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## Choosing a Public Accounting Firm as an Employer

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# Choosing a Public Accounting Firm as an Employer: Insights from Recent Graduates



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**T**he public accounting recruiting process for internships and full-time positions can be a hectic and extremely stressful period of time for students. At many universities, the process consists of several nights of “Meet the Firms” followed by numerous on campus interviews, pre-interview dinners, and office visits. These activities are typically in addition to students’ academic coursework, family, and work commitments. Finding enough hours in a day to fit it all in can be the most challenging issue for students going through the recruiting process. Other than time constraints, in our experience, the issue that creates the most stress for students is trying to choose which firm is best for them. Most accounting firms encourage students to pick the firm that is the “best fit” for them, but many students struggle in determining what the “best fit” really means. To better understand what factors recent hires considered the most important in selecting their future employer, we surveyed over one hundred practicing public accountants regarding their job choice decisions and expectations.



**Table 1: Respondents' Demographics**

	<b>n</b>	<b>Mean</b>
<b>Age</b>	102	25.4 years
		<b>Percentage of Respondents (102)</b>
<b>Gender<sup>a</sup>:</b>		
Female	54	52.9
Male	47	46.1
<b>Accounting Internship Experience:</b>		
Yes	60	58.8
No	42	41.2
<b>Public Accounting Experience:</b>		
Less than 1 year	46	45.1
1 – 3 years	56	54.9
<b>Area of Accounting:</b>		
Audit <sup>b</sup>	70	68.6
Consulting	24	23.5
Tax <sup>b</sup>	13	12.7
<b>Firm Size:</b>		
Big four	48	47.1
Large international	17	16.7
Middle market	29	28.4
Small/local	8	7.8
<b>Level you aspire to reach in public accounting:</b>		
Partner	17	16.7
Senior manager	7	6.9
Manager	47	46.1
Senior	23	22.5
Staff	8	7.8

<sup>a</sup> one respondent chose not to indicate gender

<sup>b</sup> five respondents indicated they currently do both tax and audit work

### Participants And Survey

To investigate what new hires considered important in their decision, an online survey was emailed to recent Masters of Accountancy alumni. The survey first asked for respondents' demographic information such as age, firm type, etc. Next, respondents were asked to rate the importance of eight firm attributes when choosing their accounting firm as well as rate their expectations of nine work characteristics. Finally, respondents assessed how they felt about their firm and to what extent their firm has met their expectations. We

received 102 usable responses. Respondents' self-reported demographics are presented in Table 1.

Overall, our respondents include a good mix of gender, firm sizes, accounting specializations, as well as public accounting career aspirations. The respondents had a mean age of 25.4, with 46 (45.1 percent) having less than one year of public accounting experience and 56 (54.9 percent) having one to three years of experience). Fifty-four (52.9 percent) respondents were female and 60 (58.8 percent) had a prior accounting internship. The respondents came from a variety of sized firms with 48 (47.1 percent) working for Big Four firms, 17 (16.7 percent) for large international firms, 29 (28.4 percent) for middle market firms, and 8 (7.8 percent) for small/local firms. Seventy (68.6 percent) respondents perform audit work for their firm, 24 (23.5 percent) consulting work, and 13 (12.7 percent) tax work (note: five respondents perform both audit and tax services).

Finally, 17 (16.7 percent) aspire to reach the partner level in public accounting, 47 (46.1 percent) aspire to reach the manager level, and 23 (22.5 percent) aspire to only reach senior level.

### Results

Respondents were asked to assess the importance of eight firm attributes they considered when choosing which firm to work for. Respondents rated factors on a five-point scale with one being "very important" and five being "not important at all." As shown in Panel A of Table 2, participants assessed firm culture as the most important factor, followed by firm reputation, job advancement opportunities, location, benefits and schedule, and salary. The firm's clients and family/friend advice were also considered important, as indicated by the average assessment being below the scale midpoint of three, but these two attributes appear less important compared to the first six items. The assessment of firm culture and reputation as the top two items support the general advice often given to students that they should choose the firm they feel is the "best fit" for them.

