

PERCEPTIONS OF LARGE SOUTH AFRICAN COMPANIES ON THE SKILLS OF TAX GRADUATES

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ABSTRACT

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Today's changing business environment versus the change in curricula creates a potential shortfall in the competencies gained by the students who complete their degree course against the expectations of prospective future employers. The universities however endeavour to teach a tax syllabus that will equip the students with sufficient information and skills to be able to provide tax compliance on a corporate and personal level without much learning subsequent to university level.

To some it would appear that the dominant guideline for universities as to what level of knowledge is required of graduates, is what is considered by regulatory bodies to be sufficient. It would follow then, that future employers may require a more technical and detailed knowledge of tax for their type of business than what the graduate would have been taught as a result of a curricula suited to professional bodies. In addition to a potential disconnect in theoretical knowledge, the dynamic working environment requires graduates to be adaptable and maintain a skill set that will aid them more than their theoretical knowledge.

Using a questionnaire, data was obtained from the senior personnel employed in the tax departments of the top 30 listed companies of the Johannesburg Stock Exchange ("JSE") in South Africa. The results showed that there is a variation between the current views and preferences of employers in respect of the theoretical tax knowledge of certain topics listed in the study, as well as in all the types of practical skills listed in the study.

The conclusion drawn in this study was that tax curricula included in various degrees offered by South African universities, are according to employers, sufficient at an average level to provide students with the necessary theoretical knowledge and practical skills to prepare them for practice. However, the employers would prefer the knowledge level and practical skills levels to be higher.

Keywords:

Curricula

Employers' current views

Employers' preferences

Newly qualified graduate

Personal characteristics

Practical skills

Theoretical knowledge

OPSOMMING

PERSEPSIES VAN GROOT SUID-AFRIKAANSE MAATSKAPPYE OP DIE VAARDIGHEDE VAN BELASTING GEGRADUEERDES

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Gemeet teen die verwagtinge van die onderskeie toekomstige werkgewers, skep die verandering in hedendaagse sake-omgewing teenoor die verandering in die kurrikulum, 'n potensiële tekort in die vaardighede opgedoen deur die studente wat hul graadkursus voltooi. Die universiteite poog egter om 'n belastingleerplan saam te stel wat studente sal toerus met die voldoende kennis en vaardighede noodsaaklik vir die nakoming van belastingverpligtinge sonder enige wesentlike onderig na universiteit op beide 'n korporatiewe en persoonlike vlak.

Vir sommige wil dit voorkom asof die dominante riglyn, gebruik deur universiteite, ten opsigte van watter vlak van kennis vereis word van gegradueerdes, voldoende is en gelykstaande is aan dit wat aanvaar word deur die regulerende liggame. Gevolglik sal toekomstige werkgewers 'n meer tegniese en gedetailleerde kennis van belasting vir hul tipe besigheid vereis in vergeleke met dit wat deel uitgemaak het van die opleiding van betrokke gegradueerdes, bloot omdat die kurrikulum voldoen aan die standaard van professionele liggame. Bykomend tot 'n potensiële tekort in teoretiese kennis, vereis die dinamiese werksomgewing ook van gegradueerdes om aanpasbaar te wees en om 'n sekere vlak van vaardighede instand te hou as ondersteuning tot hul teoretiese kennis.

Met behulp van 'n vraelys, is data ingesamel van senior personeel in belastingdepartemente van die top 30 genoteerde maatskappye van die Johannesburgse Aandele Beurs ("JSE") in Suid-Afrika. Die resultate het getoon dat daar 'n verskil is tussen die huidige sienings en voorkeure van werkgewers ten opsigte van die teoretiese belasting

kennis van sekere onderwerpe asook al die vorme van praktiese vaardighede wat in die studie gedek is.

Die gevolgtrekking wat gemaak word in hierdie studie is dat die belastingleerplanne soos aangebied in verskillende grade deur die Suid-Afrikaanse universiteite, volgens werkgewers, op gemiddelde vlak voldoende is om studente toe te rus met die nodige teoretiese kennis en praktiese vaardighede ter voorbereiding vir die praktyk, maar dat die werkgewers hierdie kennis en praktiese vaardighede op n hoër vlak sou verkies.

Sleutelwoorde:

Leerplanne

Nuut-gekwalifiseerde gegradueerde

Persoonlike eienskappe

Praktiese vaardighede

Teoretiese kennis

Werkgewers se huidige standpunte

Werkgewers se voorkeure

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ABBREVIATIONS

Abbreviation	Meaning
i.e.	That is
BCom	Bachelor of Commerce
CA(SA)	Chartered Accountant (South Africa)
CPA	Certified Practising Accountants
IEB	International Employer Barometer
JSE	Johannesburg Stock Exchange
LTA	Lower than average
MCom	Master of Commerce
PP	Paper and pencil
PBO	Public Benefit Organisation
RSA	Republic of South Africa
SAICA	South African Institute of Chartered Accountants
SAIT	South African Institute of Tax Practitioners
SPSS	Statistical Package for the Social Sciences
VAT	Value Added Tax

PERCEPTIONS OF LARGE SOUTH AFRICAN COMPANIES ON THE SKILLS OF TAX GRADUATES

CHAPTER 1

1 INTRODUCTION

1.1 BACKGROUND

“As we enter the new century, the business environment may be characterised as keenly competitive, global, technology-intense, and dynamic. The business environment changes faster than curricula at colleges and universities because of the cumbersome process often involved in curriculum revision, including political posturing by operating entities and conflicting educational philosophies among faculty” (Miller & Woods, 2000:223).

Today’s constantly changing business environment versus the change in curricula creates a potential shortfall in the competencies gained by the students who complete their degree course against the expectations of prospective future employers.

Many studies have been completed in the past across various fields, which explore this disconnect between employers and students in an attempt to limit that shortfall and better equip the students for life after studies such as Archer and Davison (2008); Hernández-March, Martín del Peso and Leguey (2009); Hesketh (2000) as well as Hodges and Burchell, (2003).

The field of taxation specifically, is quite specialised and contains a large amount of detail (Doyle, Frecknall-Hughes & Summers in Doman, 2011:10). Universities therefore struggle to prepare graduates appropriately to meet the demand of the tax profession (Schwartz & Stout in Doman, 2011:18).

In South Africa the only profession that closely relates to the tax profession is that of accounting. In South Africa accounting is regulated, *inter alia*, by the South African Institute of Chartered Accountants (“SAICA”). Presently there are no set of standards or a professional body that regulate any individual claiming to be sufficiently trained in tax

(SAIT in Alberts, 2012:4). SAICA requires a person to be able to have a certain level of tax knowledge as part of becoming a Chartered Accountant (South Africa) (“CA(SA)”). SAICA is widely regarded as a reputable professional accounting body and not only is the CA(SA) seen as a very high professional accounting designation in South Africa, but it is also well known internationally. The South African Institute of Professional Accountants (“SAIPA”) is another highly regarded professional body that also requires certain competencies to be met before accreditation is granted. However, there is a body called the South African Institute of Tax Practitioners (SAIT) but this is a voluntary body and is not established by legislation (SAIT in Alberts, 2012:26).

In order to prepare the respective graduates for the subsequent qualifying examinations of becoming accredited with SAICA or SAIPA, the curricula which is included in the relevant financial and law degrees is then adjusted according to what these professional bodies will examine the candidates on.

However, incorporating a curricula that would prepare a graduate for a future qualifying exam does not by mere inclusion indicate that the graduate be deemed competent in taxation by the corporate standards of prospective employers. Ensuring graduates are work-ready has therefore been a responsive exercise. Tertiary institutions make themselves aware of the needs of employers through a range of sources, among them the accounting professional bodies, feedback from employers’ organisations and institution-based liaison committees with employer members, but these institutions have tended to overlook the extent to which the knowledge it has generated might contribute to curriculum design for what in the United Kingdom is termed employability (Yorke & Harvey, 2005:47-48).

1.2 PROBLEM STATEMENT

A problem arises then, that future employers may require a more technical and detailed knowledge of tax for their type of business than what the graduate would have been taught as a result of a curricula suited for professional bodies. Thus, when graduates are hired by these employers, they may need to be further educated or trained in order to have the resources to be able to deal with the type of tax exposure that the employer has. This is an additional cost either monetary or in time, and would be a frustration to the employer.

In addition to the disconnect in theoretical knowledge, being “employable” in the dynamic working environment requires graduates to be adaptable and to maintain a skill set that will aid them more than their theoretical knowledge. Employers would prefer graduates to already have such a skill set when leaving university, as these are more difficult to learn on the job.

1.3 PURPOSE STATEMENT

The primary purpose of this exploratory study is to identify what the South African large corporate taxpayers require when recruiting graduates to fulfil tax positions within their organisations. The results of this survey research can be used to develop curricula going forward, to better equip the students and to limit the shortfall between the level of graduate knowledge expected by the large corporate taxpayers and the level of knowledge the graduates hold.

1.4 RESEARCH OBJECTIVES / RESEARCH QUESTIONS

This exploratory research was guided by the following specific research objectives:

- To perform a literature review of the available literature to establish a theoretical formulation;
- To determine which qualifications employers prefer when recruiting newly qualified graduates;
- To determine the current views and preferences of the large corporate tax payers on the theoretical tax knowledge and practical skills included in these qualifications, as well as personal characteristics that the newly qualified graduates have;

1.5 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY

From an academic perspective, the study will make a unique contribution by investigating the expectations of large corporate taxpayers when recruiting newly qualified graduates. It will also be useful as the available research in South Africa on the current views of large corporate taxpayers in respect of their expectations of newly qualified graduates is very limited.

From a practical perspective, the findings of this research are expected to assist tertiary institutions to develop and enhance the taxation modules in the courses offered so as to meet the large corporate taxpayers' expectations as far as possible, while still meeting the requirements of professional bodies.

1.6 DELIMITATIONS AND ASSUMPTIONS

1.6.1 Delimitations

The following delimitations applied to this exploratory study:

- The target population is the corporate taxpayers in the top 30 listed companies on the JSE that have tax departments and, as such, focuses primarily on the tax knowledge needed in large multinational companies.
- The graduates which the questionnaire relates to are graduates from universities, and thus graduates from other tertiary educational institutions were not considered.

1.6.2 Assumptions

The study was based on the following assumptions:

- The representation of the sample drawn in the study will be sufficient.
- The top 30 listed companies on the JSE have taxation departments.
- The Likert scale is a reliable and valid measurement tool for this study.
- The data collected will be accurate and of sufficient quality.
- The participants will be able to provide the data required for this study.
- The participants have the relevant taxation background, knowledge and experience to interpret the questionnaire correctly.

1.7 DEFINITION OF KEY TERMS

The definitions of key terms are explained for purposes of this study below.

Curricula: The curricula of a school, or a course, or a classroom can be conceived of as a series of planned events that are intended to have educational consequences for one or more students (Eisner in Harden, 2001:335).

Newly qualified graduate: For the purposes of this study, a newly qualified graduate is any student who has recently graduated from a tertiary institution and has completed tax modules as part of their degree, whether an undergraduate or postgraduate degree, without any work-related experience (Alberts, 2012:8).

Personal characteristics: Also known as “soft skills” refers to the intra- and interpersonal abilities of a person such as negotiating, networking, ethics, integrity, communication, leadership and adaptability (De Villiers, 2010:3).

Practical skills: Also known as “hard skills” refer to the intellectual aptitude of a person: examples are decision making, problem solving, strategic thinking, analytical, planning and functional expertise (De Villiers, 2010:3).

Theoretical knowledge: Information combined with experience, context, interpretation, and reflection (Kulkarni, Ravindran & Freeze, 2007: 310).

1.8 STRUCTURE OF STUDY

The exploratory study is broken up into the following main parts:

1.8.1 Chapter 2: Literature review

Chapter 2 presents an exploration of the employers’ perceptions of theoretical knowledge and practical skills, as well as other qualities, which are required by newly qualified graduates, by examining other studies which have been undertaken.

1.8.2 Chapter 3: Research design and methodology

Chapter 3 discusses the research design and methodology applied in this study. It provides a rationale for the research process implemented. The data analysis and collection process is outlined and clarified. The quality and rigour of the study is explored as well as the ethical concerns involved in the survey research.

1.8.3 Chapter 4: Results analysis

In Chapter 4 the results are provided with a discussion on how the data presented in an organised manner addresses the research objectives.

1.8.4 Chapter 5: Final conclusion

Chapter 5 concludes the study with a summary of the research in this study and is compared on a high level with results from Doman's (2011) study results.

CHAPTER 2

2 LITERATURE REVIEW

In this chapter, the employers' perceptions of theoretical knowledge and practical skills, as well as other qualities, which are required by newly qualified graduates, are investigated by examining other studies which have been performed to establish the theoretical constructs of this study.

2.1 INTRODUCTION

The multifaceted marketplace that one finds today compels professionals to work in multidisciplinary environments and with cross-functional teams. These teams are often formed as and when a need arises and generally comprises people of differing cultural backgrounds, expertise levels and perspectives. In situations such as these, soft skills and attributes such as tolerance, confidence and creativity are crucial to achieve success for the task at hand (De Villiers, 2010:5).

The current supply of work is modelled around roles that, in addition to theoretical knowledge provided by a university qualification, require developing a number of competencies and abilities that will guarantee lifelong learning. For this reason, it is expected that higher education will provide graduates with not only sufficient theoretical knowledge in their field, but also the necessary abilities and competencies to carry out their job assignments (Hernández-March *et al.*, 2009:2).

Adding to the above, factors such as technology advancements, globalisation and moral issues (e.g. the demise of large companies as a result of a lack of integrity) have raised concerns around how graduates are being prepared for the real work environment (De Villiers, 2010:5). Thus the requirements set by professional bodies such as SAICA not only require a level of theoretical knowledge but also of hard skills (practical skills) as well as soft skills (personal characteristics).

This can also be seen in other countries where some important stakeholders have used their influence to ensure that the development of soft skills are taught within undergraduate

accounting courses. An example is that of Certified Practising Accountants (“CPA”) Australia which, with 110,000 members, requires universities, as part of their professional accreditation, to report how they included soft skills into their courses using a soft skills matrix set out by CPA Australia (Jackling & De Lange, 2009:371).

The professional accreditation that university degrees are required to bestow creates a need for the relevant degrees to integrate generic basic competencies that will ensure lifelong learning, behavioural abilities that will nurture social interaction, as well as competencies that will ensure acceptable entry by graduates into the labour market. In order to achieve this, it is necessary to know what future employers require from university graduates, the degree of preparation with which the graduates enter into their job activities, and the aspects related to education that the future employers believe can be improved (Hernández-March *et al.*, 2009:2).

Ensuring graduates are ready to enter the labour market has been a reactive exercise. Tertiary institutions make themselves aware of the needs of employers through a range of sources, among them professional bodies, employers’ organisations, and institution-based liaison committees with employer members. These institutions have tended to overlook the extent to which the knowledge it has generated might contribute to curriculum design for what in the United Kingdom is termed employability (Yorke & Harvey, 2005:47-48).

