Bridging Competencies and Expectations: Analysing Graduates' Work Readiness in China

Abstract

This study examines the role of technical competency, information technology (IT) competency, and soft skills of accounting graduates in shaping their work readiness. In this study, we compare the perspectives of final-year accounting students and their prospective employers. A dual-survey approach was employed, collecting responses from 208 graduating students and 113 employers in Beijing and Shanghai using the Sojump platform. Data were analyzed using SPSS and Partial Least Squares Structural Equation Modeling (SmartPLS). The findings reveal a consistent perception gap across all three competency areas, highlighting a misalignment between higher education outcomes and industry expectations. From the students' perspective, technical competency, IT competency, and soft skills all significantly influenced work readiness. In contrast, employers considered only technical competency and soft skills as significant, with IT competency perceived as less critical in evaluating graduate readiness. While graduates recognize the value of IT skills, their current proficiency may not meet the practical standards demanded by employers. These results underscore the need for accounting education in China to integrate more technology-driven training and practice-based learning with traditional technical instruction to better align educational provision with labor market needs.

Keywords: accounting education; employability; graduates; students; skills; gap analysis

1. Introduction

The accounting profession is undergoing a transformative change driven by rapid technological advancements, globalization, and evolving business expectations. In many countries, this transformation is particularly pronounced due to the accelerated economic development and widespread adoption of digital technologies (Mineiro et al., 2025; Zhang, 2019). As accounting becomes more technologically integrated and strategically oriented, the readiness of accounting graduates to meet new professional standards has become a subject of growing concern (Mineiro et al., 2025; Phan et al., 2020). Despite a large number of accounting graduates produced annually, there remains a persistent mismatch between graduate competencies and employer expectations (Huang, 2023; Mineiro et al., 2025; Sohu, 2021).

Modern accounting roles demand a blend of technical accounting knowledge, information technology (IT) competency, and a variety of soft skills, including communication, collaboration, and critical thinking (ACCA, 2020; CIMA, 2023). However, universities throughout the world have been criticized for prioritizing technical skills while neglecting the development of soft and digital capabilities essential for work readiness (Mineiro et al., 2025; Qin, 2021a). This disconnection contributes to the increasing employment pressure faced by new graduates, particularly in the context of a rapidly digitizing and highly competitive job market.

Technological disruption, driven by cloud computing, big data, blockchain, and artificial intelligence (AI), is redefining the roles of accountants (Kitsantas & Chytis, 2022). These technologies are not only automating routine tasks but are also enhancing data-driven decision-making, which shifts the role of accountants toward more strategic and advisory

functions (Li, 2023; Mineiro et al., 2025). As such, the skillset required of accountants is expanding beyond traditional financial reporting to include data analytics, IT proficiency, and the ability to communicate insights effectively. In China, the accounting industry is also adopting innovations such as electronic invoicing, robotic process automation, and financial cloud platforms, further altering skill requirements for the accounting graduates in the country (Qin, 2021b).

The impact of the abovementioned changes on employability is significant. Employers increasingly value not only technical abilities but also soft skills and adaptability (Weli & Marsudi, 2022). Yet, multiple studies have reported that many accounting graduates lack both IT skills and soft competencies (Qin, 2017; Southwestern University of Finance and Economics, 2018). For instance, prior surveys in China have shown that less than 30% of employers are fully satisfied with the preparedness of new graduates, particularly in areas such as communication, problem-solving, and the application of accounting software (Huang, 2023). This deficiency in work readiness is further highlighted by the increasing youth unemployment rate in China, which reached 21.3% among tertiary-educated individuals aged 20–24 in mid-2023 (Wang et al., 2024; Xindongcha, 2023).

Emerging job roles in the accounting sector, such as digital finance analysts and IT accountants, reflect the demand for hybrid skills that combine finance, analytics, and technology (Careers, 2023). Simultaneously, ESG reporting and sustainability disclosures are becoming standard, requiring graduates to understand broader economic, environmental, and ethical contexts (Su & Zhou, 2024; Yan, 2022). These developments have made work readiness a more complex and multidimensional construct. Professional accounting bodies, including the Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants (CIMA), and the Chinese Institute of Certified Public Accountants (CICPA), have responded by updating their competency frameworks to reflect this shift. These frameworks emphasize not only technical and digital skills but also soft skills such as communication, ethical judgment, and collaboration (CICPA, 2022; Mineiro et al., 2025). However, the extent to which these competencies are aligned with the university courses and how well they meet employers' expectations remain uncertain.

Several studies have explored aspects of graduate work readiness by examining the relationship between technical skills, IT competency, and soft skills (Pan & Seow, 2016; Rebele & St. Pierre, 2019). Yet few have integrated these dimensions in a unified model or investigated them through a dual-lens approach that includes both students and employers. In addition, limited research has been conducted in the Chinese context, especially considering the unique challenges posed by the Fourth Industrial Revolution (IR4.0) and digital transformation in its local industries (Qin, 2021b).

This study addresses these gaps by examining the significance of technical competency, IT competency, and soft skills in contributing to work readiness among final-year accounting students in China. The study also investigates whether there is a perception gap between students' self-assessed competencies and employers' expectations. To explore these dynamics, this study focuses on students and employers in Beijing and Shanghai, two major economic and educational hubs in China. A dual-survey method was employed, enabling a comparative analysis of supply (students) and demand (employers) perspectives on graduate work readiness. This methodological approach allows for a more comprehensive understanding of the alignment, or lack thereof, between educational outcomes and industry needs.

2. Literature Review and Development of Hypotheses

2.1 Work Readiness of Accounting Students

Work readiness requires relevant knowledge, skills, and attitudes necessary for individuals to survive in the workplace, built by hard and soft skills (Lestari & Santoso, 2019). Qin (2021b) emphasized that technical competency encompassing knowledge of accounting principles, standards, and practices forms the core of professional accounting expertise. Additionally, information technology (IT) competency is indispensable for meeting the technical demands of the profession. With the increasing reliance on IT in accounting, proficiency in software, data analysis tools, and IT applications enhances productivity, facilitates the management of complex datasets, and automates routine processes. Beyond technical expertise, soft skills, such as communication, teamwork, and problem-solving, are equally vital. These skills enable effective collaboration with colleagues, clients, and stakeholders, while also fostering creative problem-solving in dynamic business environments.

