

Competency mapping for accounting professionals

[Business](#), [Accounting](#)



COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS Perspective
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FOR ACCOUNTANCY PROFESSIONALS PERSPECTIVE PLANNING COMMITTEE
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ABOUT THE
COMMITTEE

The Perspective Planning Committee has been formed recently to assess the developments, which have been taking place in the service(s) sector and more importantly relating to the accountancy sector so as to initiate and strengthen steps which consolidate and further enhance the distinguish role of the chartered accountancy profession. The constitution of the Perspective Planning Committee for 2008-2009 is: CA. Shanti Lal Daga, Chairman CA. Manoj Fadnis, Vice-Chairman CA. Ved Kumar Jain, President (Ex-Officio) CA. Uttam Prakash Agarwal, Vice President (Ex-Officio) CA. Rajkumar S. Adukia CA.

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PERSPECTIVE
PLANNING COMMITTEE THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
INDIA

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COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT

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COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT Executive Summary The growing demand for Chartered

Accountants has set the members of the profession thinking on their role in the changing economic context in the country. It is being increasingly

recognized that the chartered accountants are no longer to confine

themselves merely to accounting for past events, but have to widen their

horizons in terms of new concepts like management accounting. Only then

will they be able to contribute effectively to the process of economic growth.

The ICAI is involved in encouraging and enhancing close links between ICAI and its members serving the society in various capacities so as to provide for them, a base of reference in terms of knowledge, expertise, skills and assistance in individual career growth through the development of extensive and intensive relationship with organizations and agencies of the Government, so as to provide the maximum possible exposure to the world of trade, commerce, industry and governance, while simultaneously pursuing the goal of providing the maximum of employment opportunities.

The graph depicts the growing trend in the statistics of male and female members working. The year on increase in the number of members shows that more and more people are turning into CA profession. Accounting is an outstanding professional field, with very substantial accomplishments to date and with a great potential. Accountants both in the public ? 3 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT and private areas are participants in administration, not merely the compiler, checker, statistical helper or adviser of those in authority.

The current recessionary conditions in the US and Europe and the resultant impact on rest of the globe has posed unprecedented problems before professionals to invent newer strategies to help sail their employers through the current rough economic conditions. The ongoing structural ramifications in accounting profession taking place worldwide would influence the profession and possibly need a sustained response on on-going basis; such issues being of nature which warrant due positioning to be undertaken for the benefit of the membership at large.

We also need to focus on the key competencies required of a modern, newly qualified CA and, crucially, to provide trainees with the transferable skills to perform in an ever-changing business environment, to afford a greater level of integration within the education programme and recognize the transfer of skills acquired during work based training or in prior learning and to provide a greater focus on business management and ethical values.

All these issues being timely and requiring threshold reaction are thus needed to be addressed at a shorter notice and hence there is a need for the response of membership to such structural factors. With this objective in mind, the Perspective Planning Committee of ICAI has launched the 'Competency Mapping for Accountancy Professionals' survey which will help in drawing an insight into the competency mapping of the professional traits, which are considered to be of foremost importance for the members of profession from the view point of industry.

The target audience included all the members of ICAI throughout the country. The survey was conducted through ICAI website and also by means of brochures which were mailed out to various CA firms in India. The total number of significant responses obtained was 7749 which included people with profiles varying in age, gender, region, sectors, job level etc. ? 4 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009
– ICAI REPORT

The key findings of the Instant Survey can be summed up as under: 1) ICAI Course curriculum needs to be further upgraded: 17% of the respondent feels that the current ICAI curriculum is not in tune with the industry

requirements and 25% of the respondents stressed that the subject mix in the current curriculum needs more emphasis on the information technology and taxation instead of focusing only on accounting and auditing.) Inclusion of new areas to harmonize with the changing economic scenario: 58% of the respondent stressed on the need to introduce new areas in the ICAI curriculum which includes investment banking, capital markets and IPO process , Public finance management , Risk management and alike . 3) Post Qualification courses have benefited ICAI members especially to the new enrolled members Around 78% of the respondent had identified post qualification courses of the ICAI as specialized programmes which has benefited them in delivering professional services to its stakeholders in a better manner.) Further Increased focus on Soft-skills : The survey finding reveals that there is a huge demand of professionals accountants with good interpersonal communication. Leadership and managerial skills have been asked for additional weightage priority while designing the overall Chartered accountancy programme. Respondents have highly recommended for the improvement in these skill sets in the professional accountant. 5) High mobility of the professional in the early years of their career With regard to the loyalty to the current employer, 45% of the respondents notify the fact the average retention period by a newly chartered accountant 5 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT with the current employer can be 1-3 years only. However, the survey findings also indicate that it takes more than 3 years to reach the middle managements while 10 years for the top management. 6) Professional development and employers

involvement: Around 50% of the respondents were of the opinion that the employer's involvement is very important in their professional development.)Professionalism on the main agenda of the perspective employer: Around 85% of the respondent feels that Professionalism and ethical values are the core desired professional trait of any employee by the perspective employer. 8) Goodwill of the profession- one of the motivational factor of joining the profession: Most of the respondents feels that job satisfaction, high demand for CAs , consistent income & Challenging job, good pay package , better job opportunities , less expensive and brand image are the major factors motivating them to join the profession.) Advanced knowledge and high professional standards key to success for any professional accountant Many of the respondents says that a CA profession enrich them with advanced knowledge in varied areas, maintains high professional standards and provide adaptability to a range of opportunities in the emerging scenario. 10) Convergence with IFRS: An emerging experience 81% of the respondents feel that they are not fully conversant with IFRS and limited knowledge and lack of guidance are the hindering factors to convergence with IFRS. ? 6 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT Chapter –1 Introduction 1. 1: Competency Mapping for Accountancy Professionals The economic liberalization, globalization and information technology have unleashed innumerable opportunities and the accounting profession in India is taking every effort to make use of this opportunity in its entirety. Steps are underway to display that the professional knowledge the Indian accounting profession possesses

reflect the impact of the new waves of technological innovation and globalization that are sweeping across the world.