2.2 EMPLOYABILITY OF NEWLY QUALIFIED GRADUATES

Various literature reviews which have explored the “readiness” of graduates to enter the workplace have referred to the collective knowledge and skills of the graduates as “employability”.

Andrews and Higson (2008:413) described employability as “complex and somewhat vague”. They identified key soft skills and competencies which they believe are integral to graduate employability. A few of them are:

- The ability to cope with uncertainty;
- The ability to plan and think strategically;
- The ability to work under pressure;

- Good written and verbal communication skills; and
- The capability of interacting with others.

Archer and Davison (2008:6) found in their study that 86% of employers they surveyed in the United Kingdom considered good communication skills to be important but were disappointed that the graduates could not express themselves effectively. The survey went on to indicate that 70% of the surveyed employers found numeracy and literature skills essential with soft skills ending higher on the preferred list than hard skills.

The study done by De Villiers (2010:3) defined soft skills and hard skills as follows:

- Soft skills are emotional intelligence competencies such as negotiating, networking, ethics, integrity, communication, leadership and adaptability; whereas
- Hard skills are defined as cognitive intelligence, and examples of this are decision making, problem solving, strategic thinking, analytical, planning and functional expertise.

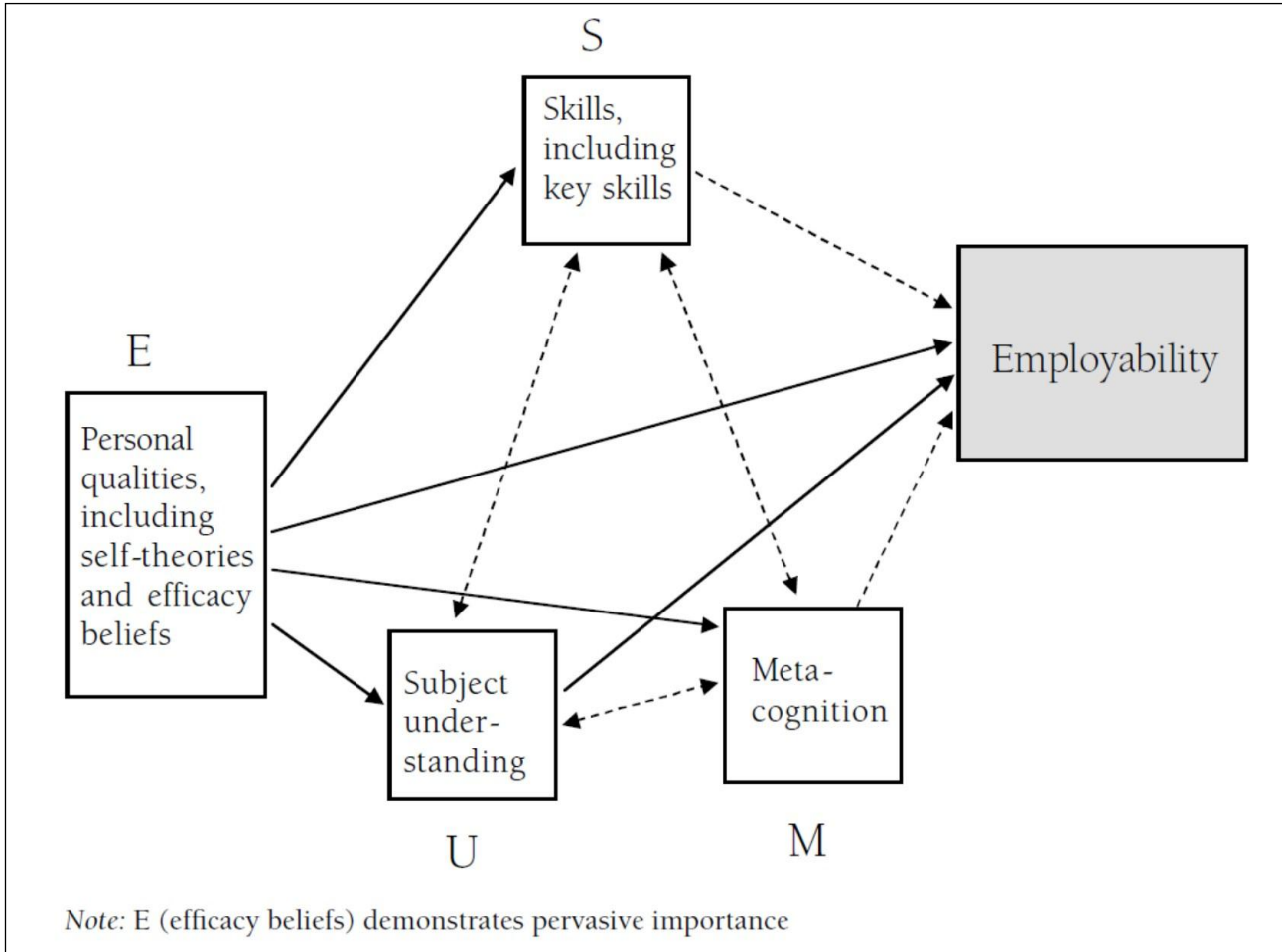
According to Yorke and Harvey (2005:48), a method of linking employability to theory is through the “USEM” account of employability which applies to both vocational and non-vocational programs:

- Understanding of the subject discipline.
- Skillful practices in context.
- Efficacy beliefs (the beliefs a person holds regarding their power to affect situations - it strongly impacts both the strength a person actually has to face challenges competently as well as the choices a person is most likely to make).
- Metacognition (reflective practice).

Efficacy beliefs are the beliefs a person holds regarding their power to affect situations – it strongly impacts both the strength a person actually has to face challenges competently as well as the choices a person is most likely to make (Bandura in Jex & Bliese, 1999:349). Metacognition includes a person’s awareness that they need to carry on with their learning and will not be able to rely solely on what they have gained from their formal studies (Yorke & Harvey, 2005:53).

The interrelationships between the four USEM components and employability isare shown in figure 1 below.

Figure 1: Schematic representation of the USEM account and employability



Source: Yorke & Harvey (2005:49)

The USEM account, with its four components contributing to employability, enables academics to interpret it with reference to the customs and expectations relevant to their particular discipline. It therefore allows them to exercise their professional judgment and avoids stereotyping (Yorke & Harvey, 2005:48).

Employability is an indicator of complex learning; therefore it is not well served by the idea of incorporating into a degree program a separate module on skills development (or something similar), since that is likely to lead to the complex being treated as if it is simple. The division of curricula also ghettoizes employability (Yorke & Harvey, 2005:53).

The importance of assessing employability is another vital research task for institutional researchers, namely: reviewing and investigating approaches adopted to assess employability skills, abilities, and attitudes. What is done to formally and collectively assess attributes, and identify what degree of significance is placed on them in cumulative assessment (Yorke & Harvey, 2005:55). When employers were asked about what they require from university graduates, most agreed that they must have strong theoretical knowledge, in addition to other complementary knowledge such as languages and computer skills. Furthermore, employers seek graduates that have the ability to work in a team and communicate well with colleagues and clients— skills that, in many cases, prove to be just as imperative as, if not more imperative than, the graduate's theoretical knowledge (Hernández-March *et al.*, 2009:7).

2.3 THEORETICAL KNOWLEDGE

One of the results that appeared in the study done by Hernández-March *et al.* (2009:6), was that employers tend to recruit university graduates in order to meet most of their needs in human resources. In their opinion, the university graduate package brings more value to the company than those without tertiary education. Tertiary education provides a person with a more solid knowledge base and, as a result, an intelligence and analytical capacity that allows for quicker assimilation and learning of new knowledge. From a business standpoint, the additional value provided by universities is measured, not so much by the amount of knowledge gained, but by aspects from their education that are more significant: such as an aptitude for knowledge or for education. It is believed that university graduates have greater potential to grow a professional career within the company, and, therefore, have a greater capacity to improve the company's financial results.

However, even though large corporate taxpayers prefer graduates from tertiary institutions, it appears as though a disconnect still exists in the knowledge that they expect the graduates to have and what they possess, as discovered in the results of the study done by Hernández-March *et al.* (2009:9).

The survey targeted 872 Spanish companies in the private sector and the results indicated that there is a mismatch between the expectations of employers that participated in the study and the actual theoretical knowledge held by the graduates.

The study however was a general one whereby the corporate taxpayers were in various industries and as a result answered in relation to their own needs. Even though this paper is looking at the possible mismatch in taxation knowledge between large corporate taxpayers' expectations and newly qualified graduates, the findings of the above indicate that the problem exists in all areas of the labour market.

Within the tax environment, a study done by Miller and Woods (2000:223) examined whether or not what they term an "expectation gap" exists between the actual level of taxation knowledge obtained at university and the expected level of knowledge that employers prefer graduates to have obtained.

The questions used in the survey were mainly concerned with graduates in their first year of employment. This was due to the fact that the difference in working taxation knowledge between a graduate having studied taxation at a tertiary institution and one who had not is thought likely to be more obvious to employers during this period of employment.

The result of the study done by Miller and Woods (2000:223) was that differences do exist between the surveyed employers' current expectations of graduates' tax abilities (theoretical knowledge) as well as their preferences for these abilities. The findings of Hernández-March *et al.* (2009) as well as the findings by Doman (2011) agree with these results.

Despite the disconnect in what employers prefer and what the graduates have learned with regard to theoretical knowledge, the shift in the labour market requires a person to also consider other factors that make a person employable and where theoretical knowledge actually ranks when compared to these other factors. Hodges and Burchell (2003:19) found that theoretical knowledge was the competency considered less important by employers. Computer literacy was also ranked surprisingly low. It is a possibility that the lack of emphasis placed on such hard skills indicates that these are considered "a given"

and/or that any shortfalls can be “fixed” through further instruction, whereas shortfalls in soft skills may be viewed as requiring more effort to address.

A study done by Hesketh (2000:255) also revealed, where the author surveyed 372 employers in the United Kingdom, that when asked to rank predefined skills in terms of importance, that technical skill (theoretical knowledge) was ranked the lowest overall. Communication and learning were ranked the highest. Refer to Figure 2 below for the key skills listed in level of importance.

Figure 2: The demand for key skills and satisfaction with graduates' mastery of those skills

Skill	Importance	SD	Satisfaction	SD
Communication (V)	2.93	0.30	2.17	0.49
Learning	2.88	0.45	2.26	0.55
Communication (W)	2.77	0.44	2.0	0.50
Problem solving	2.77	0.54	2.03	0.60
Teamwork	2.76	0.58	1.97	0.57
Self-management	2.68	0.45	1.82	0.57
Numeracy	2.55	0.49	2.11	0.60
IT	2.34	0.36	2.40	0.54
Technical	2.10	0.66	1.86	0.64

V = Verbal; W = Written

Source: Hesketh (2000:252)

The above studies indicate that one cannot only investigate the shortfall (if any) in what employers expect of newly qualified graduates on a theoretical knowledge level, but one should also consider the expectations of employers with regard to practical skills and personal characteristics. As Hesketh (2000:255) aptly put it, soft skills are “the new vogue”.

2.4 PRACTICAL SKILLS

The results of the study as depicted in Figure 2 above indicate that, relative to the importance that employers assign to particular skill areas, they are finding it somewhat difficult to recruit graduates with the necessary abilities (Hesketh, 2000:253).

In the study done by Andrews and Higson (2000:417) employers were able to provide comments as part of the survey. Comments indicated that other skills learned at university such as analytical and problem solving skills were seen as more important than the technical knowledge gained.

Archer and Davison (2008:7) wrote about the results of a survey done by the International Employer Barometer (“IEB”) on 233 employers of varying sized companies. The results of the survey done by IEB indicated that most employers found social skills such as communication and team work to be more important than the degree qualifications of the graduates. Soft skills were of the most important competences sought with over 85% of employers regarding these as important. Interestingly, the survey found that hard skills like literacy and numeracy were ranked 8th and 9th respectively and voted as important by about 70% of employers. Table 1 lists the top 10 most important skills and capabilities required by size of organisation.

Table 1: Top 10 most important skills and capabilities when recruiting new graduates, by size of organisation.

	Total number of employees			Grand Total
	“1-99”	“100-999”	“1000+”	
Communication skills	88%	86%	82%	86%
Team-working skills	85%	84%	84%	85%
Integrity	81%	86%	82%	83%
Intellectual ability	81%	84%	78%	81%
Confidence	80%	81%	78%	80%
Character/personality	81%	79%	60%	75%
Planning & organisational skills	74%	72%	75%	74%
Literacy (good writing skills)	68%	72%	75%	71%
Numeracy (good with numbers)	68%	67%	69%	68%
Analysis & decision-making skills	64%	67%	73%	67%

Source: Archer & Davison (2008:7)

In their study, Hernández-March *et al.*, (2009:9) also surveyed the preferences of employers of the practical skills they would like graduates to have, versus the actual level of skill held by the graduates (generic skills). Figure 3 illustrates the required and acquired level of graduates’ skills and the resulting mismatches between them.

