of university responsiveness has resulted in a proliferation of private providers as the private sector takes up where universities ‘fail’, particularly in India (Mishra, 2011). Private providers and professional organisations such also offer international postgraduate courses and are developing international qualifications to address this need. This addresses the preference of employers to have some form of postgraduate certification. Such courses ‘add value’ to the traditional university degree as they promise to make graduates more ‘industry ready’, although they are often delivered in association with universities as occurs at Curtin University.

Flows of international students

The rapid expansion of international student volume, especially from countries like China and Vietnam, to Anglophone countries over the past two decades has been driven by three key factors. An expanding middle class in many Asian countries has created a strong demand not only for overseas study but also for internationalised courses and internationally recognised credentials offered by joint programmes or foreign-owned universities. Secondly, in countries like China or Vietnam, a rapid increase in international trade and private, joint venture and foreign direct investment (FDI) enterprises accompanied by the socialist-oriented market economy means more qualified human resources with a good command of English capable to work in a more ‘internationalised’ labour market are needed (Tran & Marginson, 2017). Thirdly, motivating factors in the host countries including migration and employment opportunities during and after study, educational quality and language of instruction also play an important role in boosting the flows of international students from Asia to English speaking and European countries (OECD, 2017). Traditional host countries include the USA, UK, Australia, Germany and Canada but recent entrants are China, Hong Kong and Singapore (Welch & Hao, 2016). China represents the top source country of international students but at the same time it is becoming the largest destination of international students in Asia (Asian Development Bank Institute 2014; Bhandari & Belyavina, 2012). Internationalising education, developing its own education system and boosting inbound student mobility to China have been outlined as key strategies in the Chinese Ministry of Education’s National Outline for Medium and Long-Term Education Reform and Development (2010–2020) (Ding, 2016).

By the end of 2016, there were 196,315 Chinese students in Australia, representing 27.5% of the total international student volume (AEI, 2017). The inspirations underpinning overseas study of international students generally and Chinese students particularly include to facilitate career advancement, secure migration, seek a better material life or transform themselves (Tran, 2016). These perspectives can be complementary to each other rather than mutually exclusive. Research also indicates that these motivations associated with overseas study interrogate a range of educational, cultural, social, and personal meanings of mobility.
vocational, and technical training. China has a clear hierarchical system of professional accounting education, including PhD, postgraduate, undergraduate, vocational, and technical training (Zhang, Boyce, & Ahmed, 2013, p. 8). The Chinese higher education programs in accountancy include four-year undergraduate programs with accounting subjects and related disciplines, namely economics, management education in China

Over the past century, accounting education in China has experienced several upheavals corresponding to the twists and turns in the history of the country. Most recently, after almost 30 years of retarded development post 1949, accounting education has revitalised and strengthened thanks to the increased demands for qualified accountants following the economic reform in 1980. China has a clear hierarchical system of professional accounting education, including PhD, postgraduate, undergraduate, vocational, and technical training (Zhang, Boyce, & Ahmed, 2013, p. 8). The Chinese higher education programs in accountancy include four-year undergraduate programs with accounting subjects and related disciplines, namely economics, management...
science, public finance, finance and banking, taxation and business law (Chan & Rotenberg, 1999, p. 45). Students are recruited via nationwide entrance examinations. There is a tendency to move away from overemphasising training students for professional qualification examinations and towards cooperative accounting education, which includes internships with local accounting firms, to provide students with opportunities to practice real-world accounting, auditing and taxation skills as well as enhance their employability upon graduation (Liu, 2012).

To be qualified as a certified public accountant in China, one must pass four examinations, including accounting, principles of auditing, financial management and economic law. The examinations were opened to residents of Hong Kong S.A.R., Macau S.A.R., Chinese Taiwan, and foreign citizens in 1994 (CICPA, 2016). The Chinese Institute of Certified Public Accountants (CICPA), set up in 1991, is responsible for all administrative matters related to CPAs, including organising national unified CPA examinations, approving certification of CPAs, and formulating codes of conduct for CPAs. CICPA is the organisation overarching the professional management and service functions outlined in The Law of the People’s Republic of China for Certified Public Accountants, stipulated by The Charter of the Chinese Institute of Certified Public Accountants (CICPA website, 2017). One of the key responsibilities of the CICPA is to develop professional standards and rules for CPAs, and to monitor and review their implementation.

Globally, there has been increased competition for students in the field of accounting education, which moves to develop international accreditation of courses offered by universities. The highest status accreditation is the International Education Standards (IES) signals a clear move by the International Accounting Education Standards Board (IAESB) to ensure high quality standards in professional accounting education at a global level (Watty et al., 2013). Universities who gain accreditation with this body set their courses apart from others, and therefore attracts students. While there are national bodies (for example, in Australia, a requisite body of knowledge is required to gain entry into a professional course with CPA Australia) and benchmark standards have been developed by the professional bodies. The notion of convergence towards common global standards is seen to be problematic for developing economies due to language/translation and cultural/learning differences, although both India and China are developing national standards.

Interviewees agree that CPA Australia, the Association of Chartered Certified Accountants (ACCA), and domestic CPAs, which operate within the professional standards and frameworks administered by the Chinese Institute of Certified Public Accountants (CICPA) are the key providers of accounting qualifications in China.

ACCA (Association of Chartered Certified Accountants): ACCA is one of the biggest professional accounting body offering the Chartered Certified Accountant qualification. It has more than 198,000 fully qualified members and 486,000 students in 178 countries (ACCA, 2017). The company has developed its business in China since the late 1980s and up to date, it has got a total of 24,000 members and 61,000 students, with 8 offices in Beijing Shanghai, Chengdu, Guangzhou, Shenzhen, Shenyang, Hong Kong SAR and Macau SAR (SSON, 2017: https://ssobeijing.iapc.sg/sponsor-vendor-partner/acca-china). ACCA has established partnerships with Chinese Universities, many of which are leading in the disciplines of finance and accounting, and with big accounting firms in major cities. For example, CPAs Huaxi* mentioned in the interview that they have recruited many qualified accountants through their collaboration with ACCA ‘We have cooperation with ACCA and they will hold job fairs regularly every year.’

CPA Australia: CPA Australia is one of the world’s largest accounting bodies with a global membership of more than 160,000 members (as at 31 December 2016) working in 118 countries around the world (CPA website, 2017). CPA Australia provides professional education, training, technical support and advocacy in the field of accountancy.

CPA Australia is very well recognised in Shanghai and Beijing. A growing number of companies in China require their staff in finance and accounting to obtain a CPA Australia qualification. CPA Australia enhances candidates’ employability and is generally favoured for four main reasons: (1) it is internationally recognised and seen as a global qualification; (2) it provides employees and students with practical professional knowledge; (3) it is cost effective as it is cheaper to obtain a CPA qualification than a Master degree and (4) it differentiates a candidate from others as it shows his/her willingness to take on extra professional learning. It is generally agreed by the interviewees that at an individual level, a CPA qualification gives people competitive advantage in the labour market and at the corporate level, it helps to boost the ranking of the organisation. Especially, if organisations work with international partners, it is important to have staff with CPA Australia qualifications as it is internationally recognised and thus facilitates international business relationships. Notably, Shanghai Institute of Certified Public Accountants encourages professional accountants to acquire a CPA qualification, and it will give RMB10,000 bonus to those who get a foreign CPA qualification. ‘The purpose of the bonus is to encourage qualified people to get more qualifications. It’s like a reserve of talents... So in the past two year, we have many professional accountants who also have a CPA Australia qualification’ (CPAs Huaxi).

From an alumni perspective, a finance officer at Pudong, Mylinch Ltd.* commented, ‘If you have a CPA Australia or ACCA - you are considered a professional. So people have more confidence on, of course we prefer an applicant with CPA qualification.’

If a person can pass all the CPA tests and get the qualification, it means this person has strong learning ability, and that’s what they need in this highly professional occupation. CPA is a reflection of speciality and professional ability.

CPA is I think at the top of recognised qualifications for the finance function. If the big companies are looking for candidates working in the finance department, I think CPA would be one thing which they regard highly.
A representative from OZEDU* mentioned as the labour market is becoming more and more competitive, an applicant with a professional accounting designation (ACCA or CPA Australia) is more favoured by employers because it symbolises their willingness and effort to undertake additional specialist and professional learning:

> a sign of students’ willingness to take on extra learning. It’s just because the competition is mostly here, because China is a big market, but also China has lots of people, lots of workforce, so if you want to be more competitive, people think that it’s better to gain more qualifications, so I think when they think about getting more qualifications, they would prefer to get something which is well-recognised (OZEDU*).

*Because CPA is so huge in their field, accounting, finance, etcetera. And CPA is a big fish. If you have a CPA certification, you have definitely an advantage in that particular industry, in that particular field. Other industries are the same. If you have additional certifications, from industry organisations, it will always give you an extra benefit. Also in other industries, but definitely with CPA.*

**It’s another big plus point. That’s what I’m saying. Let me tell you from the employer point of view because I have done a lot of recruiting as I said earlier. When somebody comes to an interview for a position, he’s got his graduation certificate and his major, but if someone did something on top of that, just another certification, from which organisation ever, it shows you that this person is ongoing, working on his own education. And it’s not just stopping after graduating. Your personal interpretation would be that the character of this person is someone who is not stopping at a certain point.**

**Domestic CPAs**

Employers mentioned that it is crucial for accountants in accounting firms to acquire a professional accounting designation:

> In auditing and accounting companies like Huaxi*, you must have a CPA qualification (by international or domestic providers – see below for further discussion) if you want to have career development. Every year, many of our employees are preparing for the CPA tests. The CPA qualification is a must if you want to continue in this field. Without the CPA qualification, you won’t be able to sign your name on the auditing report. On the other hand, if you don’t have the CPA qualification, you won’t be promoted further after you have reached certain level. That’s why everyone is working hard for it.

This is echoed by an alumna from Australia who commented ‘when I was working in the audit firm, they have this requirement that you have to get a CPA China to be a partner, so this is - rules for those companies in China - they have rules for CPA China only you can be a partner.’

**Local CPA versus CPA Australia**

When asked whether employers prefer a local or international CPA qualification, the interviewees mentioned it depends on the nature of the business. If the company mainly deals with local clients, they need employees who possess a Chinese CPA qualification. ‘In the first case, we will definitely consider the candidate with a CPA qualification... Huaxi CPA* is a local company, so most departments in the company need Chinese CPA.’ (HR Director, CPAs Huaxi*). Endorsing this view, an alumni from Australian University mentioned while local audit firms require partners to possess a CPA China, multinational companies prefer an international qualification such as ACCA or CPA Australia:

> Depends on whether they looking for an audit firm or looking at commercial. Because the time when I was in an audit firm, I think - it’s around 2010 or 2011, the audit firm had a policy that if you want to become a partner you have to get a CPA China... But for commercial it doesn’t matter for them as long as you have a CPA and they will be fine. But I believe most multinational companies prefer to have CPA Australia or ACCA than CPA China (Alumni form Australian University, Finance officer at Pudong, Mylinch Ltd.*).

However, if the majority of their clients are international companies, accounting firms need employees with an international chartered accounting qualification (ACCA, CAP Australia, CIMA) and those with local ones as both local accounting knowledge and practice and international professional standards in this field are required for the business. An HR Director mentioned ‘Sometimes we need combined, like both has an overseas ACCA or CPA, and also some China standard association certification as well. Because they can have the view to compare the accounting reports standard difference between like overseas and China. Because our clients are all multi-national companies, they need both knowledge for accounting, using the China standard(s) and using the overseas standard(s) as well.’ (CNT Group*).

Chinese parents and employers value education highly, the trend is to accumulate credentials. The employers interviewed mentioned possessing both local and international qualifications can be an advantage. For example, a HR manager mentioned ‘In some cases, a person can have all these qualifications at the same time (foreign qualification like ACCA or CPA Australia and the Chinese CPA qualification). The more qualifications you have, the better.’ (Huaxi CPAs*).
However, interviewees also mentioned China is big and diverse, so it is important for accountants to develop knowledge and understandings about the local rules and regulations to work in different provinces and cities in China. Such localised knowledge, understandings and experiences are crucial even though they possess CPA China:

*Even if you take the Chinese CPA it doesn’t mean you are well acknowledged by every company because dealing with the Tax Bureau and dealing with government it’s different for different regions. Let’s say for one tax rule we maybe check with Shanghai Tax Bureau - they have this kind of answer - you have to go A B C D E. When you go to Beijing they might say you have to go A B C D E F G. If you go to another area - they might say that you don’t have to do all these, you just need to do A. So every province the interpretation of tax rules is different. So it doesn’t mean that you get a CPA China and this is okay already (alumni, Shan Lao*, Pudong, Mylinch Ltd.*, Finance AVP).*

In addition to ACCA, CPA Australia and CPA China, CIMA is another large professional provider in accountancy education. As the world’s largest professional body of management accountants, CIMA entered China 10 years ago. With its headquarter located in Shanghai, CIMA China has 5 branch offices and its management covers a large area in China mainland. Ten years has passed since its settlement in Shanghai. (CIMA Global, 2017).

**Chinese accountancy employment market**

The scope and nature of accountancy in China have been expanded and diversified over the past decade. Its main activities have moved beyond accounting, auditing and tax to corporate secretary including project management, legal formatting, IPO services and HR and payroll (CNT Group*, Huaxi CPAs*). This expansion of accountancy related activities is due to increased demands for change management and audit with the financialisation of various public sectors, greater global political and financial instability and increased expectations for accountability. The interviewees agreed that there was an expanding market for those with accountancy degrees. As the firms become multinational or national, they create a range of positions, which are not traditional accounting positions but are related to consultancy, project management, technology, risk management and audit. When asked if they face any challenges or any difficulties in finding potential employees that meet the need of their firm, the HR Manager of Huaxi CPAs*, the largest local auditing company in Shanghai mentioned:

*It depends on the level of the staff. Fresh university graduates are good enough to handle the auditing work. What we lack are actually project managers. There is supply for higher or lower positions, but there is not enough supply for project managers. There are two ways for us to acquire project managers. One is to promote our current staff, and the other is to recruit in the social scope. There is not enough supply for talents at this level, because project managers should have high overall qualities.*

This shortage of supply for project management positions in local accounting firms is supported by Australian evidence around who are the most sought after in terms of skills: those with 5-10 years of experience and with the capacity to manage projects (Blackmore et al 2012)

As the biggest local auditing company in Shanghai, CPAs Huaxi* mentioned about 70% to 80% of their accountants graduated from Chinese universities. Their recruitment plan has been developed in accordance with the needs of their partners. However, there is an emerging trend to recruit graduates from overseas universities since more and more Chinese companies are reaching out to the global market and dealing more with international partners, as discussed above. Interestingly, with the vision to do business globally and thus demand global perspectives, companies are becoming less inclined to draw on the notion of ‘cultural fit’ in their recruitment practice

*Basically, we are doing and we do it globally and that’s the core reason why we need overseas students, so they have the global perspectives, they have global insights and cultural exposure. That’s basically what we need for now. The company’s business is developing so fast. Back to last year or the year before we are seeking more Chinese students than Chinese overseas students because the leaders believe they can talk easily with them because we have the same cultural background and it’s something, we can understand each other easily (CPAs Huaxi*).*  

This view is reinforced by an HR Director from the Aviation company who is also an alumnus from Australian universities:

*I would say overseas HR markets (international graduates) are much better than Chinese students (local graduates). They are more diversified. We can really find somebody who really loves this job and the chances better than in China because in China I would say most of the students are almost the same. They’re just like the same pattern. They have their own thinking but they are deep buried inside and they do not even express themselves and so I would say it’s not good. But in China and I know how much pressure they are taking right now. I know how much pressure is there in every level of the Chinese people because we are developing so fast and we have too many people right here and I know what we are facing, so I cannot criticise them on that. But from a company side I would say we are more likely to find people who really love their job and who can really do their job... That’s why we might think to go overseas to find the overseas students, because they are more diversified, they are more individualism and they wouldn’t hide what they are thinking. They could speak straight, like want to say what they want and what they want to do and that’s good... We definitely need to make this company diversified. That’s why we can put our business into a global market (Green Group Aviation*).*
Recruitment into employment

For recruitment of graduates, there are four main channels that employers use:

1. websites
2. recruitment agency
3. Campus recruitment
4. Internal referral
5. Employing interns in their company

CNT Group* for example advertises their position on well-known job-searching websites including 51job.com and zhaopin.com. Employers also mentioned LinkedIn is becoming more and more popular. The key recruitment agencies that big accounting firms use to recruit graduates include Michael Page, Hays, Corn Ferry and Sea Viet*.