A holistic assessment of factors that influence work readiness requires evaluating both technical and non-technical competencies (Qin, 2021b; Weli & Marsudi, 2022). Employers consistently expect new graduates to demonstrate technical knowledge, IT proficiency, and strong soft skills. These requirements are often emphasized in today's job descriptions and professional bodies' competency frameworks (CICPA, 2022; Li, 2023). The *Talent Competency Guide for the Chinese Institute of Certified Public Accountants* underscores these multifaceted skill sets as essential for the accounting profession's evolving demands.

Phan et al. (2020) highlighted that the concept of work readiness centers on bridging the gap between graduates' qualifications and employers' requirements, ensuring that new entrants contribute productively to organizational objectives. While work readiness has gained prominence globally, challenges persist. In the Indonesian context, Verma et al. (2018) found that limited training opportunities, weak industry–academia linkages, unrealistic expectations, and scarce job openings hinder graduates' employability. These factors exacerbate the work readiness gap, signaling the need for enhanced curricula, stronger industry partnerships, and expanded job creation. Similarly, Lestari and Santoso (2019) argued that in today's globally competitive labor market, higher education institutions (HEIs) must equip students with both academic knowledge and practical experience, supported by exposure to industry practices.

Huang (2023) observed that deficiencies in work readiness among Chinese accounting students hinder employment prospects. The rapid development of big data, AI, and other digital technologies continues to reshape the profession, replacing traditional practices with emerging tools and methods. Simultaneously, accounting concepts and theories are evolving, demanding continual upskilling. Huang (2023) stressed that to remain competitive in the global job market, HEIs must not only deliver foundational knowledge but also develop students' capacity for lifelong learning and adaptability, equipping them with robust work readiness skills.

2.2 Expectation Gaps Between Graduating Accounting Students and Employers

The mismatch between the skills developed in HEIs and those expected by employers is widely referred to as the expectation gap (Asonitou & Hassall, 2019). This gap has been extensively documented in studies focusing on undergraduate accounting programs (Aryanti & Adhariani, 2020; Asonitou & Hassall, 2019; Bui & Porter, 2014; Jackling & De Lange, 2009;

Low et al., 2016). These studies consistently reveal that graduates overestimate their competencies, while employers report dissatisfaction with graduates' work readiness.

The accounting curricula in higher education has often been criticized due its limited progress in strengthening the students technical accounting competencies (Tan & Laswad, 2018; Webb & Chaffer, 2016). Huang (2023) noted that most accounting programs still rely heavily on traditional theory-based teaching and fail to incorporate innovative content that integrates both technical and soft skills such as communication, persuasion, and teamwork. Qin (2021b) categorized these as soft skills, stressing their importance in aligning graduates' capabilities with industry requirements. Employers have expressed concerns about the persistence of this mismatch, highlighting risks to the profession's future workforce (Edeigba, 2022; Webb & Chaffer, 2016).

2.3 Technical Accounting Competency and Work Readiness

Technical accounting competency refers to specialized knowledge in areas such as financial reporting, auditing, taxation, and managerial accounting (Sarapaivanich et al., 2019). As regulatory frameworks and technologies evolve, the scope of these competencies continues to expand (Lestari & Santoso, 2019). Prinstin et al. (2022) argued that strong technical foundations are indispensable for accounting students, equipping them to respond effectively to industry changes. Phan et al. (2020) similarly emphasized that technical competency forms the cornerstone of the profession, underpinning effective practice and problem-solving. Weli and Marsudi (2022) demonstrated that technical accounting competency significantly enhances graduates' work readiness by enabling them to process large volumes of data, adapt to technological innovations, and increase efficiency (Geng & Zhao, 2015; Zhang, 2019). From the employer's perspective, technical competency is central to evaluating graduate readiness. Elo et al. (2024) found that employers regard technical expertise as a decisive factor in meeting professional expectations and ensuring regulatory compliance. Strong technical skills also enhance employability, facilitate integration into complex organizational settings, and support data security and automation (Elbarrad & Belassi, 2023; Zhang, 2019). On the basis of the above discussion, the following hypotheses are developed:

H1a: Graduating accounting students perceive a positive relationship between their technical accounting competency and work readiness.

H1b: Employers perceive a positive relationship between technical accounting competency and the work readiness of new accounting graduates.

2.4 Information Technology (IT) Competency and Work Readiness

In the digital era, IT competency includes a wide range of skills such as computer-assisted audit techniques, databases, internet tools, accounting software, e-commerce, electronic auditing, cloud computing, XBRL, and business analytics (Pan & Seow, 2016). Weli and Marsudi (2022) concluded that IT competency significantly influences work readiness, enabling graduates to meet the demands of technology-driven accounting roles. For students, proficiency in spreadsheets and word processing enhances their ability to process and analyze data processing, while skills in visualization and communication tools increase their professional effectiveness (Geng & Zhao, 2015; Gyekye & Amo, 2024). In China, emerging competencies such as big data analytics and automation are increasingly critical for managing large datasets and adapting to digital transformation (Qin, 2021b; Zhang, 2023). Employers

expect graduates to demonstrate proficiency in Microsoft Office, ERP systems, and advanced digital technologies, including cloud computing, blockchain, and AI, which improve work efficiency, transparency, and automation (Moll & Yigitbasioglu, 2019; Yan, 2022). Thus, IT competency plays a pivotal role in bridging education and industry expectations. Hence, the following hypotheses are proposed:

H2a: Graduating accounting students perceive a positive relationship between their IT competency and work readiness.

H2b: Employers perceive a positive relationship between IT competency and the work readiness of new accounting graduates.