Figure 3: Required and acquired level of graduates' skills and corresponding mismatches

Competencies (Scaled from 1 to 5 points)	Required level of graduates' skills(1)	Acquired level of graduates' skills(2)	Mismatch (3) = (2) – (1)
A. Vocational			
Field-specific theoretical knowledge	4	3.59	-0.41
Field-specific practical knowledge	4.11	2.86	-1.25
<i>Average A</i>	4.06	3.23	-0.83
B. Generic			
<i>Average B</i>	3.94	3.24	-0.70
B.1 Knowledge-related			
Oral communication skills	4.15	3.49	-0.66
Written communication skills	4.1	3.47	-0.63
Computer skills	4	3.48	-0.52
English language skills	3.66	3.16	-0.5
Other foreign language skills	3.03	2.5	-0.53
<i>Average B.1</i>	3.79	3.22	-0.57
B.2 Methodological			
Ability to learn	4.43	3.94	-0.49
Problem-solving ability	4.01	3.1	-0.91
Time management	4.15	3.3	-0.85
Ability to work under pressure	3.82	3.09	-0.73
Decision making	3.76	2.73	-1.03
Creativity	3.69	3.22	-0.47
<i>Average B.2</i>	3.98	3.23	-0.75
B.3 Interpersonal			
Willingness to work	4.67	4.07	-0.6
Ability to work as part of a team	4.42	3.67	-0.75
Negotiating, reaching agreements	3.64	2.67	-0.97
Organization and leadership skills	3.63	2.72	-0.91
<i>Average B.3</i>	4.09	3.28	-0.81
Total Average	3.96	3.24	-0.72

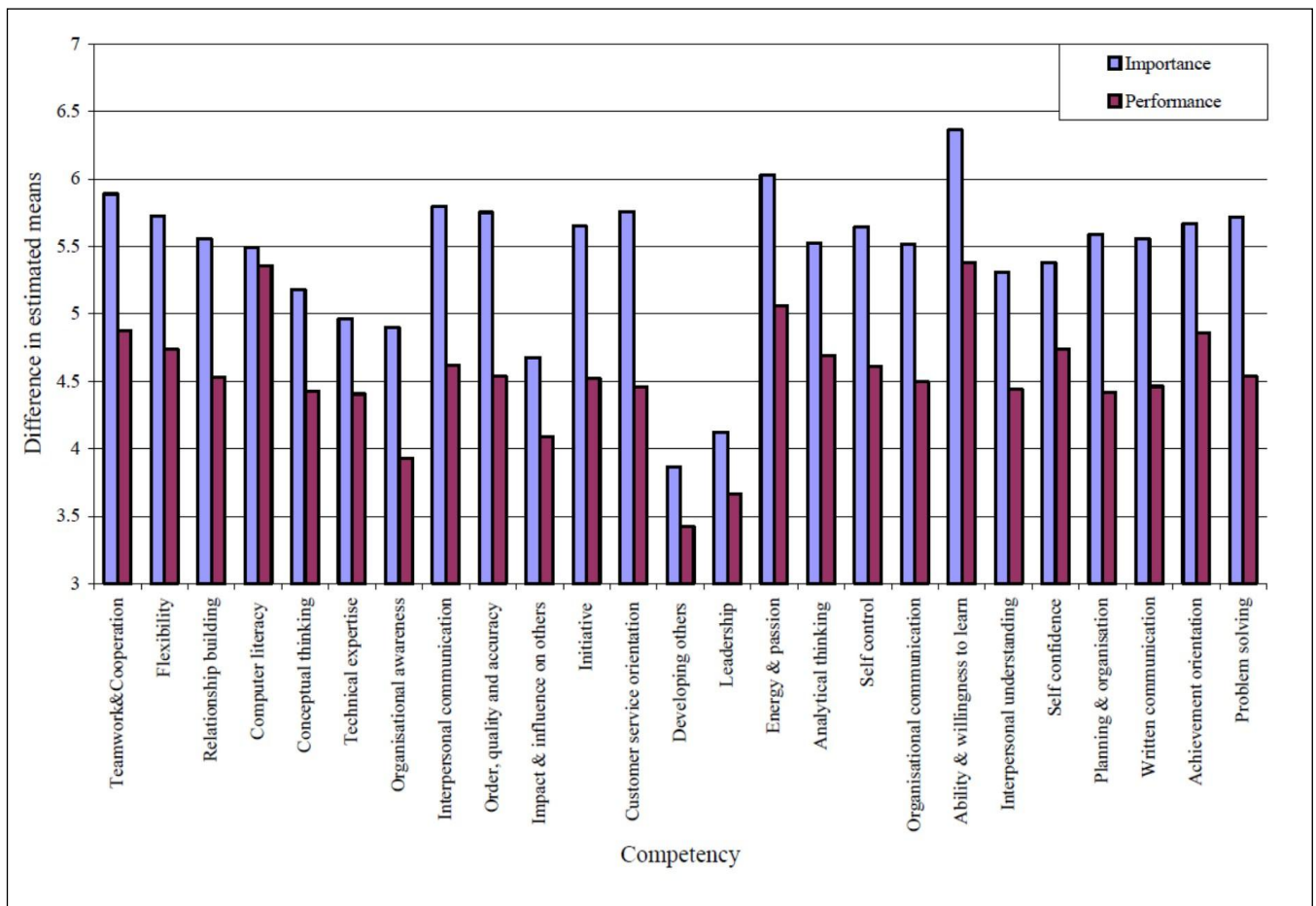
Source: Hernández-March et al., (2009:9)

The figure above shows that there was not one skill where the graduates exceeded the employers' preferences (including the personal characteristics). It would appear in the above results that what employers value the most in graduates is are theoretical knowledge, as well as interpersonal skills. Within the latter lies those related with interrelating with other people (teamwork) as well as those related to the graduate's disposition. An ability to learn, communication, computer skills and, to some degree, a

knowledge of languages also appears to be of importance to employers (Hernández-March *et al.*, 2009:9).

Lastly, the findings by Hodges and Burchell (2003:20) further confirm the findings above as their survey indicated that a mismatch exists on all the competencies (including hard and soft skills) that were part of their study. The study done by Doman (2011) also had similar findings. Figure 4 provides a graphical representation of the findings of Hodges and Burchell (2003:20) showing the importance and performance of the competencies questioned in their study.

Figure 4: Comparison of New Zealand employers ranking of "importance" and graduate "performance" for graduate competencies (estimated means. n=154)



Source: Hodges and Burchell (2003:20)

It is evident that, within the Hodges and Burchell (2003:17) study, employers prefer graduates to have high levels of competency in most areas. A graduate's capability and readiness to learn was considered to be the most important competency in the workplace

for recent graduates. It appears that there is now an awareness amongst employers that staying afloat in a world of change requires managing one's own learning.

In other words, in order to continue to be valuable, one must be ready to learn new skills to keep up with what is now seen as a fast changing workplace. In essence, these findings suggest that employers are looking for knowledge potential, as much as they are looking for knowledge "currency" (Hodges & Burchell, 2003:19).

The results of the studies above have not only indicated a mismatch between what employers prefer and what the graduates possess in terms of practical skills, but it has uncovered that there is also a mismatch regarding soft skills such as creativity, integrity, flexibility and being a team worker (Archer & Davision, 2008:7; Hernández-March *et al.*, 2009:9, Hesketh, 2000:253; Hodges and Burchell, 2003:20). It would appear then, that not only do theoretical knowledge and practical skills make a graduate employable, but that employers also prefer their employees to have a certain level of personal characteristics.

2.5 PERSONAL CHARACTERISTICS

Jackling and De Lange (2009:372) believe that employers have revisited their skill preference set to integrate high standards of ethical conduct on behalf of their employees. This could be seen to be as a result of the high profile corporate collapses. Practical necessity brought about by changes in legislative pronouncements has meant that unacceptable standards of ethical behaviour can leave employees exposed to litigation and large penalties.

Another reason for the mismatch, as described in the study by Hernández-March *et al.*, (2009:8), suggested that recent graduates' attitude and behaviour showed a change when compared with previous generations. They stated that it had to do with a phenomenon connected with social and family changes that have determined the motivation and interests of current university students. This change is linked with the fact that new generations have been brought up in a rather protected environment, where they have had everything handed to them without having to make much effort.

The literature review does not bode well for universities and, in spite of already full degree programmes and numerous other internal difficulties, faculty will need to find innovative

ways to deliver on the demands of all parties concerned if they wish to remain relevant and competitive and the providers of choice (De Villiers, 2010:10).

2.6 CONCLUSION

To summarise the literature review of this study, it appears as though tertiary institutions need to respond to environmental changes as well as the demands of their key stakeholders by amending the curricula to cover both the discipline specific technical skills (including theoretical knowledge) and a broader set of soft skills in order to prepare graduates for the working environment. One could argue that all stakeholders expect strong technical skills and strong analytical skills, supported by a set of soft interpersonal professional skills to improve their employability and effectiveness in the real workplace (De Villiers, 2010:9).

The study done by Doman (2011) looked at the current views and preferences of employers with respect to qualifications obtained by newly qualified tax practitioners. The findings of the study by Doman (2011:87) concluded that employers prefer to employ employees who specialise in taxation, namely BCom degrees specialising in taxation, Honours or Postgraduate Diplomas specialising in taxation and Master of Commerce (“MCom”) in taxation or Master of Laws.

Interestingly, the study also found that it appeared as if the tax curricula included in the various degrees offered by South African universities were not sufficient to provide students with the necessary theoretical knowledge and practical skills to prepare them for practice. In terms of personal characteristics, the study concluded that employers are usually more satisfied with the personal characteristics newly qualified tax practitioners have (Doman, 2011:88).

Hernández-March *et al.*, (2009:12) concluded that what employers appear to value the most with respect to tertiary education is that they teach the students how to learn, which is a key competency in a society that attempts to stimulate lifelong learning. In fact, the capability of a graduate to assimilate new knowledge quickly is one of the most highly valued competencies in the labour market and the foremost quality that distinguishes a university graduate from those workers with less education and training.

A study was done by Doman and Nienaber (2012) to explore the current and preferred composition of the tax departments of the four largest financial consulting firms in South Africa as well as employers' current views and preferences on the theoretical knowledge and practical skills included in tax qualifications. However no study has been done in South Africa thus far which investigates the possible mismatch between large corporate employers and new graduates with regard to the taxation curricula. It would be an injustice to not also include in the study the preferences of the employers of soft and hard skills in addition to the theoretical knowledge, as so much emphasis has been placed on these skills in other studies.

CHAPTER 3

3 RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

In the literature review chapter, it became apparent that a mismatch existed in the level of technical knowledge and other skills that graduates should have. It was therefore necessary to determine the perceptions of South African employers, who employ newly qualified tax graduates; as such data would assist tax educators in preparing students for the working environment. This study focused on large corporate taxpayers.

This chapter describes the overall research design and methodology relevant to this exploratory study. Subsequent to this, the method of data collection is discussed in which the connection between the questionnaire design and the research objectives are indicated. The techniques used to analyse the data obtained are also subsequently described.

3.2 DESCRIPTION OF INQUIRY STRATEGY AND BROAD RESEARCH DESIGN

This is an exploratory study in nature as this type of research is defined by Saunders, Lewis and Thornhill (2007:598) as research the purpose of which is to seek new insights into occurrences, to ask questions, and to assess the occurrences in a new way. The strategy of inquiry for this study was in the form of a survey. Saunders et al. (2007:612) explain a survey as a strategy where data is collected in a structured manner from a specific population.

The present study is an empirical study as primary data, which is data specifically collected for an exploratory research project (Saunders *et al.*, 2007:607), was collected to address the research questions. This basic research was undertaken specifically for academic purposes and will be used by the academic community (Saunders *et al.*, 2007:592). It is also cross-sectional in nature as the study was done at a particular point in time.

The data is not only numerical, which makes it quantitative in nature (Saunders *et al.*, 2007:145), but also descriptive whereby it endeavours to describe the mismatch between the expectations of the employers versus the knowledge held by the new graduates.

This study was based on a previous study performed by Doman (2011). However, the questions designed by Doman (2011:33) were used as the foundation and adapted for this study in order to gather the relevant data to meet the research objectives.

3.3 METHODOLOGY

The purpose of this study was to identify if there is a disparity in the expectations and preferences of employers regarding the tax knowledge and generic skills held by newly qualified graduates.

The target population were the employers of the top 30 listed companies on the JSE which have tax departments, with the units of analysis being the senior people within the entity's tax departments from whom the information will be drawn, as they would be the best source to identify what taxation knowledge is required in their occupation.

The companies listed in the top 30 positions on the JSE on 31 December 2011 were the following:

- Absa Group Ltd;
- African Rainbow Minerals Ltd;
- Anglo American Platinum Ltd;
- Anglo American Plc;
- Anglogold Ashanti Ltd;
- Aspen Pharmacare Holdings Ltd;
- BHP Billiton Plc;
- Bidvest Ltd;
- British American Tobacco Plc;
- Capital Shop Centres Group;
- Compagnie Financière Richemont SA Ltd;

- Exxaro Resources Ltd;
- Firststrand Ltd;
- Gold Fields Ltd;
- Harmony Gold Mining Company Ltd;
- Impala Platinum Holdings Ltd;
- Kumba Iron Ore Ltd;
- Massmart Holdings Ltd;
- MTN Group Ltd;
- Naspers Ltd;
- Nedbank Group Ltd;
- Old Mutual Plc;
- Remgro Ltd;
- RMB Holdings Ltd;
- Sabmiller Plc;
- Sanlam Ltd;
- Sasol Ltd;
- Shoprite Holdings Ltd;
- Standard Bank Group Ltd;
- Steinhoff International Holdings Ltd.

The researcher decided to only take the top 30 companies as this would ensure a greater response rate as more attention could be given to follow up on outstanding questionnaires. The researcher also believed that 30 companies were sufficient to represent all industries in South Africa. Different results may, however, have been obtained if a larger target population was selected.

The researcher used purposive sampling to select the sample. Purposive sampling is defined as a random selection of sampling units within the segment of the population with the most information on the characteristic of interest. The selection of the sampling units in

purposive sampling is subjective, since the researcher relied on experience and judgment. There are no design impartial variance estimators for such a type of sampling as the available ones are associated only with probability sampling. Despite this shortcoming, purposive sampling remains very popular amongst researchers (Guarte & Barrios, 2006:277).

3.4 DATA COLLECTION

3.4.1 Methods of collecting data

Various studies have been done on the most effective means of collecting data for purposes of conducting a survey. Methods range from telephonic discussions to conducting the survey in person.

Thulasingham, and Cheriyaath (2008:268) wrote an article on the success of using a telephone survey as a method of data collection in India. The study was comprised of 50 telephone surveys and 50 face-to-face surveys. For the telephone survey, 100 telephone numbers were randomly selected (by using a random number table) from a telecommunication company. They were all landline numbers of Kurunji Nagar, an urban area of Puducherry in South India. The face-to-face surveys were also conducted during the same time of the day as the telephone surveys.

The results indicated that the response rate of the telephone surveys (94.3%) was similar to that of the face-to-face surveys (96.2%) (Thulasingham & Cheriyaath, 2008:268). The conclusion of the survey was that telephone surveys are more efficient in saving time for surveys done in a widely distributed area; they also allow for sampling from a geographically dispersed area. It not only saves the time of the researcher but also that of the respondents.

According to De Beuckelaer and Lievens (2009:338), an increasing number of organisations have started to use the internet as a medium for collecting data in recent years. It has been argued that Internet surveying has several advantages over the more conventional PP [paper-and-pencil] method as Yun and Trumba pointed out in De Beuckelaer and Lievens (2009:338)

In comparison to other methods, internet surveys have various benefits in terms of cost, a quicker response time and flexibility in terms of design. Internet surveys can also have a larger geographical reach but then will be vulnerable to human error when being created (De Beuckelaer & Lievens, 2009:338).

Limitations of using the internet to gather data are that there may be higher non-response rates and an increased chance of receiving dishonest feedback. The target population may also have different levels of computer literacy.

De Beuckelaer and Lievens (2009:355) concluded that the most significant result of their study was evidence for scalar equivalence of the multi-item survey instrument across internet and PP surveys virtually in all countries in which the organisation survey was administered. The findings hold promising news for international survey researchers as they provide an empirical justification for utilizing, combining, and comparing data from mixed-mode surveys in various countries.

Case and Yang (2009:8) summarised the results of other researchers that examined the effects that different survey methodologies have on the quality and quantity of data that is collected via survey methods into the following:

- Survey respondents are more likely to give socially acceptable responses when completing surveys face-to-face with an interviewer.
- Using an online survey method could increase the overall number of survey responses.
- Online survey respondents were more likely to respond to sensitive questions than telephone survey respondents.
- Online methods allow for a greater survey respondent reach by collapsing boundaries of time and space.

Taking into account the above, as the top 30 listed companies on the JSE are located across the country, the best form of data collection was internet based (through e-mail with a link to an online questionnaire).

Before the questionnaires were distributed, the employers were contacted telephonically to inform them of the study and the purpose of the questionnaire. Their e-mail addresses were then confirmed and the questionnaire was emailed to them for their perusal and completion after ethical clearance was obtained from the Research Ethics Committee.