ICAI firmly believes that having a strong accounting profession is a key to having a strong financial infrastructure in a country and it directly reflects to the ability of that country and of individual companies within it to raise capital at a competitive cost. The world today is of specific competencies, hence to meet the challenges and pursue the targets mapping of such competencies which are ultimately required by the users of members in the economy is something which is core to possibly creating a re-alignment of CA profession module.

While, the post membership programs reinforce an education already undertaken albeit in specific programs which intending members intend to pursue, it is important to take review of the developments globally and their impact on job market in India. One also sees a steady growth of the members moving to employment and may be returning to licensed practice; this being typically true for the new professional. This could also reflect on the competencies required for members, vis-a-vis those in practice and those in employment.

7 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT 1. 2: Necessity of the Survey

The Competency mapping for the profession was evident due to vigorous changes in the economy and more so in the currently emerging market place. The survey is conducted with the basic aim of self improvisation i. e. Aligning the course as per the market forces for being the most sought after professionals in the market. The driving forces behind the survey are :

Changing Market Scenario: The market place is evolving continuously and more rapidly because of globalization. The regulatory framework is changing constantly and the demands from the professionals are increasing to keep themselves abreast of changes else fear of extinction. **Emergence of Service Sector in the economy:** Over the last couple of years service sector has grown enormously presenting ample opportunities to the professionals, but the competition has also increased many folds and WTO is making the scenario all the more complex.

Key Professional Traits: The survey is conducted to identify the desired professional traits as desired in the profession nationally and internationally, to make our members and students most sought after the professionals.

Information Technology: The information technology has become omnipresent in the business circle and has changed the manner 360° business is conducted. The survey will help us to identify the necessity of IT and especially applications as per the requirement of the member. **Capacity Building:** Upgradation of Course Curriculum to encapsulate the expectations of users of services of the accounting professionals.

Identify the Job Environment of the member: To develop better relationship between the members and its stakeholders, it is essential to ? 8 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009
– ICAI REPORT know their expectations from each other to create productive job environment. **Stringent Regulatory Framework:** enhance transparency, ensure In this financial crisis many frauds and instill trust among the have

come to light which has lead to more stringent regulatory reforms to integrity stakeholders.

The profession must ensure adherence to best ethical practices by incorporating the same more rigorously in practices. Continuous Professional Development: Chartered Accountancy Profession demands continual learning and professional development. The Survey will enable us to evaluate needs of the members for Post Qualification Courses and executive education and develop customized products as per their needs. IFRS-Global Phenomenon of Emerging Accountancy Profession: Since the IFRS will be in force from 1 April 2011 , its essential to know the readiness of our members to IFRS and take measures to ensure smooth transition process.

Perspective about the Profession amongst members: The survey will find out what the member thinks about their profession its shortcomings, positive points. The factors which motivates them to join the profession. 1. 3:

Analysis of the Survey Responses The questions in the questionnaire can be broadly classified into 5 categories. • • Questions 1 - 16 - General Information about the respondent Questions 17 - 19 - Employment essentials & desired traits of an employee ? 9 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT • • •

Questions 20 - 23 - Objectivity and relevance of ICAI's current curriculum

Questions 24 - 25 - Subscription to, and feedback on Post Qualification course Question 26 - 33 – General Questions on CA Profession ? 10 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Chapter 2 Economic Scenario 2. 1 Global Economic Scenario

The economies globally are grappling with the fear of the recession due the current financial turmoil which has lead to extinction of major corporates in across the US and Europe. This impact has turned out to be deeper and wider than earlier anticipated.

The US Federal Govt. , dolled out a bail out package of USD 700 billion to support the failing financial institutions, major banks in UK and other parts of Europe has been taken over by the Govt. . Due to the globalization of trade and advent of Information technology, the economies are dependent on each other, now the ripples of financial turmoil are felt across the globe. The impact of the slowdown is felt across the sectors as most of the companies are using all the costcutting measures to sustain through the financial crisis.

The Professionals all across the sector are under tremendous pressure due to lay-off, closing of plants, etc. All the countries are in enigmatic state of mind to reinstate the buoyancy in economies and instill confidence among the industries. According to the report by global economic research firm Oxford Economics, " The BRIC economies would continue to grow, but there would be a clear downturn. China is now forecast to grow by about 7 per cent in 2009, its lowest since 1990, and India is seen slowing to about 5 per cent. " Despite the aggressive monetary and fiscal easing, the U. S. , the Eurozone, Japan and the U. K. are all now seen contracting by around 2 per cent in 2009," the report said. Growth rate of 5-7 per cent looks significant amid the present scenario when the world GDP is expected to remain very weak in 2010, posting growth of just 0-1 per cent after the decline of 0. 4 per cent in

2009, Oxford Economics said. ? 11 ? COMPETENCY MAPPING FOR
ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT

As per global economic research firm Oxford Economics report, significant decline in major economies across the world, would have an adverse impact on the emerging markets, with even China and India suffering further slowdown as the world trade failed to recover, the report said, adding that "all of the major developed economies would post growth of little better than zero in 2010".

2. 2: Indian Economic Scenario India's financial sector has remained resilient even in the face of global financial turmoil that is so deep and pervasive.

Our financial markets continue to function in an orderly manner. India's growth trajectory has, however, been impacted both by the financial crisis and the follow-on global economic downturn. The numbers are evidence of economic activity slowing down. Exports registered a negative growth for the two recent consecutive months, October-November 2008, for the first time since February 2002. The index of industrial production (IIP) registered a negative growth of 0. per cent during October 2008, with the manufacturing sector registering a negative growth of 1. 2 per cent, for the first time since April 1994. IIP growth during April-October 2008 at 4. 1 per cent was less than half of 9. 9 per cent during the corresponding period of the previous year. The services sector, which has been the main engine growth during the last several years, has also been slowing down. Business confidence has been dented significantly. There are clear signs of deceleration in investment demand. ? 12 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

- ICAI REPORT Due to strong policy framework and proactive measures of the government, the economy managed to thwart the threat of global economic slowdown, instill confidence among the business milieu and investors about the moderate but steady growth of the economy. The Indian firms are no doubt facing tough as weather has tighten the belts to sail through the current turmoil. The firms are realigning corporate strategy to move ahead while keeping the growth of the firm intact.