2.5 Soft Skills and Work Readiness

Soft skills encompass individual characteristics and behaviors such as communication, teamwork, adaptability, motivation, and leadership. These qualities are critical to accounting graduates' work readiness (Dolce et al., 2020; Rebele & St. Pierre, 2019). For students, effective communication supports their ability to collaborate both within finance teams and across departments (Qin, 2021a), while problem-solving fosters their ability to apply innovative approaches when dealing with complex challenges (Zhang, 2022). Other soft skills traits such as adaptability and leadership prepare graduates for managerial roles and dynamic environments (He, 2018). Prior studies confirm that higher education institutions are increasingly incorporating soft skills into their curricula, with the aim to strengthened students' employability and capacity in adapting to technological and market changes (S. He et al., 2023; Succi & Canovi, 2020). Similarly, employers also view soft skills as critical, particularly as accounting and auditing jobs are now shifting toward more strategic and insight-driven roles. In China, employers expect new graduates to demonstrate adaptability, innovation, customer orientation, and strong communication skills (Qin, 2021b). Other surveys by Succi and Canovi (2020) and Weli and Marsudi (2022) showed that over the past decade, employers have placed growing emphasis on soft skills, recognizing their importance in meeting strategic organizational demands. Thus, the following hypotheses are put forward:

H3a: Graduating accounting students perceive a positive relationship between their soft skills and work readiness.

H3b: Employers perceive a positive relationship between soft skills and the work readiness of new accounting graduates.

3. Research methodology

Ethical approval for this study was obtained from the Universiti Malaya Research Ethics Committee. Surveys were administered to two stakeholder groups i.e., final-year accounting students and employers in Beijing and Shanghai via Sojump, a widely used online research platform in China (Del Ponte et al., 2024). These two cities were selected for their central political and economic roles, making them representative of broader higher education and labor market dynamics in the accounting profession.

Parallel survey instruments ensured comparability, with both groups responding to identical questions on technical accounting competency, IT competency, soft skills, and work readiness. Student responses reflected self-assessments, while employer responses provided external evaluations and industry expectations. Employer participants included partners, CFOs, finance managers, audit managers, senior accountants, and HR professionals involved in recruitment, offering informed assessments of graduate readiness (Lin et al., 2005). Table 1 depicts the definition and measurement of each variable (technical accounting competency, IT competency, soft skills, and work readiness). Information regarding items used in the questionnaire is provided in Appendix.

A snowball sampling method was used, starting with 35 students and 20 employers as seed respondents. This approach facilitated wider recruitment through professional and academic networks, enabling access to otherwise hard-to-reach participants and ensuring diversity of perspectives (Chan, 2020; Parker et al., 2019; Weli & Marsudi, 2022). Our study applied PLS-SEM to analyse the measurement model and structural model to test the hypotheses. A total of 208 students and 113 employers participated in the study. These numbers are sufficient given that that the sample size should be ten times the number of arrows pointing at a variable (Hair Jr et al., 2021).

Table 1 Definition and measurement of variables

Section	Number of items	Variable	Definition	Instruments source	Type of Measurement
Section I	9 (SD); 3 (ER)	Demographics	Demographic information	Adapted from Lin et al. (2005) and Velde (2009)	Nominal scale and open ended
Section II	33	Technical Accounting Competency	The ability to understand and apply accounting principles, standards, and practices to solve practical problems and perform tasks effectively.	Adopted and adapted from Elbarrad and Belassi (2023)	Interval scale 5-point likert scale
Section III	13	IT Competency	The ability to use accounting software, databases, and other IT tools to record, analyze, and report financial information.	Adopted and adapted from Gyekye and Amo (2024) and Weli and Marsudi (2022)	Interval scale 5-point likert scale

Section IV	10	Soft Skills	Interpersonal and communication skills essential in a professional setting.	Adopted and adapted from Kwarteng and Mensah (2022)	Interval scale 5-point likert scale
Section V	5	Work Readiness	The preparedness of an individual to enter and succeed in a professional work environment.	Adopted from Weli and Marsudi (2022)	Interval scale 5-point likert scale

Note: SD= student, ER= employer.

4. Analysis of results

4.1 Graduating student's demographic profile

Table 2 presents the demographic distribution of the graduating student respondents. The vast majority (97.6%) were aged between 18 and 25 years, with only 2.4% aged 26–30 years. This aligns with national statistics, which indicate that final-year university students in China are typically between 22 and 24 years old (Ministry of Education of the People's Republic of China, 2022). In terms of gender, females comprised 70.7% of the sample, while males accounted for 29.3%. This pattern is consistent with national enrolment trends, where female students are more likely to pursue applied majors such as accounting, financial management, and auditing, particularly in urban and higher-income regions. Recent figures show that accounting programs in China comprise approximately 74% female and 26% male students (Xu et al., 2023).

Most respondents were enrolled in public universities (77.9%), with the remaining 22.1% attending private institutions. Regarding practical experience, 39.4% reported having undertaken an accounting internship, while 60.6% had no such exposure. In terms of residential background, the majority resided in urban areas (74.0%), compared to 26.0% from rural areas.

Household income distributions revealed that more than half of the respondents (52.9%) came from families with an annual income between 150,000 and 199,999 RMB, followed by 31.7% within 100,000–149,999 RMB, 9.6% at 200,000 RMB or above, and 5.8% within 50,000–99,999 RMB. Notably, no respondents reported annual household incomes below 50,000 RMB. These figures suggest that most graduating student participants originated from households with income levels above the national average, which may influence their educational and career opportunities.

4.2 Employers' demographic profile

Table 3 outlines the characteristics of the employer respondents. Over half (54.9%) were employed in large firms with more than 300 staff, while 32.7% worked in medium-sized firms (50–299 employees). Smaller proportions came from small firms (10.6%, 10–49

employees) and micro firms (1.8%, fewer than 10 employees). In terms of industry, 38.1% were employed in accounting, auditing, or tax firms, 46.0% in service-related sectors such as banking, consulting, education, and technology, and 15.9% in manufacturing. This distribution indicates that approximately 40% of employer respondents represented accounting-related firms, with the remaining 60% representing diverse non-accounting industries.