This method of data collection was considered to be the most efficient in terms of ensuring that the entire target population receive the questionnaire, as well as receiving timely responses and following up on questionnaires that have not been received within the required time.

The reliability of the data was also increased by the fact that the links to the questionnaire were sent directly to the employer's e-mail address, as it is less likely that responses can be contaminated due to an incorrect person completing the questionnaire (Saunders *et al.*, 2007:357).

3.4.2 Measurement

The measuring instrument used in this study was a predesigned questionnaire. The questionnaire was based on a questionnaire designed by Doman (2011). Each question has been critically analysed and amended where required. The amendments that have been made were done to better address the research objectives of this study. The motivation for using Doman's (2011) questionnaire as a basis, was to make this study comparable to the study done by Doman (2011).

The questions posed in the adapted questionnaire were closed-ended questions and they provide a number of options to the respondent (Saunders *et al.*, 2007:368). By giving the respondent options to select, it reduces the time required to complete the questionnaire. Where required, the questionnaire also utilised the Likert scale measurement scale in order to facilitate the interpretation of the responses.

A Likert scale is a scale that measures the level to which a person "agrees" or "disagrees" with a given statement. The scale will give an odd number of choices with an equal amount of agreement/disagreement choices on either side of a neutral option, for example: strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, strongly agree = 5. It is

frequently used in questionnaires, and is the most widely used method in survey research (Allen & Seaman, 2007:64).

The Likert scale tells us that the people with higher-numbered responses are more in agreement with the given statement than those with the lower-numbered responses. With Likert scale data, the best measure to use is the most frequent response. This makes the survey results much easier to interpret. Figure 5 is an example of different Likert scale measurement scales.

Figure 5: Example of a Likert scale

Very Interested 5	Somewhat Interested 4	Neutral 3	Not Very Interested 2	Not at All Interested 1
Very Much 5	Somewhat 4	Undecided 3	Not Really 2	Not at All 1
Very Much Like Me 5	Somewhat Like Me 4	Neutral 3	Not Much Like Me 2	Not at All Like Me 1
Very Happy 5	Somewhat Happy 4	Neutral 3	Not Very Happy 2	Not at All Happy 1
Almost Always 5	Sometimes 4	Every Once In a While 3	Rarely 2	Never 1

Source: Anon. Not dated. Google images.

3.4.3 Questionnaire design

3.4.3.1 *Background to the questionnaire*

The target population is the employers of the top 30 listed companies on the JSE which have tax departments. As the questionnaire is based on a questionnaire designed by Doman (2011), each question is replicated below and it was motivated as to whether to

use the question or not. If it was decided that it should be used, the question was amended to address the research objectives of this study with appropriate motivation.

3.4.3.2 Question 1

*“Please indicate the type of tax service **mainly** provided by your business unit:*

- *International tax and transfer pricing;*
- *Corporate tax;*
- *Indirect tax;*
- *Tax services related to human capital (including expatriates);*
- *Tax compliance and administration;*
- *Tax risk management; and*
- *Other (please specify)”.*

This question will not be as relevant in the target population of this study, as the tax department in a top listed company will most likely provide mainly corporate tax services, thus it has been omitted from the questionnaire.

3.4.3.3 Question 2.1

*“In respect of the composition of your business unit, please indicate the following by referring to the **highest qualifications** obtained by tax specialist employees with tax related qualifications:*

- **Current composition** of your business unit; and
- **Preferred composition** of your business unit”.

This question is designed to address the following two research objectives:

- To determine the current composition of tax departments in the chosen companies in respect of qualifications obtained by employees; and
- To determine which qualifications employers prefer when recruiting newly qualified graduates.

This question is important in order to obtain information about the current and preferred composition of the tax departments of the companies, as this will offer insight on which qualifications employers prefer if a wider selection of newly qualified graduates exists.

According to Doman (2011:34), only the highest qualifications of tax specialist employees were considered. The question allows for the participants to select their options from a standard list of qualifications supplied. The list of qualifications was compiled by considering all the available undergraduate and postgraduate degrees offered by South African universities, with taxation as a subject. If an employee holds a qualification that is not listed, the detail about this qualification is requested under the option “other”. The participants were required to indicate their selections by using a four point Likert-type design: 1 = Most; 2 = Some; 3 = Few; 4 = None. This also ensured comparability of data gathered.

For the purpose of this study, the qualifications “Qualified Attorney” and “Chartered Accountant” on the list of qualifications have been removed as the graduates on whom the study is focused would not have written these additional external exams to obtain these qualifications.

3.4.3.4 Question 2.2

*“Would you prefer **newly-qualified employees** to have a qualification designed to equip them equally with (1) computational ability and (2) the ability to interpret legislation, if such a type of qualification was available?”*

This question is designed to address the following research objective:

- To determine the employers’ views and preferences of the academic knowledge and practical skills included in these qualifications, as well as personal characteristics that the population has (in this study, it would be the graduates).

The participant was asked to answer yes or no to this question. This question will be used in this study as the answers given will indicate the level of importance of computational ability versus the ability to interpret legislation.

However, the question will be reworded to read as follows: “*Would you prefer **newly-qualified graduates** to have a qualification designed to equip them equally with (1) computational ability and (2) the ability to interpret legislation, if such a type of qualification was available?*” The reason for changing the word employees to graduates is due to the fact that “employees” suggests that the person has already been hired by the company whereas the word “graduates” is more accurate to the population being studied.

3.4.3.5 Question 3

“*From your experience, if a **newly qualified employee** had studied Taxation as part of their degree, what **level of theoretical knowledge**, as indicated in the following table, would you, as the employer, normally:*

- ***expect them to have; and***
- ***prefer them to have”.***

This question was designed to address the following research objectives:

- To determine the employers’ views and preferences of the academic knowledge and practical skills included in these qualifications, as well as personal characteristics that the population has (in this study, it would be the graduates); and
- To determine the detachment (if any) between the employers’ views and preferences of the academic knowledge and practical skills to be included in these qualifications, as well as personal characteristics that the population has (in this study, it would be the graduates).

Doman (2011:35) used a standard list of academic knowledge which ensured comparability of the data gathered. The author compiled this list by considering the development of taxation over a period of years, as well as the tax legislation at the time of her research. The list, supplied in table format to the participants, incorporated the following:

- “*Taxation environment of RSA: An understanding of all the relevant taxes applicable in South Africa and how it may impact on different transactions and affect each other.*

- *Fiscal framework of RSA*: An understanding of the principles involved in the legislation process.
- *History of taxation*: Knowledge about the development of taxation in South Africa, i.e. the change from a source based tax system to a resident based tax system, as well as the difference between capital disposals prior to 1 October 2001 and currently.
- *Individual tax (excluding capital gains tax)*: Knowledge about the principles surrounding the calculation of taxable income for individuals.
- *Secondary tax on companies (STC) / Dividend tax*: Knowledge about when STC / dividend tax is payable by companies / shareholders, how it is calculated, as well as the administration surrounding the payment thereof.
- *Company tax (excluding capital gains and corporate rules)*: Knowledge about the principles of calculating income tax for companies, such as gross income, exempt income, deductions, capital allowances and applicable tax rates.
- *Capital gains tax*: Knowledge about the principles of when capital gains tax is payable, thus what triggers capital gains tax and how to determine the taxable capital gain for different types of tax persons.
- *Employees' tax*: Knowledge about the principles applicable when calculating employees' tax for different types of employees, i.e. directors of private companies, standard employment, as well as the administration surrounding employees tax.
- *Taxation of expatriates*: Knowledge about the principles applicable when calculating employees' tax and normal tax for expatriates.
- *Fringe benefits*: Knowledge about when fringe benefits arise, the detail principles to calculate the taxable fringe benefits in different circumstances and how it affects monthly employees' tax.
- *Provisional tax*: Knowledge about which tax persons are required to register for and the payment of provisional tax, the administration surrounding provisional tax, including penalties and interest, as well as the principles to determine the amount of provisional tax payable.
- *Donations tax*: Knowledge about when donations tax is payable, by whom it is payable and on which amount.

- *Lump sum benefits from pensions, provident and retirement annuity funds:* Knowledge about the taxability of lump sum benefits paid by funds or employers at retirement, death or resignation.
- *Estate duty:* Knowledge about when estate duty is payable, how to calculate the dutiable amount, by whom it is payable and the administration surrounding it.
- *Taxation of trusts (excluding capital gains tax):* Knowledge about the principles of using a trust as a tax vehicle and by whom the income tax is payable in different circumstances.
- *Taxation of employment companies:* Knowledge about the employees' tax principles applicable on employment companies, i.e. why a company / trust is classified as a personal service provider or when a person is classified as an independent contractor.
- *Taxation of non-resident branches:* Knowledge about when a non-resident branch is taxed in South Africa, including the principles to determine the taxable income by considering the source, as well as the rates applicable.
- *International tax:* Knowledge about the different international tax principles applicable, including the principles to determine when double tax agreements should be applied; principles surrounding controlled foreign companies; the translation of foreign amounts into South African currency for tax purposes; and principles surrounding rebates or deductions to prevent double taxation when foreign taxes have been paid.
- *Transfer pricing:* Knowledge about all principles surrounding the effect of foreign transactions between connected persons.
- *Taxation of a Public Benefit Organisation ("PBO") (excluding capital gains tax):* Knowledge about the administration surrounding registering a PBO and the principles to which the PBO should comply to qualify for tax exemption.
- *Taxation of farming activities:* Knowledge about the special provisions applicable to farming operations in terms of the First Schedule of the Income Tax Act, No. 58 of 1962.

- *Corporate rules (unbundling, amalgamations, etc.):* Knowledge about the principles applicable when a person wants to apply corporate rules, thus the requirements to apply corporate rules, if they are selectively applied or automatically applied and what the implications are when applying the corporate rules.
- *Taxation of long-term insurers:* Knowledge about the special provisions applicable to long-term insurers.
- *Taxation of retirement funds:* Knowledge about the special provisions applicable to retirement funds in terms of section 10(1)(d)(i) and (ii) of the Income Tax Act, No. 58 of 1962.
- *Value Added Tax (VAT):* Knowledge about the principles of VAT, i.e. that it is payable on certain transactions, the calculation thereof, how to determine outputs, inputs and other adjustments, as well as the administration of VAT.
- *Transfer duty:* Knowledge about when transfer duty is payable, by whom it is payable, how to determine the dutiable amount and the administration surrounding the payment thereof.
- *Customs and excise duty:* Customs duty: Knowledge about how to classify imports, when customs duty is payable (origin) and on which amount (value). Excise duty: Knowledge about the principles of why excise duty is payable and on which amount.
- *Security transfer tax:* Knowledge about the provisions applicable to the payment of security transfer taxes, i.e. when it is payable, on which amount and the administration surrounding the payment thereof.
- *Taxation of mines:* Knowledge about the special provisions applicable to mining operations.
- *Other topics (please specify):* Knowledge about any other topic that the participant may feel is relevant.”

It was assumed that the participants have the applicable taxation knowledge and experience to interpret the topics correctly, and therefore the detailed descriptions of the topics listed above are for information purposes only.

A possibility exists that the preferred level of academic knowledge indicated by the participants may be influenced by the types of tax services mainly provided by those participants.

The participants were requested to indicate their expected and preferred academic knowledge by using the following rating:

- 1: A **high** expectation or preference for this level of knowledge.
- 2: An **average** expectation or preference for this level of knowledge.
- 3: A **lower than average** expectation or preference for this level of knowledge.
- 4: **No** expectation or preference for this level of knowledge.

Doman's (2011:38) question does not need to be adapted for the purpose of this study as the objectives of her question are the same objectives for this study. The only change will be in the question where the term "***newly qualified employee***" will be changed to "***newly qualified graduate***". The reason for changing the word employees to graduates is due to the fact that "employees" suggests that the person has already been hired by the company whereas the word "graduates" is more accurate to the population being studied.

3.4.3.6 Question 4

*"From your experience, if a **newly qualified employee** had completed Taxation as part of their degree, what level of **practical skills**, as indicated in the following table, would you, as the employer, normally :*

- **expect them to have, and**
- **prefer them to have".**

This question was designed to address the following research objectives:

- To determine the employers' current views and preferences of the academic knowledge and practical skills included in the listed qualifications, as well as personal characteristics that the graduates have; and
- To determine the detachment (if any) between the employers' views and preferences of the academic knowledge and practical skills to be included in these qualifications, as

well as personal characteristics that the population has (in this study, it would be the graduates).

The list used by Doman (2011:39) is a list created and modified through the results of her research of the types of practical skills to ensure comparability of the data gathered. The list, supplied to the participants in a table format, includes the following:

- *Ability to prepare/review computations by applying current tax legislation and case law.*
- *Ability to identify basic personal and business tax planning opportunities.*
- *Ability to evaluate the impact of taxation on decision making by individuals and business.*
- *Ability to use a variety of software packages, e.g. Word, Excel.*
- *Ability to use computer applications, e.g. e-filing.*
- *Ability to perform tax research.*
- *Ability to assist in general tax administration, e.g. returns, objections, etc.*
- *Ability to write tax opinions.*
- *Ability to reason and solve problems with limited guidance.*
- *Ability to communicate and negotiate.*
- *Other (please specify).*

Question 4 requests the participants to provide a glimpse at which level of practical skills the participants consider newly qualified graduates to be, based on the qualifications currently available and which practical skills they, as employers, prefer them to have. This information is pertinent as it will contribute to aligning current tax curricula with what is preferred in practice.

The participants are requested to indicate the expected and preferred level of practical skills by using a similar rating scale as in Question 3.

Doman's (2011:40) question does not need to be adapted for the purpose of this study as the objectives of her question are the same objectives for this study. The only change will be in the question where the term "***newly qualified employee***" will be changed to "***newly qualified graduate***". The reason for changing the word employees to graduates is due to the fact that "employees" suggests that the person has already been hired by the company whereas as the word "graduates" is more accurate to the population being studied.

3.4.3.7 Question 5

"From your experience, what personal characteristics, as indicated in the following table, would you, as the employer, normally:

- ***expect newly qualified employees to have; and***
- ***prefer newly qualified employees to have"***.

This question is designed to address the following research objectives:

- To determine the employers' current views and preferences of the academic knowledge and practical skills included in the listed qualifications, as well as personal characteristics that employees have; and
- To determine the detachment (if any) between the employers' views and preferences of the academic knowledge and practical skills to be included in these qualifications, as well as personal characteristics that the population has (in this study, it would be the graduates).

Doman (2011:41) used a list created and modified through the results of her research of different personal characteristics to ensure comparability of the data gathered.

The list, supplied to the participants in table format, includes the following:

- *Ability to be imaginative / creative.*
- *Overall integrity.*
- *Initiative.*
- *Emotional flexibility.*
- *Positive attitudes towards:*

- *new ideas*
- *stakeholders*
- *transformation*
- *Ability to work in a team.*
- *Maintains professionalism towards all stakeholders.*
- *Leadership qualities.*
- *Interest in financial and commercial matters.*
- *Other (please specify).*

According to Doman (2011:41), this is a pertinent question to determine which personal attributes are preferred versus what employers' views are about the personal attributes newly qualified graduates currently have. With this information, educators can assist students in developing such personal attributes.