So, how should students learn about the culture and reputation of the firm? This is where all those recruiting events become invaluable. These events are not just an opportunity for firms to evaluate students as prospective employees; they are an opportunity for students to evaluate the firms as well.

Firm culture is ultimately guided by the people that work for the firm and can even vary some depending on office location (e.g. firm A's culture in its Charlotte, NC

**Table 2: Firm Attributes and Job Expectations**

**Panel A: How important were the following firm attributes when choosing your current firm?**

(where 1 is “very important” and 5 is “not important at all”)

Firm culture	1.63
Firm reputation	1.67
Job advancement opportunities	1.74
Location	1.82
Benefits and schedule	1.97
Salary	2.04
Clients	2.60
Family/friend advice	2.65

**Panel B: How much did you expect each of the following when choosing your current firm?**

(where 1 is “absolutely expected this” and 5 is “did not expect this at all”)

The nature of the work to be challenging	1.69
Compensation to sit for the CPA exam	1.86
Raises and promotions that matched job performance	1.96
To enjoy my time at work	2.32
A balance between work, family, and friends	2.38
Flexible scheduling	2.39
The ability to work from home if needed	2.50
Time off to take the CPA exam	2.79
A satisfying amount of leisure time	2.88

**Panel C: On what level has your firm met your expectations?**

Exactly what I expected	16 (15.7%)
What I expected in many ways	60 (58.8%)
Half expected, half unexpected	18 (17.6%)
Not what I expected in many ways	7 (6.9%)
Not what I expected at all	0

**Panel D: How do you feel about your firm?**

I love my firm	48 (47.1%)
I like my firm	40 (39.2%)
I am indifferent about my firm	9 (8.8%)
I dislike my firm	4 (3.9%)
I hate my firm	1 (1.0%)

office may be different than the culture in its Philadelphia, PA office). Students need to take the time to get to know the firm representatives that are at the different recruiting events. Ask them about their personal interests and hobbies, and ask them what they like about the firm and their specific office. Ask about office events and social outings, frequency of interactions with managers and partners, etc. It is also very important to ask the same questions to multiple firm representatives to ensure you are getting a consistent response and a true feel for the firms’ culture, particularly during office visits.

In addition to general firm attributes, there are many job specific expectations students like to consider when evaluating firms. Respondents were asked to assess how much they expected nine work related items at the firm they chose. Responses were on a five-point scale with one being “absolutely expected this” and five being “did not

expect this at all.” As shown in Panel B of Table 2, the three items expected the most were the nature of the work to be challenging, compensation to sit for the CPA exam, and raises and promotions that matched job performance. Although to a lesser extent, participants still expected to enjoy their time at work, have a balance between work, family, and friends, have flexible scheduling, and have the ability to work from home if needed. Time off to take the CPA exam and a satisfying amount of leisure time were the least expected items although their average assessments put them just below the scale midpoint indicating they were more expected than not expected.

## Conclusion

As students enter the recruiting process, it is important to be prepared. Trying to gather all this information about a firm and the job expectations can seem overwhelming, but it is possible with diligence and organization. We encourage students to prepare a list or spreadsheet of things they want to learn about each firm along with questions to ask to evaluate each item, and to continually update it after each recruiting event. We hope the eight firm attribute factors in Panel A of Table 2 along with the nine job expectations in Panel B will provide a good start when preparing a list of important items to learn about each firm.

Remember, each year, thousands of accounting students successfully go through this recruiting process and secure internships and full-time positions. In hopes of easing stress on future graduates, participants were also asked to assess to what level their firm has met their expectations and they were asked how they feel about their firm. As shown in Panel C of Table 2, 74.5 percent of the participants indicated their firm is exactly what they expected or their firm is what they expected in many ways while only 6.9 percent indicated it was not what they expected in many ways. Further, as shown in Panel D of Table 2, 86.3 percent of the participants either love or like their firm whereas only 4.9 percent hate or dislike their firm. Together, these responses show us that the vast majority of public accounting new hires do a great job learning about different firms and choosing the one firm that best fits them. With some preparation, diligence, and organization we are confident that future graduates will also have a successful journey through the public accounting recruiting process.