Table 2 Description of respondents – graduating students

Measure	Items	Frequency	Percent
University Location	Beijing	102	49.0
	Shanghai	106	51.0
Age	18-25 years old	203	97.6
	26-30 years old	5	2.4
Gender	Male	61	29.3
	Female	147	70.7
University	Public University	162	77.9
	Private University	46	22.1
Accounting Internship Experience	With	82	39.4
	Without	126	60.6
Residential Area	Urban	154	74.0
	Rural	54	26.0
Annual Household Income	50,000-99,999 RMB	12	5.8
	100,000-149,999 RMB	66	31.7
	150,000-199,999 RMB	110	52.9
	200,000 RMB and above	20	9.6

Table 3 Description of respondents - employers

Measure	Items	Frequency	Percent
Company Location	Beijing	55	48.7
	Shanghai	58	51.3
Firm Size	0-9	2	1.8
	10-49	12	10.6
	50-299	37	32.7
	300+	62	54.9
Firm Type	Accounting/Audit/Tax Firm	43	38.1
		52	46.0
		18	15.9

4.3 Differences between graduating students' and employers' perceptions

The descriptive statistics presented in Table 4 reveal substantial perception gaps between graduating students and employers across all dimensions, with the largest differences observed in IT competency and soft skills. Employers placed significantly greater importance on IT competency (mean score = 3.82) than students did in their self-assessments (mean score = 2.82), highlighting a substantial gap in digital literacy and technical proficiency. Within this dimension, the largest gaps were found in the use of Professional Accounting and Finance Tools, Basic Office Software Skills, and Data Management and Analysis Tools. These results

highlight a misalignment between classroom-based IT training and workplace requirements, particularly in data handling and project implementation.

Soft skills revealed the most pronounced gap, with employers assigning a mean score of 4.21 compared to students' 2.98, resulting in the largest overall discrepancy. Employers consistently valued problem-solving skills and teamwork and leadership more highly than students did, suggesting that students may underestimate the workplace relevance of these attributes. Even in professionalism and ethics, where students rated themselves relatively higher, a noticeable gap remained.

For technical accounting competency, the overall gap was smaller but still significant. Employers rated this competency at 4.00, compared to students' 3.20. The largest differences were observed in Financial Reporting and Taxation. Strategy and Governance exhibited the smallest gap, yet still reflected a meaningful difference, indicating the need for greater emphasis on strategic accounting practices within university curricula.

To assess the robustness of these findings, independent samples t-tests were conducted for technical accounting, IT, and soft skills competencies. As shown in Table 5, all three areas revealed statistically significant differences between students' self-assessments and employers' expectations. For technical accounting competency, employers rating is significantly higher (M = 3.996, SD = 0.551) than the students (M = 3.198, SD = 0.769), with a mean difference of -0.798, t = -10.732, p < 0.001. Similarly, IT competency showed a mean difference of -0.999, with employers' rating (M = 3.823, SD = 0.546) significantly exceeding students' (M = 2.824, SD = 0.805), t = -13.178, p < 0.001.

The largest and most statistically significant discrepancy was in soft skills, where employers' (M = 4.205, SD = 0.516) rating are substantially higher than the students (M = 2.977, SD = 0.750), with a mean difference of -1.228, t = -17.274, p < 0.001. This indicates that employers perceive communication, collaboration, and adaptability as critical areas where many graduates are underprepared.

Overall, the inferential results confirm that employers consistently rate all knowledge, competencies and skills more highly than students, highlighting a clear misalignment between employers' expectations and graduating students' self-perceptions of those expectations. The evidence points to a particularly urgent need for strengthening IT competencies and soft skills, alongside reinforcing technical accounting knowledge, to better align accounting graduates' capabilities with industry requirements.

Table 4 Mean differences between graduating students and employers

Indicators	Students (N=208)	Employers (N=113)	
	Mean	Mean	Mean Difference
Technical Accounting Competency			

1. Financial Reporting	3.28	4.21	-0.93
2. Strategy and Governance	2.96	3.71	-0.75
3. Management Accounting	3.26	3.99	-0.73
4. Audit and Assurance	3.22	3.97	-0.75
5. Finance	3.20	3.98	-0.78
6. Taxation	3.27	4.11	-0.84
Weighted Mean	**3.20**	**4.00**	**-0.80**
IT Competency			
1. Basic Office Software Skills	2.98	4.00	-1.02
2. Communication and Collaboration Tools	3.06	3.88	-0.82
3. Professional Accounting and Finance Tools	3.11	4.30	-1.19
4. Data Management and Analysis Tools	2.75	3.75	-1.00
5. Time and Project Management Tools	2.22	3.18	-0.96
Weighted Mean	**2.82**	**3.82**	**-1.00**
Soft Skills			
1. Teamwork and Leadership	2.80	4.19	-1.39
2. Professionalism and Ethics	3.51	4.31	-0.80
3. Communication Skills	2.96	4.28	-1.32
4. Creativity and Confidence	2.84	3.90	-1.06
5. Problem-Solving Skills	2.77	4.35	-1.58
Weighted Mean	**2.98**	**4.21**	**-1.23**

Table 5 Independent samples t-test results for comparing perceptions between graduating students and employers

Variable	Group	Mean±SD	Mean Difference	t-value	p-value
Technical Accounting Competency	Students	3.198±0.769			$p < 0.001$
			-0.798	-10.732	
	Employers	3.996±0.551			$p < 0.001$

IT Competency	Students	2.824±0.805	-0.999	-13.178	p < 0.001
	Employers	3.823±0.546			p < 0.001
Soft Skills	Students	2.977±0.750	-1.228	-17.274	p < 0.001
	Employers	4.205±0.516			p < 0.001

4.4 Measurement model

The measurement assessment results in Tables 6 and 7 confirm the validity and reliability of all constructs. Convergent validity is established, as all item loadings exceed the 0.5 threshold (Fornell & Larcker, 1981; Weli & Marsudi, 2022), and the average variance extracted (AVE) for each construct is greater than 0.5 (Hair Jr et al., 2017). Internal consistency is also supported, with composite reliability (CR) values above 0.8 and Cronbach's alpha values above 0.7, demonstrating that the items reliably capture their respective latent constructs (Henseler et al., 2009; Nunnally, 1978).

Discriminant validity is further confirmed. Cross-loading results in Tables 8 and 9 show that each indicator correlates more strongly with its intended construct than with others (Hair Jr et al., 2017). The Fornell–Larcker criterion is satisfied, as indicated in Tables 10 and 11, where the square root of the AVE exceeds inter-construct correlations. In addition, HTMT ratios reported in Tables 12 and 13 remain well below the 0.90 threshold, reinforcing discriminant validity (Gold et al., 2001; Henseler et al., 2015). Collectively, these results verify that the measurement model demonstrates robust convergent and discriminant validity.