Campus recruitment is a recruitment vehicle mentioned by all the employers interviewed. Employers often target some universities to engage in campus recruitment. In China this event often takes place in September and October every year. During the process of campus recruitment, companies deliver presentations to students. Companies often use their own official recruitment website, and organise online and offline promotions to encourage students to submit resumes. In the process of campus recruitment, companies have a series of procedures including written test and interviews. Huaxi CPAs* for example revealed the majority of their employees have been recruited from campus recruitment and in 2016 the firm recruited over 100 fresh graduates.

We always come to some school, target school, and hold some campus talk, talk with the students. When we do campus recruitment, we will have an official website for campus recruitment. We have our own platform for promotion and we will go to some target universities to talk to the students on campus (XIMUN* company).

However, other companies mentioned instead of giving broad presentations about the companies at campus recruitment events, they contact lecturers directly to ask them for recommendation of suitable candidates:

We recruit through internal referral or advertisements on the website. People with working experience may have heard of us, but university graduates completely know nothing about us. So it’s difficult to attract graduates. Even if we go to universities, we won’t give large presentations. We will contact the teachers directly and ask them to recommend suitable graduates (CPAs Huaxi*).

For the large companies, campus recruitment or job fair is also used as a mechanism for company branding and promotion rather than merely for recruitment:

But, again it’s like publicly we are talking about recruitments, I mean, campus recruitment, even though in this company - the company before them, I’m working for SBS. It’s a lot of people, because that’s why I say many times, when those big companies they are running the campus recruitment in China, they’re more treated as employer branding activities rather than only recruitment (Sea Viet*).

But, we are not looking for the immediate result, because sometimes yes, if we are lucky enough during the job fair we can meet some really good ones. Then we can take them and get them to work for us. But, in many cases, I think it’s more like employer branding. In the long term, yes, I think through all these promotions, students know more about Sea Viet*, then later on they can come back and work for us.

Some companies collaborate with the union of foreign universities, especially in the US and UK, to recruit international graduates via university job fairs:

Every university union have their schedule of the job fairs and we just make a comparison between their - match them together, see if there are some blank dates for us to attend because we want to take advantage. So we want to take advantage from the unions’ top fairs because the unions will do the job for us. They will do promotions, online promotion maybe and I use their resources and their channels to give out our handouts or posters (Green Group Aviation*).

And also, in 2014, actually we went to many Australian universities, as well as many universities in Singapore, to participate in the campus recruitment, and trying to get overseas returnees, Chinese students who studied abroad to come back to work for us. This year, just last month, there is quite a big job fair held in Shanghai. Actually, that is alumni from many top universities from United States, so they hold a job fair. So, we also participated in that, to talk with many American students who are currently studying in United States, but are willing to come back to work (Sea Viet*).

Employers mentioned they use LinkedIn as a recruitment channel:

We have we direct hunt by using those social medias such as LinkedIn. So, through the LinkedIn profile, if there is someone we think is really good, then we try to build connection, and trying to get them (Sea Viet*).

However, other employers raise concerns about LinkedIn as a closed circle
University ranking is an important criterion in assessing the potential of candidates, as indicated by an employer:

Employers also comment that undertaking to acquire their certifications rather than the certifications themselves demonstrate their ability and experience in translating the knowledge and skills they accumulate through the programs they undertake.

However, the HR Director of Sea Viet*, a large recruitment agency in China mentioned it is important for applicants to demonstrate their ability and experience in translating the knowledge and skills they accumulate through the programs they undertake to acquire their certifications rather than the certifications themselves:

But, I think it’s more talking about how you utilise those certifications rather than just have the certification. So, during the interview, if you can build up the linkage, of how this certification can help you, that will be much better, just to show me those certification, than saying I have this... You’re only qualified when you talk to associations, we talk to whoever they are. Sometimes they will be bureaucratic. They will do things maybe two months or three months later (Green Group Aviation*).

To select candidates, companies undertake online tests, written tests and interviews

We have too much fresh graduates and waste our time to talk with them to do the recruitment, because if we do not have a standardised test we will be flooded by Chinese graduates. Right now, every day, every year we have millions of graduates into the human resources markets, but what we do right now I will say are not designed for most of them. The job, they just couldn’t do that. But from my side I’m just one person here. I only have two eyes and one mouth and I only have 24 hours per day, so I couldn’t talk to every one of them to identify who is good for us, who is not. We have to have some standards or some criteria to exclude some people. It’s cruel, but we have to do that because we are a company, we want to survive as well. So that’s why we divided students by their universities and we choose the ideal university (Green Group Aviation*).

For Wanzy CPA*s for example, to select accountants, the written test is comprised of two components: professional ability and general ability. The professional ability component is to test the applicants’ professional knowledge of auditing and accounting, which is a smaller proportion. The majority of the written test focuses on assessing the applicants’ logic ability, and capability to process numbers and words. Lochu* Media uses an automatic online system based on key words to shortlist and exclude around 80% of the candidates. The company then organises an online test, which is also composed of two parts. The first part focuses on cognitive ability, which resembles EQ and IQ tests, involving picture reasoning, numbers and logic. The other component focuses on testing general ability. Interestingly unlike CPAs Wanzy*, Lochu’s* online test is not intended for professional knowledge. Instead, the company will assess the applicants’ professional knowledge through interviews and written tests after they get through the online assessment. The company is using a system called the ‘Smart Model’ to shortlist potential candidates:

The Smart Model is used to test the potential of a candidate. It is introduced by Hay, an elite company. They have a model and we borrowed four dimensions from it. We call it a ‘smart person’. Why smart? Because this person has curiosity, the ability to learn, the cross-domain thinking ability, and the ability to get along with other people. We use these four criteria to test a person’s potential.... Of course, the first step is still the resume screening. Usually 70-80% resumes are eliminated in this first step.

Employers commented that in recruiting international graduates, they place emphasis on whether the candidates have relevant work experience through internships and the status of their institution:

As to overseas applicants, we will first look at their resumes and do the resume screening. The first step is to see whether he has job-related internship experience, and the next we will see which school he graduated from (CPAs Huaxi*).

However, employers raise concerns about how they reach out for overseas graduates:

The biggest problem is how to find the right overseas students, because unlike Chinese students, foreign students have different ways of looking for jobs. Shall we find the right student through the Association of Fellow Provincialis, or through the Career Center in the university? (Lochu*).

Relativity of credentials

Employers generally agree that the Chinese labourmarket favors higher education rather than vocational credentials and the more qualifications and certificates applicants have, the more employable they are:

I think in Chinese market, definitely you need a bachelor’s degree or master degree. This for sure, this is a basic, but on top of that, if you have more and certifications then that definitely helps you. If we are talking about professional studies, occupational studies versus college degrees, I still believe in China, in Chinese market, you need your academic qualification first, rather than just a vocational certification (Sea Viet*).

However, the HR Director of Sea Viet*, a large recruitment agency in China mentioned it is important for applicants to demonstrate their ability and experience in translating the knowledge and skills they accumulate through the programs they undertake to acquire their certifications rather than the certifications themselves:

But, I think it’s more talking about how you utilise those certifications rather than just have the certification. So, during the interview, if you can build up the linkage, of how this certification can help you, that will be much better, just to show me those certification, than saying I have this... You’re only qualified when you can use those certifications (Sea Viet*).

Employers also comment that top graduates from local high-profile universities such as Peking University and Tsinghua University are as much sought-after and well paid as their international counterparts (Lochu*).

University ranking is an important criterion in assessing the potential of candidates, as indicated by an employer:
When we review the resume of an applicant from overseas universities, we mainly pay attention to the name of the university that he has graduated from. We believe if this person is able to enter a prestigious university, he has defeated many other competitors.

Look at the universities by the rankings, the QS. but for us we only choose top 100 and for US (News) we only choose top 30.

However, employers also argue that their current system that places emphasis on graduates’ university ranking in their selection criteria is ‘unfair’ and ‘cannot solve the problem’; ‘We really couldn’t say the people from the low-ranking universities are worse than the people from Harvard or whatever. That’s the big problem. That’s what we are doing in practical right now, but ideally, in my opinion, we should build a system and take away the so-called rankings.’ Other employers tend to pay more attention to the ranking of the disciplines/majors than the university itself because they argue ranking of universities does not explain the situation of the disciplines/majors.

Employers tend to favour graduates from US universities. This perception is also supported by a representative from OZEDU*: ‘People graduated from the US may have a little more employability, which you mentioned, because people perceive that the US provides a high quality of education, so if you can go to US universities it proves that you have certain qualifications. So that’s the impression but I think for Australian graduated students, if we rank students from different levels, first would be US and second would be Australia, UK and Europe and third would be the eight other Asian countries’. However, a representative from the Australia China Connect Beijing* argues that it depends on the company’s business scope and direction. For instance, if the company is a business focusing on Australia, then they obviously prefer a candidate with Australia qualifications or credentials. Some employers argue that even among graduates from American universities, they prefer those graduating from universities on the East Coast:

I mean around the east coast the ideal candidates are a little bit more than the other region all over the world because I went to west coast of US and also the UK and Australia as well and France and China, a lot of areas, and all over the world. Let’s say 100 candidates are there and I would say the 100 candidates from east coast are - maybe we can find 40 people we can talk with, but on the west coast we only maybe have 20, and therefore the other parts of the world maybe even less than that. April this year I went to Manchester in the UK and there are thousands of students attended the job fair and we finally picked 84 students and we interviewed them, but for our company we only chose one. Only one candidate... I would say it’s a total failure of the recruitment (Green Group Aviation*).

One of the reasons for graduates from the East Coast to be more employable is that they often have the internship experience because they can easily find their internships in New York where there are a lot of finance and investment companies which have a lot of intern opportunities for the students to get involved.

While employers generally want to recruit graduates from overseas universities, they hesitate in considering those with a vocational qualification from overseas: “But, if you are talking about graduates from Australian vocational education and training, we certainly don’t want to recruit them. (CNT)

They also mentioned some accounting colleges in China produce desirable accountants who are qualified for their job, fast learning and have reasonable expectations in terms of salary:

In China, we also have vocational institutes such as Lixin Accounting College, these graduates are very professional, and they don’t ask for too high salary. They are stable in the job, and they learn very fast (CNT).

Local versus international graduates

The competitiveness of local compared with international employees on the Chinese labour market depends very much on the type and orientation of a company and what attributes the company looks for in a potential candidate. Graduates from overseas universities are generally perceived to have English competence, cultural exposure, global mindsets, communication skills, teamwork spirit, and independence, thus they tend to be more favoured by multi-cultural companies. The following extracts illustrate this preference.

Firstly, they have language skills because Shanghai is becoming more multinational and there are many foreign companies, multinational companies and they specially are thinking recent five to ten years. Many companies have moved their Asian headquarters from Hong Kong or Singapore to Shanghai. So having that in mind, I think for multinational companies when they look for candidates’ talents, they are looking for people who are bilingual. So I think language skills are very important. And also for people who are educated in Australia, they are more familiar with Western culture, so it’s easier for them to adapt to the multinational organisation environment (OZEDU*).

The first is independence. When studying abroad, these students must try all means to solve problems by themselves. They may turn to parents for help when they are in China, but when they are abroad, they are forced to solve problems about the language and the environment on their own. Even if they use certain guanxi, it’s still they own ways of solving problems. This is a great training and practice for them. Another point is the vision. They may have global vision, wider
Chinese companies with a vision to expand their business to overseas markets or develop partnerships with foreign companies to do business in China also have the inclination to hire returning graduates due to their global outlook, cross-cultural understandings and international experience. Below are the explanations for this practice provided by the Australia China Connect Beijing* and OZEDU*:

*Because in China, Chinese companies have to target international markets. It’s not a Chinese market any longer here in China. It was pretty much a Chinese market, but every Chinese company who wants to compete has to look beyond China, and for that, they need people with an international mindset. Australia is, I can only guess, but as for Chinese employers, Australia and UK are kind of on top of the list, actually more than the US. It’s more a gut feeling (OZEDU*).

*Because they learn through experience, through personal experience, by not just at the campus, but also by communicating with their fellow students. Cross-cultural problems, there is a huge cross-cultural problem when not just Chinese, but Chinese and Western mindsets, working together. There’s a huge potential for misunderstanding. Those guys who have studied in Australia didn’t just learn everything in English and graduated in English. They also learned on a daily basis just by going to the supermarket, that this culture works differently. Managers in China, have to be global managers in the future. They have to understand cross-cultural backgrounds. This is an extra advantage to bring with them (Australia China Connect Beijing*).

*For local companies, I think the motivation is for them to hire international students. For example, I think there are more and more local companies trying to step out of China. Some companies have investments overseas or they have merge acquisitions with foreign companies. They try to hire some international students with international backgrounds to either work on the international projects or work in a more multinational environment (OZEDU*).

Meanwhile, there are very few justifications for the employment of local students presented by the interviewees. According to OZEDU*, local graduates are the choice instead of international ones in the following situation.

*For local companies, they tend to hire local students because language is not a barrier, and also they perceive that for students who are graduated from overseas, will cost higher than just to hire a local student (OZEDU*).

However, the advantage of an international education experience is not always clear and has the tendency to become blurred. China has invested significantly in expanding the higher education sector to meet growing demand and is now competing in the Asian market for international students (Tran, 2011). According to Sea Viet*, in the past, about ten years ago, it is very easy for graduate returnees to find a good job and ‘their starting point will be much higher than a local graduate’. He/she added, ‘nowadays, these are all intro level jobs. If the local graduates can speak good English, even though you have overseas degree, you are still coming back to compete with those people. (...) now I think we will treat them more equally with the local graduates.’ In the opinion of CPAs Huaxi*, there is ‘no big difference’ between local and international graduates. The HR Manager at CPAs Huaxi* explains:

*Because many students still stay in a circle of Chinese people even if they are studying abroad. The cultural competency depends on the students themselves. As to professional knowledge, both international students and local students study book knowledge, just they use different textbooks, one in Chinese language and the other in English language. One advantage of international students is that they are required to write a lot of essays during their overseas study, and they will do research by themselves and search for information and data. But, Chinese university students are now learning in a similar way.

Furthermore, there are several concerns and doubts about the adaptability and capacity of international graduates raised by both the employer and alumni interviewed. Below are two related examples.

*We have found that overseas students have global visions and better overall qualities, but they may not necessarily have better adaptability to the local environment or have better professional knowledge than the local students. It’s just a polarised situation: top students are really excellent, and many students are in a low level. (KIMUN*)

*Communication wise, they perhaps are expecting a bit too much. What I mean is that, you know, just because you studied overseas doesn’t mean you’re better than anybody who studied in China. There has been some comments (made on occasion) between those who studied overseas and those who studied at a very good university in China. There’s a comparison for sure, but there are sometimes comments or communication issues between the two. I think there’s sometimes an assumption that going overseas is better. But that’s not necessarily true (Luke James*: Australia China Connect Beijing*).

This perspective is echoed by a representative from the RCH*:

*Interesting to find out that most employers wouldn’t think the graduate from a foreign country is a plus... Some companies find that the advantage for Chinese students – Chinese graduates – is that they – if the students graduated from some top university in China, they are more adapt to the local environment, because they may be from – let’s say –
they may be from Suzhou, but they studied in Shanghai, so they know what’s people like in Shanghai, they know the working environment, they know the way to communicate with people in Shanghai.

The interviewees appear to view the ability to adapt to the local environment as an advantage of local graduates. In other words, ‘adaptability’ is considered as a symbolic capital that is becoming a crucial employability attribute on the accountancy job market in China. In addition to the ‘adaptability’ attribute, local knowledge, understandings of ‘the way around’ on the labour market and their positioning of themselves as “more competitive and more progressive in job-hunting in a job-hunting process” (RCH*) give local graduates significant competitive advantage on the Chinese local market.

Since international graduates might have high expectation and employers are not confident about their ability to adapt to the local workplace culture, there appears to be hesitation in recruiting these candidates. According to RCH*,

*So this is also one gap that employers will think, then, “You are not as localised as I need. So I need a person – I need a staff to – you know, they don’t have any issue to adapting to the work environment, to adapt to the city environment, and they can perform well.” So, some – and also another factor, some employers say that some graduates, their expectations are higher than local graduates (RCH*).

Graduate returnees are also criticised for their lack of competition and commitment in their work. RCH* compares international and local Chinese graduates as follows.