The good news is the impact of this slowdown in India has not lead to retrenchment of staff, though in some sectors mainly manufacturing staff is laid -off but which appears to be passing phase. As per the survey of Manpower consulting the companies in service sector like BPO, Insurance, Banking, IT, Consulting, Retail will be adding their manpower for supporting the growth in the respective sectors, with emphasis on talent manpower and rationalized packages. The World is already witnessing cut-throat competition in the market place, where Darwin's theory " Survival of the fittest" fits perfectly well.

In the current emerging scenario, the urge to further sharpen the skillset of Chartered Accountancy profession, exercise of competency mapping was envisaged, as first step in this direction with the aim of transforming the Chartered Accountancy profession for reaching the epitome of professional excellence. ? 13 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT Chapter-3 Profile of the

Profession The evolution of Profession has been very dynamic leading to its

growth beyond existing frontiers in to new dimensions. The profession has witnessed sea change since its inception, ositioning itself as one of the most coveted profession in the market. The Chartered Accountancy profession over the years has grown leap and bounds and thus the profile has undergone total transformation. In this Chapter, our idea is to define the continuously evolving profile of the profession on various parameters, so that the progress could be measured/benchmarked, highlight the changes. The endeavor is to evaluate and accordingly realign the strategy of the Institute in strengthening the profession, for able to extract more from the new initiatives.

Some of the identified parameters are as under: Type of Occupation: Self-Employed, CA Firm and Others Location: Metro/Non-Metro , Regional Zones Gender & Age Type of Organization/Business Work Routine(hours on weekly basis) Job Level Size of Organization Turnover of the Organization

Remuneration ? 14 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT 3. 1 Where do you work?

With the advent of globalization and corporatization of the industry, there was a sudden spurt in demand for CAs across the country. As a result of this, the country witnessed a paradigm shift in the role of the profession.

From working as accountants or auditors in CA firms to financial managers in MNCs, the importance and relevance of this profession only magnified in the recent years. While setting up of private practice has a unique position in the profession, the changing economic times have had an impact on this career option. Firstly, the practicing profession, in nature, has a slow growth in the

initial years owing to low client conversions and stiff competition from well-established small and mid-sized private firms. The issues of disparity in income levels offered between Big and midtier firms also remains.

Consequently, during 1998-2008 there was a significant decline in the proportion of members holding certificate of practice (CoP) against those who opted not to practice. The proportion of members holding CoP has continuously declined over 1998-2008 reaching 53.6% in 2008 from as high as 70.9% in 1998.

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Proportion of members holding CoP (%)	70.9	68.0	65.0	62.0	59.0	56.0	53.6	51.0	48.0	45.0	42.0

Members with CoP Not in Practice Even though chartered accountancy was gaining popularity in the 1990s, there were few avenues outside the traditional accounting, auditing and taxation areas which CAs

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT could access. Starting with 1990s, the traditional roles of a Chartered Accountant were alongside experiencing a shift with practicing Chartered Accountants increasingly moving into advisory and consulting roles, while new members preferred employment over practice. CAs had started to offer a gamut of services such as investment advisory, financial planning, risk management, etc. Besides, corporate houses began to view the profession with a new-found interest.

This not only raked in large-scale opportunities for CAs, but also took the emoluments for the professionals to new heights. The jobs in the industry offered more lucrative packages, exposure to MNC culture and expansive job profiles. There has been a major shift in the occupational preference of the

members over the years since then. The proportion of full-time practicing CAs in the total member base has been falling consistently since early 2000s and has reached a low of 47. 4% as at April 1, 2008. Consequently, the proportion of non-practicing CAs increased at a CAGR of 10. % during 1998-2008, to reach 46. 4% in 2008 from 29. 1% in 1998. However, we don't see a significant movement in the proportion of Part-time practicing CAs during the same period. This trend is set to continue for the future also, as the profession of Chartered Accountancy carves a new meaning in the arena to trade and commerce.

70% 60% 50% 40% 30% 20% 10% 0% 1998 1999

2000 2001 2002 2003 2004 2005 2006 2007 2008 FullTime Practice

PartTime Practice Not in Practice Overall Analysis ? 16 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT

Out of the respondents • • • • 24% were working in CA firm 54% in industry 18% were self employed 4% in other kinds of firms Response by Gender

Response by Zone ? 17 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT Central Type of firm CA firm

Industry Others, specify Self employed please 14 222 Zone 115 208 East

Zone 187 258 44 130 North Zone 253 642 38 215 South Zone 389 1205 87

219 West Zone 890 1797 95 588 Response by Place Respondents from Non

Metro cities are more likely to be self employed. NonQuestion 1 CA firm

Industry Others, specify Self employed lease 208 592 71 789 Metro 1420

3135 Metro 408 970 3. 2 What type of business or organization do you work

in? Overall Analysis Out of the respondents • • • • • 33% were working in

Accountancy firms 27% in other types of business 9% in public sector 1%

were taking career break 30% in others ? 18 ? COMPETENCY MAPPING FOR

ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT The others include Banking, BPO, Construction Industry, Consultancy, Equity Research, Insurance, Financial Services, Telecom, Software Firms, Tax Consultancy, Audit Services. Response By Gender ? 19 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Response By Zone Central Type of Organization Accountancy Firm Career break/ not currently working Other type of Business Others, please specify Public Sector Response by Place Non-Type of firm

Accountancy Firm Career break/ not currently working Other type of Business Others, please specify Public Sector 23 1530 1599 413 24 414 590