Table 6: The Measurement Model Evaluation – Graduating students

Laten Variables	Indicator	Outer Loadings	AVE	CR	Cronbach's Alpha
Technical Accounting Competency	TAC1	0.897	0.772	0.953	0.940
	TAC2	0.873			
	TAC3	0.909			
	TAC4	0.866			
	TAC5	0.911			
	TAC6	0.809			
IT Competency	IT1	0.88	0.765	0.942	0.923
	IT2	0.877			
	IT3	0.897			
	IT4	0.834			
	IT5	0.884			
Soft Skills	SS1	0.855	0.697	0.920	0.891
	SS2	0.75			

	SS3	0.869			
	SS4	0.868			
	SS5	0.826			
Work Readiness	WR1	0.846	0.692	0.918	0.888
	WR2	0.799			
	WR3	0.822			
	WR4	0.803			
	WR5	0.885			

Table 7: The measurement model evaluation - Employers

Laten Variables	Indicator	Outer Loadings	AVE	CR	Cronbach's Alpha
Technical Accounting Competency	TAC1	0.781	0.637	0.913	0.885
	TAC2	0.738			
	TAC3	0.861			
	TAC4	0.762			
	TAC5	0.884			
	TAC6	0.751			
IT Competency	IT1	0.791	0.611	0.886	0.840
	IT2	0.714			
	IT3	0.743			
	IT4	0.790			
	IT5	0.861			
Soft Skills	SS1	0.782	0.590	0.878	0.826
	SS2	0.749			
	SS3	0.822			
	SS4	0.772			
	SS5	0.711			
Work Readiness	WR1	0.758	0.583	0.873	0.817
	WR2	0.580			
	WR3	0.786			
	WR4	0.784			
	WR5	0.877			

Table 8: Assessment of Discriminant Validity (Cross-loading) – Graduating students

	TAC	IT	SS	WR
TAC1	**0.897**	0.475	0.511	0.690
TAC2	**0.873**	0.307	0.372	0.607
TAC3	**0.909**	0.478	0.527	0.733
TAC4	**0.866**	0.431	0.448	0.672
TAC5	**0.911**	0.397	0.445	0.672
TAC6	**0.809**	0.442	0.456	0.613
IT1	0.560	**0.880**	0.782	0.755
IT2	0.392	**0.877**	0.691	0.636

	TAC	IT	SS	WR
IT3	0.344	**0.897**	0.708	0.598
IT4	0.335	**0.834**	0.658	0.545
IT5	0.436	**0.884**	0.723	0.663
SS1	0.576	0.699	**0.855**	0.703
SS2	0.239	0.620	**0.750**	0.514
SS3	0.462	0.697	**0.869**	0.704
SS4	0.453	0.696	**0.868**	0.666
SS5	0.419	0.702	**0.826**	0.638
WR1	0.675	0.650	0.679	**0.846**
WR2	0.614	0.579	0.631	**0.799**
WR3	0.596	0.602	0.643	**0.822**
WR4	0.577	0.590	0.598	**0.803**
WR5	0.687	0.649	0.683	**0.885**

Table 9 Assessment of Discriminant Validity (Cross-loading) - Employers

	TAC	IT	SS	WR
TAC1	**0.781**	0.526	0.589	0.579
TAC2	**0.738**	0.612	0.493	0.557
TAC3	**0.861**	0.627	0.533	0.662
TAC4	**0.762**	0.610	0.465	0.564
TAC5	**0.884**	0.696	0.491	0.726
TAC6	**0.751**	0.501	0.486	0.580
IT1	0.570	**0.791**	0.492	0.548
IT2	0.400	**0.714**	0.197	0.377
IT3	0.661	**0.743**	0.361	0.459
IT4	0.629	**0.790**	0.387	0.490
IT5	0.637	**0.861**	0.465	0.576
SS1	0.454	0.304	**0.782**	0.453
SS2	0.447	0.453	**0.749**	0.502
SS3	0.480	0.382	**0.822**	0.546
SS4	0.569	0.409	**0.772**	0.571
SS5	0.483	0.370	**0.711**	0.429
WR1	0.611	0.506	0.624	**0.758**
WR2	0.393	0.282	0.363	**0.580**
WR3	0.582	0.484	0.497	**0.786**
WR4	0.599	0.548	0.451	**0.784**
WR5	0.707	0.557	0.540	**0.877**

Table 10 Assessment of Discriminant Validity (Fornell-Larcker Criterion) – Graduating students

	TAC	IT	SS	WR
Technical Accounting Competency (TAC)	**0.878**			
IT Competency (IT)	0.482	**0.875**		

		TAC	IT	SS	WR
Soft Skills (SS)		0.526	0.818	**0.835**	
Work Readiness (WR)		0.759	0.739	0.779	**0.832**

Table 11 Assessment of Discriminant Validity (Fornell-Larcker Criterion) - Employers

	TAC	IT	SS	WR
Technical Accounting Competency (TAC)	**0.798**			
IT Competency (IT)	0.748	**0.781**		
Soft Skills (SS)	0.636	0.502	**0.768**	
Work Readiness (WR)	0.771	0.636	0.657	**0.763**

Table 12 Assessment of Discriminant Validity (HTMT Ratio) – Graduating students

	TAC	IT	SS	WR
Technical Accounting Competency (TAC)				
IT Competency (IT)	0.505			
Soft Skills (SS)	0.561	0.898		
Work Readiness (WR)	0.827	0.807	0.869	

Table 13 Assessment of Discriminant Validity (HTMT Ratio) - Employers

	TAC	IT	SS	WR
Technical Accounting Competency (TAC)				
IT Competency (IT)	0.859			
Soft Skills (SS)	0.745	0.582		
Work Readiness (WR)	0.892	0.746	0.787	

4.5 Structural model analysis

The collinearity assessment results are presented in Table 14. It examines the Variance Inflation Factor (VIF) for each construct's indicators and provides insights into potential multicollinearity within the model. The VIF values for all indicators fall below the commonly used threshold of 5.0, suggesting that multicollinearity is not a concern in this dataset (Hsieh et al., 2003).