(... these kind of graduates – they refuse to work late, and they just focus on the responsibilities that we set. They would not want to take any more responsibilities. And some staff even say that’s too much. I can’t finish all the tasks today. I will work tomorrow. So that sort of signals – that means to employers that, you know, is not like local graduates. They are – at the first few years, they are more passionate and willing to work late, willing to take more responsibilities, willing to work under high pressure, to (squash/scratch) their time to finish as much tasks as required and even more. Yes, Saturday afternoon. Even Friday afternoon. So for some – you know, some people – some graduates who are used to working in Australia said, “Oh, it’s Friday afternoon. We need to take a break and should take an early off”, and that things like – but for some local graduates, there’s no difference whether it’s a Friday or it’s Monday.

The HR Manager for Green Group Aviation* adds,

They are not competitive enough. They are not, I would say, aggressive enough. We say if a company wants to survive in the business world in China or in the worldwide, they have to be very aggressive and competitive. Australian students, I would say in general, most of them because they haven’t experienced the competitiveness.

Another concern is about the English language competency of international graduates (see the section on English language proficiency below for more detailed discussion)

sometimes you will find their English level is not worse than students graduate from Western countries... People would think that if you’re studying in Australia for two or four years, you should have a better English proficiency level than students study in China. But most the cases, no. No difference. No big difference (RCH*).

In the past, one of the distinctive advantages of international graduates compared with local graduates is the level of English proficiency, giving them better employability on both the local and transnational labour markets. However English language competency is no longer a “global linguistic capital” attached with international graduates only. In reality, local graduates are catching up with international peers in this regard through their investment and commitment to improving their English language skills and thanks to the exponent growth of twinning programs, transnational or jointly collaborated programs with foreign universities in China. Worse still, a proportion of students are not active in developing their English proficiency during their overseas study or socialise mainly with their co-nationals and the Chinese community while in the host country, thereby their English is not better than local graduates.

Managing graduate expectations

There is generally a consensus among the interviewees that graduate returnees tend to hold too high or unrealistic expectations of their potential employment/appointment while they might have low work ability, weak commitment and adaptation problems.

Candidates with international education usually expect high salary because they often “think highly of themselves” and that “they are underpaid compared with their abilities and their workload” (CPAs Huaxi*). This unfortunately can have a negative impact on their employment prospect. According to Wanzy CPA*s, “the salary cost is the first barrier” to recruitment. Seconding this, an alumnus from Australian university further comments:

We have met some overseas students. I think the first problem is the salary. For example, US students may ask for salary according to the US standard, which is much higher than the salary in China. It will cause the imbalance in the company. It will be a problem if the cost of recruiting an overseas graduate is even higher than recruiting a local person with three years’ experience (Pudong, Mylinch Ltd.*).

Graduates coming back from overseas universities might have a complex of superiority. Huaxi CPAs* observes that “those students who go abroad for study usually come from well-off families. They may feel they are doing jobs far beneath them and
their potential is not fully used.” As a result, they have unrealistic expectations of the entry-level jobs they are likely to be recruited for. This makes them less competitive compared to local graduates with the right expectation regarding employment opportunities, as explained by Sea Viet*:

Because the intro level job, they’re not required very high skills and competency level, but many people working in HR we’re considering that those overseas returnees have higher expectations than same job, same pay, same level of skills and competency, but the local students they don’t have higher expectations, but the overseas returnees have higher expectations, why (we) will give you job.

Many Chinese companies are reluctant to recruit returning Chinese candidates with degrees from western universities. The explanation is that these employees are not competent enough to perform their professional work and might have difficulty fitting into the local work culture and develop harmonious relationships with their colleagues. Below are two observations related to these issues:

As far as I know, many Chinese companies are reluctant to take graduates coming back from western universities because they have too high expectations after they come back to China. It’s not only the high requirement for salary. Some of my HR peers complain that these international students expect high returns but actually lack work ability. They are used to the ways of working and ways of dealing with people in western countries, which makes it difficult for them to blend into the local Chinese company (Wanzy CPA*s).

The second problem is their adaptability to the domestic environment. They have stayed abroad for many years, and may not be used to the ways of working in China (Lochu*).

Another reason why returning graduates are not favoured by recruiters is the fact that they are not trusted to have long-term commitment and devotion to the small-sized, less prestigious recruiting companies, as elaborated by Wanzy CPA*s and Huaxi CPAs* below:

Maybe, graduates from overseas lack some commitment and devotion to their work. Probably most people who can afford overseas education come from well-off families, so they don’t have the financial pressure that forces them to work hard. If a person loves his job very much, he may commit himself to the job. I don’t mean they don’t commit themselves to work, just they don’t commit that much compared with others (Wanzy CPA*s).

Besides, it’s difficult for the company to keep them here. They use our company as a bridge – after working for one or two years, they may hop to the Big Four accounting/auditing companies, or go to foreign companies and stock exchange companies to be accountants. So it’s very difficult to keep overseas graduates in the company (Huaxi CPAs*).

Guaxi

While “guaxi is everywhere and it’s the core of Chinese culture” (CNT Group*), the interviewees are divided in their opinions about the presence and acceptability of this culture in their companies due to their different perceptions and interpretation of this notion (see the literature review section for detailed discussion of this notion). Employers (CNT Group*, Green Group Aviation* and XIMUN*) maintain that guaxi does not exist in their internationally-funded and managed companies.

It’s difficult to comment on “guaxi”. Many foreign companies in China are virtually managed by Chinese people, so the practice of guaxi exists to some extent. But, in western companies like us, CNT is a wholly foreign-funded Dutch company, we don’t have the practice of guaxi (CNT Group*).

Guaxi has no room in internet company because I think it’s because of our corporate culture and company rules. XIMUN* is a company developing rapidly, and the employees need to go through a series of selections before they join our company. Most of our employees are hard-working, otherwise XIMUN* would not have developed so rapidly (XIMUN*).

That could happen. That could happen, definitely for sure. But for us for now - but that’s the better part of our company because we have Green Group* on our back end. That group can block a lot of things for us and for our company the only thing we need to do and the most important thing we need to do is to get our business done. So we need the best people to do the best things (Green Group Aviation*).

Even though the HR Director from Green Group Aviation* confirms that guaxi is currently not a part of in his/her company’s recruitment culture, he/she thinks that might be considered in the future because this practice can help bring in for the company some candidates who “own some resources or connections some fresh graduates do not have.” However, he/she highlights that such candidates still need to undergo the conventional recruitment procedures. Not only the recruiters but also job seekers might have to rely on guaxi to get connected, especially in this time of oversupply of candidates returning from overseas. The HR Manager for Wanzy CPA*s provides such an example:

According to my observation, it’s very difficult for people coming back from abroad to find good jobs, unless this person is exceptionally excellent, especially when there are a lot of overseas returnees now. In recent years, Chinese economy is
Guanxi is generally quoted by the interviewees as comparable to the referral practice in western cultures. However, the views on this are not uniformed. The HR Manager from CNT Group* argues that guanxi is different from referral. She explains:

Because internal referral means people will send our job description to their connections, to who they know. Also we provide referral bonus, so we encourage them to find people for the company. But for the guanxi, I think sometimes we feel it's mandatory to hire this person because of client pressure. This is called guanxi (CNT Group*).

However, most interviewees are in the opinion that referral is a kind of guanxi and thus guanxi is not one recruitment practice that is Chinese-specific. Rather, it is a universal process that is observed in many companies and is supported as long as the recruitment is transparent, fair and based on candidates’ competence, as illustrated below.

So, this is definitely it's a company’s process - internal referral process. This is a global practice, not only in China, so I didn’t see this as not only guanxi, but that seemed to me in Chinese perspective this got us through guanxi, because guanxi is more like your connection, how many people you can connect at base. So, through your connections, if you can find someone, then that is guanxi. In Chinese perspective, Facebook is guanxi, LinkedIn is guanxi. So, that's why I said I think it will become more normal rather than unique (Huaxi CPAs*).

Yes, guanxi exists to some extent. If a candidate is recommended by our partner, we will certainly give him a chance. However, when it comes to campus recruitment, guanxi does not stand a chance. Students must compete with each other and only students with strong abilities will be able to enter our company. Of course, even if there is the guanxi, the candidates still need to go through the necessary procedures. If a candidate does not perform well during the 6 months’ probation, we will not recruit him in the end (Huaxi CPAs*).

Guanxi is still important, but I will say that guanxi - I should say, don’t I mean make it wrong. Because from many person’s perspectives, they treat China differently. That's why when they first time saw the word guanxi, they also think it's very unique in China, but actually it's not. When we are talking about people’s skills or competency, that is a part of their interpersonal skills. Whether or not they can engage with people, easily they can engage with people, they can quickly set up the communication, good listening skills, they're all part of the guanxi, so guanxi is nothing unique or special. So, nowadays, I believe that China becomes more globalised, internationalised, so I think that guanxi will become more common in both Chinese and Western perspective (Sea Viet*).

Guanxi is so deep within the Chinese culture. It’s more than just mateship in Australia. We have the same kind of thing in Australia. Mateship is a very strong thing, so you team up with your mates. That’s how Australians do it. So if there is an opportunity to give it to your mates, you don’t give it to anyone you don’t know. So relationships in terms of socialising, in terms of your friends, is not just a Chinese thing. But in China it goes deeper. It goes deeper into the society. And it will be always like that. It’s not a Chinese thing, it’s not an Australian thing, it’s always like that. But just in China, we have a big name for it (Director, Australia China Connect Beijing*).

Some interviews observed that the Big Four companies in Beijing and Shanghai also leave some positions for people who possess strong guanxi, mainly because a component of their clients are from the VIP class. An HR Director commented “From some of the angle we could say they (people with guanxi) are best because they own some resources or connections some fresh graduates do not have” that could benefit the company.

The Director of the Australian China Alumni Association provides an interesting example of what guanxi means in relation to networking among the alumni:

There is actually because overseas graduates are more kind of driven to keep their relationships going with other alumni also from overseas. So there is a kind of a new guanxi building up. Like in ACAA they love to catch up with other overseas graduates. And they are going to connect to each other for the long term and it has a long-term impact because you build your business guanxi. And someone who has studied overseas has a bigger business related guanxi with a bigger variety of people he can deal with, and this is how we are. (Australia China Alumni)

Thus, Chinese international graduates are seen to possess dual guanxi which is referred to the local kinship they have already established and the transnational business Guanxi they develop during their overseas study. Such dualism of local and international guanxi built via transnational mobility and overseas study is seen to provide them with a distinctive advantage on the labour market.

English language competency

English language competence is traditionally considered to be an advantage of international graduates from universities in English-speaking countries. However, there is a recurring concern among the interviewees that returning graduates are not competent in English as generally perceived. Below are some extracts from the interviews regarding this.
Nowadays a lot of people go abroad for further study, but not all of them speak good English. We have met overseas students who do not have strong English proficiency (Wanzy CPA*).

There are a small number of people who I interviewed in the past, who failed to prove that they have good language skills, even though they have studied in Australia for a certain period, I think this will not be beneficial for Australia’s education trend if the employers interview people who are graduated from Australia but are not proven to be capable in communication in English (OZEDU*).

In some cases, graduates’ lack of English proficiency can be due to the length of Masters courses being too short for students to master the language. The main criticism, however, is that Chinese students, being the dominant sub-group of international students in Australian universities particularly in the field of accounting, tend to cluster together in their communities, speaking their mother tongue, rather than make an effort to engage with local people and culture. The marketing director of RCH* provides a detailed explanation of this reality as follows.

And they are not prepared enough that, “Once I study in that country, I need to do what the country – what the people in that country do. I need to say and I need to speak the language, I need to act as a local. I need to learn what’s the best from them”. So they tend to stay with a small community, with the same language, and with the same group. And after two or three years, just come back. They – and expect that they have a better English level, just because they attend some English class.

Yes, I think it’s mainly because of the students themselves. How they set up the relationship with other students, with other people. So some students, they tend to be with Chinese students. They not refuse, they hesitate or they don’t want to – they have fears to communicate with locals, to work with locals, to join in the local communities It – they – I think the students themselves are lazy.

The above observations of internationally trained graduates’ limited English proficiency upon return are worrying and alarming. They have worrying implications not only for students pursuing their education abroad but also for providers of international education wishing to improve their graduates’ employability and competitiveness in global labour market.

Apart from international graduates’ limited English proficiency, English competence is no longer an advantage of returning graduates in their competition with local graduates for employment. As can be seen in the description of the change by the HR Director for Sea Viet* below, the gap in language proficiency between the two groups has been significantly narrowed.

I do see that the advantage, the difference, the gap, I think you can use the word gap, they become smaller when they are talking about two things. One thing is the language skills, another is the international mindset, because now in China, there is more and more local universities, now a joint venture with overseas students. For example, we recruit some people from local Chinese university called the Xi’an Jiaotong University. This joint university have an overseas campus, joint venture with the Liverpool University of UK, so they’ve set up their overseas campus Suzhou. So, I mean many of their courses are taught in English.

And, the young generations who born in 1990s, and so they’ve got the better English language skills, so that’s why, they’ve got the better foundations in terms of language, so I will see the gap. If back to ten years ago, yes, the language made a huge difference, but now I think that the gap becomes smaller and smaller. Many students in China, they took - for example they want to study abroad, now they took, after they graduated from local university in China, they then for the IELTS test, the academic normally they could have got a seven in average. So, I don’t think this makes a huge difference. Many people, even they studied in Australia, for example, after they graduated from the business school, they are looking for kind of working visa. They also require it for the IELTS, whereas some of them even can’t pass that test. So, I think the language, definitely the gap will become smaller.

Furthermore, recruiters are looking for and prioritise other attributes in candidates over language competence. The HR Manager for Wanzy CPA*s explains that, “As a Chinese accounting firm, we value more a person’s commitment to work. English is only a skill, and it’s not a must.” In the same vein, the HR Manager for Green Group Aviation* shares his view: “Language is the first thing, but we cannot say the language is everything because the past years practice and the exact (.) clearly knows that the language talents are not equal to global talents.”

Internship and work experience

There is a general agreement among the interviewees of the significance of internship and professional experience for job seekers returning to China after graduation from foreign universities. The values of such experience include having trust of recruiter and being more competitive on the job market, as reflected in the following extracts from interviews with an Australian alum from Pudong, Mylinch Ltd.* and representatives of the RCH* and Green Group Aviation*:

They rather trust the experienced ones rather than - I don’t care if you’re from Australia, you’re from the US or from the UK, but for you - you have to qualify - and if they get that - she has been an intern before and she has been working for six months, and I just give her a job (Alumni, Pudong, Mylinch Ltd.*).
And also there are many candidates – even before they come back, they have a very good internship experience, or part-time – or even some full-time – one year or two year full-time work experience. This is also a plus (RCH*).

I would say it’s different. All of them have the overseas qualifications and certificates and I would say study experience, but the internships, we don’t have concrete rules if you must have an internship or not, but through the interview we will see statistically we will say the students with internship experience are doing much better than the students who don’t have because they know what the job is and they know themselves how to position themselves and it’s totally different. I would say the students who have the internship experience are very, very important and that is why the students from east coast are more competitive because they can easily find their internships in New York. There are a lot of (...) and investment banking and whatever companies are doing that and they have a lot of intern opportunities for the students to get involved. That brought them very strong competitiveness (Green Group Aviation*).

As an alumnus from Australia, the Finance officer from Mylinch Ltd.* reveals she was not provided with an internship opportunity during her accounting course in Australia and she felt she was disadvantaged as compared with other fresh graduates who had internships when she started working in the field. She further comments those with internships knew about the job already through being exposed to the work via internship while she had to work harder to get to her way around. This view is shared by many other interviewees.

Some companies express their interest and willingness in hosting students’ internships. CNT Group* is such a company. It is currently having an eight-month trainee program, recruiting second-year and third-year university students from Singapore who major in accounting. While a similar program is very beneficial for accounting students from Australian universities, unfortunately, no partnerships have been established. This indicates a regretful gap but also an opportunity for Australian education providers if they wish to offer its students with professional learning in the industry in the target labour market. According to CNT, the linkage between universities and the company to provide internships for students would bring about mutual benefits for both companies and students.

For example, we have a local partner, partnership companies. They can send us overseas students for free as intern, like two months summer season. For this kind of, like work relationship, we found it’s very encouraging. Also, all the summer season students they can do the marketing research. They do a lot of PPT. So we found it’s quite valuable to us. (...) And, I guess the students who have that opportunity are really grateful as well because it really helps with their employability (CNT Group*).

However, one identified barrier to overseas students’ participation in internships in accounting companies in China is time clash where students’ availability do not match industry needs, as explained by the HR Manager of Wanzy CPA*s below.

In terms of time, local students have more advantages over overseas graduates. In China we need to complete all the accounting and auditing reports by the end of April every year, so we need a large number of interns starting from the previous October. These students will assist us with the work, and we may also choose good candidates from them. However, due to the different semester arrangement, foreign students do not fit into our time schedule. Therefore, overseas students do not have advantage in the aspect of time.