243 Metro 1601 Metro 795 4 86 136 57 108 149 67 12 292 319 127 11 621

587 123 19 839 990 286 Zone 229 East Zone 262 North Zone 344 South

Zone 478 West Zone 1083 . 3 How long ago did you qualify CA? With the

establishment of regulatory body for chartered accountants in 1949, the

ICAI, the profession of chartered accountancy started to evolve in India. The

profession has seen it grow from a humble of 1600 odd in 1949 to over

151000 in 2008. Around 30 % of ICAI membership has been added within

last half and hour decades. However, as the economic and business

environment witnessed growth in 1980s and 1990s, the avenues for CAs

expanded attracting larger section of young population to the course. 20 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT However, the real boost for the profession came in late 1990s

and early 2000s with the advent of globalization and large-scale

corporatization of businesses. Of the current member base of 145, 481

members as on April 1, 2008, nearly 34% are the pass-outs of 2001-2008

with 21% having qualified between 1991 and 2001. Overall Response Years of qualifying + 20 years 1-4 years 4-6 years 6-9 years 9- 19 years < 1 year Percent 8% 44% 16% 10% 14% 8% ? 21 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT Response By Gender Most of the female respondents have qualified the CA in last 1-4 years. This shows that the number of females turning into CA profession is increasing year by year Response by Place Metro Cities 57% 75% 73% 73% 68% 65% Non-Metro Cities 43% 26% 27% 27% 32% 35% Years of qualifying + 20 years < 1 year 1-4 years 4-6 years 6-9 years 9- 19 years ? 22 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT 3. 4 Your gender ? Overall Response

Graph: Year – Female Members ? 23 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Though the number of females, turning into CA profession has been increasing year on year, the number of males are much more than the females. 3. 5: In which of these age groups do you fall? Overall Response Response By Gender This graph shows that the number of females in CA Profession was very less in the past years and is increasing year on year. The large number of female respondents in the ? 24 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT 25-35 age group clearly depicts the boom in the number of female CA's in the recent years which is quite encouraging. 3. 6 Your Place of work falls in? Overall Response Response by Place Zone

Central Zone East Zone North Zone South Zone West Zone Metro 1% 6%
 12% 30% 72% Non-Metro 99% 94% 88% 70% 28% From the above table it is
 clear that most of the respondents from the Western region are from metro
 cities where as in Central and East zone, most of them are from Non Metro
 cities. ? 25 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT 3. 7 Place of work situated in ? Overall
 Response Response by Gender The graph shows that the number of female
 respondents are more in Metro cities. ? 26 ? COMPETENCY MAPPING FOR
 ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT 3. 8 Do you
 work in? As the movement in favour of employment caught momentum over
 the last two decades, the avenues for part-time employment have witnessed
 a setback. The challenging demands of the jobs avenues in corporate
 finance, management consulting, banking and insurance, investment
 banking, etc. rovided less scope for part-time employment. In fact, the
 evolution of a new work culture towards more challenging jobs with
 attractive emoluments also discouraged the trend of part-time employments
 which were more common in the days of traditional accounting jobs for CAs
 Overall Response Most of the respondents are working in full time jobs.
 Response by Gender Role Full time, in a permanent role On a fixed term
 contract Others, please specify Part time Female 1556 14 24 45 Male 5789
 49 101 43 ? 27 ? COMPETENCY MAPPING FOR ACCOUNTANCY

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If we look that the respondents in Part time role, we can see that females
 dominate and while in the rest of the roles males do. Response by Years

(Since completing CA) Response by Place Nature of work Full time, in a permanent role On a fixed term contract Others, please specify Part time
Metro cities 5196 43 49 50 Non-metro cities 2092 15 69 38 ? 28 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT 3. 9 In a typical week, how many hours do you spend working in your office or elsewhere? Overall Response Key Points • • • More than 70% of the respondents work for 41-60 hours a week. 8% of them work for 61-80 hours a week 7 % of them work for 21-40 hours a week. Response by Job Level Working Hours Upto hours 21-40 hours 16 181 185 80 33 30 20 3 19 39 14 9 6 Accountant Executive/ Independent/ Middle Manager Partner Top Other Management Management s ? 29 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT 41-60 hours 61hours Above 80 hours 3 54 72 38 13 13 80 15 550 304 324 110 47 71 2503 819 1397 314 293 Key Points • • • • Most of the respondents in 41-60 Hours and 61-80 Hours category were Executives/mangers.

On an average a CA professional spends 41-60 hours / week in the office. It is very obvious that the respondents with job level of Independent/Partner will have to work for more hours than the rest. This is attested by the response.

From the table given below, it is clear that the professionals working in metro cities work for longer hours than the ones in the non metro cities.

Working Hours 21-40 hours 41-60 hours 61- 80 hours Above 80 hours Upto 20 hours Metro Cities 64% 73% 66% 69% 56% Non-Metro Cities 36% 27% 34% 31% 44% ? 30 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS

JANUARY, 2009 – ICAI REPORT 3. 10: What is your current job level? Overall Response No of years in the current firm Job Level Accountant Executive/ Manager Independent/ Partner Middle Management Top Management Others Less 1 year 46 998 117 419 75 143 than 1-3 year 52 1846 330 915 106 172 47 352 286 301 91 24 6 72 63 154 105 55 6 10 More than 10 years 5 49 480 108 150 33 years years ? 31 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Response by Place Current Level Accountant Executive/ Manager Independent/ Partner Middle Management Job Metro 77% 79% 42% 77% 68% 74%

NonMetro 23% 21% • The table above shows that CAs with less than 3 years in the same firm are normally managers and it takes more than 3 years to reach middle management and almost 10 years to reach top management • 44% of the respondents were at the Executives/Managers Level 58% of the Independent/Partners were from the Non-Metro cities 50% of the female respondents were at the Executive//Manager level 25% of the males were independent 58% • 23% 32% 26% Top Management Others, if any • • partners to 14% of the females. Response by Gender ? 32 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT Response by Age Group From the above graph it is clear that most of the respondents with age less than 35 are Executives/Managers Independent/Partners. supports this view. 3. 11: How many employees work in your organization? Overall Response whereas As the the ones with grow age above they 35 are to mainly work professionals older intend independently or become partners with other professionals. The

survey response ? 33 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT Response by Firm Type