Table 14 VIF Values- Graduating students and Employers

Constructs	VIF (Student)	VIF (Employer)
TAC1	3.565	1.947
TAC2	3.253	1.835
TAC3	3.944	2.839
TAC4	2.954	1.840
TAC5	4.173	3.068
TAC6	2.178	1.887
IT1	2.74	1.812

IT2	2.947	1.631
IT3	3.657	1.700
IT4	2.537	1.831
IT5	2.961	2.270
SS1	2.476	1.815
SS2	1.769	1.625
SS3	2.507	1.965
SS4	2.648	1.631
SS5	2.102	1.552
WR1	2.281	1.621
WR2	1.901	1.283
WR3	2.104	1.743
WR4	1.964	1.929
WR5	2.826	2.542

Table 15: Structural Model Testing – Graduating students

Hypothesis	Relationship	Path Coefficient (β)	Standard deviation (STDEV)	t-Value	p-Value	f^2
Hypothesis 1(a)	TAC -> WR	0.466	0.057	8.242**	<0.001	0.751
Hypothesis 2(a)	IT -> WR	0.236	0.074	3.186**	<0.001	0.088
Hypothesis 3(a)	SS -> WR	0.340	0.081	4.194**	<0.001	0.172
Model Fit	R^2 Work Readiness					0.793
	SRMR					0.063

Note: **p<0.01; * p<0.05; [NS] is not significant.

Table 16: Structural Model Testing – Employers

Hypothesis	Relationship	Path Coefficient (β)	Standard deviation (STDEV)	t-Value	p-Value	f^2
Hypothesis 1(b)	TAC -> WR	0.507	0.098	5.186**	<0.001	0.255
Hypothesis 2(b)	IT -> WR	0.118	0.082	1.432[NS]	0.152	0.017
Hypothesis 3(b)	SS -> WR	0.276	0.111	2.488*	0.013	0.128
Model Fit	R^2 Work Readiness					0.647

SRMR	0.077

Note: **p<0.01; * p<0.05; NS is not significant.

4.5.1 The Effect of Technical Accounting Competency on Work Readiness

The significant positive path coefficients between technical accounting competency (TAC) and work readiness in both students' and employers' models highlight its perceived importance across these two key stakeholder groups. In the student model (Table 15), the path coefficient of 0.466 (p < 0.001) indicates that students regard TAC as a crucial factor in their preparedness for the workforce. This finding aligns with the increasing emphasis on comprehensive knowledge in accounting education, as students recognize the need for proficiency in key areas such as financial reporting, auditing, and taxation to enhance their competitiveness in the job market. Similarly, the employer model (Table 16) reveals an even stronger path coefficient of 0.507 (p < 0.001), indicating that employers place a high value on TAC as a contributing element of work readiness. Therefore, these results support H1a and H1b and suggest a consistent recognition of the importance of TAC across both student and employer groups.

4.5.2 The Effect of IT Competency on Work Readiness

The relationship between IT competency and work readiness presents a contrast between the perceptions of students and employers. In the student model (Table 15), IT competency positively affects work readiness, evidenced by a path coefficient of 0.236 and a significant p-value below 0.001, supporting H2a. Students perceive IT competency as essential to their preparation for the workplace. On the contrary, in the employer model (Table 16), the influence of IT competency on work readiness is not statistically significant, with a path coefficient of 0.118 and a p-value of 0.152 (p＞0.05), which does not support H2b. The finding suggests that while students perceive IT competency as contributing to work readiness, their current level of this competency may not significantly impact work readiness from the employers' perspective

4.5.3 The Effect of Soft Skills on Work Readiness

The findings highlight that soft skills are widely acknowledged by both students and employers as a key component of work readiness. In the student model (Table 15), soft skills show a significant positive impact on work readiness, with a path coefficient of 0.340 (p < 0.001), indicating that students perceive these skills as essential for their transition into the workforce. This result supports H3a, showing a significant positive relationship between soft skills and perceived work readiness in the student model. The strength of this relationship suggests that students who rate themselves higher in communication, teamwork, and adaptability also tend to feel more prepared for employment. The statistical significance confirms that soft skills are a key predictor of perceived work readiness from the student perspective. Meanwhile, the employer model (Table 16) confirms the value of soft skills, demonstrating a path coefficient of 0.276 (p = 0.013, p < 0.05), which supports H3b. The alignment between student and employer perspectives underscores the universal recognition of soft skills as essential to career success. The significant relationships observed in both models

further reinforce the role of soft skills as a reliable and consistent predictor of perceived work readiness across both groups.

5. Discussion

This study reveals a consistent perception gap between graduating students and employers across all three areas, underscoring a misalignment between the preparation provided in higher education and the competencies and skills valued in the accounting professional environment. While graduating students generally rated themselves lower than employers' expectations, the extent of the gap varied by competency domain. The smallest discrepancy emerged in technical competency, where graduating students' self-assessments, though below employers' standards, were relatively close. This suggests that accounting education in China continues to emphasize foundational knowledge effectively, consistent with its exam-oriented traditions (Li, 2023; Qin, 2021a). However, the larger gaps in soft skills and IT competencies reflect systemic weaknesses in higher education's ability to equip accounting students for the evolving demands of the workplace.

Soft skills presented the most pronounced misalignment, with employers rating them significantly higher than students. This imbalance reflects the long-standing prioritization of technical expertise over interpersonal and communication abilities in Chinese higher education. In today's dynamic, team-oriented work environments, such competencies are critical, yet often underdeveloped due to limited experiential learning opportunities (Succi & Canovi, 2020). Traditional teaching models rarely provide authentic contexts, such as client simulations or group problem-solving exercises, that cultivate these skills. As a result, graduates may struggle to integrate smoothly into professional roles, echoing concerns raised by previous scholars (Elo et al., 2024; Huang, 2023; Qin, 2021a). These findings highlight the urgent need for curriculum reform to embed structured soft skills training within accounting education.