In this question, the participants are requested to indicate the current views and preferences by using a similar rating system as in Questions 3 and 4.

Doman's (2011:41) question does not need to be adapted for the purpose of this study as the objectives of her question are the same objectives for this study. The only change will be in the question where the terms "***newly qualified employee***" will be changed to "***newly qualified graduate***". The reason for changing the word employees to graduates is due to the fact that "employees" suggests that the person has already been hired by the company whereas the word "graduates" is more accurate to the population being studied.

3.4.4 Pilot testing

A Pilot study was not done on the basis that the questionnaire used for this study had only been slightly adapted in order to meet the research objectives of this study. As Doman (2011:42) had pilot tested her questionnaire and was successful with her questionnaire, the researcher is comfortable that no problems would arise in this study.

3.5 DATA ANALYSIS

The questionnaires were distributed electronically, thus the data is in an electronic format. It is therefore easy to store the data on various storage devices as well as to handle the data and analyse it. The questions in the questionnaires are detailed to an extent which ensures that they were completed accurately.

Numerical codes used in the questionnaire prepared by Doman (2011) were used in this study to ensure future comparability between the results of the two studies. The data obtained from SurveyMonkey (2012) software has been imported into Microsoft Excel, as this program allows formulas to be imputed on the data, and will eliminate the risk of human error. The spreadsheet also indicated the numerical codes assigned to the questions.

The coded responses were then analysed by means of the IBM Statistical Package for the Social Sciences (“SPSS”) Statistical Base (version 21). The analysis was carried out by Mrs Dina Venter, an independent senior SPSS consultant and training facilitator at Cortell.

The interpretation thereof will now be explored.

3.6 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE PROPOSED RESEARCH DESIGN

Various strategies were implemented to ensure the quality and rigour of the data collected as it directly influences the reliability of the conclusion of the study and is therefore of significant importance.

As the questionnaire was a slight adaptation of Doman’s questionnaire (2011:43), the questionnaire had internal validity, and ensured that the research objectives for this study were achieved. The questionnaire design for Doman (2011:43) was also discussed with Mrs Rina Owen, a research consultant employed by the Faculty of Economic and Management Sciences at the University of Pretoria.

In addition, as the target population was contacted telephonically prior to distribution of the questionnaire, it aided in the population completing the questionnaire, as well as the questionnaire being delivered to the correct e-mail address.

It did occur, however, that the employers forgot to complete the questionnaire and return it, thus follow up e-mails were sent to the participants to remind the participants who had not yet completed the questionnaire to do so.

The employers were requested to read through the informed consent form at the beginning of the questionnaire (Appendix A).

3.7 RESEARCH ETHICS

The following ethical principles applied to this study:

- Confidentiality – The identity of the participants will be kept private at all times.
- Permission – Permission should be attained from organisations for their employees to participate in the study prior to any communication with the employees concerned.
- Plagiarism – Adequate recognition will be given to all sources used.
- Voluntary participation – As stated in Appendix A, participation is voluntary and the participants may withdraw from the study at any time without consequence.

3.7.1 Ethical clearance from the Faculty of Economic and Management Sciences' Research Ethics Committee

An application for ethical clearance was submitted to the Research Ethics Committee of the Department of Taxation at the University of Pretoria and subsequently approved. Collection of data commenced after the approval of the Research Ethics Committee had been obtained.

3.7.2 Informed consent from the participants

Each employer was informed of the following by way of an informed consent form at the beginning of the questionnaire (Appendix A):

- The survey is anonymous;

- Individual answers are treated as confidential and could not be traced to the employer;
- Participation was voluntary and individuals could have withdrawn from the survey at any time; and
- Information obtained will be used for academic purposes only and may be published in an academic journal.

The employers were requested to mark in the applicable spaces provided on the form that they had read the informed consent form and understood the information provided therein. By marking the applicable spaces they also gave consent to participate voluntarily. No signature was required as it ensured anonymity. The electronic questionnaire was designed in such a way that an employer could not continue with the completion of the questionnaire unless the “informed consent” letter was completed.

3.7.3 Anonymity of the participants and confidentiality of data provided

The employers were requested to complete the questionnaire electronically via the SurveyMonkey (2012) software. Each employer received an electronic link via e-mail to the specific database. The names of the employers were never requested and it was not possible to identify who the participants were. However from a protocol perspective, this caused great difficulty in identifying which of the employers had not responded to the survey.

3.7.4 Voluntary participation

It was clearly specified in the consent form (Appendix A) that participation was voluntary and that the employers had the right to withdraw at any time from the survey without any consequences. No incentives were offered to motivate the employers to take part in the survey.

3.8 CONCLUSION

This chapter covers the research methodologies used in this study. The chapter concludes that matters discussed above are vital in meeting the research objectives of this study. The following chapter continues to discuss the outcomes based on the methodologies set out in this chapter.

CHAPTER 4

4 RESULTS ANALYSIS

4.1 INTRODUCTION

In applying the research design and methods, the applicable data was collected. The researcher provides an analysis of the results that emerged from the data gathered in this exploratory dissertation. The results of Questions 1 to 4 of the questionnaire (Appendix B) are each discussed separately, highlighting the most important findings.

The data gathered was analysed by using the IBM SPSS Statistics Base (version 21). The results of this analysis were presented by using graphs and tables where it was appropriate in assisting with the analogy of the data.

The response rate for this study was 40%. A study done by Baruch (1999:431) to compare the response rates in academic studies found that the response rate for top managers or top representatives of organisations was 36.1%. Based on the findings by Baruch (1999), the response rate for this study appears acceptable.

4.2 RESULTS OF THE QUESTIONNAIRE

The results of the questionnaire revealed the following:

4.2.1 Analysis of question 1.1

Question 1.1 quoted from the questionnaire

*“In respect of the composition of your business unit, please indicate the following by referring to the **highest qualifications** obtained by tax specialist employees with tax related qualifications:*

- **Current composition** of your business unit; and
- **Preferred composition** of your business unit”.

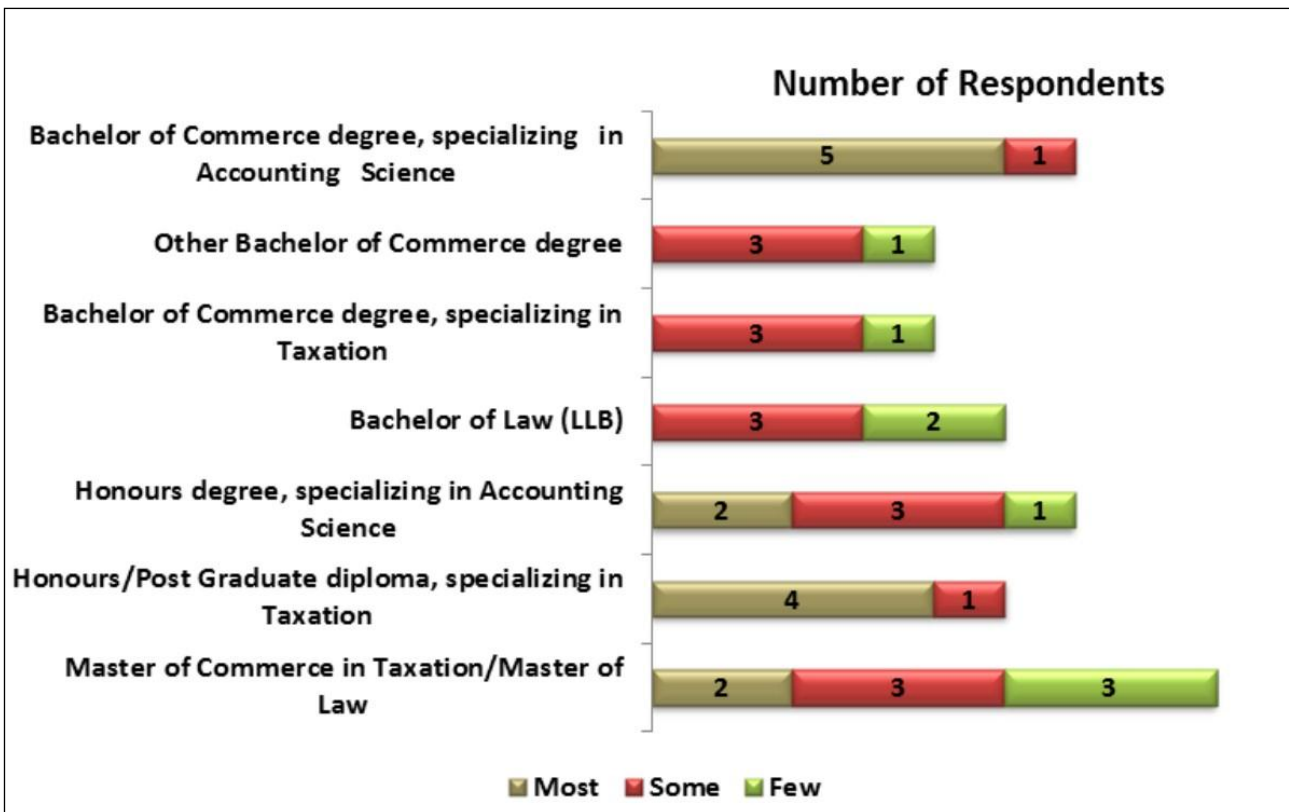
This question addressed the following two research objectives:

- To determine the current composition of tax departments in the chosen companies in respect of qualifications obtained by employees; and
- To determine which qualifications do employers prefer when recruiting newly qualified graduates.

Graphs representing data gathered from Question 1.1

Figure 6 is a graphical representation of the current compositions of the tax departments in the large corporate taxpayers. The graph is broken down into: most; some and few which indicates the number of employees that hold the qualification listed. The graph also indicates how many respondents answered for that composition.

Figure 6: Proportion of tax specialist employees holding the qualification as highest qualification in CURRENT composition.



Five of the respondents reported that most of their employees currently hold Bachelor of Commerce (“BCom”) degrees, specializing in Accounting Science while only one respondent reported that he has some employees holding the same degree.

Two of the respondents reported that most of their employees currently hold Master of Commerce (“MCom”) in Taxation/Master of Law, three of them reported that some of their employees hold this qualification while another three respondents reported that they have only a few employees holding the same degree.

Table 2 indicates the additional qualifications listed by the respondents which were not included in the list supplied in the survey.

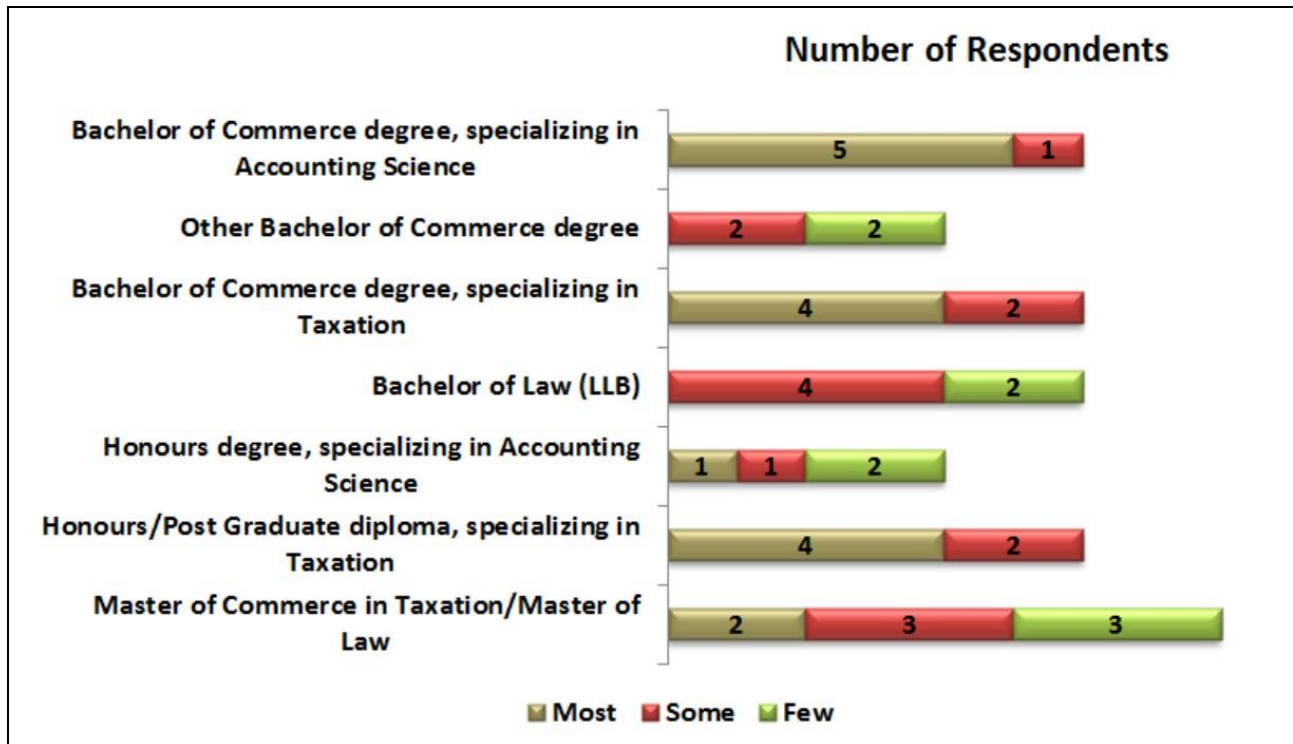
Table 2: The following are qualifications that were not provided for in the list - Other (Current)

	No of Respondents	Valid Percent
Missing	4	44.4
CA SA (Most)	1	11.1
Diploma in Costing (Some), Diploma in Accounting (Some)	1	11.1
Honours Diploma in International Tax, Mining Tax Diploma.	1	11.1
CA SA (Some)		
LLM (Few), Diploma in International Tax (Few)	1	11.1
Various Tax Diplomas (Some)	1	11.1
Total	9	100.0

One respondent added that most of the employees in the tax department were CA’s with another respondent indicating that some of their employees were also CA’s.

Figure 7 is a graphical representation of the preferred compositions of the tax departments in the large corporate taxpayers. The graph is again broken down into: Most; Some and Few which indicates the number of employees that the employers would prefer to hold the qualification listed, and it also indicates how many respondents answered for that preferred composition.

Figure 7: Proportion of tax specialist employees holding the qualification as highest qualification in PREFERRED composition.



Five of the respondents reported that they would prefer most of their employees to hold a BCom degree, specializing in Accounting Science while only one respondent reported that he would prefer some employees holding the same degree.

Two of the respondents reported that they would prefer most of their employees to hold an MCom in Taxation/Master of Law, three of them reported that they would prefer some of their employees to hold this qualification while another three respondents reported that they would prefer if only a few employees hold the same degree.

Table 2 again indicates the additional qualifications listed by the respondents which were not included in the preferred list supplied in the survey.