Others, please specify 36 15 16 36 25 61 88 No. of

Employees 1-20 21-50 50-100 101-500 501-1000 1001-5000 More 5000 than

CA firm 388 131 99 286 191 555 191 Industry 53 78 158 536 417 988 1906

Self employed 1177 102 30 14 3 5 14 It is clear from the table that most of

the firms with 1-20 employees are either Self Employed or CA firms and Most

of the firms with more than 1000 employees are in employment. Response

by Zone Number employees 1-20 21-50 50-100 101-500 501-1000 1001-

5000 More 5000 than 86 167 351 619 963 of Central Zone 294 29 12 37 29

64 East Zone 165 38 21 47 52 123 North Zone 266 48 51 124 92 209 South

Zone 262 69 71 263 172 424 West Zone 655 133 143 377 293 758 34 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT Key Points • • • From the chart given below, it is clear that

most of the accountancy firms have less than 20 employees The table shows

that firms with large number of employees are concentrated in western and

southern zones. The central zone has more of firms with less number of

employees 3. 12: What is the annual turnover of your organization? Overall

Response ? 35 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT Response by Firm Type

Annual Turnover Less than 50 crores 50-500 crores 500 crores More crore

than 1000 crores-1000 CA firm 708 624 246 144 Industry 305 860 474 2412

Self employed 1255 12 4 15 Others 75 52 38 97 Key Points • • Most of the

CA firms and self employed people have turnover of less than 50 crores

Majority of the industries have a turnover of more than 1000 crores.

Response by Sector Service Sector 1511 1046 538 1604 Annual Turnover
Less crores 50-500 crores 500 crores More crore than 1000 crores-1000 than
50 Manufacturing 190 275 121 688 Trading 250 45 14 68 Others 275 171 78
269 ? 36 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT 3. 13: What is the your annual emolument? The Institute is engaged in providing appropriate career platforms and growth opportunities to both fresh CAs (through Campus Placement Programmes) as well as CAs already serving industries through the establishment and development of extensive and intensive relationships with organizations and agencies of the Government. Campus placement programs are organized twice a year, in February- March and August – September for the placement of the members qualified in November and May attempts respectively.

In the Feb-Mar 2008 program, 109 companies participated during the program of which 26 were new recruiting entities. The average salary offered to the newly qualified CAs was about Rs. 6 lacs p. a, up a significant 20% over Rs. 4. 8 lacs p. a a year ago. The highest salary offered increased to Rs 12 lacs p. a from 10 lacs p. a in the previous year. In the last five placement cycles, a major proportion of the candidates have got pay packages in the range of Rs. 3. 5-7. 5 lakh, and this proportion has grown from 77. 1% in the Aug-Sept 2006 cycle to 83. 0% a year later and a further 88. 0% in the latest AugSept 2008 cycle.

However, a positive aspect is that within the Rs. 3. 5-7. 5 lakh, the proportion of the candidates getting packages in the range of Rs. 5-7. 5 lakh has grown tremendously, from only 24. 1% in the Aug-Sept 2006 cycle to 54. 0% a year later and a further 61. 6% in the latest Aug-Sept 2008 cycle. This indicates that the average new qualified CA salary levels have increased. This increase is also evident by the increase in the number of candidates getting pay packages above Rs. 9 lakh which has grown from a mere 0. 3% in the Aug-Sept 2006 cycle to 2. 6% in the next year and further to 6. % in the latest Aug-Sept 2008 cycle. ? 37 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT Overall Response Response

by Age Annual Emoluments Less than 3 lakh 3- 5 lakh 5-10 lakh 10-20 lakh

Above 20 lakhs Under 25 49 142 411 31 7 Over 65 26 9 5 3 25-35 389 1014

2771 907 194 36-45 156 183 229 226 149 46-55 81 104 112 73 71 56-65 37

27 27 20 7 Key Points • • • Most of the respondents have an annual

emolument of 5-10lakhs 20% of them have emolument between 3-5lakhs

The table given above shows that the salary is highest for the people with age between 25 and 45.

The previous analysis has shown that most of the people in this age group are executives/managers which might be the reason for this. ? 38 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT • Highest paid professionals are working in service sector.

Annual Emoluments Less than 3 lakh 3- 5 lakh 5-10 lakh 10-20 lakh Above 20

lakhs Service Sector 448 847 2429 823 260 Manufacturing Others 44 281

631 250 76 99 178 344 143 61 Trading 110 120 86 31 20 3. 14: Is the

business income/salary higher or lower than last year?

Salary increases in India largely remained insulated from the current economic slowdown. As per a study conducted by Hewitt Associates (Hewitt Salary Increase Dipstick Study 2008) across 150 leading corporate in India to understand the impact of economic slowdown on compensation and salary trends in India, 63% of the organizations surveyed said that inflation and rising input costs were discussed and considered in the context of salary increase budgets for 2009. However, the year 2008 has still seen a strong average salary increase of 14. 8%.

The global economic slowdown, US sub-prime crisis and rising inflation have caused Indian companies to revisit budgets for 2009; and the average salary projections for the coming year are lower by a percentage point at 13. 9%. Retaining its top position, Infrastructure sector is leading with 24. 1 percent salary increase in 2008, followed by Banking, Financial Services & Insurance (16. 5 percent), and Manufacturing (15. 4 percent) while ITES, and IT showed a drop against 2007 numbers at 12. 6 percent and 12. 5 percent respectively. ? 39 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT 2007 Employee group Top Management Senior Management
Middle Management Junior Manager/Supervisor/ Professional/ General Staff
Manual Workforce 15. 9 13. 8 11. 3 Increase % 13. 9 14. 9 15. 7 2008
Projection % 13. 6 14. 5 15. 2 15. 5 13. 6 11. 2 Source: 12th Annual Salary
Increase Survey, Hewitt Associates Industry 2007 Increase % Real Estate
Energy Retail Telecommunications Banking/Finance 25. 2 19. 0 17. 6 17. 2

16. 4 25 17. 5 16. 2 17. 6 16. 9 16. 1 2008 Projection %

Accounting/Consulting/Legal 16. 2

Source: 12th Annual Salary Increase Survey, Hewitt Associates Salary levels for CAs are well rising since the demand for them is ever increasing. The growth in their demand owing to the growing BPO and KPO industries and their expanding role should ensure salary growth for the CAs. ? 40 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT Overall Response The response shows that the salary of the 84% of the respondents are higher than the previous years. The table given below shows that salary is increasing for respondents with high as well as low salary.

