

10-2017

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Citation

CHENG, Qiang; Pang, Yang Hoong; PAN, Gary; Seow, Poh Sun; and Leong, Kwong Sin. What does it take to become a partner at an accountancy firm?. (2017). Perspectives@SMU.

Available at: <http://ink.library.smu.edu.sg/pers/374>

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WHAT DOES IT TAKE TO BECOME A PARTNER AT AN ACCOUNTANCY FIRM?

Published:

26 Oct 2017



By CHENG Qiang, PANG Yang Hoong, Gary PAN, SEOW Poh Sun, and LEONG Kwong Sin.

Having 'hard' skills are important but one cannot do without the soft skills that will advance your career

Reaching partnership at a Big 4 firm is regarded as the pinnacle of achievement for any accountant. Ask any early-career employee in a Big 4 firm whether he or she wants to make partner one day. Many of them will say yes, unequivocally. Making partner at a Big 4 firm is appealing to many because of the perceived status, undoubted financial rewards, and an endorsement of one's skills and experience in the accounting profession. Also as a partner, one becomes a business owner and can influence how the firm is run.

These reasons are more than enough to drive many people to aim to be a partner at a Big 4 firm. So how does one become a partner at a Big 4 firm?

We set out to address this question by interviewing partners and 'partners-to-be' in Singapore between February and June 2016. We were particularly interested in the process of making partner, and more importantly, the attributes of the individuals who ultimately become partners. Altogether, we interviewed 20 partners and 4 'partners-to-be' from the Big 4 firms. We interviewed 6 individuals from each of the Big 4 firms (Deloitte, EY, KPMG and PwC).

The interview questions include career background of interviewees, hiring criteria for fresh graduates, the variation in attributes across various ranks in the Big 4, the key attributes of individuals who can make partners, the skill sets required across various fields (Tax, Audit, Consulting), and the change in partner attributes over time.

CRITERIA FOR BIG 4 RECRUITS

In general, most interviewees regard academic strength as important in order to get shortlisted for an interview. Most interviewees also think that technical skills in accounting or an accounting related degree are important. Inquisitiveness is another trait that is prized by many partners, as willingness to learn opens doors for innovation. The accounting standards often change, which requires a hunger for learning in order to remain relevant to the accounting profession. Big 4

firms are increasingly looking for graduates who are able to think out of the box and challenge the norms.

“Today, since IASB has full time staff, it (accounting standard) probably changed about 5 times over...So the technical knowledge is going to be the ability to learn.” – Interviewee.

Soft skills such as communication and networking skills are also valued by the partners. Active involvement in extra-curricular activities is another important factor as it demonstrates the ability to work in teams, according to many partners.

“Social skills are important because our business is all about dealing with people. Whether you are an auditor or tax person, you need to know how to make other people comfortable, you need to get information from clients, you need to interact with them and give them good advice.” – Interviewee.

PATH TO MAKING PARTNER

Typically an individual spends his or her first 4 years in the Big 4 firm as an Associate and subsequently as a Senior. At this stage, client interaction is minimum. As such, the consensus is that individuals must be trained to be technically sound above all else.

A few Partners added that communicating ideas to colleagues and superiors, hence developing an ability to supervise and lead teams in overseeing specific engagements, is also important for Associates and Seniors.

“I think the basic technical skills, whether you get it through an accounting degree or you get it through the Chartered Accountant pathway, is the core, the foundational skills. And actually, the success beyond that, in my mind, actually goes into the other areas like soft skills, like management skills, like social skills, and so forth.” – Interviewee.

Advancement to a managerial position in a Big 4 firm entails an aptitude in relationship building with both internal (project teams, other managers and partners) and external stakeholders (clients), and the ability to switch one’s attention between several ongoing projects. At this stage, an individual’s technical competency is assumed to be of the highest standard in comparison to soft skills.

“There is a school of thought; you are the most technically competent when you are an experienced senior. And as you continue beyond, your technical knowledge starts to drift off as you become more focused on managing clients, managing business, managing relationships, and managing people.” – Interviewee.

According to the interviewees, a unifying practice among all Big 4 firms across service lines is that everyone is assigned a formal mentor upon entry. All interviewees see mentors as individuals who play a crucial role in instilling a sense of belonging and confidence in the fast paced Big 4 corporate culture, as well as in bringing out the full potential of an individual through providing a safe, consultative environment for learning and improvement.

“A good mentor will be able to coach you along the way, to see how you can do better, and motivate you to stay in the profession.” – Interviewee.

A widely held belief that it is essential to possess an accounting degree in order to be in a top position in the Big 4 corporate hierarchy has been proven fallacious. Expectantly, the majority of the Partners possess an accounting degree. However, we were told some were able to make partner with degrees unrelated to accounting. Regardless, a common trait binding all the aforementioned interviewees is their pursuit of an accounting professional qualification. These results are indicative of the persisting regard for certified proof of technical competency for a commanding position in Big 4 firms, though not specific to a university degree per se.