Graduate employability
There are a wide range of attributes that employers look for in a candidate. Apart from sound professional knowledge, soft or generic skills, positive attitude, and comprehensive views are considered fundamentals. The following extracts from the interviews with Lochu* Media and Green Group Aviation* seems to capture all these key characteristic of a valuable employee as perceived by the interviewees.

As to a valuable employee, the first quality is capability. You should have the ability to do your job well. This is the most basic requirement. The second point is potential. We care about whether this person is willing to develop himself, so self-motivation is very important. Then it’s the teamwork spirit. It includes cooperating with others and getting on well with others. Another important quality is hard work, or responsibility. Although we don’t have strict rules about working hours, when it’s necessary to hold a meeting till 11pm, everyone is ok with that. This is what I mean about responsibility (Lochu* Media).

I think definitely knowledge, skills, ability can make the difference, but I will say integrity is something also very important. So, definitely in our company when we recruit people, all of the interviews, during the interview the questions asked are around those perspectives. Whether or not they have the right knowledge, skills and ability to do a job, plus whether or not they are a team player. Whether or not they have the correct integrity level, at a good level, so we chat during the interviews (Sea Viet*).

Other interviewees also offer their views of the expected attributes they rate highly during the recruitment process. For CNT Group*, “If we see a person with integrity and good attitude, we will say this is a person with great potential. (...) They also have the spirit to learn, and this is also a basic quality. Without these qualities, it’s difficult for a person to be a good employee.” Green Group Aviation* expects fresh graduates to have a
big picture - the perspective on the industry and how this industry developed, how it works, why there are a lot of people working within these industries, what are their interests? (...) and another big picture is about their study. They have to have the full structure of the courses and whatever they are, accounting, finance and economics. They have a big picture of that, even though they cannot do good at everything, but they will know it. At least they will know it, and when they need some knowledge from that part they can go straight there and learn.

In Sea Viet* HR Director’s opinions, “people’s soft skill, interpersonal skill normally is (their) top priority” while employers (Green Group Aviation* and Huaxi CPAs*) specifically mention teamwork, communication skills and ability to learn as important graduate qualities.

Collectivism, yeah. It’s just we need people who can work together because we cannot do things on our own. We have to work together on certain things and we need people to work together to get it done, yeah (Green Group Aviation*).

The first important quality is communication ability. Our recruiting procedures include the written test and the interview. After an applicant passes the written test, our partner will hold the interview in person to check the applicant’s communication ability, because the job of auditing involves communicating with clients. Another important quality is teamwork ability. Some people may have strong personal abilities but have difficulty working with others. So teamwork is very important (Huaxi CPAs*).

Yes, I think it’s the language. It’s language and also learning ability is also important. When I talk about learning abilities, the way of for new job you learn the new things, the ability to learn the new things, is also I think it’s obviously important (Sea Viet*).

Diversity

Diversity is a prominent feature of contemporary workplaces. There are different dimensions of diversity. In the Chinese context in the field of accounting, interviewees refer to diversity reflected in the multiplicity of cultures, the mix of overseas and local graduates and the balance of gender. For example, according to the HR Manager for CNT Group*,

Because CNT* is a foreign company, we certainly like to have some out-going students who have had overseas study experiences. We also encourage multi-cultures in our company. It will be a perfect balance if we have half overseas graduates and half local graduates.

Meanwhile, Huaxi CPAs* highlights her company’s preference of male over female employees. He explains that by nature, auditing and accounting jobs are demanding in terms of time and commitment. They are therefore not family-friendly and tend to discourage women’s participation. Married females with young kids and caring responsibilities are likely to resign from their positions, which is a loss for the company’s investment on them. Male employees are preferred due to their stable commitment with the company. In Huaxi CPAs* HR Manager’s words:

By the way, we prefer boys to girls. (...) Auditing and accounting are very demanding jobs. Employees often need to work overtime so they may neglect their family. After giving birth to babies, many female employees may quit the job and choose to go home and take care of the family. So it means the company will waste the several years’ training and efforts on those staff. In this sense, male employees are more stable than female employees.

Recommendations for Australian providers of accounting education in China

The issues related to employment for accounting international graduates in China identified and presented in the previous section have implications for Australian providers of accounting education for this key labour market. A common thread among the recommendations made by the participants with regards to addressing the identified issues is offering more opportunities of internship and professional experience. Many interviewees highlight the benefits of internships in preparing graduates ready for the real-life work environment and increasing their employability. Briefly and succinctly, an Australian alumnus from Pudong, Mylinch Ltd.* proposes, ‘Integrated learning by providing internship and practicum is becoming more and more important due to the demand, increasing employability and employers expecting students to be more work ready.’ Sharing the view, OZEDU* and Sea Viet* further comment:

I think more internships because I always find that with young graduates, often there’s a gap between their understanding of how the real work environment is, and also the real working environment. So there’s a difference between their perception and the real working environment. I think the internship will provide a good opportunity to prep them before they step into their first real job (OZEDU*).

I believe internship will be one thing, very important. I think many universities are already starting to think about that. If you those universities, you can take the summer semester, you’re just using the summer semesters as a time to give the students for internship, and make it it’s like a course, it’s like a unit. You must make it compulsory, you must take this
research stream and business stream so as to tailor the curriculum to meet students' orientation explains: improve the international education providers should pay attention to. According to Strengthening academic programs and streamline accounting students are also areas that interviewees propose Australian their alumni in Australia than they do with their alumni in China.' This proposal. That way, employers have additional channels to reach target candidates for their job postings. At the same time, graduates h Another suggestion related to enhancing employment opportunities for Chinese returning graduates is connecting job seekers and recruiters through alumni associations based in China as well as through cooperation between employers and universities. That way, employers have additional channels to reach target candidates for their job postings. At the same time, graduates have global contacts so that they can start seeking for employment even prior to their graduation. Below is a comme The second recommendation that the interviewees made for Australian providers of accounting education in China is to introduce selected elements of this key labour market for Chinese graduates to the courses offered in Australia to get students ready for the target employment contexts as well as facilitate them in the long-term process to obtain professional certification. Wanzy CPA* HR Manager provides more details below.

In my personal view, overseas universities can arrange some courses for international students to understand Chinese accounting rules and regulations, so that they will adapt to Chinese working environment better and faster when they come back to China. As far as I know, so far students in Australia cannot apply for the tests for Chinese CPA. But now there are a lot of Chinese students in Australia, so my suggestion is to make it possible for students in Australia to apply for and take Chinese CPA tests, like in China, students are required to complete 6 tests within 5 years, you can arrange for international students to take some preliminary tests for Chinese CPA when they are still studying in Australia. Another suggestion related to enhancing employment opportunities for Chinese returning graduates is connecting job seekers and recruiters through alumni associations based in China as well as through cooperation between employers and universities. That way, employers have additional channels to reach target candidates for their job postings. At the same time, graduates have global contacts so that they can start seeking for employment even prior to their graduation. Below is a comment representing this proposal. Luke James* from Australia China Connect Beijing* thinks ‘universities do much better jobs at communicating with their alumni in Australia than they do with their alumni in China.’

I think the first point is that universities should provide more information to the students so that students will have more chances. Although your universities are in Australia, if you can collect recruitment information of top companies in the world, students will benefit from that because in doing so the universities are actually providing job opportunities for them. Besides, it's a good idea to set up the cooperation between universities and companies. Universities can choose some target companies and try to build connections. That's also a way to help students find jobs. Thirdly, universities should develop their own specialties and strong points. If a university can reach top level in a certain field, it doesn't need to worry about promotion and its students will be very popular. The first step is to get to know each other. I think there are many things that can be done. For example, universities can invite companies to join them if they hold some activities, and universities can also attend the events organised by companies, such as offering help during the recruitment season (XIMUN*).

Strengthening academic programs and streamline accounting students are also areas that interviewees propose Australian international education providers should pay attention to. According to Lochu* Media HR Manager, ‘first, universities should improve the teaching quality and help students grasp more solid basic knowledge.’ Green Group Aviation* HR Manager further explains:

The first is academic scores or whatever they are, the academic system, make it more-strict. We cannot have people - it's not cheat or not cheat, it's just how good they do on the academic studies. We can make that part more (...) and so they can learn more, they can study more and they can understand the industry better because they are very, very useful, even finance industry. I would say finance industry has high standards of people also on the studies. We cannot recruit people who can't even know how to read accounting charts.

Since the student cohort have diverse study purpose, Sea Viet* HR Manager suggests universities allocating students into the research stream and business stream so as to tailor the curriculum to meet students’ orientation

During the study, I believe that if the university can distinguish the group. For example, someone, they are really like to do the research, then put them into research. Someone, definitely another group is hoping for the employment after graduation, then it's better to build up more business-related cases, and to invite more business people from outside of
the university to giving a talk, presentations to the students during the course. Because, from my personal experience, if I compare Sydney University and Deakin University, I start to realise that Sydney University has more-strong academic kind of research oriented, but Deakin University is quite business-related.

Branding or promotion of Australian universities is also considered a necessity for Australian education providers in China. In the view of OZEDU*, Australian universities have been performing quite well in this key international student supply country:

there is a certain perception from the Chinese people that Australian education universities are rated secondary compared with US, so to change this perception of course I think it will be very helpful to change people’s perception if we do better promotion to let people know that Australians graduating from Australian universities will have better jobs, better career paths. I think this kind of branding or promotion activities will definitely change the perception.

However, the promotion of Australian education providers in China should not be conducted in isolation, because ‘as an individual university, you’re limited to what you can actually put in China. Luke James*, Australia China Connect Beijing*). Instead, there should be collaborative effort made by Australian institutes as a whole, as suggested by Luke James* from Australia China Connect Beijing*:

There should be a much stronger connection between universities, a strong sector or a strong departmental focus. So universities that are particularly strong on engineering from wherever. Because the competition is still – (...) I think that there is a lot to be learned from each university. I still think that (if an) individual university tried to do this, it just doesn’t work. So I still see that the idea that some form of collaboration or some form of communication with others who are in a similar position to you really can help a lot.

So that’s my outlook on this. I think it’s less about competition, because the pie is not a limited size. It's massively (...). I think that there are a lot of benefits to actually accepting the fact that we’re not fighting against individual universities, but we can actually work together to help each other and then increase the quality of what we provide.

Finally, interviewees strongly recommend setting up an independent organisation which represents all Australian institutes and is in charge of supporting graduates to look for job opportunities on a global scale. It serves as an employment hub, creating a uniformed job bank for Australian students and connecting Australian graduates and companies interested in hiring Australian graduates. RCH* Marketing Director explains how this should work.

I really think that if there is an organisation, or if there is a university, that can stand out to get together the resources of the whole Australian institutions, not fight one by one, to put all the resources together to form a sort of like – like, a sort of like a internship community, or a students’ employment community, that to – dedicated to help student to find jobs in Australia and in their home countries, that would be a plus. That would be a chance for Australian institutions to further stand out in this international education industry.

But if we have another government organisation that – to get together each university’s resources, and also get together the home country, the employment opportunities together to build a platform for our Australian graduates, no matter you want to work in Australia, or you want to work in China, you want work in Europe, you can find job opportunities on that platform.

So that’s probably, if the platform only works for Australian graduates, that’s one plus for the Chinese students that – before they choose between Australia and the UK, or Australia and US, they will also think about, ‘Whether I can find a job afterwards’. So if we have this platform, we have law, we have international student law, we have student service centre, we have employment centre, we have OZEDU*, we have this set as one set of – one package of services that to help international students from study until they graduate, and finding a job. And even longer if they have further study requirements, they have further immigration needs – that we have these platforms to help them, rather than no – is just a little bit here, a little bit there, a little bit here.
Conclusion

Accounting education in China is becoming more diversified and competitive. There is a trend for graduates to acquire many qualifications and certificates to give them competitive advantage in the labour market. It is generally agreed by employers, alumni and other key stakeholders interviewed that an internationally recognised qualification in accounting such as CPA Australia or ACCA gives employers confidence in the professional knowledge and skills of graduates, thereby enhancing graduate employability. Such an international qualification is therefore a ‘professional capital’ in an increasingly globalised accounting market. Local professional bodies like Shanghai Certified Public Accountants provide accountants in Shanghai an incentive of 10,000 yuan if they could obtain the CPA Australia qualification/certificate. This policy reflects the expectation of professional bodies for its members to obtain internationally recognised qualifications and of organisations to boost their ranking.

Interviews with employers show that the preference for candidates with a local or international accounting/CPA qualification depends on the company scope and orientation. If the company deals mainly with local clients, a local CPA qualification is preferred as this is the signal of the candidate possessing localised knowledge in the field. However, as more and more companies are catering for foreign clients or aim to expand their business to the international market, an international accounting qualification isfavoured. Employers mentioned factors that prevent them from recruiting international graduates include how to find them and how to retain them. Some employers expressed their wish to recruit more Chinese graduates from Australian universities but mentioned the lack of a bridge connecting employers and prospective international graduates as at present, their main recruitment channels do not reach out for this cohort.

English language skills are considered to be important in the accountancy labour market but there are concerns that many international Chinese graduates may not develop adequate English proficiency during their overseas study and socialise mainly with their co-nationals rather than actively integrate into the local community and culture in the host country (RCH*, Sea Viet*). At the same time, a growing number of graduates from local universities are committed to enhancing their English skills. Therefore, the gap between international and local graduates in terms of English language competency is becoming smaller. Employers and alumni also comment that many graduate returnees tend to have high or unrealistic expectation of their employment that may not match the real job market or employer needs in China. The analysis of the interview data also indicates that some assumed advantages of international graduates are more of a myth than reality.

The analysis shows that Chinese workplaces in their field of accounting promote educational and cultural diversity while remain male dominant. The findings also reveal that guanxi does exist in Chinese companies but indeed is to a great extent comparable to the referral practices elsewhere. Some argue international graduates develop a dual local and international guanxi via transnational mobility and overseas study. Such dualism in guanxi is seen to provide international graduates with a distinctive advantage in the labour market. The associated value of such a dual guanxi signals the importance for international Chinese students to develop transnational networks while studying overseas while at the same time maintaining their kinship, social and business networks locally. In addition, the data analysis highlights the absolute crucial role of internship and work experience in enhancing graduates’ employability and the focus on candidates’ soft skills and attitudes during the recruitment process. It appears that what constitutes graduate employability is complex, taking on different meanings in different contexts with different employers and graduates.

All participants stress the crucial role of internships in enhancing the employability of international graduates. According to CNT, the linkage between universities and the company to provide internships for students would bring about mutual benefits for both companies and students. Key stakeholders like the RCH* suggest there should be an organisation or agent looking after the employability for international graduates and oversees from recruitment to employment (the entire spectrum) in collaboration with overseas universities. Other mention there should be better engagement and coordination among alumni, returnees, overseas universities and Chinese employers or a bridge between alumni and employers to facilitate employment for international graduates.
Section 7: Indian employer, alumni and key stakeholder perspectives

This section presents the key findings from the analysis regarding accounting education and the employment of international graduates in India. Interviews were undertaken with partners in a top domestic law firm, a human resource manager in a largest national telecom, a global IT consultancy firm, a manager of a large engineering firm, a consultant working in education but previously employed for 20 years by Inter Consult*. Interviews with three employers who had been educated overseas at undergraduate and Masters level, one in Australia and two in the UK, provided interesting narratives as did the career pathways of the interviewees in each firm. In addition, interviews with providers of accounting qualifications as well as accreditation of accountants at the Institute of Chartered Accountants India (ICAI) and Bombay Stock Exchange (BSE) illustrated how the structure of accounting education makes inroads by non-Indian providers difficult, despite a range of partnership models. Finally, discussions with Austrade in both India and Australia regarding how they viewed the image, promotion and success of Australian higher education in India indicated that there was a need for a more united profile by the Australian university sector in order to be able to make significant inroads into the Indian market.

This section considers the Indian labour market for accountants and current demand for accountants, the provision of accounting education in India, the credentials that are valued and awareness of the CPA as a brand and professional designation. In particular, issues raised include local compared to international experience, the significance of work experience, and industry specific and general understandings as to what is considered desirable employability attributes. While the process of recruitment was similar in midsize and smaller firms, there were key differences with regard to size of the firm and also field of accountancy, with signs that computer based selection processes are used in large IT firms. Social networks are again important in gaining employment but in particular prior experience is most valued. For international graduates, local work experience in the country where they were educated was not valued except if undertaken with the Big 4 or a well-known international firm. Individual graduates with international degrees valued their international experience in terms of how they viewed the world and opportunities more than Indian employers, who do not seem to have the same global orientation. For most Indian employers, local knowledge was considered to be important because of specific legislative and legal requirements. There was general agreement among all employers and the various providers of accountancy education that most Australian international graduates, particularly those with the MBA, returned to undertake jobs in their family businesses or set up their own business. The interviewees all agreed that international graduates returned with unrealistic expectations as to the level and type of job they would get as well as remuneration.