Income in the	Less than 3 lakh	Current Year	Higher	Lower	Same
3 lakh	513	56	150		
lakh 1089	52	277	5		
5-10 lakh	2978	80	429		
10-20 lakh	1103	25	123		
Above 20 lakhs	365	10	48		

15: How long have you been working with your current employer? In India, the average tenure of employees has steadily declined. The concept of being associated with a company for long is declining.

Currently, the average tenure of an employee stands at around 3 years. The key drivers for this trend are the growing job opportunities available in the market and the increasing presence of MNCs which are willingly ready to pay good pay packages.

These measures align well with the highly ambitious younger generation who assigns a heavy weightage to compensation packages. ? 41 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Overall Response 45% of the respondents have been working in the current

firm only for 1-3 years. From the table given below it is clear that the professionals in the non metro cities tend to stay longer in the same firm than the ones in metro. Response by Place Years with the Current Non-Metro Cities

Years	20%	40%	17%	6%	18%
Employer Less then 1 year					
1-3 year					
4- 6 years					
7- 10 years					
More than 10 years					

Metro Cities 26% 48% 13% 5% 8% 3. 16: Please indicate the main sector in which your organization is involved: As of today, CAs have a dominant role in finance function of almost all kind of organizations - from manufacturing to retail to services. However, looking at the trend in the last few years, the phenomenal growth witnessed by services sector (KPO/BPOs/Banks/Financial Services companies) in India compared to other sectors has ? 42 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT placed enormous opportunities for qualified CAs.

According to a recent survey, the service sector grew at 10. 7% while manufacturing and agriculture lagged behind at 8. 8% and 4. 5% respectively in 2007. Latest trends in ICAI placements indicate that ICICI bank, Infosys Technologies Ltd and Tata Consultancy Services were the top recruiters during 2006-08. Overall, the banking and IT software companies have dominated the placement scene during the same period. A more diversified employer base is expected in the near term with banking still recruiting large number of CAs. Not equal to 100% 2008* 14. 0% 11. 3% . 9% 8. 3% 5. 7% Banking IT Software 2007 31. 8% 8. 8% 6. 3% 7. 0% 3. 8% Oil & Gas Financial Services Mining 2006 14. 3% 13. 2% 4. 9% 9. 0% 3. 8% * till April 1, 2008 ? 43 ? COMPETENCY MAPPING FOR ACCOUNTANCY

PROFESSIONALS JANUARY, 2009 – ICAI REPORT Overall Response Response by Place Majority of the respondents are working in service sector. Moreover, from the table given below its clear that job opportunities in service sector are more in metro cities than in non metro cities. Sector Manufacturing Others Service Sector Trading Metro Cities 57% 69% 77% 48%

Non-Metro Cities 43% 31% 23% 52% ? 44 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Chapter – 4 Emerging Opportunities As the economy is entering into a very critical mode, evaluation of job environment is of utmost significance. It is responsibility of the Institute to ensure that the members are well equipped to compete in the market and able to climb ladders of success. In this chapter the emphasis is on having a detailed look in the emerging opportunities for Chartered Accountants in the existing market place.

The identification of driving factors in choosing the prospective employer will help ICAI to concentrate placement efforts on the desired employers. Also, its important to know the expectation of members from the industry so that the same could be communicated to these industries in helping them to retain the talent. Driving Force for Selection and Retention of an Employer 4. 1: Given the opportunities in the market what according to you are the driving factors for a continued retention in the market?

The job market for CAs is never too bad; they are needed across organizations irrespective of sector presence and size. The market is also immune to the macro economic cycles since CAs posses the requisite knowledge and expertise for basic as well as complex financial transactions.

In the growing stage of the Indian economy, when M&As and IPOs were the principal activities, CAs played a pivotal role. For instance, in the year 2007, corporate India signed 661 deals valued at \$52 billion, nearly three-fold increase over the previous year.

Though 2008 might witness a slight slowdown in these activities owing to the current crisis, other functions arising from the downturn such as risk management, mitigation, financial restructuring, etc. are in focus currently, which again need specialized finance professionals such as CAs. The rapid growth of the Indian economy is expected to create opportunities for players across various fields, especially for CAs. ? 45 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Historically, CAs were responsible primarily for traditional accounting, recordkeeping and auditing.

However, due to increasing globalization, their roles p from professional services (attestation and audits, internal and management audits, business and corporate advisory, national and international taxation, etc); and Finance and accounts executives (Chief Financial Officers or Directors-finance); to Investment banking and fund management (merchant banking, stock broking, business valuations, fund management, etc); and Financial and business process outsourcing Growth prospects of the above nature are the key driving force for CAs in today's world.

Consequentially, firms specializing in the accounting and auditing services provide the necessary scope expansion to its employees which acts as a major retention factor. They offer benefits such as high intellectual job

content, diversity and continuing learning. On the other hand, big MNCs operating in India are offering good pay packages to lure CAs, which is another key driving force especially for the newer generation CAs. Fresh graduates, who find it difficult to set up their own practice, are increasingly attracted towards the packages and related brand equity with MNCs.

In August-October 2007 placements at ICAI, average salary of CAs reached Rs 5.94 lakh compared with Rs 4.79 lakh in February-March 2007. This is attributable to the increased presence of MNCs in the country. However, this has also led to a professional gap between the senior and junior professionals where senior CAs feel that though their compensation packages are though higher than those of junior CAs, the difference is not commensurate with the difference in their experience viza-viz those of the junior professionals. Brands also play an important role in attracting the young CA professionals who want good positions at branded corporates.

46 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Overall Response Over 60% of the survey respondents feel that the key driving force are either of the three – good pay package, growth prospects, and brand equity. Growth prospects take the lead followed by good pay package indicating the perceptions of the young CAs from the opportunities in the industry. Some company specific factors such as conducive working environment, location of the organization and flexibility in working hours also act as retention drivers, which holds true primarily for all kind of professions.