The gap in IT competency is particularly striking given China's national emphasis on digital transformation. Despite initiatives such as Huawei's certification programs aimed at strengthening applied IT skills (HuaweiTech, 2024), graduating students are underprepared compared to employers' expectations. This mismatch may arise from differences in reference points: while students may recognize deficiencies in advanced tools such as data analytics and ERP systems, employers often prioritize proficiency in practical, work-specific technologies. Moreover, students may underestimate their capabilities or fail to connect academic training with workplace applications (He et al., 2023; Huang, 2023). Employers, on the other hand, increasingly demand hands-on digital literacy rather than theoretical understanding (Zhang, 2023). These findings suggest a disconnect between higher education curricula and industry benchmarks, pointing to the need for stronger integration of applied digital skills into academic programs. Overall, the evidence indicates that while technical knowledge remains a relative strength, deficits in soft skills and IT proficiency continue to challenge graduates' employability. Addressing these gaps requires a recalibration of accounting education to better balance technical, interpersonal, and digital competencies in line with labor market expectations.

6. Conclusion

Globalization and digitalization under Industry 4.0 have reshaped the accounting profession, intensifying demand for both technical and non-technical competencies and skills. This study identifies a significant perception gap between graduating accounting students and employers in China's accounting labor market, particularly in soft skills and IT competencies. Curricula that emphasize technical content, educators' limited capacity to teach soft skills, and institutional priorities that undervalue practice-based learning, continue to constrain relevant competencies and skills development (Abayadeera & Watty, 2014; Yan, 2022). These barriers prevent higher education institutions from fully aligning graduate capabilities with employer expectations. Addressing this misalignment requires curriculum reform, targeted training for educators, stronger university–industry collaboration, and continuous feedback loops that ensure responsiveness to professional demands (Huang, 2023; Qin, 2017; Yan, 2022).

This study contributes to the literature in several ways. First, it examines the combined influence of technical accounting, IT, and soft skills on work readiness, offering a more integrated perspective than studies that assessed these dimensions in isolation (Daff, 2021; Dolce et al., 2020; Pan & Seow, 2016). Second, by employing a dual-survey approach involving both graduating students and employers, it captures the divergence between perceived competencies and market expectations, advancing methodological rigor beyond one-sided surveys (Dolce et al., 2020; Weli & Marsudi, 2022). Third, it enriches theoretical debates by underscoring the value of diversified educational investments, and its relevancy in reducing the mismatches in the signal education credentials send to employers.

Practically, the findings suggest that higher education institutions should balance technical accounting courses with IT training (e.g., data analytics, ERP systems, automation tools) and structured soft skills development (e.g., communication, teamwork, critical thinking). Experiential learning, internships, and stronger industry partnerships are essential for translating theory into practice. For employers, clearer articulation of expectations during recruitment and internship programs could reduce misalignment and support smoother transitions from tertiary education to the workplace.

This study has several limitations. Its geographic scope was confined to Beijing and Shanghai, two highly developed regions, which may not reflect conditions in other parts of China. The sample size, while adequate, may not capture the diversity of the broader labor market. Future research should expand to inland and less-developed regions, adopt larger and more representative samples, and consider longitudinal approaches to assess how educational reforms affect graduates' career outcomes over time. Cross-national comparative studies could also illuminate how institutional and cultural contexts influence employability.

Finally, the findings raise important questions about the role of IT competency. Employers did not view IT as a standalone predictor of work readiness, suggesting its value lies in integration with technical and interpersonal skills. Future research should investigate which IT capabilities, such as blockchain, AI, and advanced data analytics, are most valued across industries and firm sizes. Exploring these dynamics would inform more adaptive curricula, ensuring that graduates are equipped with relevant competencies for digitalized workplaces. Overall, this study underscores the need for recalibrating accounting education to better align with labor market demands. By embedding digital and soft skills alongside technical accounting knowledge, higher education institutions can enhance graduate employability and strengthen the accounting profession's adaptability in an era of rapid technological change.

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Appendix:

Survey Questionnaire – Students

Technical Competencies

- FR1: I understand the basic accounting concept.
- FR2: I am capable of preparing financial statements.
- FR3: I can understand issues regarding items in financial statements.

- FR 4: I can perform financial statement analysis.
- SG1: I can understand the role of governance.
- SG2: I can perform industry analysis.
- SG3: I have knowledge in Creating Strategy.
- MA1: I can understand the needs of Management Reporting.
- MA2: I have knowledge in Budgeting.
- MA3: I can understand Cost Management.
- MA4: I have knowledge in different Types of Management Accounting Analysis.
- MA5: I can understand Strategic Cost Management.
- MA6: I can understand Pricing Decisions in Management Accounting.
- MA7: I can understand Transfer Pricing in Management Accounting.
- MA8: I can understand Management Evaluation Tools.
- MA9: I can understand Individual Performance Measurement.
- AA1: I can understand Fundamental Audit and Assurance Concepts.
- AA2: I have knowledge in Regulatory Framework for Assurance.
- AA3: I can understand Audit and Assurance Process.
- AA4: I can understand Types of Audit Engagements.
- Fin1: I can understand External Environment's Impact on Finance Decisions.
- Fin2: I can perform Financial Analysis in a Finance Context.
- Fin3: I can understand Financing Decisions.
- Fin4: I can understand Risk Management.
- Fin5: I can understand Determination of the Cost of Capital.
- Fin6: I can understand Capital Budgeting.
- Fin7: I cannot perform Net Income Estimation.
- Fin8: I can understand Corporate Finance Transactions.
- Fin9: I can understand Capital Structure Decisions.
- Fin10: I can perform Cash Flow Estimation.
- Fin11: I can perform Valuation.
- Tax1: I am able to assess general tax issues for an individual.
- Tax2: I am not able to assess a corporate tax entity's general tax issues.

IT Competencies

- BOS1: I am proficient in using spreadsheet software.
- BOS2: I am proficient in using word processing software.
- BOS3: I am proficient in using presentation software.
- BOS4: I am proficient in using internet search.
- CCT1: I am proficient in using communication software (e.g., Outlook, e-mails, etc.).
- CCT2: I am proficient in using data sharing tools (e.g., groupware and cloud computing).
- PAF1: I am proficient in using accounting applications tools (e.g., Kingdee, Yonyou, SAP, etc.).
- PAF2: I am proficient in using tax software.