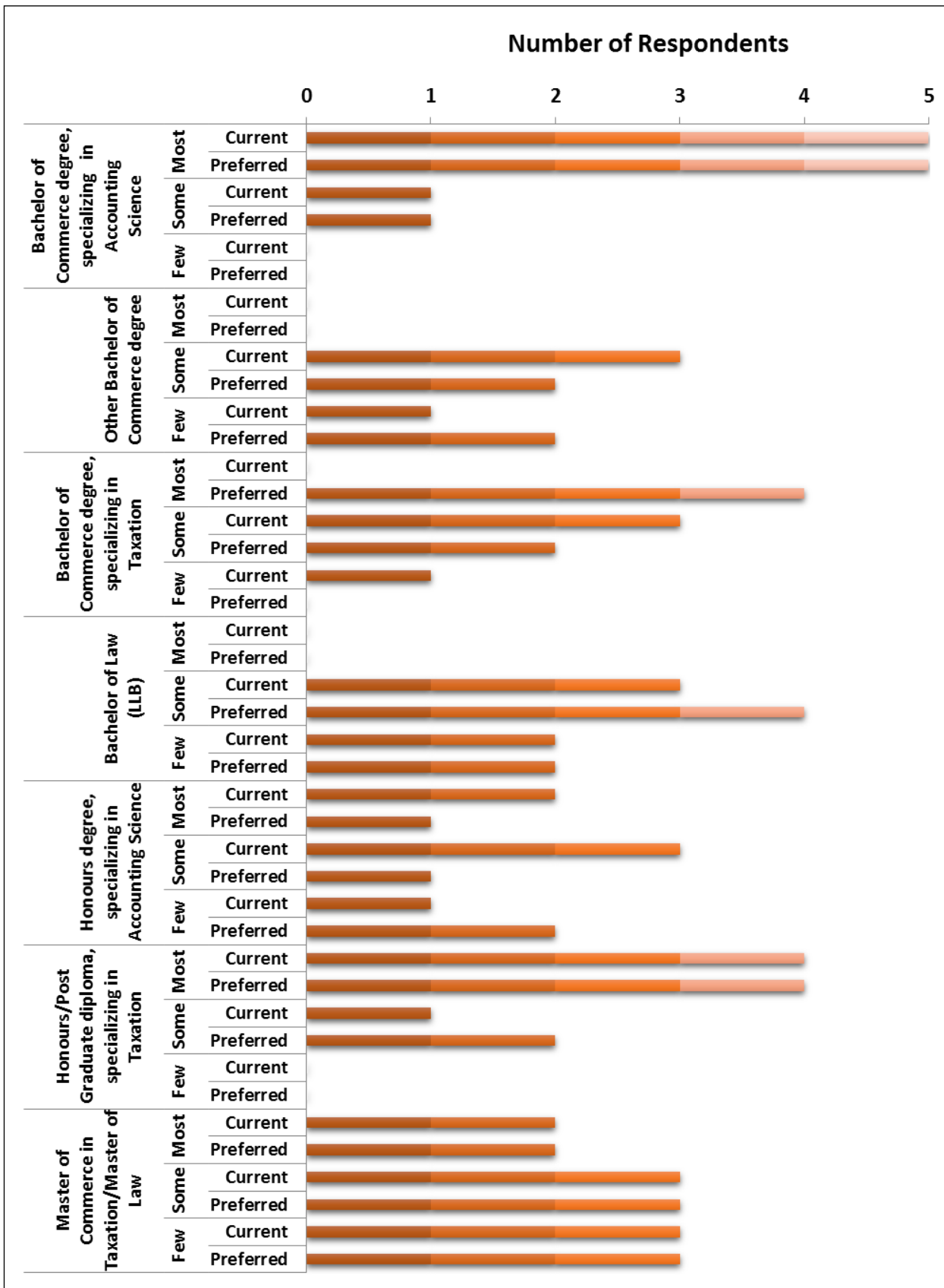
Table 3: The following are qualifications that were not provided for in the list - Other (Preferred)

	Frequency	Valid Percent
Missing	6	66.7
Bachelors degree in Taxation (Some)	1	11.1
Honours Diploma in International Tax (Most)	1	11.1
Law interpretation, Specific industry tax diplomas, Various Tax Diplomas (Most)	1	11.1
Total	9	100.0

One respondent stated that they would prefer most of their employees to hold a qualification in international tax. This requirement would be something specific to the company and would have to be an additional qualification obtained in addition to the courses offered by the universities as not enough demand appears to exist to justify a shift in curricula to focus more on international tax instead of other taxes.

Figure 8 overleaf shows a direct comparison of the current composition in respect of tax departments versus the participants' preferred composition by considering the qualifications newly qualified graduates mostly hold:

Figure 8: How each of the 9 respondents indicated their current (a) and preferred (b) composition



Discussion of the results from Question 1.1

The data gathered in respect of the current and preferred composition of tax departments is valuable to determine which qualifications employers prefer if a wider selection of graduates were available. The most important points identified are as follows:

- It is evident from Figure 6 that a CA(SA) qualification is still very popular. It is also evident that commerce degrees are more popular than law degrees.
- Figure 7 indicates that employers would prefer degrees where there was a form of specialisation in taxation.
- One participant indicated that he/she would prefer most of the persons employed to have an honours diploma in international tax. This is not indicated on figure 8.
- Of the responses, five stated that most employees had a BCom in Accounting Sciences whereas another five respondents stated that they preferred most of their employees to have this qualification. It would appear to be the remaining respondents who don't have the current composition that prefer their employees to have it. It may further appear then that all the respondents ideally would want (and some have) most of their employees to have a BCom degree in Accounting Sciences. As a BCom degree in Accounting Sciences is a requirement in order to become registered with either SAICA or SAIPA, it would further appear that the employers would prefer employees to belong to professional bodies.
- Figure 8 indicates that four respondents would prefer most of their employees to have a BCom degree specialising in taxation or even an honours degree which also specialises in taxation. As the work environment would require the graduate to perform tax related duties, it makes sense that the employers prefer their employees to have a solid taxation knowledge.
- What is interesting to note in Figure 8 is that only two of the respondents require most of their employees to hold a MCom degree in taxation. Some respondents are happy to have only a few employees who hold the MCom qualification. This may indicate that they believe the curricula in a honours degree or specialised degree in taxation to be sufficient in itself.

To reiterate, it would appear that employers would prefer degrees where there was a form of specialisation in taxation.

4.2.2 Analysis of Question 1.2

Question 1.2 quoted from the questionnaire

*“Would you prefer **newly qualified graduates** to have a qualification designed to equip them equally with (1) computational ability and (2) the ability to interpret legislation, if such a type of qualification was available?”*

Research objectives addressed by Question 1.2

To determine the employers’ views and preferences of the academic knowledge and practical skills included in these qualifications, as well as personal characteristics that the graduates had. Table 4 representing data gathered from Question 1.2

Table 4: Would you prefer newly-qualified graduates to have a qualification designed to equip them equally with (1) computational ability and (2) the ability to interpret legislation, if such a qualification was available?

		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	7	100.0	100.0
Missing	System	2		
Total		9		

Discussion of the results from Question 1.2

Only seven of the nine respondents provided a response to this question, all of which indicated “Yes”. As all seven responded positively, this would indicate that the employers would prefer graduates to have a well-rounded skill set when entering the working environment.

4.2.3 Analysis of Question 2

Question 2 quoted from the questionnaire

*“From your experience, if a **newly qualified employee** had studied Taxation as part of their degree, what **level of theoretical knowledge**, as indicated in the following table, would you, as the employer, normally:*

2.1 *expect them to have; and*

2.2 *prefer them to have.”*

This question addressed the following research objectives:

- To determine the employers' views and preferences of the academic knowledge and practical skills included in these qualifications, as well as personal characteristics that the graduates had; and
- To determine the detachment (if any) between the employers' views and preferences of the academic knowledge and practical skills to be included in these qualifications, as well as personal characteristics that the graduates had.

Table representing data gathered from Question 2

Table 5 illustrates the responses from the respondents where they indicate the level of knowledge that they expect the graduate to have as well as what they prefer the graduate to have with regard to a list of types of taxation.

Table 5: How each of the 9 respondents indicated their expected (a) and preferred (b) knowledge level

	1	2	3	4	5	6	7	8	9
V11a. Taxation environment of RSA	Average	High	Average	High	None	LTA	Average	High	High
V11b. Taxation environment of RSA	High	High	Average	High	None	High	Average	High	High
V12a. Fiscal framework of RSA	Average	Average	LTA	High	None	LTA	LTA	Average	High
V12b. Fiscal framework of RSA	High	Average	LTA	High	None	Average	LTA	Average	High
V13a. History of taxation	High	LTA	None	LTA	None	None	None	LTA	Average
V13b. History of taxation	High	LTA	None	LTA	None	LTA	LTA	LTA	Average
V14a. Individual tax (excluding capital gain tax)	Average	LTA	Average	LTA	None	LTA	High	LTA	Average
V14b. Individual tax (excluding capital gain tax)	Average	LTA	Average	LTA	None	Average	High	LTA	Average
V15a. Secondary tax on companies (STC) / Dividend tax	High	High	Average	High	None	LTA	High	High	High
V15b. Secondary tax on companies (STC) / Dividend tax	High	High	Average	High	None	High	High	High	High
V16a. Company tax (excluding capital gain and corporate rules)	High	High	Average	High	Average	Average	High	High	High
V16b. Company tax (excluding capital gain and corporate rules)	High	High	Average	High	None	High	High	High	High
V17a. Capital gains tax	High	High	Average	High	None	Average	High	High	High
V17b. Capital gains tax	High	High	Average	High	None	High	High	High	High
V18a. Employees tax	Average	High	Average	Average	None	LTA	High	Average	High
V18b. Employees tax	High	High	Average	Average	None	High	High	Average	High
V19a. Taxation of expatriates	Average	Average	None	Average	None	None	High	LTA	Average
V19b. Taxation of expatriates	High	Average	None	Average	None	LTA	High	LTA	Average

	1	2	3	4	5	6	7	8	9
V20a. Fringe benefits	Average	High	Average	Average	LTA	LTA	High	Average	Average
V20b. Fringe benefits	High	High	Average	Average	None	Average	High	Average	Average
V21a. Provisional tax	High	High	Average	High	None	Average	High	Average	High
V21b. Provisional tax	High	High	Average	High	None	High	High	Average	High
V22a. Donations tax	Average	Average	None	Average	None	LTA	High	Average	Average
V22b. Donations tax	High	Average	None	Average	None	Average	High	Average	Average
V23a. Lump sum benefits from pensions, provident and retirement annuity funds	Average	Average	None	LTA	None	None	High	Average	Average
V23b. Lump sum benefits from pensions, provident and retirement annuity funds	Average	Average	None	LTA	None	Average	High	Average	Average
V24a. Estate duty	Average	LTA	None	None	None	None	Average	LTA	Average
V24b. Estate duty	Average	LTA	None	None	None	LTA	High	LTA	Average
V25a. Taxation of trusts (excluding capital gain tax)	Average	Average	None	LTA	None	LTA	Average	Average	High
V25b. Taxation of trusts (excluding capital gain tax)	Average	Average	None	LTA	None	Average	High	Average	High
V26a. Taxation of employment companies	Average	Average	None	Average	None	None	LTA	LTA	LTA
V26b. Taxation of employment companies	Average	Average	None	Average	None	LTA	LTA	LTA	LTA
V27a. Taxation of non-resident branches	Average	High	None	Average	None	None	LTA	Average	LTA
V27b. Taxation of non-resident branches	Average	High	None	Average	None	LTA	High	Average	LTA
V28a. International tax	Average	High	LTA	High	None	None	LTA	Average	Average
V28b. International tax	High	High	LTA	High	None	High	High	Average	Average
V29a. Transfer pricing	Average	High	LTA	High	None	None	Average	Average	Average
V29b. Transfer pricing	High	High	LTA	High	None	Average	High	Average	Average
V30a. Taxation of Public Benefit organizations (excluding capital gain tax)	LTA	High	None	Average	None	None	LTA	LTA	LTA
V30b. Taxation of Public Benefit organizations (excluding capital gain tax)	Average	High	None	Average	None	0	Average	LTA	LTA
V31a. Taxation of farming activities	LTA	High	None	None	None	None	Average	LTA	LTA
V31b. Taxation of farming activities	LTA	High	None	None	None	None	Average	LTA	LTA
V32a. Corporate rules (unbundling, amalgamations, etc.)	Average	High	Average	High	None	LTA	LTA	High	High
V32b. Corporate rules (unbundling, amalgamations, etc.)	Average	High	Average	High	None	High	High	High	High
V33a. Taxation of long-term insurers	LTA	Average	None	None	None	None	None	High	None
V33b. Taxation of long-term insurers	LTA	Average	None	None	None	None	Average	High	None
V34a. Taxation of retirement funds	LTA	LTA	None	None	None	None	None	Average	None
V34b. Taxation of retirement funds	LTA	LTA	None	None	None	None	LTA	Average	None
V35a. Value Added Tax (VAT)	Average	High	Average	High	LTA	LTA	High	Average	High
V35b. Value Added Tax (VAT)	High	High	Average	High	None	High	High	Average	High
V36a. Transfer duty	Average	High	LTA	LTA	None	None	LTA	Average	Average
V36b. Transfer duty	Average	High	Average	LTA	None	Average	High	Average	Average
V37a. Customs and excise duty	Average	Average	None	LTA	None	None	None	None	LTA
V37b. Customs and excise duty	Average	Average	None	LTA	None	None	LTA	None	LTA
V38a. Security transfer tax	Average	Average	Average	LTA	None	None	None	LTA	High
V38b. Security transfer tax	Average	Average	Average	LTA	None	Average	High	LTA	High
V39a. Taxation of mines	High	High	None	High	None	Average	None	None	High
V39b. Taxation of mines	High	High	None	High	None	High	LTA	None	High

(LTA = Lower than Average)

Discussion of the results from Question 2

One respondent added one more topic - Royalties (Average) to the list of expected knowledge and added Royalties (High) on the list of preferred knowledge. This is not reflected above.

The data gathered in respect of the expected and preferred level of knowledge of the graduates is valuable to determine if a “knowledge gap” exists. The most important points identified are as follows:

- Company tax would be quite important to a large company (such as the companies in the target population). The table reflects that 75% expect the graduates’ knowledge to be at a high level and 88% prefer it to be at a high level.
- The largest difference between a high expected knowledge level and a preferred one relates to International Tax where 25% of the employers expected a high level and 63% preferred a high level of knowledge. However, if one looks at an average level of knowledge, the expected is 38% and preferred is only 25%.
- Of the employers, 63% would prefer graduates to have a high level of Mining Tax knowledge.
- One of the employers expected and preferred a high level of knowledge for the Taxation of Farming activities.
- All of the differences where there were more responses for a preferred level of knowledge versus an expected level of knowledge occurred for the high level of knowledge. The categories with the biggest differences were International Tax, the Taxation Environment, Employees Tax, Transfer Pricing, Corporate Rules and VAT.
- The largest difference on an average level was for Transfer Duty where 38% expected an average level and 63% preferred an average level of knowledge.
- Of the employers, 63% prefer a lower than average level of knowledge regarding the History of Taxation.
- Of the employers, 88% expect and prefer graduates to have an average to lower than average level of knowledge regarding Individual Taxation. In contrast, 63% of the employers prefer a high level of knowledge in Employees Tax.