The other factors include Job satisfaction, Independence, Consistent Income, Continuous Knowledge up gradation, Expertise in Taxation & Financial aspects, Dynamism involved, Ability to develop business insights & practical approach to a problem etc. ? 47 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Response by Gender Factors Conducive Environment Good Pay Package Growth Prospects Location Flexi working Hours Brand Equity Others please specify Female 49% 61% 83% 28% 38% 29% 2% Male 44% 55% 81% 25% 23% 31% 3%

The above table shows the percentage of female and male respondents who have specified the particular factor as the driving factor for continued retention. It shows that females are more interested in Flexi working hours and location than the males where as Brand Equity is important for females as well as males. Response by Job Level The response by Job level has been depicted in the table given below. Flexi Location 34 964 239 527 111 111 working Hours 37 870 331 519 119 103 Others please specify 1 66 29 65 15 12

Job Level Accountant Executive/ Manager Independent/ Partner Middle Management Others, if any Top Management Conducive Environment 58 1606 439 909 172 246 Good Pay Package 60 2140 453 1196 221 235 Growth Prospects 84 2919 1000 1572 319 361 Brand Equity 32 1222 232 589 153 112 ? 48 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT Response by Place Good Pay Package 3277 1017 Flexi Location working Hours 1470 513 1516 470 Others

please specify 136 49 Question 7 Metro Non-Metro Conducive Environment
2617 808 Growth Prospects 4537 1708

Brand Equity 1828 511 Response by Years (After CA Completion) + 20 <
year 243 340 541 151 135 235 14 1 1-4 years 1488 2067 2935 899 880
1120 75 4-6 years 598 767 1045 365 381 410 41 6-9 years 378 457 615 202
239 239 18 919 Factor Conducive Environment Good Pay Package Growth
Prospects Location Flexi Hours Brand Equity Others specify Key Professional
Traits please working years 264 223 386 131 107 112 21 years 498 498 810
258 258 251 18 The country's economy has grown for last couple of years
attracting many Multinational Firms into the country.

The growth of service sector acted as a catalyst to economic growth leading
to fast-paced growth in every sphere, and catapulting India on global
scenario. For any organization, CAs lay down the financial structure and
reflect a company's capital and cash flow management and hence financial
strength. Not only this, in the ? 49 ? COMPETENCY MAPPING FOR
ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT current
globalised scenario, any core team driving key functions such as strategy,
planning, restructuring, value creation or growth cannot operate without a
CA as part of the team.

Since CAs form an important part of such core functions of an organization,
the most basic and crucial expectation out of any CA professional is
professional and ethical behavior and to sustain that, various ethical and
professional conduct codes are laid down by ICAI. The stringent evaluation
criteria of course requires the prospective professionals to be very hard

working and dedicated. And this trait from a CA professional is expected at all times by all - an employer or by the society in general. The CA professional does it within the regulatory framework/code of ethics prescribed by ICAI.

The rigorous training which a CA undergoes ensures that the professionals are not only highly intellectual and diligent, but also possess strong financial fundamentals. After acquiring a tough qualification such as CA, a person would have already gained a solid foundation and acquired the ability to apply a thorough and analytical acumen. Hence, good academic background is an inherent trait for any CA. The relatively lower score of this trait in the survey results indicates the mandatory and given status of this trait rather than its diminishing importance.

Owing to the increasing presence of CAs in industries, communication and other soft skills carry relatively higher scores in the survey responses. There is also a general perception that CAs are on the accounting side, giving their expert opinion on issues largely related to financial matters, while MBAs are on the management side, meant to guide the material as well as human resources towards the achievement of organizational goals. The difference in the two professions' course curriculum has led to this perception. Till date, the CA course curriculum did not include much of practical trainings on communication or presentation skills.

However, ICAI has been working towards narrowing this gap. In May 2007, the Institute announced to spend Rs. 300 crore to set up 17 centres of excellence (CoE) across India in the next ten years. These ? 50 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT CoEs will offer a PG qualification exclusively for CAs with faculty from premier management institutes such as ISB and IIMs. This course will focus on improving communication and marketing skills of CAs and help them build personality traits that are required to become a team leader.

CoE will also focus on improving presentation skills, including command over English and body language. The Institute also organizes short term courses such as the recently organized three months residential program in April 2008. This program helped students imbibe professional skills required for effective functioning in business organizations and profession. It focused on development of communication skills, personal qualities, interpersonal and teamwork skills, working within complex and turbulent environment, problem solving skills and leadership skills.

It had six modules covering Corporate Communications, Developing Personal Traits, Strategic Management, Practice Development and Management, Professional Business Environment, Multi-Disciplinary Case Studies in the areas of relevance to the profession, and also included field visit and interaction with eminent personalities. With the growth in service sector, job opportunities with lucrative pay packages are easily available to professionals. As evident from earlier analysis in last couple of years Chartered Accountants are preferring services over practice because of the good remuneration and growth opportunities. The service sector has its own skillset requirements and a blend of technical knowledge with the soft skills

are the essential requirements to succeed in the service industry. In the adjacent question our endeavor is to identify key professional traits demanded in the service industry, so that the same could be incorporated in the members and CA students through CA curriculum and specially designed modules. The responses will help us to evaluate the effectiveness of ICAI's initiatives and to incorporate any left out areas. ? 51 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT 4. 2: What according to you are the most desirable traits of any employee from the employers perspective and more importantly from an employee with CA as professional background (Kindly allocate %) Overall Response Key Points Professionalism, Communication skills and ethical values are the most desirable traits for any employee. o The other desirable traits include Analytical Mind, Numerical Ability, Integrity, Insight etc. There has been a notion in the industry that CAs do not come up with the required communication and presentation skills. It is believed that emphasis in the CA ? 52 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT curriculum has been more on academics and lesser on overall development of a person as an all-round professional. While CA are certainly technically more stronger than other professionals like MBA (who are considered generalists rather than specialists), they fall behind MBAs and others on presentation and business management skills. Expectations from the Industry- Continuous Professional Development 4. 3: How important is it to you have your employers involvement in your professional development?