The CPA was known as a professional designation in India by the accounting bodies such as the Institute of Chartered Accountants in India and the Bombay Stock Exchange, both accounting education providers, but did not seem to be as well-known by potential Indian graduates as either a brand or professional qualification. The MBA from an international university or B Commerce locally were not viewed as having much value in a highly differentiated Indian labour market. Most of the Chartered Accountants recruited had been educated in the elite Indian universities and institutions which are ranked and only 5-6% of all who sat for the credential got to be chartered accountants due to the extremely arduous and difficult AP* examinations and they were guaranteed employment. The labour market was still able to cater for the supply of locally educated accounting graduates, most of whom came through the work/training experience of the articlship which blended work experience with study. The Indian market was not as yet saturated because of the opportunities still available to accountants in a relatively buoyant economy and with an ever-expanding role of accountants.

While there were no women in management positions interviewed, there was a view expressed that women now constituted the majority of those undertaking accounting education as it was well suited to their responsibilities allowing flexibility and they were the future. But as the female alumna indicated, familial responsibilities were privileged and required greater flexibility from women than male career paths.

Employers and associated organisations

- **Future Tech** is a Fortune 500 global consulting, technology services and outsourcing company and the largest consulting company in world. It has 50-60 branches in different countries and expanding a new one every 2 years. The firm models what customers want and relies on requests to tender for projects.

- **Orion** is 73 years old with around 2700 full-time and 1000 part-time employees. It works in 37 locations across India. The interviewee was in the Northern region but works pan India.

- **Inter Consult** is a multinational management and accounting consultancy firm

- **Data Connect** is India’s largest digital business that involves telecommunications and data business management. It is organised around three functions: Geography, HR and administration.

- **QC Legal** is one of India’s top-tier law firms with offices in four of India’s major cities - Mumbai, New Delhi, Bangalore and Hyderabad. The interview was with an HR representative in one department which comprised of 1 partner and 6 other qualified lawyers which undertook a range of debt capital market work, often acting for the banks and underwriters.
Deakin University

Fed Bank* is amongst the Top and Fastest Growing Banks in various Indian Banking League Tables by prestigious media houses and Global Advisory Firms. Has received national and international honours for various businesses including corporate investment banking, treasury, transaction banking and sustainable practices through responsible banking and evolving as the professional’s bank of India.

Digiton India* is a global professional services firm focused on delivering digital transformation for their clients, putting digital and data to work to create competitive advantage. Digiton* does this by integrating lean principles, design thinking, analytics and digital technologies with their domain and industry expertise to deliver disruptive business outcomes – an approach they call Lean Digital.

UCI Legal* is a small ‘family’ style legal firm in Mumbai of ten staff doing cross-merger cross-national transactions.

Anima Productions* is the largest animation company in India. Most of the top Indian animation companies are located in Mumbai.

Accounting Professional* (AP). Established in 1949, AP’s role is to regulate the chartered accounting profession, provide courses and accreditation in professional accounting education, establish and maintain accounting and ethical standards, monitor quality and provide policy advice to government. AP is active in providing chartered accounting education and is responsible for the examinations.

Exacon*: offers a range of short term, programs and online courses for students, professionals and corporate entities with an international and national focus. They also provide certification across wide ranging financial areas.

OZEDU*, India: OZEDU* promotes Australian trade and manages and informs stakeholders in areas such as export industries, tourism and education.

Deakin India /CPA representative: Deakin University has an offshore site in India managing recruitment of students into its programs.

Background of interviewees

HR manager (Orion*).

He had 21 years’ experience and gained a MBA from elite school in India. After an engineering degree, he chose to move into HR and organisational development, undertaking three courses to improve his expertise. He has been at the firm since then in HR.

Education Consultant (Inter Consult*).

He undertook professional training with Arthur Anderson in 1995 after a Bachelor of Commerce Hons and becoming a chartered accountant. AA joined with Inter Consult*, which he left for three and a half years to build a smaller firm, Grant Thornton, and then returned to Inter Consult* in 2007 - 2014. He was CEO of a large Dubai-based school operator, GEMS Education, seeking to expand into India. Now as a consultant he works across most aspects of accounting: audit; consulting practice; change management, standard operating procedures and transaction on business projects e.g. to create a network of five or six universities to improve career and employment.

Human Resource Manager (Future Tech*)

Manages a team of 38 different people from ‘freshers’ to experienced professionals. He works at the front end of the company and presents to end-customers in promotions and professional development.

Law firm (QC Legal*)

The interviewee has been in HR all his career. Previously worked for Millwood Brown, an Australian call-centre dealing with Optus, and now a domestic law firm.

HR Manager (Data Connect*)

He had worked his way up through the firm since recruited to become a manager.

Alumna, Director of Animation (Anima Productions*)

Completed Bachelor of Computer Application at an open university while working, followed by a Diploma in Media Technology through SAE Creative Media Institute, an Australian based international multimedia educational provider in Byron Bay and then Masters in Computer Animation, a full-time at University of Westminster (2004/05). After a summer placement at London First at
Saatchi & Saatchi, she set up her own animation company in India on eLearning tools, later purchased by the French government. After marrying, she worked with an ad agency which led to an offer by JP Morgan to set up their India internet team. After two promotions as a creative director in charge of India/US working with design heads and directors in animation, digital space and marketing. She worked while having children for US company leading an Indian design team of 6 who do design with a 24/7 work flow. Because of childcare difficulties, she joined the Reserve Bank of India to lead a subsidiary and migrated out of animation to direction. Currently works with Anima Productions* as a usability expert dealing with certifications from Human Factor International.

**Alumna: Lawyer, Partner UCI Legal*, Founder of the Australian Alumni Association, India.**

He did a basic degree of law from National Law School of India in Bangalore, the top law school. Then worked in India until 2000 when he did a post-graduate LLM at Bond University in Australia. Came back immediately and worked for a law firm, Andersen Legal, for three years, then moved to Indian firm Luthra Law Offices to set up the Bombay office. He started his own office with a Westminster graduate colleague in 2004, UCI Legal*, which is working on cross-border cross-merger transactions.

**Accounting education in India**

Over the past two decades, the field of accountancy globally has been transformed. With the rapid expansion of higher education and because Indians value education highly, the trend is to accumulate credentials. ‘You need 15 titles to be on your name and it’s considered more reputable’. For accountants, there is now a ‘broad canvas’ of opportunity in India.

There is also a differentiated market for accounting graduates and post graduates according to qualification, source of qualification and experience in India. The courses are also highly differentiated creating multiple pathways. The base level is the undergraduate level, generally the Bachelor of Commerce, with some affiliated degrees e.g. Bachelors in capital markets, business, banking or insurance and commerce. Other degrees are offered at universities, such as the Bachelor of Science, Bachelor of Arts, MBA and some offshoots. Four key streams in accountancy are charter accountancy (the most popular), company secretary, cost accountants and law after graduation as well as the MBA. In management education, there are two streams: one is the top-tier Institutes -- around 20 in number. The other stream comprises of the university MBA.

*So there is a complete break between the two, the top 20 and the others. Those who not going to get into chartered accountancy do a MBA. The top 15 to 20 MBAs are a huge challenge for people to get into, and they are predominantly engineers. Getting into a top 20 management colleges is still difficult but clearing the CA exams is very difficult... Only about 8% get through CA exams (AP* Focus group).*

The majority of graduates go to the university colleges because they are funded by the government and the fees are highly subsidised. The hierarchy of credentials is dependent on the status of the institution and universities which range from Band 1-9 and which qualifications were valued more highly. ‘Anyone who gets the opportunity stays in India or to elite universities in US and not Australia’ (HR Manager). The biggest market for international accounting students in Australia is the second-tier, or those students not able to get into the top 20 institutions. The common view throughout the Indian interviews was that for a ‘normal graduate, who’s not able to do CA, will go for an MBA, because that’s completely downmarket, maybe easier to pass’ (AP* focus group). Those who are certified chartered accountants through the AP* get jobs ‘very easily’ as many smaller employers only have one CA because that person is required to sign off on audits.

**Accounting education providers**

In accounting education, competition has increased. The Charter Accountancy qualification offered by the AP* was the premier and most prestigious and relevant qualification. Within five years there have been new programs, including the US CPA program, the UK ACCA program and CISA, an international body of chartered accountants. Many Indian universities and colleges in India now offer a BA program with a specialisation in finance and accounting, which is an upgraded version of the Bachelor of Commerce. The MBA is used to access career pathways or get into careers in accounting or financial reporting. The interviewees indicated that this was an issue as the accounting programs offered by some of the most prestigious universities were not necessarily the best as ‘the curriculum, the way they teach, it’s completely conventional’ (Consultant, previous Inter Consult*).

**The Institute of Chartered Accountants India**

The Institute of Chartered Accountants India (ICAI) is an autonomous body legislated for under Act of Parliament with 250,000 plus members and 850,000 plus students. The Institute of Chartered Accountants India after 1949 has sought to standardise the credentials for the accounting profession. Its course is equivalent to a Bachelor’s degree and therefore has equivalence in terms of entrance into a Master’s degree. ICAI has associated units - an accounting research foundation which is a section 8 company, a not-for-profit company, which does research, a business reporting language for financial reporting, a trust and a student.
development fund. The first role is education. A distance education course involves preparing the subject material and conducting the examination every six months. Approximately 450,000 students apply, all across India at the same time. This is the articleship pathway that takes over three years while the student is working and passing a large number of units and examinations run by ICAI. The Institute of Chartered Accountants India also offers a post graduate pathways of 15 post graduate qualifications e.g. forensic audit, international tax on information system audit, wealth management etc. In total, the ICAI offers over 50 separate courses. Governance of the ICAI involves 40-odd committees. Its second role is regulatory, involving the disciplinary conduct of members, development and advising government. The Indian CA program is considered to be high status among all employers and is the essential qualification for all required to sign off on a range of technical issues.

The Indian CA program actually goes into topics and subjects in depth- accounting, management accounting, law, corporate law… it’s not just about the work you will do, it’s technical… that’s where it becomes like a Master’s program (Consultant, former Inter Consult*).

An evaluation of the ICAI course for the US CPA stated:

While ICAI is the standard for accounting education in India, and their graduates are highly specialised and trained (especially considering the amount of practising experience required to receive the full designation), it is considered by many Boards of Accountancy to be professional education and thus does not qualify a candidate to sit for the U.S. CPA exam.

Bombay Stock Exchange International Program

The Bombay Stock Exchange (BSE) Education Institute has four branches in Mumbai, Delhi, Bombay and Kolkata. International programs run through from Mumbai (7 students only started in 2015). The BSE also has a study abroad program which works internationally and includes Indian immersion. They recruit according to Indian university rankings from only tier a and b universities.

So when we screen, definitely it’s the academic part of it, what kind of exposure, if they have got, other than the academic, in terms of extra-curricular. But it’s an overall profile, so focus would not just be on the IELTs score. Of course, we do a communication skills round as well, so a telephone interview or maybe a Skype interview as well with the candidates. And their future aspirations (BSE focus group).

The program was initiated because it suited those candidates who settled elsewhere, such as Australia, but also provided BSE certification which would assist in their employment if they returned to India. BSE also offers across India a certification program for more than 10,000 students. These are one-day/two-day short programs and Indian post-graduate programs for 150 students, such as PG certificates in business journalism, banking and finance, global financial markets. These credentials are certified by the stock exchange, independent of the Indian regulatory bodies such as the ICAI. This was not considered an issue.

As long as the candidates are getting employed, that is what is our focus. So curriculum is completely managed by us. The curriculum is quite good at the international level and it’s vetted by industry experts – that’s more important (BSE focus group).

The Bombay Stock Exchange also has connections with more than 50 other Institutes globally e.g. India-based certificate programs at a Canadian university on doing business in India.

So Canadians who would be aspiring to do business in India would learn these same programs in their campus, and the delivery will be done by market professionals from BSE… So professionals who have a business interest in India... often tied up with the big fours in the country (BSE focus group).

These students do the course while working.

CPA Australia

The three requirements to enroll are to have successfully completed a CPA Program education component (see below), evidence of 36 months of experience and to hold a degree from a recognised provider. There are four compulsory courses in the education component: Ethics and Governance, Strategic Management Accounting, Financial Reporting and Global Strategy and Leadership. Two additional courses have to be chosen from 9 electives (which include Singapore and Malaysian Taxation units).

CPA Australia have strong criteria to select graduates and recognises certain Indian Universities. There are 2 pathways: a foundation level and then the professional level. Graduates from top level universities do not require foundation levels. All graduates of a Bachelor of Commerce are evaluated individually prior to being accepted into the professional level of CPA. with a designated/approved sequence in accounting. All Indian qualification that are assessed by CPA Australia as being degree comparable can be considered for entry into CPA Australia. The subject content within the degree level programs are assessed to see if it adequately covers the CPA core competency areas for entry into Associate membership. Alternately, CPA Australia’s
foundation examinations can be completed to gain entry. Once a candidate becomes an Associate member with CPA Australia, they can begin the 6 subjects (4 compulsory + 2 electives) of the CPA Program. If recognised studies have not been completed in taxation and/or auditing, Advanced Taxation and/or Advanced Audit and Assurance become compulsory segments in the CPA Program. Assessment for entry into the CPA Australia program where the applicant doesn’t have a qualification from an accredited course is done by another team in Australia. If a candidate completes all the 6 foundation examinations to become an Associate, they will require a degree in order to advance to CPA status.

**US CPA**

The USA CPA requires doing an examination in Dubai with four components. The US CPA program is considered to be more like a license to practice as it ‘covers a wide range of topics but is not very deep’ (education consultant, former Inter Consult*). But the

*US Chartered Accountancy program continues to be well regarded. I guess the challenge that it is facing today is that there is a much larger supply of MBAs. So at least for corporate jobs (in India)... it's well recognised but not as a substitute...It's what people who have something to do with the US – either they're working for a US company (education consultant, former Inter Consult*).*

**CIMA**

The Chartered Institute of Management Accountants (CIMA), the world’s biggest association in accounting, is also an active player in professional development in India.

*When they started CIMA, they started a Masters at the Institute of Symbiosis... a distance, online university. The course is similar as with CPA Australia that you do the course and you get a grad dip or grad cert from a university. Around $800 for the whole master’s...So, you have a lot of people doing the ACCA program and the CIMA programs...it’s very popular in the south because a lot of people go to the Middle East to work where ACCA and CPA are valued because they do not have the standards the same as India (AP* focus group).*

**Twinning programs**

There are also new trajectories through twinning arrangements. For example, the Bombay Stock Exchange partners with Deakin University, the Masters in International Finance and a dual degree program, MBA and applied finance with Western Sydney University. The former is a 16-credit point program, the three units they do they get a three-credit point advance credit towards a 13-credit program. The latter is a 30-month program, with three months in India and then two years in Australia.

The process is that students apply to the overseas university and to the Bombay Stock Exchange once they meet the requirement and gain a conditional offer from the university. The Deakin MIF program, for example, has a trimester in India for which they get an advance credit to the MIF program in Deakin. In the stock exchange, while they study the three units of the Deakin Masters in international finance, the Bombay Stock Exchange also train them for the Australian stock broker licence examination for derivatives. And once they are in Australia if they were to pass that exam, in the final trimester of the Deakin two-year program the Bombay Stock Exchange provide internship in our channel partners in Sydney stock exchange or the Australian Stockbrokers Association in Melbourne. There remain limitations.

*One of the advantages which I would want to give - China has over India, that China has a free trade agreement with Australia, which is why there are a lot of companies and collaboration which are happening at a business, B2B level. In India, the FT agreement is still not signed (Exacon* focus group).*

**Mutual recognition agreements**

The proliferation of professional bodies and the existence of multiple MRAs and MOUs make this a complex field. AP* has established the following MRAs with The Institute of Chartered Accountants in England & Wales, the Institute of Chartered Accountants Australia, CPA Australia, the Institute of Certified Public Accountants in Ireland, the Hong Kong Institute of Certified Public Accountants, the Canadian Institute of Chartered Accountants, The Certified General Accountant Association of Canada, and Sri Lanka. In addition, AP* has Memorandums of Understanding (MOUs) with, among others, University of Djibouti, Institute of Chartered Accountants Australia, College of Banking & Financial Studies in Oman, CPA Mongolia (Technical Assistance Program), Chinese Institute of Certified Public Accountants and the Center of Excellence, Research, and Training in Dubai, United Arab Emirates (AEOQUO International). There are no reciprocal agreements with ACCA as there is a pending legal case.