By and large, the interviewees have been part of a Big 4 firm in the same or related disciplines ever since graduating from universities, attaining the position of Partner after 12 to 15 years of employment. It appears to be common for Partners to have been assigned to branches of the Big

4 in different regions and also experienced multiple intra service line transfers to broaden their perspectives across industries, though inter service line transfers are rare despite them being readily offered by the Big 4 firms.

ESSENTIAL QUALITIES OF A BIG 4 PARTNER

There are many criteria that the Big 4 firms use to assess a potential partner. **Technical expertise** is seen as a given requirement. Besides technical excellence, the candidate must have strong client relationship, solid leadership skill, **a strong sense of integrity and ethics**, and good business sense – it is the partners' job to manage costs and ensure that the practice remains profitable.

Having a **strong “business sense”** is highly important for making a new partner. Essentially firms look at the billing benchmarks that a partner is expected to achieve and evaluate whether the potential partner is able to deliver a certain level of revenue and profitability. The interviewees commented that candidates with a reputation for integrity and for being an excellent accounting professional who can build relationships, are usually those who can bring business to the firm.

“You cannot be a technocrat and be expected to be made a partner. Because a partner is all about growing the business.” – Interviewee.

“It is the personal brand and this is something that all partners need because in order for us to succeed in our business, it is all about relationship and how you build your own personal brand with the people that you work with, how you build your personal brand in the market that you operate in. So you need to be trusted, you need to be known in the market place as someone who can provide solutions to your clients, someone that they can turn to.” – Interviewee.

The partners must also have the trust and confidence of their new partners. Part of the stewardship involves identifying and developing successors. Big 4 firms look for partners who can train, mentor and develop the type of accounting professionals that clients and others will trust and want to work with.

One of the most important characteristics highlighted by the interviewees is **entrepreneurial acumen**, i.e., the ability to feed the bottom line through strengthening existing ones and creating new client relationships.

“In the past when you are very technical, you can make a partner. But in the present environment, I think we have changed. Technical expertise is a given. We also have to be more business-minded.” – Interviewee.

Complementing the importance of client relationships are a host of vital soft skills, with **client management skill** being the most commonly mentioned, followed by **communication skill**, something crucial in articulating ideas to clients.

Several interviewees highlighted the importance of **leadership** and **team management skill** in motivating and bringing out the potential in employees.

A few Partners shared the importance of having the “**X Factor**” that creates value for the firm, where an individual must possess either unsurpassed **technical skills** or is able to command the market.

Overseas exposure is regarded by many interviewees as a requisite for partnership because it allows a partner to be adaptive to changing client needs and be able to build more extensive client relationships. Cultural exposure is something vital in global multi-national corporations like the Big 4 firms.

“You still need to go overseas for engagements. We still have the exposure, we still see different things, depending on really the engagement. And nowadays all the engagement is really multinational, where it is not just Singapore.” – Interviewee

“International exposure in this globally connected world is paramount especially in a small country like Singapore, where you do not have a big hinterland, so everybody you work with is all generally international businesses. So, that is quite important.” – Interviewee

With automation on the rise in most industries, it is also important for partners to be **IT savvy** and be aware of the potential IT related risks.

“With the conception of data analytics in audit, it provides extra insight to our clients and replaces some of our audit testing. It would certainly add value to a candidate’s portfolio as it allows for audit in a more efficient way because of the fee pressure and the rising salary” – Interviewee.

In addition to the above positive traits that would spur partnership, it would be worthwhile to be aware of characteristics and behaviors that deter partnership. The first pitfall to partnership is the lack of persistence. Some individuals do not make partners because of their inability in getting along with the people they work with.

The focus of the discussion above is on Big 4 Partners in general. Given that the Big 4 firms have several service lines, it is important to explore whether there are differences in skill sets required of Partners across various service lines?

Most interviewees believe different skill sets are required across service lines, with the distinguishing factor being whether the service line is more focused on portfolio management, e.g., Audit, which would call for characteristics such as team management and technical competency, or on client scouting, e.g., advisory, which calls for effective client communication and the ability to build client networks.

CONCLUSION

The results of the study are testament to the growing importance of entrepreneurial aptitude in one who aspires to be a Big 4 partner in the Singapore context. Nonetheless, technical competence remains an integral aspect in a partner’s portfolio, among other equally important factors such as communication skills and overseas exposure. Moving forward, it would be important for hopeful Big 4 associates to acquire IT related skills in order to deal with disruptive changes brought by technology, where higher level analytics may potentially displace those who remain traditional and fail to adapt to higher order thinking in their work.

While it is many accounting graduates’ dream to make partner at a Big 4 firm, it is important to note that being a partner, however, entails more responsibility. A partner has to handle client relationships, ensure that new business is coming into the firm, and keep expenses in line. Partners also meet periodically to make decisions regarding hiring/firing/compensation decisions, as well as the overall direction of the firm. In addition, partners also have to supervise the work of others. Therefore, it is important to learn what being a partner really means, rather than just focusing on the perceived status and financial rewards.

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