For any profession, continuous professional development is a pre requisite, which also acts as one of the retention factors. A professional would always like to enhance its skill set and expertise through continuous learning, on-the-job or offthe-job. An on-the-job training plays a key role in the development of a professional, wherein employers are the principal trainers. An employee with an accountancy firm would have the highest need for continuous professional development, since he / she has the exposure to varied type of transactions across industries.

Since professionals engaged with accountancy firms deal in specialized transactions relating to M&As, IPOs, fundraising, financial due diligence, private equity advisory, financial restructuring, transfer pricing, compliance, etc. and service industries pning from banking and financial services to aviation, automotive, communications and from energy, utilities and engineering construction to entertainment, pharmaceuticals, manufacturing and retail, they need regular professional development programs. ? 53 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS

JANUARY, 2009 – ICAI REPORT On the other hand, a CA engaged with public sector undertaking or any other kind of firm such as manufacturing or retail might not have such high needs of professional development since their role in these organizations would be primarily limited to traditional book-keeping, auditing, and national and international taxation. Also, a CA with the long-term vision of being an entrepreneur might not be looking for that much professional development as a CA with the objective of serving the industries all through his / her career. Overall Response

Around 50% of the respondents were of the opinion that the employers involvement was very important in their professional development. ? 54 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT 4. 4: Are the functions assigned to you commensurate with your professional expertise? The role of a CA in an organization is changing from traditional auditing to becoming a key stakeholder in the organization. The role of a CA, today does not necessarily remain as supportive, but more creative in the form of a member of the management team.

He has grown to become an indispensable part of the decision making process in key functional areas of the organization. At the same time, faced with tough competition from other professionals, particularly MBAs, many CAs end up taking up positions which do not match their competencies rightly. The result is a significant mismatch between professional competencies of a CA and his assigned functions. Managerial jobs, which are increasingly gaining favour with the young CAs, are more demanding and challenging as these require greater visibility in the functioning of an organization.

ICAI is gearing its curriculum and imparting various short term courses to instill new skill sets in CAs, a lot remains to be done to ensure that CAs fit into management roles more dynamically. From the global perspective, international bodies like IFAC have been astute in identifying the mismatch between functional roles and professional expertise and therefore started researching on the role of professional accountants in business.

Accounting professionals across the world have graduated from working in traditional auditing and taxation roles to working in fields offering wider horizons, as chief financial officers (CFO), finance directors, financial controllers, financial analysts, treasurers, chief information officers, investor relations officers, planning managers, strategy analysts, chief accountants, management accountants, cost accountants, compliance officers, project managers, and program managers.

Many have also moved on to have more general management responsibilities such as operations director, chief executive officer (CEO), chairman, non-executive director. In India, with the liberalization of certain sectors in the financial services industry, CAs are exposed to more opportunities in areas of strategic support to ? 55 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT businesses like insurance, banking, fund management and investment banking. While the role of CAs in these sectors remains close to their competencies, there are functions and roles within these that may rightly exploit the professional competencies of a CA and thus may not be as gratifying professionally as the professional qualification demands. Overall Response 85% of the respondents feel that the functions assigned to them are commensurate with their professional expertise.

Response by Job level Job Level Accountant Executive/ Manager

Independent/ Partner Middle Management Others, if any Top Management

No 24% 16% 11% 16% 15% 12% Yes 76% 84% 89% 84% 85% 88% ? 56 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT From the table it is clear that among the various job levels more Accountants feel that the functions assigned to them are not commensurate with their professional expertise. Type of Job CA firm Industry Others, specify Self employed please

No 8% 19% 21% 12% Yes 92% 81% 79% 88% Majority of the respondents who are self employed and who are working in CA firm feel that the functions assigned to them are commensurate with their professional expertise. Few significant comments that came up during the survey are • • • • Lack of opportunity is the main reason In certain cases/ scenarios it does, but not always Only to an extent (majority opinion) Varies with organizations ? 57 ?

COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009

– ICAI REPORT

Chapter- 5 Chartered Accountancy Course Curriculum 5. 1: Do you find the current CA curriculum in tune with the industrial/consultancy job requirement? Over the years, ICAI has gained reputation of churning out quality breed of chartered accountants. The rigorous training a chartered accountant goes through and the depth and exhaustiveness of the course content help create professionals with specialization in diverse set of area like accounting and auditing, taxation, corporate laws, financial and risk management, corporate finance, etc.

In addition, the CA exams assess the more advanced and sophisticated techniques that a professional needs in order to specialize in specific areas at work, or to follow as a career pathway in an advisory or consultancy role. The fast increasing demand of professional across all levels in an

organization and across wide range of industries is a testimony of relevance of the current CA curriculum to the industrial and consultancy jobs. While CAs have had always enjoyed the lead in finance roles in the industrial sector, their venture into the consultancy role has been worth noticing.

They are being increasingly sought by companies into consultancy roles like management consultancy, financial advisory, financial and capital restructuring, tax consultancy and corporate advisory. The evolution of their role from mere accountant and bookkeeper to management advisor and planner has been a result of various factors: 1. Efforts by ICAI bodies to revamp CA course in tune with current business environment over the past few years 2.

Recognition of importance of practical training by industrial groups and the service industry 3. Specialization that CA course brings in terms of depth and exhaustiveness of different practice areas ? 58 ? COMPETENCY MAPPING FOR ACCOUNTANCY PROFESSIONALS JANUARY, 2009 – ICAI REPORT 4. Ability to reflect an “ All-rounder” image of a CA capable of handling diverse set of tasks compared to other professionals like Company Secretaries, MBAs, cost accountants, etc 5. Expertise and thorough knowledge in all finance related responsibilities The ICAI has been focusing on the qualification of ‘ Chartered Accountant’, which is accorded after a rigorous curriculum involving theoretical education and practical training for a period of 3 ? years. Considering the increasing number of Students opting for the Chartered Accountancy course as a result of its wide scope and acceptability , the Institute is comm