*In the Indian market ... you’ve got the two big bodies. The other one active in the market is CIMA, ACCA is quite active. CPA I’ve not seen much (AP* focus group).*
The US system is ‘very state driven and very rigid’ and we are not able to break through it. In Canada, the three accounting professional bodies merged and so there’s a new discussion underway with AP*.

The field of accountancy in India is an increasingly fast-moving terrain with changes occurring and the historical dominance of particular international credentials is being challenged.

There was, in the past, a huge premium and a certain amount of prestige associated with the UK chartered accountancy qualifications and certain firms which would promote you to partner only if you had a UK chartered accountancy qualification. Pricewaterhouse... firms with a colonial hangover or British hangover... Now it’s going the other way... with the Indian Institute changing their rules of practice and there’s a certain amount of militancy currently that’s ongoing around allowing foreign firms to practice officially in India. There is actually a restriction on what a UK chartered accountant can do in the context of practice. So if you wanted to be a practising accountant then you obviously now only have the Indian chartered accountancy qualification (education consultant, former Inter Consult*).

Flows of international students

Indian students now constitute the second largest cohort of Australian international students. They aspire to gain an Australian and overseas degree in the anticipation that they will gain employment in Australia or on returning to India or elsewhere. Anecdotally, there was agreement with those interviewed that in the past possibly over 80% of Indian international students return to India, but there is difficulty in confirming such statistics. For Indian international students in Australia and those who are considering Australia as a destination over the past 7 years there has been a radical shift in Australian migration and visa policies regarding work visas post-graduation (Blackmore et al., 2014). The link between graduation from an Australian university and permanent residency has been severed. Work visas are now granted for short periods on completion of differing degrees and employment is dependent on gaining a local sponsor, an arduous and expensive process for both the sponsor and the graduate (Gribble & Blackmore, 2012).

The immigration laws in a lot of these countries are tightening up and people can’t stay back for long... Honestly, it’s also dampening the interest of students because a lot of students actually go for – to eventually immigrate to that country (Consultant, former Inter Consult*)

Whereas previously, under previous visa arrangements where they could gain Permanent Residency if they study in Australia in occupations on the Occupational Shortage List, many Australian international students from India stayed in Australia. Now there is, some interviewees indicated, a returnee diaspora to India as the Founder of the Australian Alumni Association in India commented:

In the Indian mindset, most people have gone to Australia to do an MBA and 85-90% come back. And most of them have a good backup family business to fall back upon. So, they would come back and rather join their own family business and expand it further, rather than get employed by somebody else. Secondly, what we find, and this is from my personal experience, when I was doing my undergrad degree in Australia, I was also checking all employable opportunities for me within Australia. And I thought I had a fairly strong CV coming from a premium law school in the country and doing Masters from Bond University. Getting a job in Australia as a lawyer was next to impossible. The Australian PR points system did not talk of lawyers at all, so getting a PR was extremely difficult which also translate into not getting that. And this is despite the fact that nine months to one year I was there I was working with the law office in Gold Coast. They wouldn’t sponsor me or give me permanent employment. A lot of my friends doing MBA and Masters in Information Technology at Bond... also tried to get onto jobs out there, but for some reason or other, even the 10-15% who stay on, couldn’t get jobs. They got the PR because of the accounting and MBA tag and the computer tag, but getting jobs for them was also practically impossible not just in the big 4—applying across all firms. I know for the majority of the Indians who would even want to stay back, they were not able to get jobs. I know three of my friends who, like in Gold Coast, actually one of them set up a health spring and health nutrition, after doing MIT, he was in the Gold Coast bought a shop and started his business there. So, either people don’t like to employ Indians or they don’t want to, I don’t know.

A second reason for returning is the rapid growth of the Indian economy offering more employment opportunities.

Everybody’s always looking for talent... these firms have become so large if you just gave the big five, six firms, as I said, assuming they have 75,000 people, just to fill 15% attrition, they need to hire 10,000 a year.... you’ve got all this analytics work happening now... you continue to have outsourcing in the back office (Consultant, former Inter Consult*)

Austrade says there are fourteen to fifteen thousand people on LinkedIn who have studied in Australia and have come back to India, who are now located in India. In order to obtain more information regarding returnees, Austrade has assisted in developing an Australian Alumni Association(AAA) as a strategic investment, which has chapters in Delhi, Mumbai, Hyderabad, Bangalore. The issue becomes what job Australian graduate returnees gain. Many experience underemployment in that they may not work in their field of expertise or at the level they expected for their qualification.
A third reason for returning to India was because of personal family issues, as the female alumna indicated. The choice of country and university was often because of family connections together with what the course offered. The same alumna who did an online Diploma in Media Technologies from the Australian based Creative Media Institute said:

my choices were to go to Australia and do my further studies and do animation because back then India was not offering any graduation or masters in animation. And because my graduation was through distance learning so I did require full-time university which would give me satisfaction personally...So my options were Australia and UK. That time I applied for both and I got both. My sister was doing her Masters in Architecture back in UK and she had already started working. So, for me setting up a new place would have been a challenge than joining my sister. So, Westminster University (London) worked out fine. I spoke to a professor and he sounded very warm, very welcoming and the course sounded extremely exciting.

For the alumni who had international degrees, the experience was indispensable in terms of providing a global perspective, range of work experiences and social networks that facilitated their progress within the Indian labour market on their return. Both Westminster University graduates considered that the international experience was valuable for their own personal development also.

The modules just seemed that it would help me hone my managerial skills a bit more for management, and you know, thinking strategically kind of course, to know the names of service themes and marketing management. So it got me really to think out of the box. Obviously when you’re in London it’s like a melting pot for you, and even with international students, understanding their minds and how they think, which resonates with their country. How everyone is brought up. It was quite interesting and that seemed to make my decision better... it was just a good experience basically to, you know, working with international students and understanding their mindset, their cultures and everything. It was a good experience overall.

The good thing that happened after Westminster was my approach personally...it was the first time that I had got out of India and met mobile students. The way that I used to think ...changed completely because it was a kind of a whole development for me, and ...I did work in somewhere in odd jobs to get my university payments done...gave me kind of a new perspective that nobody was working into (vector spaces, animation spaces which were purely done for the online channels. So that was something which we started and it was really taken well...I would encourage all students to go and see how different people come together and really put the best forward...in India we are spoon fed by our parents...but it’s not easy money, it’s not easy that everybody gets it. So, when you go you should be very serious about it because it’s going to help you in your career a lot.

Indian accountancy employment market
The nature of accountancy has changed with increased scope of activity. In part, this is due to increased demands for change management and audit with the financialisation of various public sectors, greater global political and financial instability and increased expectations for accountability.

When you say accountant, the terminology has got changed now so there’s no specific designation like accountant. Most of the companies have different careers and different terminologies are used. Background may be the general qualification if somebody wants to work in an accounts department or in a finance department... with a nominal qualification background of B. Comm...and technological skills. No manual work is available in India as to the best of my understanding. Nobody does it into the ledger account or general (Orion* HR).

For graduates in accountancy, most from B level universities or affiliated colleges, there were a diverse range of jobs, in which the primary differential was often salary.

Maybe a graduate from A grade university, College of Commerce at Delhi University, even those who are simply bachelor graduates, he’s able to get something around 45,000 or 60,000 rupees for month. For a CA that’s the bare minimum. It will go higher, depending on the potential of the candidate... Already commerce or science with arts may not get employment at all (AP* focus group).

The interviewees all agreed that there was an expanding market for those with accountancy degrees. As the firms become multinational or national, they create a range of positions which are not traditional accounting positions but for which accountants trained in consultancy, change management, technology, risk management and audit have a capacity to undertake. Large international accounting firms such as the Big Four and Grant Thornton would employ a significant number of chartered accountants but also interns coming through the articleship pathway and non-chartered accountant with MBAs.

Issues regarding employment of international accounting graduates
While the field of accounting is changing rapidly with a proliferation of pathways and areas of expertise, the following section considers issues raised regarding the ways in which particular credentials were valued by this sample of Indian employers.
Overall, changes in what large organisations do has led to increased scope of activity for accountants but also a more customer and technology driven workplace. This also raises expectations of employees to add value by developing and enhancing their technical skills beyond their specific position. As one HR manager at Future Tech*, a global IT consultancy firm comments: 

"we live in a world wherein you cannot survive just by doing your task. You have to add value to the customer... I want to make sure at the same time that not only do I do the business well, but I at the end of the day do it better than you know what you have been doing in your organisation." (HR manager at Future Tech*).

Managing expectations

A common thread with regard to graduates, both Indian but particularly international graduate returnees, was managing their expectations with regard to employment prospects. The Exacon* focus group stated that in India those who pass a Bachelor degree, for example, the Bachelors of Accounting and Finance as a standalone undergraduate degree and who do not pass the Chartered Accountants examination, may get a job, but ‘not at a high level’. In the Indian context, the Exacon* program directors are highly conscious about managing expectations of their local students:

"So mentally they are prepared, and they are expecting a particular job role, which they might not be able to do unless they clear the CA examination. So that's a huge population, it's almost 95% (Exacon* focus group).

They cited the example of a graduate form their course who was ‘a fresher, she had aspirations... But because they didn’t match in terms of the pay packet’. She did not do anything for a year but after counselling did an internship ‘which is why she got the job' (Exacon* focus group).

Managing their expectations involved realistic considerations of how employers value their international experience and credential in the domestic market, and issues for graduates regarding remuneration.

"So, the most important thing is basic clarity or bringing them a clear picture in terms of their expectations in the Indian job market. What happens is the salary framework in a global market, considering the currency conversion, would definitely be different (Exacon* focus group).

This reality requires significant adjustment of expectations by graduates and raises considerable issues for international agents and providers of accounting education who may promise employment as an outcome of an expensive degree (Gribble et al., 2014). The investment in international education is high, and international graduates are expecting return on investment in let’s say three to four years. But if they were to come back to India, then it can be another seven/eight years... we make it very clear, things are innovating and a lot of things are getting obsolete very soon (Exacon* focus group).

There was a general agreement among the interviewees with the comment by an HR Manager that ‘overseas graduates see an Indian job offer a step down because of the wage disparity and they have experienced a good life in Australia'.

"So, even though you've got the big banks here, you've got the large operations here, Worley Parsons here, they've got 900 people but they're not looking at employing Australian graduates – because the general perception of the Indians coming back is because I've got an Australian experience and degree I should get $100,000 worth of job here, which is never going to happen (OZEDU*).

Students had developed high expectations in Australia in that they assumed they would get rewarded similarly in India. The returnees are ‘highly aspirational and have no interest in lesser jobs and working their way up’. This is partly because 'many come from well off families'. Many international students in accounting came to Australia with unrealistically high expectations that they would work in the Big 4 firms in Australia or back home once they had the international university degree. Blackmore et al (2014) indicated that universities have not addressed the managing aspirations of their international students well, and that career advice also is not seen to be important by students until they graduate.

Recruitment into employment

For recruitment of graduates, the process varies according to the size and nature of the industry. For the large national and multinationals, there are five ways:

1. The university graduate markets, in which OZEDU* participates. The largest employers have campus placement programs in the major universities- Delhi University, Mumbai University or Chennai, as do the Institutes. The applicant undertakes a campus interview. The employers each year decide on the numbers they require in each field and have a wish list in terms of categorisation of the possible aspirants and where they would come from.
2. Electronic portals for individual applicants
3. Through a consultant
4. Internal portals for individual applicants
5. Internship
The primary source of first employment remains the campus interview, with a particular focus on the A Grade universities and those institutes that hold a professional program like CA or ID (AP* focus group).

The size of firm was important with regard to the requirement for particular accountants, as an HR manager illustrated having worked across range of industries.

A firm, with the size of three hundred people might need only one CA and a lot of smaller accounts executives processing the salary, doing the billing, managing P&L and working with a CA. Millwood Brown is a research firm, so I would have hired more researchers. Here it’s a law firm, I’m hiring more lawyers. In the IT company, I was hiring more sales guys. Financial is just a function, like HR (HR small domestic law firm).

The processes of recruitment tended to be the same at the entry level of the medium and smaller firm. At a medium sized (national) engineering firm, after an aptitude test designed by Orion*, there are two rounds of interviews, one technical and one HR.

HR looks for the competency at each level...Knowing basics is important because if somebody is missing that, we won’t be able to groom him or her as per our understanding. We know within 15 or 20 minutes... (Orion* HR)

Different requirements and evaluation tools apply at each level, and above manager there are more rigorous processes such as psychometric testing, two rounds of technical interviews, then regional and national head interviews.

In the largest multinational telecom firm in India, where they have multiple applicants, the position is first advertised internally, but usually only five or ten are appointable. The process is an aptitude and a language test specifically for finance people, and only then do they qualify for the interview process, one with the manager and another with the specific business sector. This multinational IT firm hires across all their offices in three countries said it had not hired anyone from Australia or the US because no-one applied (Reliance Gio). In a medium sized national bank, positions are advertised internally for two weeks, with generally an average of ten applicants. If they advertised externally they generally received 30-40 applications. At this bank, they did not employ AP* articleship graduates or Bachelor of Commerce (BCom) graduates as these were considered to be a ‘bottom line requirement’ (HR manager, Bank).

At a smaller domestic law firm, the process is to use a head hunter consultant to organise as well as short list applications. A domestic law firm only hires lawyers from the top nine universities of India and really top caliber. Even if you have six years of experience, if you’re not a graduate from our list of colleges we do not hire you. Whereas for accounting schools, CA, Chartered Accountants, CS, Company Secretaries, or normal accountants, we will hire from anybody, anywhere. As long as he has a knowledge of Indian accounting system.

The focus was on the technical skills and ‘we barely get people apply who’ve done accounts from outside of India’.

Recruitment is a more personal process in the smaller firms—after a phone interview checking communication skills and qualifications and whether their profile matches the job description they undertake the technical interviews, followed by one with the head of department and only then a partner. The last is the most important because

the person will end up working with a lot of partners and his head of department just to make sure the person would be able to deal with a partner, it’s not easy to deal with partners. The partner will not interview him ...to see whether I can work with this guy or not.

Interpersonal skills were highly valued and foregrounded in the interview process. But such firms would only hire one CA, generally direct from a highly ranked university and with an AP* qualification as knowledge of local law was critical.

In a multinational IT consultancy firm, the process was similar but larger numbers applying meant earlier screening. This is done through their own software program that analyses all applications and ranks them.

We don’t just completely rely on something that the HR says, but we just go and put in those details of that particular candidate into the software and it calculates itself, you know, how much that guy is proficiency-wise...It also calculates compensation according to market standards...giving us a prospective picture and the bracket of pay that can be offered. This is good as sometimes we only have a week’s notice to recruit on a project (HR multinational IT consultancy firm).

The employers in this firm were looking for a global perspective, which shifted the focus onto a more diverse workforce with international experience. They advertise internally and use an external consultant and interview only after background check is done of shortlist. Then they consider the whole person and in particular: ‘We talk about it. Is he going to be a good fit or not in the organisation? Every organisation has their own culture’ (HR multinational IT consultancy firm).

Cultural fit was significant factor in all interviews. In a domestic law firm, the HR manager said they are looking for recruits:
I always look for in a person is a cultural fit. Whether you match the culture of my firm or not. The culture of my firm in Millwood Brown was very different than the culture that I have in the law firm. In Millwood Brown, I need somebody who can adapt to a multi-national culture. We had our head office in US, we had the regional office in Singapore, so we wanted somebody who can be groomed to that level. Or is already groomed at that level who could maybe talk to somebody in other countries. Whereas when I hired at QC Legal* I would look at a person who is not all that, because I don’t want a person from a multi-national background coming here and working in a domestic law firm. It’s not a cultural fit, that person’s going to get frustrated and leave. At the same time, I cannot get a person who I feel would not adjust to the life at QC Legal* which is where you have no work/life balance. Where the work revolves around lawyers. So if I were to hire a staff here I will try and ensure that he’s matching my firm’s culture.

In the IT consultancy multinational, 4 of the 35 under the manager were international. He thought that some of them would have been recruited as ‘freshers’ (graduates) when they’ve joined the organisation. He stated:

I have interviewed freshers, totally raw... The only thing that I look at that, obviously their communication skills, how confident they are. We look at their analytical skills as well and how socially the interact or with the technology that they use these days...It shows that you have an active brain. We have a written assessment and three different interview rounds.