- PAF3: I am proficient in using advanced automation tools (e.g., ERP system, electronic working papers for audit).
- PAF4: I am proficient in using audit software.
- DMA1: I am proficient in using data management software (e.g., electronic databases SQL/Ms. Access).
- DMA2: I am proficient in using data analytic tools.
- TPM1: I am proficient in using time management and billing tools.

Soft Skills

- TL1: I can work in a team.
- TL2: I have strong leadership qualities.
- PE1: I know how to behave professionally.
- PE2: I adhere to professional ethical standards.
- CS1: I excel in listening attentively.
- CS2: I can communicate effectively.
- CS3: I am proficient in written communication.
- CC1: I possess strong self-confidence.
- CC2: I am creative in generating new ideas.
- PS1: I can evaluate situations and I am able to assist in problem-solving.

Work Readiness

- WR1: I am confident that I can compete among accountants.
- WR2: I am ready to work under pressure.
- WR3: I am prepared to interact well in a varied work environment.
- WR4: I believe my college experience has prepared me to compete in the world of work.
- WR5: I am confident in the abilities I possess to compete in the world of work.

Survey Questionnaire – Employers

Technical Competencies

- FR1: The understanding of basics accounting concept.
- FR2: The capability to prepare financial statements.
- FR3: The ability to understand issues regarding items in financial statements.
- FR 4: The capability to perform financial statement analysis.
- SG1: The understanding the role of governance.
- SG2: The capability to perform industry analysis.
- SG3: The knowledge of Creating Strategy.
- MA1: The understanding of the needs of Management Reporting.
- MA2: The knowledge of Budgeting.
- MA3: The understanding of Cost Management.
- MA4: The knowledge of different Types of Management Accounting Analysis.
- MA5: The understanding of Strategic Cost Management.
- MA6: The understanding of Pricing Decisions in Management Accounting.
- MA7: The understanding of Transfer Pricing in Management Accounting.
- MA8: The understanding of Management Evaluation Tools.
- MA9: The understanding of Individual Performance Measurement.
- AA1: The understanding of Fundamental Audit and Assurance Concepts.
- AA2: The knowledge of the Regulatory Framework for Assurance.
- AA3: The understanding of the Audit and Assurance Process.
- AA4: The understanding of Types of Audit Engagements.
- Fin1: The understanding of the External Environment's Impact on Finance Decisions.
- Fin2: The capability to perform Financial Analysis in a Finance Context.
- Fin3: The understanding of Financing Decisions.
- Fin4: The understanding of Risk Management.
- Fin5: The understanding of the Determination of the Cost of Capital.
- Fin6: The understanding of Capital Budgeting.
- Fin7: The ability to perform Net Income Estimation.
- Fin8: The understanding of Corporate Finance Transactions.
- Fin9: The understanding of Capital Structure Decisions.
- Fin10: The capability to Cash Flow Estimation.
- Fin11: The capability to perform Valuation.
- Tax1: The ability to assess general tax issues for an individual.
- Tax2: The ability to assess a corporate tax entity's general tax issues.

IT Competencies

- BOS1: Proficient in using spreadsheet software.
- BOS2: Proficient in using word processing software.
- BOS3: Proficient in using presentation software.
- BOS4: Proficient in using internet search.
- CCT1: Proficient in using communication software (e.g., Outlook, e-mails, etc.).

- CCT2: Proficient in using data sharing tools (e.g., groupware and cloud computing).
- PAF1: Proficient in using accounting applications tools (e.g., Kingdee, Yonyou, SAP, etc.).
- PAF2: Proficient in using tax software.
- PAF3: Proficient in using advanced automation tools (e.g., ERP system, electronic working papers for audit).
- PAF4: Proficient in using audit software.
- DMA1: Proficient in using data management software (e.g., electronic databases SQL/Ms. Access).
- DMA2: Proficient in using data analytic tools.
- TPM1: Proficient in using time management and billing tools.

Soft skills

- TL1: The ability to work in a team.
- TL2: The demonstration of strong leadership qualities.
- PE1: The knowledge of how to behave professionally.
- PE2: The adherence to professional ethical standards.
- CS1: The skill of listening attentively.
- CS2: The capability to communicate effectively.
- CS3: The proficiency in written communication.
- CC1: The possession of strong self-confidence.
- CC2: The creativity in generating new ideas.
- PS1: The ability to evaluate situations and assist in problem-solving.

Work Readiness

- WR1: The readiness to compete among accountants.
- WR2: The readiness to work under pressure.
- WR3: The readiness to interact well in a varied work environment.
- WR4: The readiness to compete in the world of work based on college
- experience.
- WR5: The readiness to compete in the world of work based on the abilities possessed.

Declaration of generative AI and AI-assisted technologies in the manuscript preparation process:

During the preparation of this work the author(s) used ChatGPT in order to improve the structure of the sentences for better clarity. After using this tool/service, the author(s) reviewed and edited the content as needed and take(s) full responsibility for the content of the published article.

Bridging Competencies and Expectations: Analysing Graduates' Work Readiness in China

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Abstract

This study examines the role of technical competency, information technology (IT) competency, and soft skills of accounting graduates in shaping their work readiness. In this study, we compare the perspectives of final-year accounting students and their prospective employers. A dual-survey approach was employed, collecting responses from 208 graduating students and 113 employers in Beijing and Shanghai using the Sojump platform. Data were analyzed using SPSS and Partial Least Squares Structural Equation Modeling (SmartPLS). The findings reveal a consistent perception gap across all three competency areas, highlighting a misalignment between higher education outcomes and industry expectations. From the students' perspective, technical competency, IT competency, and soft skills all significantly influenced work readiness. In contrast, employers considered only technical competency and soft skills as significant, with IT competency perceived as less critical in evaluating graduate readiness. This divergence suggests that while graduates recognize the value of IT skills, their current proficiency may not meet the practical standards demanded by employers. These results underscore the need for accounting education in China to integrate technology-driven training and practice-based learning with traditional technical instruction. Our study contributes to the limited literature on graduate work readiness in the Chinese context and provides practical insights for universities and employers seeking to better align educational provision with labor market needs.

Keywords: accounting education; employability; students; skills; gap analysis