- All of the employers expect and prefer graduates to have an average to lower than average level of knowledge regarding the Taxation of Employment Companies; the Taxation of Retirement Funds and Customs and Excise Duty.

4.2.4 Analysis of question 3

Question 3 quoted from the questionnaire

*“From your experience, if a **newly-qualified graduate** had completed Taxation as part of their degree, what level of **practical skills**, as indicated in the following table, would you, as the employer, normally :*

3.1 *expect them to have; and*

3.2 *prefer them to have?*

Indicate your expectations (3.1) and preferences (3.2) by using the following ratings:

1: A **high** expectation or preference for them to have this skill.

2: An **average** expectation or preference for them to have this skill.

3: A **lower than average** expectation or preference for them to have this skill.

4: **No** expectation or preference for them to have this skill.”

Research objectives addressed by Question 3

- To determine the employers’ current views and preferences of the academic knowledge and practical skills included in the listed qualifications, as well as personal characteristics that the graduates had.
- To determine the detachment (if any) between the employers’ views and preferences of the academic knowledge and practical skills to be included in these qualifications, as well as personal characteristics that the graduates had.

Table representing data gathered from Question 3

Table 6 illustrates the responses from the respondents where they indicate the level of practical skills that they expect the graduate to have as well as what they prefer the graduate to have with regard to a list of types of practical skills.

Table 6: How the respondents indicated their expected (a) and preferred (b) practical skill level

	1	2	3	4	5	6	7	8
V41a. Ability to prepare / review tax computations by applying current tax legislation and case law	Average	LTA	High	None	Average	LTA	High	High
V41b. Ability to prepare / review tax computations by applying current tax legislation and case law	High	High	High	None	Average	High	High	High
V42a. Ability to identify basic personal and business tax-planning opportunities	Average	None	LTA	None	Average	None	Average	High
V42b. Ability to identify basic personal and business tax-planning opportunities	High	High	Average	None	Average	Average	Average	High
V43a. Ability to evaluate the impact of taxation on decision-making by individuals and businesses.	High	LTA	Average	None	Average	None	Average	High
V43b. Ability to evaluate the impact of taxation on decision-making by individuals and businesses.	High	High	High	None	High	Average	High	High
V44a. Ability to use a variety of software packages, e.g. Word, Excel	High	High	Average	Average	Average	High	Average	Average
V44b. Ability to use a variety of software packages, e.g. Word, Excel	High	High	High	Average	High	High	Average	Average
V45a. Ability to use computer applications, e.g. e-filing	High	High	High	LTA	LTA	High	Average	Average
V45b. Ability to use computer applications, e.g. e-filing	High	High	High	Average	Average	High	High	Average
V46a. Ability to perform tax research	High	LTA	High	LTA	Average	None	Average	High
V46b. Ability to perform tax research	High	High	High	LTA	High	High	High	High
V47a. Ability to assist in general tax administration, e.g.: returns, objections, etc	High	None	High	None	LTA	LTA	High	High
V47b. Ability to assist in general tax administration, e.g.: returns, objections, etc	High	High	High	None	Average	Average	High	High
V48a. Ability to write tax opinions	Average	None	Average	LTA	LTA	None	High	Average
V48b. Ability to write tax opinions	High	High	High	LTA	Average	High	High	Average
V49a. Ability to reason and solve problems with limited guidance.	Average	None	Average	LTA	LTA	LTA	Average	High
V49b. Ability to reason and solve problems with limited guidance.	High	High	High	LTA	High	Average	Average	High
V50a. Ability to communicate and negotiate	Average	None	Average	None	LTA	LTA	Average	Average
V50b. Ability to communicate and negotiate	High	High	High	None	Average	Average	Average	Average

Discussion of the results from Question 3

The data gathered in respect of the expected and preferred level of practical skills of the graduates is valuable to determine if a “skills gap” exists. The most important points identified are as follows:

- At a high level, there are no instances where the preferred level is lower than the expected level.

- The largest differences on a high level, where a swing of 50% exists between expected and preferred knowledge, is for the ability to evaluate the impact of taxation on decision making; the ability to perform research; the ability to write tax opinions and the ability to reason and solve problems with limited guidance.
- The biggest preference, weighing in at 88% of the employers, is a preference of a high level of ability to perform tax research.
- There was no expectation or preference for a lower than average to none ability to use a variety of software packages.
- If one adds all the number of responses at a preferred high ability, the sum of the responses is 50, whereas the sum of the preferred average and lower than average abilities are 22 and 3 respectively. This equates to an average of 63% of the employers requiring a high ability of practical skills.

4.2.5 Analysis of Question 4

Question 4 quoted from the questionnaire

“From your experience, what personal characteristics, as indicated in the following table, would you, as the employer, normally:

4.1 *expect newly-qualified graduates to have; and*

4.2 *prefer newly-qualified graduates to have?*

Indicate your expectations (4.1) and preferences (4.2) by using the following ratings:

- 1: A **high** expectation or preference for them to have this personal characteristic.
- 2: An **average** expectation or preference for them to have this personal characteristic.
- 3: A **lower than average** expectation or preference for them to have this personal characteristic.
- 4: **No** expectation or preference for them to have this personal characteristic.”

Research objectives addressed by question 4

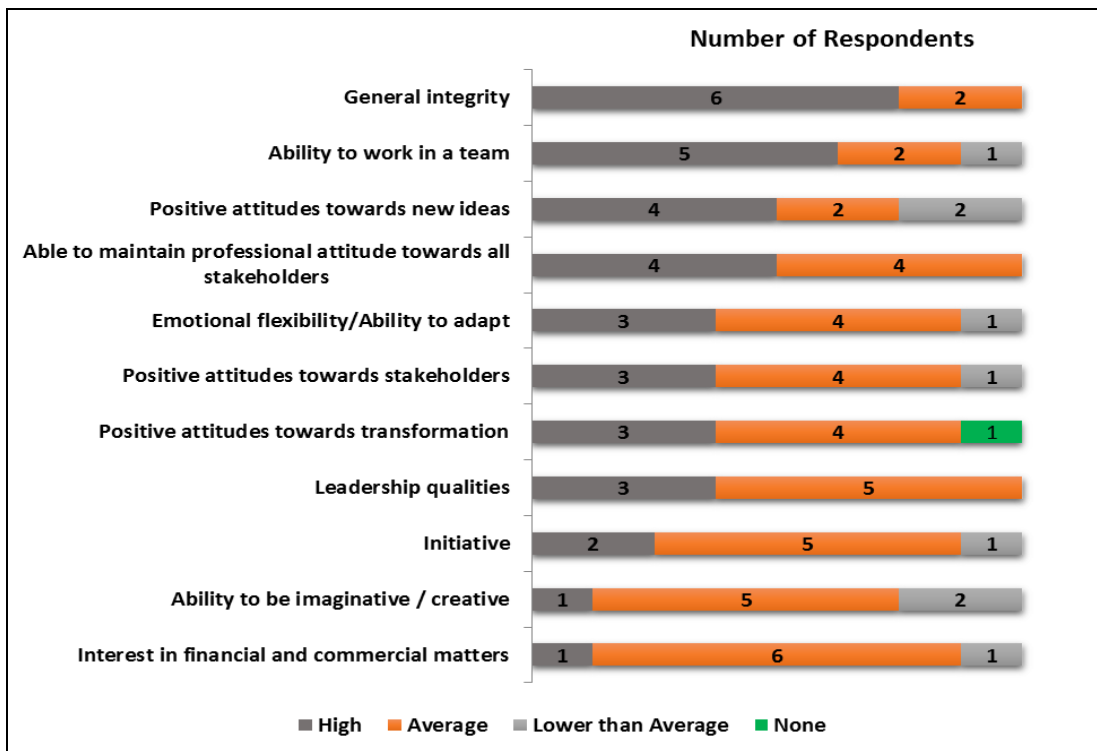
- To determine the employers’ current views and preferences of the academic knowledge and practical skills included in the listed qualifications, as well as personal characteristics that employees have; and

- To determine the detachment (if any) between the employers' views and preferences of the academic knowledge and practical skills to be included in these qualifications, as well as personal characteristics that the graduates had.

Graphs representing data gathered from Question 4

Figure 9 is a graphical representation of what the employers expect the personal characteristics of the graduates to be. The graph is broken down into various levels: High; Average; Lower than Average (LTA) and None. The graph also shows how many of the respondents chose each level.

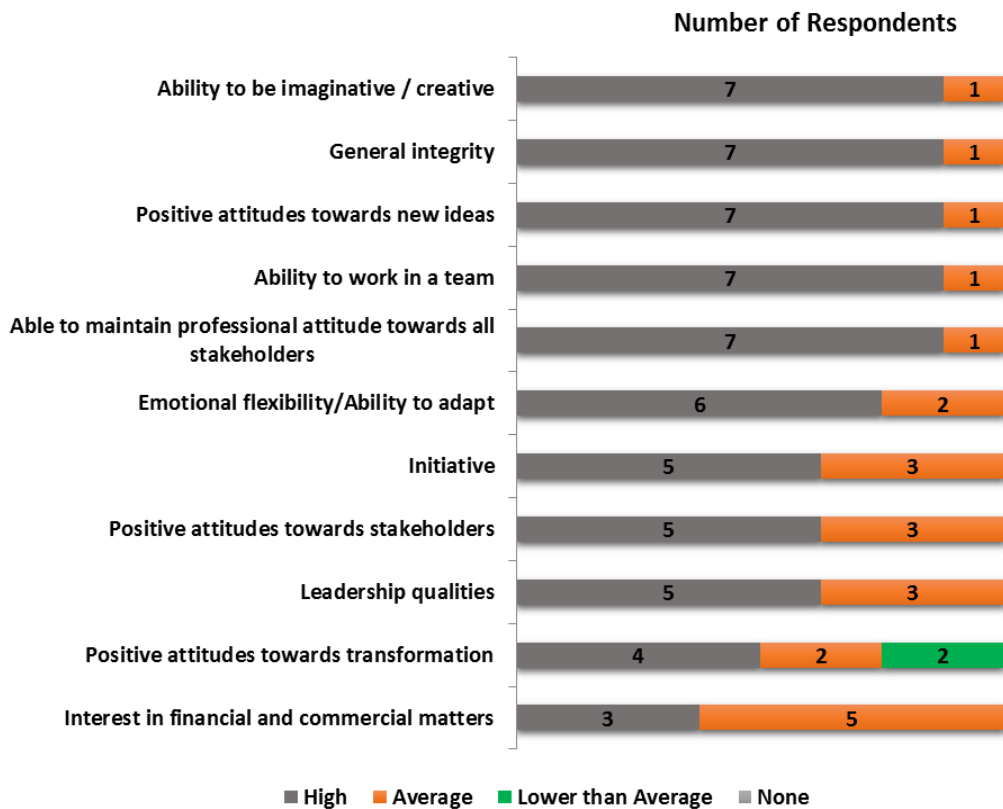
Figure 9: Number of respondents that rated the EXPECTED personal characteristics. Sorted on HIGH



Most respondents expect the graduates to have high integrity and an ability to work in a team.

Figure 10 is a graphical representation of what the employers prefer the personal characteristics of the graduates to be. The graph is broken down into various levels: High; Average; LTA and None. The graph also shows how many of the respondents chose each level.

Figure 10: Number of respondents that rated the PREFERRED personal characteristics. Sorted on HIGH



Almost all of the respondents prefer the graduates to be creative and have integrity with a professional attitude.

Table 7 is a visual comparison between the expected and preferred personal characteristics of the graduates.

Table 7: Comparison of expected versus preferred personal characteristics of the graduates

	EXPECTED				PREFERRED			
	High	Average	Lower than Average	None	High	Average	Lower than Average	None
Ability to be imaginative / creative	1	5	2	0	7	1	0	0
General integrity	6	2	0	0	7	1	0	0
Initiative	2	5	1	0	5	3	0	0
Emotional flexibility/Ability to adapt	3	4	1	0	6	2	0	0
Positive attitudes towards new ideas	4	2	2	0	7	1	0	0
Positive attitudes towards stakeholders	3	4	1	0	5	3	0	0

	EXPECTED				PREFERRED			
	High	Average	Lower than Average	None	High	Average	Lower than Average	None
Positive attitudes towards transformation	3	4	0	1	4	2	2	0
Ability to work in a team	5	2	1	0	7	1	0	0
Able to maintain professional attitude towards all stakeholders	4	4	0	0	7	1	0	0
Leadership qualities	3	5	0	0	5	3	0	0
Interest in financial and commercial matters	1	6	1	0	3	5	0	0

Discussion of the results from Question 4

The data gathered in respect of the expected and preferred level of personal characteristics of the graduates is valuable to determine if a difference exists. The most important points identified are as follows:

- At a high level, there are no instances where the preferred is lower than the expected characteristics.
- At an average level, in all instances the preferred is lower than the expected characteristics.
- The largest difference at a high level, where a swing of 75% exists, is for the ability to be imaginative or creative, as 88% of the employers preferred a high level. However, at an average level for this characteristic, 63% was expected and 13% preferred.
- A 38% difference between expected and preferred characteristics exists on a high level for initiative; emotional flexibility; positive attitude towards new ideas and ability to maintain professional attitude towards all stakeholders.
- If one adds all the number of responses at a preferred high level, the sum of the responses is 63, whereas the sum of the preferred average and lower than average levels are 23 and 2 respectively. This equates to an average of 72% of the employers requiring a high level of personal characteristics.
- Of the employers, 25% preferred a lower than average level of positive attitude towards transformation.

- Apart from the above, there were no characteristics which received a response for a preferred lower than average to none level.

4.3 CONCLUSION

This chapter concludes that it has successfully used the research methodologies set out in Chapter 3 to collate the appropriate information and the analyses of the data forming the findings discussed in this chapter to have met the research objectives of this study.

CHAPTER 5

5 CONCLUSION

5.1 INTRODUCTION

The primary purpose of this exploratory study was to identify what the employers of major South African companies require when recruiting graduates to fulfil tax positions within their organisations, by determining the current and preferred views of employers in respect of the qualification held, the theoretical knowledge, practical skills and other personal characteristics of newly qualified tax graduates. Each research objective will be discussed separately.

This chapter summarises the findings and draws conclusions from the research objectives:

- To determine which qualifications do employers prefer when recruiting newly qualified graduates; and
- To determine the employers' current views and preferences on the theoretical knowledge and practical skills included in these qualifications, as well as personal characteristics that the newly qualified graduates have.