He is particularly concerned with their aspirations for the future: 'There are some raw people, you know, who, ‘okay I don’t know what to do after my college, let’s go and work for a bit.’ He says this is fine for recruiting as a ‘short-term resource, let’s say for a year, year and a half who is going to come in and do the job’. With regard to international graduates, there are different needs and expectations:

- we have a lot of expectations on the people that we have from the local universities but someone who has come in from an international university the expectation is higher... the assumption is that from a different university outside India you get better standards of education and you learn something more. You get more exposure...but at the same time it’s not too tough (HR Multinational consultancy firm in IT)

This greater expectation is because some internationals is because they expect higher compensation, ‘it’s a good chance that he will get hired at a higher level than somebody getting fresh over here’.

In this firm, as with many multinational consultancy firms who rely on tenders, even the big 4, the hiring only happens when they have a prospective client. Where they may select an Australian graduate who is also Indian is when they have an Australian client and so ‘he straightaway comes in handy. He knows the place, he knows the customers, he knows the people’. It also means that ‘if you have lots of Chinese clients you would probably think of getting a Chinese graduate...And in the industry as much as it is important to deliver what we can to the business, it is equally important to know your customers’ This manager had lived in the US for two years and so has a lot to do with American customers and spent two months in the UK to undertake a project. ‘And no offence to any other ethnicity or any other country, but UK and England are very very specific, very very particular’. So they then seek to make it a permanent client. ‘And if even that client leaves, let’s say after three years of contract, we already have a lot of other customers in the pipeline so they get internally moved within the different roles’. Again, they recruit on particular projects and only have a 2—3-month leeway to get the team organised.

What his example indicates is that if there is less Australian business, there will be less recruitment of even the best Australian international graduates in multinationals. This lack of Australian business also relates to the lack of a free trade agreement with India.

Relativity of credentials
The preference in a large form for recruitment would favour ‘the top 20 IMS and Chartered Accountants as compared to an MBA from these other universities’ (AP* focus group). An MBA from an international university would have

Not much hope other than the top ones, for example, Wharton, Howard, Stanford, so those people get placed in the very top positions in the industry. Other than that, any other international university MBAs in India, there’s not much really because they’re not used to Indian law, systems, et cetera... Generally the corporates prefer more the US and the British... Australian universities still now are not accepted, for whatever reasons... It’s a matter of time.

The university MBA according to the AP* are ‘a complete waste’ unless from the top 20 Indian management colleges. At the same time, employers, according to the AP* focus group, would ‘absolutely take into account the global ranking of universities. But if something’s not a household name, they’ll verify where the rankings are, and then maybe look at it’. The AP* argued that there’s ‘absolutely’ a preference amongst employers about recruiting people with Indian credentials rather than the top international universities (AP* focus group).

See there are two different positions. For the normal employment, people prefer an Indian, you know, sort of university or an Indian degree or whatever. But for some positions where they want a different perspective, they will definitely go for the top-notch management institutes... if somebody wanted to do with finance, they look at Wharton.
They recognised the issue for students choosing to go to Australian universities:

> the expectation is investing X amount of resources for getting the qualification... So it's a cost benefit analysis in a sense. If I'm getting an Indian qualification, and what I'm getting an Australian qualification, what are the difference and what is the value proposition?

The Partner in a firm and alumni with Masters in IT from Bond university and founder of the Australian Alumni Association in India stated

> People ask me, ‘Should I go to Australia?’ I strongly discourage them. See, if I were to do an MBA, if I have the money, why not go to university more recognisable than an Australian degree? Let’s be honest. I mean any good university, if I have the ability to pay, will give you admission, including Harvard and Oxford. A Harvard brand and Oxford brand is much better than any Australian university brand.

An HR Manager of a multinational firm only recruited post graduates with MBAs who had Indian qualifications at the top-ranking institutions. There was ‘no need to go externally as a high supply domestically of high quality graduates existed’ (HR Manager). At the same time, he said they would hire an Australian graduate of equivalent level but that none apply. Overall, the ‘US is preferred over Australia as the credential and place to go but it was also more competitive to get in’. Despite this, the ‘quality of education in Australia is seen to be good’ but the ‘US qualification is good in terms of employability for returnee as the US is seen to have more opportunities in the market overseas and in India’ (HR Manager). In the private sector a degree is not necessary and the CA is sufficient whereas in the public sector there are rules regarding having a degree as well, but doing the B Com is a ‘breeze’ for a CA.

There was agreement across the interviews that international credentials are not as competitive against the Indian qualifications, other than perhaps Harvard, Stanford or Oxbridge. All agreed that CA provided by ACIA is considered to be the best credential in India. There are reasons for the low pass rate (5%) in examination for CA. First, the high numbers of applicants of which many are not likely to succeed. Second, the hygiene factor in which recruiters reduce applicants who have not finalised their examination results.

> Success and failure is not about necessarily or the marks you get in the program or of how quickly you finish the program... In certain organisations they have hygiene factors so if you have not cleared your exams on time at the first attempt, a lot of companies would not interview you.

**Profile of the CPA**

Most Australian international students are recruited through OZEDU*. Very few of them do the CPA once they graduate. They know that CPA exists but have not detailed information as they were not aware that AP* and CPA Australia have an agreement regarding accreditation. There was a view among all interviewees that the approach of CPA Australia is fragmented. The CPA Australia has two obvious strategies—to increase numbers or to build the market ‘in country’. The latter is contingent on knowing the market so that graduates gain employment. All student choices are decided on the possibility of employment, and therefore about recognition of a program that can have that result. As perceived by the interviewees, a distance education program such as CPA costing $7000 is a significant investment when there cannot be a guarantee of employment in India. It was suggested that greater on the ground activity of CPA Australia would lead them to get to know the market better as was the case for the CPA (US).

> The CPA (US) is still an easier qualification to get because you can largely complete it sitting in India, you don’t actually need to go to the US. Do the examinations in Dubai (Education consultant, former E Y).

All interviewees recognised that individuals chose international programs according to what they hoped to do and also which country they would work in.

> The choice of program was in many ways determined by the kind of work you will do. The US CPA was essentially two or three sets of people... One, somebody who wants to work in the US and practice in the US, second, somebody who’s working with a US company who are handling accounting and financial reporting for a US company. And there are some large outsourcing providers. Also you’ve got some of the big US companies who set up their own back office in India. So, between all of this, you have a need for a certain number of trained as US accountants, yeah. Although you don’t need to be a US CPA to do that. And then the third is, as I say, people with Indian firms looking to serve Indian companies that are looking to do something in the US. So this whole thing becomes very closely linked to trade flow and to capital market activities and what not (Consultant former Inter Consult*).

This is now changing with the international accounting rules of the IFRS which many courses are adhering to.

> So everybody, now with international accounting rules, I think it becomes far easier for you to compete because then it becomes almost like engineering or MBA. It’s a level playing field (Consultant former Inter Consult*).
The choice therefore becomes about destination as to where do you want to study.

The better comparison would be an Australian CPA and an Indian chartered accountant. If you’re a corporate or a company then there is no requirement to hire a chartered accountant...So it would really then boil down to knowledge and concepts...The Australian CPA would definitely need to understand the whole compliance and regulatory aspects of India (AP* focus group).

While currently credentials that are valued most are those linked to prestigious Indian or US institutions increasingly those which align international standards within the field will be valued.

One other thing which I can add is currently especially for people who are aspiring for accounting courses. So the International Financial FRs is becoming a more and more important as Indian companies are moving towards the IFRS regulations. We do conduct these short-term courses also for IFRS, for working professionals, for our in-house students, or maybe students within the Masters level courses in India, MBA students who want to just pursue this course. So that is also very much picking up as a demand (Exacon*focus group).

Work experience

A major source of distinction in the Indian accounting market was work experience. This was indicated by the capacity of those who undertook the internship or articleship pathway being more likely to get a job than a returning international graduate. When HR at a domestic law firm asked about international degrees and living overseas and whether this was an advantage:

The real-life situation is that experience is always an advantage. If you have work experience it’s always an advantage. He knows what going to an office means, as compared to a fresher who’s never been to an office.

The expansion of the graduate pool also means other factors come into play beyond the credential and pay.

Also, what matters in India is previous work experience. We have candidates in the Master level program with zero experience...fresher, or people with four or five years’ experience in the Indian market. The salary scale would definitely vary for both the candidates, although they may be graduated from the same institute (Education consultant, previously Inter Consult*).

The OZEDU* representative agrees that increasingly what matters is work experience. With burgeoning numbers of domestic and international accounting graduates, experience in the corporate sector is the distinguishing feature as evidence of employability for both domestic and returnee international graduates.

You are facing a situation where you’ve got a lot of people now here who actually now have more than five or 10 years – I think around about 60% have more than five years’ experience who’ve come here to India, who are working here...and now they’re either working in the family businesses or larger corporates. The university doesn’t matter. What matters is that I worked at Inter Consult* Australia, that’s what matters. Now, if you said I worked with Rio Tinto, no matter if you’ve done it from Ballarat...International exposure in what market (OZEDU*).

Returnee graduates have a problem as a returnee you are treated as a local not an expat which means the international graduates do not get the perks they had expected.

People don’t understand it and they say, “What’s the use of a Monash degree when I can’t get $100,000 job?”...Only if you work – so, as you say over here as well so your bachelor’s degree or master’s is a ticket for employment, that goes the same as well. But if you’ve got a big brand name over there where you have worked, that actually helps you more than your degree. So, it’s mainly where you work (OZEDU* representative)

Working in an Australian small family or local business as an accountant would still be ‘hard to get a job’ as it would not be viewed as international experience—the question would be how many employees did the firm have. It has to be ‘the bigger brands like BHP, Rio and Wesfarmers – big multinationals in Australia, they actually hold the ticket for further employment’ (OZEDU*). But as the Blackmore et al (2014) study of Australian international graduates indicated, few of the graduate accountants were employed by the multinationals and this worsened when the visa rules changed in 2012 when PR was no longer linked to study.

The Exacon* program relies on doing six months training under supervision for which they are evaluated through a presentation and report. Because some employers are impressed they offer a job after 3 months, and convert from a stipend to a salary. Again, similar cases exist in Australia where internships have led onto employment for domestic students (Murray et al 2012). The providers considered that employers were definitely looking for work experience as a key determinant of employment.

So primarily, they would see what experience the person has, work experience, what is their on-job experience rather than qualifications, and then 90% of them definitely would look for the Indian qualifications. They do recruit the likes of CPA from their global depositories...all these big fours have their global depositories...those with international qualification. But they would definitely have an Indian CA qualification...as an additional qualification...And dual qualifications are very much in demand—dual in Accounts and Law, so somebody has a professional qualification in law but Indian rules and regulations are a prerequisite... (Exacon*focus group).
The issue for international students and providers alike is how to gain internships and/or work experience in Australia and not being able to access to internships so readily in India. ACCA and CIMA have both tried to develop internships in India unsuccessfully.

So even if you look at the chartered accountancy pool, success, failure comes back to (a) the firm you have worked with, so that's important, which gives you the kind of experience. So if it's a really small one-man firm and that one man is not good - it's the articleship and then where you work after you become a chartered accountant. So as long as it's a firm that is mid to large companies and you had a realistic exposure to the world, that's one important factor. And then the second important factor is again all of your professional skills (Education consultant, Inter Consult*

Again, the three alumni interviewed stated that work experience was critical. For the female alumna in animation:

An acceptance for summer placement from Saatchi & Saatchi was perfect. In between I got the confidence to set up my own firm back in home... Another advantage to me, especially JP Morgan (in India) wanting to hire me because I had exposure with a UK client. They were like 'okay you worked with them, so we do have the confidence with you'.

She also commented that many Indian employers did not fully appreciate what the international experience offered:

I've not come across too many employers who appreciate this but because I'm part of the University of Westminster culture I know a lot who are doing really well. Personally, at JP Morgan I see many who had such a wide exposure.

The AAA founder and partner in a small law firm commented

Most of those in AAA members (70) are in the family businesses. I'm talking about alumni from 1996-97 to 2013. I was just talking to one guy at the family business despite getting an MBA from Bond. Others set up their own business.

As a lawyer, this alumna considered that there was little value to do an international degree in law and there were no international applicants to his firm because the basis LLB course, which is the graduate program of most universities in Australia, is not recognised by the Bar Council of India. He and his partner restricted their firm to a maximum of 10 employees—like a family—because they had experienced working in firms with 400-500 lawyers where workers were isolated, too many people handled cases, communication was poor and attrition rates high. They were looking when recruiting for

Experience, knowledge of the law and the ability to apply law...you may know the law but it does not mean you may apply it. Ability to think beyond the four corners of law. The challenge is to go beyond that basic solution.

Graduate employability

A key aspect of the interviews was asking what factors were taken into account when recruiting a graduate other than the credential and whether and how employers valued the 21st century soft skills—intercultural competency, teamwork, problem solving, English language.

Among employers there was agreement regarding the importance of the ‘soft’ skills which are now foregrounded in recruitment. Attitude was considered most important after experience.

First … whether that particular person worked on a similar profile then his attitude toward work and team management. Critical thinking is part of an attitude. We have that test with us, so that includes everything. It is an online test (Reliance GIO).

The HR in a large IT multinational consultancy firm:

Everybody has minimum skills today. We just look at the right combination of the shy and the extrovert. We don’t want over smart people, so that it gets very difficult for you to manage them, at the same time you don’t want someone who is really shy who is not going to deliver on the expectations.

For all recruits it was ‘important to have generic soft skills: communication, attitudes and cultural fit’. They also looked for ‘values of trustworthiness responsiveness and an international view with a high IQ’. Any career gap was viewed as ‘lacking drive and resourcefulness’. But it was also important that they view the applicant in terms of opportunities for promotion, a good workplace, growing the individual and internationally (HR Manager, large multinational).

At a domestic law firm, the HR response is different although it varied according to position.

If I’m hiring a person who’s just making bills for other law firms or clients, there’s no need to have great communication skills. Average communication skills will also do. But if I’m hiring a lawyer, the personality, the education, the class, that matters.

Employability skills were from his perspective:

the life skills, how presentable are you. And communication skills ...that’s the first thing you test in a person, and when you meet somebody you start judging them by their appearance. You start judging them by the way they talk. That’s the
first thing. Second is the first technical and as for foreign universities … its mental mindset that if you’re going to study overseas you have a good background … And second if you are financially well off you normally would assume that the person is okay in his appearance and communication skills…But there is no substitute for knowledge…especially in Indian companies you will not make it.

This was confirmed by the local OZEDU* representative who saw that the capacity to study overseas was also indicative of coming from a wealthier background. Another HR manager

Okay, so we start with a person should come with an open mind. He or she should have a learning attitude, whether somebody’s looking forward. We always look for which kind of career aspirations somebody’s having, whether that fellow is going to be a cultural fit or not because many people there…And a minimum level of competencies in terms of the understanding of team work…cultural fit is one of the most important aspects which we look for. And the second thing is career aspiration which we usually look for but then, if somebody’s coming to us, that we would be able to provide that kind of career which somebody’s looking for or not because it is an investment initially, one to three years. If somebody’s not the most productive but we groom him or her then thereafter. If somebody will leave, then there is no point…But we are finding that the people that are coming to join us they are staying for a good amount of time (HR Orion*).

When recruiting for a large multinational consultancy in IT, there is a requirement to have a global sensibility as well as intercultural capabilities.

The idea is to basically understand the difference in the culture of the customer that they have, the end customer. Suppose you are serving the European market, in the end you would have European customers at your end. How do they behave? What is their exact expectations? These you don’t get to learn them just by sitting over here in India and performing those tasks. You have to go there. You have to learn their culture as well. You have to understand where they’re coming from and what are their limitations, and how you can use it to your advantage basically, or you know how you can make them do things in a different manner so that they can improve their business as well in the end.

The AP* focus group also said that problem solving, teamwork, leadership skills, presentation and communication were being identified by employers and these were areas that Chartered Accountants ‘really need to hone up. They’re very good technically’. The AP* focus group when asked about what employers are looking for in a graduate said experiential learning.

A person who’s done practical training. From any sort of a firm, that would be a Big 4, that would be a mid-sized firm, that would be a small firm, the crux is the practical training…People have done their training, are qualified, they’re in huge demand…because they’re most stable. The moment you’re a Chartered Accountant you’ve got a freedom of movement after a few years. But a person who has done practical work…while the employee cannot sign off on a balance sheet he can do the other work and is therefore more employable than someone with a B. Com (AP* focus group).

For the majority of graduates not from high tier universities or colleges, the skill level was a concern as the education system was about ‘rote learning’. Individuals were ‘absolutely not employable by and large…unless they’re trained by the companies’ (AP* focus group).

Exacon* had a clear view as to what employers were considering beyond the fundamentals that were signified by the credential.

So they would prefer him to be, in the initial phase, a generalist rather than a specialist. So his aptitude, his adaptability, his up-skills, whether he’s a team player, does he get on well with the team? What sort of attitude does he have? All these things, so a mix, a blend of all these things is what the company is initially looking for. After six months industry practice…students often get recruited (Exacon* focus group).

Exacon* had a strong sense of educating their graduates to work ‘in a global workforce. Also, they saw that because India has the youngest population globally, accounting education providers in the Indian market have to address issues of future employment prospects within the global market. They advised students to do the Masters and simultaneously gain an ACCA, CPA or CISA credential depending on what country they sought to work in, whether Singapore, Canada, UK or Australia. Exacon* is developing courses which tap into this new global perspective of students who consider their future to be mobile.

What they are aspiring is definitely to look for opportunities in the Oceania…However, as a backup plan, because there is a lot of investment in their international education, they would want that their degree has weight in India as well….we offer them an exit certificate which from the stock exchange in India, does have a credibility in India (Exacon* focus group).

Part of the attractiveness of the Exacon* courses therefore is that it has ‘global weightage’ through being accredited with the IFRS so that they could utilise it in a country where it is recognised.

A few years earlier, when we used to speak to students (global orientation) was something where we need to know. Now there is an awareness of these qualifications in the market…they ask whether and where these accreditations are acceptable…whether this program is CPA-or CFA-recognised (Exacon* focus group).
The Exacon* Directors consider that Indian universities have not been particularly flexible in addressing the needs of the new digital and global economies and the rapid changes of the needs of the labour markets. There was overall agreement that the university courses were too academic. Others also observed that the universities have only undertaken superficial changes to curriculum to make it appear more relevant.

Universities have to do lot of more of work which they would not want to do... in terms of the curriculum update for certain technology courses... universities in India... rather than deleting the obsolete part, they might swap some modules to the first semester, some to second semester...The universities... they're very rigid (Consultant former Inter Consult*).

There was a trend for some ‘second tier’ Indian universities to encourage more ‘international styles of teaching, pedagogy, curriculum, the way they deliver that curriculum and that's where you see the difference. So the students have essentially experienced some of these things before. They're more confident, they're more aware and essentially they're able to be more effective in the workplace. The rapid expansion of the higher education sector is also creating greater precarity for some universities:

So you've got newer universities which are taking away share...but the only thing they have going for them is great students. The minute that student quality starts dropping, they're gone. They do not have great faculty, they do not have great academic processes, they don't have a real robust research culture, they don't do any real consulting...they are so fragile (Consultant, previously Inter Consult*).

Exacon* already runs short courses in response to whether they think they focus in courses on Indian employment or a global view

We are making them suitable for Indian employability, at the same time they can apply for a foreign university also.... So their degree is equipped with that standard. We do give them global perspective as well...financial markets ... are linked, and India, being one of the emerging countries - we are fastest growing economy in the world. So most of the countries look to India, businesses, they look to India....because a lot of the multinational, they open their shop in India. They do a lot of research, financial research and all this thing, so these students are really employable in that area...they outsource their people from India only, so (our student) are useful...we've started having interns coming in from global countries (Exacon* focus group).

The notion of the ‘global worker’ was also beginning to be addressed by the AP* – who were developing courses around the ‘soft skills’ of the 21st century worker by developing a 15-day course called General Management and Communication Skills. They are changing the course in response to industry feedback (AP* focus group) and are considering a compulsory 15-day course on employability skills after the CA final exam. ‘We are more exporters of people rather than importers.’

Diversity

With regard to qualified accountants, the Exacon* respondents referred to how women were increasingly evident in the accountancy field.

Classes are 60% women...we have a quasi-government role. One of the criteria which Indian finance minister has come up with is women directors on board, which is like a compulsory requirement –30% for all the stockbroker listed companies. We have about 5,000 listed companies in the stock exchange, but it’s still about 50% of them do not have a woman director. So we as a regulator push and run programs only specific to woman directors. So with the University of Toronto (Rothland) school, we did a women leadership or woman director program that invited woman leaders across India. Even TATA has come out listing their – they are very focussed and very ethical and follow good governance. -- the 30% of their population in this board should be women. There are a lot of SME or small size companies still not with women (Exacon* focus group).

The Exacon* programs also are seeking to train up individuals to be able to deal with being on Boards and speaking out.

One of the challenges is that if they are on board, they do not have much of a say or right...it’s not just to do with woman, but it’s to do with the minority shareholders. Good corporate governance mode basically, considering Indian companies are now moving into global operations (Exacon* focus group).

The manager of the IT Consultancy multinational also took a progressive view:

We are open to hiring from any sort of ethnicities and diversities. It’s like we have a special LGBT group in the organisation as well. We have now started giving to lesbian and gay people as well, so there is no sort of a limitation. It doesn’t matter where you come from, you have every right to work here. There are 35 is women and 65 men in my team.

When questioned about whether Indian employers are looking for more diversity among their employees the AP* responded: ‘Not as often. Not to my knowledge. Because in India, there’s huge diversity. There’s a huge diversity for us to manage ourselves’. The AP* indicated that the numbers of women were increasing in ‘leaps and bounds’ in training with 42% participation when it was 5% ten years ago. ‘We’ve got a very feudal society, you know, but we’re changing now’. AP* have 2 females in 32 members on the Board. While firms have increasing numbers of women employees in the urban areas where there are greater safety issues
they do not send women. But AP* consider women will be 60-70% of their participants soon as they succeed more in the examination as they do in ‘school, college, medical, everywhere you’ll see even more, the lady will be always in command I think’. Accounting is seen to be a good field of work for women:

Another reason why the woman or the girls find our course very attractive is it’s absolutely suited for them. The woman they’ve got the options, do you want to go to the industry, go the industry - in India, another cultural issue is marriage, especially for the girls. So post-marriage, the girl may go out of the city. So they want to do practice, they want to join a firm. These options are available for girls, so that’s even another reason for a lot of the, I would say flexi timings. All the possibilities are there. Of course, we need to structure it better (AP* focus group).

When asked about hiring overseas graduates to create greater cultural diversity:

Since we do not have much knowledge about Australia, most likely we’ll end up hiring the guy...If he is technically strong on the area that we want to hire him for, I don’t think we would mind (HR domestic legal firm).

Implications for Australian providers of accounting education in India

OZEDU* argued that, and this is confirmed by this research, that there is a lack of awareness of both the quality of Australian higher education.

Now, they’re a big multi-national kind of a brand here in the banking, insurance sector. I mean, they don’t understand that stuff. Especially if you’re looking at the HR managers, they don’t know. So, a lot of work needs to be done on that front. Even the group of eight, they struggle here as well. We started later compared to the UK and USA... Another thing as well is what happened is when the students sort of started it was kind of co-related directly with the migration. Not a lot of students came back.

This, he argues, requires universities to act as a sector and not to compete:

I think there’s a lot of work to be done from the university side of making people aware that Australian education is valued. Like, even if you’re an ANU grad, nobody knows over here what ANU means or what the standings are and even better - much better rank than Boston. So, they’re branding awareness outcomes.

Second, there is also little awareness of CPA Australia courses and their reciprocal agreement regarding accreditation with the AP*. For CPA Australia, there are opportunities to advertise. A key strategy would be to have a presence at the graduate fairs where recruitment most often occurs.

So, we put a level up saying we’ll do graduate fairs, but for professionals, who are actually working at the moment...we did it in Mumbai first in 2015 and we had 13 companies, top companies, from Mumbai, MNCS, to come in and have a table there. We had 50-odd jobs, 60 or 70-odd jobs on offer and– 100-odd alumni came to that event, it was a two-way event. So, it was mainly showcasing the employers that we’ve (Australia) has some really good grads and these are actually the university where they come from. And most of these guys now have 10 years plus experience. It was so successful that we replicated that in Delhi and in Bangalore. They’re planning to do it in Chennai and Hyderabad next. Now DFAT’s got the global alumni strategy and running it. We are talking about big companies like HDFC (OZEDU*).

Further developments under consideration by the AP* which may offer opportunities for CPA and Australian universities are

With European leading colleges, it gives a waiver. These could be subject waivers or maybe sponsors, or reduced fees.

There is a significant Indian CA fraternity in Australia. If you have a fast-track program at a significant postgraduate level or graduate level, maybe you could come up with the proposal for that and we can circulate it to our member. But then again, it’s market driven, if they see value out of it.

The AAA Founder said there was a need for improved communication when recruiting students. He was recruited through

Global Reach and a couple of officers from Bond, and the marketing head of Bond Uni had come down. Obviously if I was one of these I would check the employability factor or advise the person ‘You are doing the wrong course for employment, you should have done this course.’ I mean once you land over there and you’ve paid your fees, a one year GAP program, Proficient Legal Practice, PLT, Professional Legal Training Program. If you did that for one year or one and a half years, possibility of getting a job in Australia was far higher. Come on, they should tell us before we apply.

A major issue for him was the need for courses to be more aware of the Indian context.

15 years back, and I’ve been talking to a lot of universities to change the structure of the course to suit the Indian need, or at least have a course for Indians or supplement it.

While some of these issues have been addressed by Australian universities since his degree, others have not.
Conclusion

With the rapid expansion of economy, there is significant growth and therefore availability of jobs for those without the CA in numerous categories that accounting skills are required. Those with the CA (India) were quickly employed as it was the most valued credential. There is increased competition in accounting education with international providers and the International Accounting accreditation is recognised as potentially having an impact.

In accounting, the ‘intern’ system which provides most accounting oriented positions means that students work during the day, often in 2 businesses and locations, and study with the professional course over three years with the Indian Chartered Accountants to gain the first level of accreditation. Of those who sat the examination, only 5-8% gain accreditation as chartered accountants with the ICA due to the rigour of the assessment. This select group is the primary source of chartered accountants for law firms, multinationals etc. Very few large financial firms employ other than those with CA (India).

There was a clear ranking of Indian institutions regarding recruitment by all employers. The employers interviewed had a strong preference for recruiting graduates from the top Indian universities and accounting institutions. This was a shift from earlier when there was a preference for American or US post-graduate degrees, although an applicant now who comes from high status US university would be considered. Recruitment of those returnees holding non-Indian credentials was job specific and if a project required country specific knowledge, but there were not many international graduate applicants.

Work or ‘practical’ experience counts in being employable. An international graduate returnee may be considered for recruitment and as an asset to a firm only if they had work experience in one of the Big 4.

Indian universities were considered to be too unresponsive in terms of the changing needs of the labour market, too academic and the B Com was not considered to have significant value.

All employers referred to the importance of the ‘soft’ skills once ‘technical skills’ were tested when recruiting. Communication and interpersonal skills were considered the most significant because of the nature of the occupation. English language skills were assumed. Both the major provider such as the Institute of Chartered Accountants India and the Bombay Stock Exchange are revising curriculum to address the development of 21st century skills specifically.

Medium sized Indian employers did not have a ‘global’ outlook although the Bombay Stock Exchange programs were networked with international providers and did seek to develop a global orientation. Indian employers saw local knowledge and in particular legal aspects of taxation law as being critical.

The notion of ‘cultural fit’ was important in recruitment in terms of attitude, the capacity to work in teams and with others. Women are an increasing percentage if not a majority in the near future undertaking accounting education because it suited their gender roles. There was little evidence of seeking to gain greater cultural diversity through recruitment of non-Indian accountants in other than the large multinationals where there was a level of cross -national diversity.
Section 8: Conclusion and recommendations

This report confirms trends identified in earlier studies of employer perspectives (eg. Lawrence, 2013) as to the employability of Australian international graduates generally. While Western post-industrial economies are re-orienting towards service and communication industries, Asian economies, such as China and India, while rapidly industrialising, have also invested considerably in higher education and the higher-order skills capacity building (Mok et al., 2016). Both China and India invested considerably in their respective sectors, and beginning to compete with Australian universities in the international education market. Challenges for Australia include rising comparative costs for Australian courses and increased international and domestic competition for students. India and China are actively promoting their own international student markets, with India and China being among the ‘cheapest’ (Economic Times 2014) relative to their competitors. The order in terms of cost being Australia, Singapore, the United States, Britain, Hong Kong, Canada. France, Malaysia, Indonesia, Brazil, Taiwan, Turkey, China, Mexico and India (Economic Times 2014).

There is a marked shift regarding which credentials are valued, with less of a preference for Western credentials other than from a few key institutions (Harvard, Stanford, Cambridge, Oxford). While both Indian and Chinese employers regard Australian higher education as high quality, there was no felt need to recruit Australian graduates unless there was a project requiring Australian knowledge and background, which was more likely in a multinational firm. For both Chinese and Indian employers, there is the appeal of local graduates, particularly from local branches of foreign universities, because they possess knowledge of local regulations and context. While overseas universities and other credentials such as the CPA Australia’s professional courses were considered to be of sound quality, the lack of context specific content in the curriculum relevant to the home country where the graduate intended to work was a disadvantage. Having a strong local presence was critical for the profile of the CPA Australia in China and less so in India. But this was also relative to the type of accounting education provision in each country, with India having a very differentiated and work based system dominated by the Institute of Chartered Accountants India and Bombay Stock Exchange, compared to China. Whereas in China individuals are encouraged to take up CPA credential as added value, the CPA credential competes in India with a range of international and local providers. Overall within the labour market, the MBA and more general business degrees have lessened in value relative to the specialist requirements of the more differentiated but expanding labour market for accountants in each country.

This study indicates there are a number of difficulties with regard to recruitment of returning international graduates. Even though the opportunities for accountants is widening, the accounting field works differently in each country. China’s dual system of a market economy operates under a command-control bureaucratic system with a widening divide between how foreign-owned enterprises and State or private Chinese organisations use education (Velde, 2009). Labour shortages are uneven across place and occupation as well as credentials required (Sheldon, 2011). This study indicates that while it is a sluggish jobs market suggests postgraduates find it harder than undergraduates to gain employment (Sharma, 2012). There are significant opportunities for accounting graduates, but that India has a highly differentiated accounting market largely met by local providers. India is a complex system of multiple regional and local markets with a highly differentiated education system based on class.

Factors listed by employers include the international graduates’ unwillingness to accept lower wages due to raised expectations as to their income relative to their investment in gaining the credential. Employers cited examples of returnees expecting rapid career progression and not being prepared to start at the bottom within a firm. International graduates therefore placed higher value on the international credential than local employers. Given the increased number of graduates in the field of accounting, there are significant exclusionary mechanism at work in the sorting processes of recruitment (Ding, 2015, p. 268). Even when large firms, usually through their HR departments use a range of strategies (interview, group tasks, online tasks) to filter and select for interview, the tendency is at interview to select those who are more like themselves, a trend that may be exacerbated with the increasing use of computer programs which rely on data bases of prior employees and practices (Jain et al 2012). ie ‘best fit’, often justified as the need to have amicable working teams, feeling comfortable and complementing existing skills. But best fit often means recruiting those of the same gender, ethnicity, language background and experience, or, caste in India and guanxi in China. There is less concern about diversity (in terms of international experience or background or gender) as being a good thing with regard to global orientation and experience, other than recognition that more women are now entering the field of accountancy in India as it fits the flexibility required of their gender roles, although discouraged by some in China.
Recommendations

The study suggests the need for a focus on local partnerships and offshore programs for both universities and professional organisations.

For universities:

- The need for universities to brand Australian higher education as a high-quality sector and reduce competition with each other in order to be able to make significant inroads into the Indian market particularly
- Universities as well as other providers of accounting education to offer more opportunities of internship and professional experience.
- Greater co-operation between universities and providers in India and China and other organisations e.g. RCH* to provide platform for graduate pathways into employment
- Organisation or agent looking after the employability for international graduates and oversees from recruitment to employment (the entire spectrum)
- Connecting job seekers and recruiters through alumni associations based in China and India encouraging alumni to nurture employment networks in home country and globally
- Universities to strengthen quality of accounting education

For the CPA:

- The profile of the CPA Australia professional qualification in India needs to be more widely advertised, in particular its agreement with ACAI
- CPA Australia provide more country specific tailored courses in India
- CPA Australia provide more information for returning international graduates regarding their home country labour markets and accounting field
- Identify and act on the range of opportunities for developing key partnerships in both India and China, although each has distinctive accounting education provision and labour markets.
- Gaining recognition of both CPA Australia as a brand and professional qualification requires improved promotion and infrastructure for CPA Australia on the ground to build relationships, specifically the case for the CPA Australia in India where they had not gained the same traction in the accounting field as they had in China.
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