5.2 SUMMARY OF FINDINGS

The most significant findings from this study are the following:

5.2.1 Findings in respect of the preference for qualifications

5.2.1.1 *Research objective*

- To determine which qualifications do employers prefer when recruiting newly qualified graduates;

5.2.1.2 *Summary of findings addressing this objective*

The findings of this study suggest that most employers currently employ and prefer graduates to have a BCom degree specialising in Accounting Sciences. 44% of employers would prefer most of their department to have a BCom degree specialising in Taxation

where currently only 75% of the employers only had some employees with such a qualification.

In comparison to the study done by Doman (2011:55), her findings suggest that the participants in her study (taxation departments) preferred to employ employees who specialised in taxation, namely BCom degrees specialising in taxation, post graduate qualifications specialising in taxation and MCom degrees in Taxation or Master of Laws. CA(SA) was also a large portion (Doman, 2011:55).

Table 8: Comparison of preferred qualifications between employers and tax practitioners

Qualification	Employers who indicated that they mostly prefer employees to have this type of qualification	Tax practitioners who indicated that they mostly prefer employees to have this type of qualification
BCom degrees, specialising in Accounting	83%	29%
Other BCom degrees	0%	2%
BCom degrees, specialising in Taxation	67%	23%
Bachelor of Laws (LLB)	0%	8%
Honours degrees, specialising in Accounting	25%	13%
Honours or post graduate diplomas, specialising in Taxation	67%	44%
MCom in Taxation / Master of Laws	25%	38%
Qualified Attorney	0%	4%
CA (SA)	0%	35%

The above difference in the preferred amount of employees holding a BCom degree in Accounting could primarily be due to the fact that the employers would require the graduates to think “outside the box” and apply their minds to accounting and commerce issues in addition to performing their taxation responsibilities. In a tax practitioners’ business, they would not need to apply their minds in a similar fashion to service clients.

5.2.2 Findings in respect of the preference for theoretical knowledge, practical skills and personal characteristics

5.2.2.1 *Research objective*

- To determine the employers' current views and preferences on the theoretical tax knowledge and practical skills included in these qualifications, as well as personal characteristics that the newly qualified graduates have.

5.2.2.2 *Summary of findings addressing this objective*

Theoretical tax knowledge

The largest difference between a high expected knowledge level and a preferred one related to International Tax. However, at an average level the expected level was higher than the preferred level. This would appear to indicate that the graduates are learning a sufficient amount of international tax to meet preferences at a middle sized company. However, should a large multinational company recruit a graduate, they would prefer the graduate to have a high level of international tax knowledge. Due to the level of detail contained in international tax, it would not be feasible to incorporate into a current curriculum and therefore should remain as a separate course on it's own for which the graduate will then have to subsequently enrol.

Of the employers, 63% would prefer graduates to have a high level of Mining Tax knowledge and this would indicate that of the top 30 listed companies on the JSE at the time of this study, that a majority of them were mining companies. This again is a specialised area and mining tax would also have to be offered separately to the normal taxation curriculum.

All of the employers who responded expected and preferred graduates to have an average to lower than average level of knowledge regarding the Taxation of Employment Companies; the Taxation of Retirement Funds and Customs and Excise Duty. Thus the emphasis on this at university level should perhaps be lowered where possible. This is in agreement with the findings of Doman (2011:58). A comparison between the findings of Doman (2011:58) and this study follows in Table 9.

Table 9: Comparison of theoretical knowledge between employers and tax practitioners

Type of theoretical knowledge	High level of theoretical knowledge		Average level of theoretical knowledge		Lower than average / No level of theoretical knowledge	
	Employers	Tax Practitioners	Employers	Tax Practitioners	Employers	Tax Practitioners
Taxation environment of RSA	75%	53%	25%	45%	0%	2%
Fiscal framework of RSA	38%	30%	38%	63%	25%	7%
History of taxation	13%	11%	13%	41%	63%	48%
Individual tax (excluding capital gains tax)	13%	16%	50%	69%	38%	15%
Secondary tax on companies (STC) / Dividend tax	88%	59%	13%	28%	0%	13%
Company tax (excluding capital gains tax and corporate rules)	88%	65%	13%	24%	0%	11%
Capital gains tax	88%	61%	13%	35%	0%	4%
Employees tax	63%	20%	38%	59%	0%	21%
Taxation of expatriates	25%	7%	38%	50%	25%	43%
Fringe benefits	38%	22%	63%	54%	0%	24%
Provisional tax	75%	48%	25%	44%	0%	8%
Donations tax	25%	24%	63%	44%	0%	32%
Lump sum benefits from pensions, provident and retirement annuity funds	13%	2%	63%	41%	13%	57%
Estate duty	13%	4%	25%	22%	38%	74%
Taxation of trusts (excluding capital gains tax)	25%	28%	50%	37%	13%	35%
Taxation of employment companies	0%	11%	38%	54%	50%	35%
Taxation of non-resident branches	25%	33%	38%	48%	25%	19%
International tax	63%	30%	25%	52%	13%	18%
Transfer pricing	50%	24%	38%	49%	13%	27%
Taxation of Public	13%	7%	38%	46%	25%	47%

Type of theoretical knowledge	High level of theoretical knowledge		Average level of theoretical knowledge		Lower than average / No level of theoretical knowledge	
	Employers	Tax Practitioners	Employers	Tax Practitioners	Employers	Tax Practitioners
Benefit Organisations (excluding capital gains tax)						
Taxation of farming activities	13%	7%	13%	20%	38%	73%
Corporate rules (unbundling, amalgamations, etc.)	75%	41%	25%	50%	0%	9%
Taxation of long-term insurers	13%	2%	25%	44%	13%	54%
Taxation of retirement funds	0%	2%	13%	38%	38%	60%
Value Added Tax (VAT)	75%	30%	25%	57%	0%	13%
Transfer duty	25%	17%	63%	43%	13%	40%
Customs and excise duty	0%	7%	25%	28%	38%	65%
Security transfer tax	25%	13%	50%	36%	25%	51%
Taxation of mines	63%	14%	0%	48%	13%	38%

The differences in company tax, provisional tax and corporate rules would be expected as the employers are part of large multinational companies and would thus require the graduates to have a high level of knowledge in these areas. The tax practitioners would serve clients of varying sizes and would need a wider range of knowledge across the board.

Practical skills

The results indicated that employers preferred graduates to have the ability to evaluate the impact of taxation on decision making; the ability to perform research; the ability to write tax opinions and the ability to reason and solve problems with limited guidance. These seem to be the most important skills desired by the employers with additional focus on the ability to perform tax research. Where universities could address this is by requiring the

graduates to perform more off site assignments whereby research is required to answer the questions in the assignments, as part of the degree course.

Overall, it would appear that an average of 63% of the employers require a high ability of practical skills. Doman (2011:87) concluded in her study that a majority of her participants preferred newly qualified tax practitioners to have at least an average ability to practice the practical skills listed in her questionnaire. Table 10 lists a comparison of Doman's (2011:65) findings against this study's findings.

Table 10: Comparison of practical skills between employers and tax practitioners

Type of practical skills	<i>High level of practical skills</i>		<i>Average level of practical skills</i>		<i>Lower than average / No level of practical skills</i>	
	Employers	Tax Practitioners	Employers	Tax Practitioners	Employers	Tax Practitioners
Ability to prepare / review tax computation by applying current tax legislation and case law	75%	58%	13%	40%	13%	2%
Ability to identify basic personal and business tax-planning opportunities	38%	38%	50%	60%	13%	2%
Ability to evaluate the impact of taxation on decision making by individuals and businesses	75%	41%	13%	54%	13%	5%
Ability to use a variety of software packages, e.g. Word, Excel	63%	58%	38%	38%	0%	4%
Ability to use computer applications, e.g. e-filing	63%	39%	38%	43%	0%	18%
Ability to perform tax research	88%	73%	0%	24%	13%	3%

Type of practical skills	<i>High level of practical skills</i>		<i>Average level of practical skills</i>		<i>Lower than average / No level of practical skills</i>	
Ability to assist in general tax administration, e.g. returns, objections, etc.	63%	40%	25%	49%	13%	11%
Ability to write tax opinions	63%	63%	25%	33%	13%	4%
Ability to reason and solve problems with limited guidance	63%	57%	25%	39%	13%	4%
Ability to communicate and negotiate	38%	52%	50%	41%	13%	7%

The differences in what employers prefer and what tax practitioners prefer regarding a graduate's ability to evaluate the impact of taxation on decision making by individuals and businesses, as well as the ability to assist in general tax administration (e.g. returns, objections, etc.) could be as a result of the fact that employers look to their tax staff to be able to advise the company of the best tax position and keep the company compliant - all reliance being put on what the tax people say. In a tax practitioner, the services provided to a client go through various processes of review and thus if a graduate does not know something or does something incorrectly, the senior staff will correct the advice. The ability to communicate is also more preferred in a tax practitioner's practice as the graduate will deal with clients a lot and will need to be able to communicate effectively.

Personal Characteristics

The findings appear to indicate that majority employers prefer the graduate to have a high ability to be imaginative or creative. This is surprising given the nature of taxation where it is bound by legislation and does not really provide room for creativity.

Overall, an average of 72% of the employers prefer a high level of personal characteristics (versus 40% expected) with no characteristics having received a response for a preferred lower than average to none level. Below is a comparison of this study to the findings of Doman (2011:71) regarding personal characteristics.

Table 11: Comparison of personal characteristics preferred between employers and tax practitioners

Type of personal characteristics	High		Average		Lower than average / None	
	Employers	Tax Practitioners	Employers	Tax Practitioners	Employers	Tax Practitioners
Imaginative / creative	88%	57%	13%	36%	0%	7%
General integrity	88%	93%	13%	7%	0%	0%
Initiative	63%	83%	38%	14%	0%	3%
Emotional flexibility / Ability to adapt	75%	67%	25%	31%	0%	2%
Positive attitude towards:						
- new ideas	88%	85%	13%	15%	0%	0%
- stakeholders	63%	79%	38%	21%	0%	0%
- transformation	50%	73%	25%	27%	25%	0%
Ability to work in a team	88%	86%	13%	14%	0%	0%
Able to maintain professional attitude to all stakeholders	88%	81%	13%	19%	0%	0%
Leadership qualities	63%	45%	38%	50%	0%	5%
Interest in financial and commercial matters	38%	68%	63%	32%	0%	0%

The largest difference in the comparison is for the creative characteristic. This could be due to the fact that companies want a creative solution to pay as little tax as necessary where the tax practitioners would not try to look for loopholes but just conform to the legislation.

5.3 SUGGESTIONS FOR FUTURE RESEARCH

This dissertation can be extended to other employers employing newly qualified graduates such as medium or small companies and possibly smaller financial consulting firms.

Preferences of employers in respect of other types of tax services rendered, for example, *International tax and mining tax* can also be further researched.

5.4 FINAL CONCLUSION

The foremost purpose of this exploratory research was to examine the current views and preferences of employers in respect of the theoretical tax knowledge, practical skills, and other qualities, obtained by newly qualified graduates.

This study concludes that it would appear that commerce degrees are more popular than law degrees and employers would prefer degrees where there was a form of specialisation in taxation. In addition, employers would prefer graduates to have computational ability and the ability to interpret legislation.

The findings of this study suggest that for theoretical tax knowledge, the universities are producing graduates with a knowledge close to what the employers prefer. The outliers were international and mining tax which are too detailed to be incorporated fully into an existing tax curricula and should continue to be offered separately.

As far as practical skills are concerned, the results indicated that the majority of the employers preferred graduates to perform research and draw conclusions with limited assistance. It further appears that the graduates should comfortably take responsibility for the task at hand solved in the best possible way for the company. Currently, per the results, the graduates are not at this level.

For personal characteristics, all employers expected an average to high level of characteristics but currently the graduates are not at this level (72% preferred versus 40% expected). The most significant difference was creativity. It will be quite a task for the universities to teach the graduates to think “out of the box” as it will also depend on the graduates themselves.

In comparison to tax practitioners as done in the study by Doman (2011), the needs of large multinational companies and tax practitioners seem to vastly vary in certain aspects. The universities will have to weigh up who the bigger demand comes from and try to adjust the curricula accordingly, keeping in mind the requirements by professional bodies and all the while looking to produce the most employable graduates versus competing universities.

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APPENDIX A :
Informed consent form obtained from participants



Informed consent for participation in an academic research study

Dept. of Taxation

TAX EDUCATION ON TERTIARY LEVEL: STUDENTS' KNOWLEDGE GAINED COMPARED TO REQUIREMENTS OF MAJOR COMPANIES

Research conducted by:

Mrs. T. De Abreu (22165062)

Cell: 082 780 6752

Dear Respondent

You are invited to participate in an academic research study conducted by Tracy De Abreu, a Masters student from the Department of Taxation at the University of Pretoria.

The purpose of the study is to identify the expectations of employers as to the tax knowledge a student should possess upon graduating from a tertiary education institution.

Please note the following:

- This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 15 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my supervisor, Mr S.G. Nienaber, at 012 420 4098, or at gerhard.nienaber@up.ac.za, should you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

Respondent's signature

Date

APPENDIX B :
Final questionnaire used to collect data for this study

Questionnaire

1.1 In respect of the composition of your business unit, please indicate the following by referring to the **highest qualification** obtained by tax specialist employees with tax-related qualifications:

- a. **Current composition** of your business unit
- b. **Preferred composition** of your business unit

Please indicate the current (a) and preferred composition (b) by using the following indicators:

- 1: **Most** employees hold this qualification
- 2: **Some** employees hold this qualification
- 3: Only a **few** employees hold this qualification
- 4: **None of the** employees hold this qualification

		1.1a Current composition					1.1b Preferred composition			
		Most	Some	Few	No ne		Most	Some	Few	None
• Bachelor of Commerce degree, specializing in Accounting Science	V2a	1	2	3	4	V2b	1	2	3	4
• Other Bachelor of Commerce degree	V3a	1	2	3	4	V3b	1	2	3	4
• Bachelor of Commerce degree, specializing in Taxation	V4a	1	2	3	4	V4b	1	2	3	4
• Bachelors of Law (LLB)	V5a	1	2	3	4	V5b	1	2	3	4

• Honours degree, specializing in Accounting Science	V6a	1	2	3	4		V6b	1	2	3	4
• Honours / Post graduate diploma, specializing in Taxation	V7a	1	2	3	4		V7b	1	2	3	4
• Master of Commerce in Taxation / Master of Law	V8a	1	2	3	4		V8b	1	2	3	4
Other (Please specify)	V9a	1	2	3	4		V9b	1	2	3	4

- 1.2 Would you prefer **newly-qualified graduates** to have a qualification designed to equip them equally with (1) computational ability and (2) the ability to interpret legislation, if such a qualification was available?

	Yes	No
V10	1	2

- 2 From your experience, if a **newly-qualified graduate** had studied Taxation as part of their degree, what **level of theoretical knowledge**, as indicated in the following table, would you, as the employer, normally :

2.1 **expect** them to have?

2.2 **prefer** them to have?

Indicate your expectation (3.1) and preference (3.2) by using the following ratings:

1: A **high** expectation or preference for this level of knowledge

2: An **average** expectation or preference for this level of knowledge

3: A **lower than average** expectation or preference for this level of knowledge

4: **No** expectation or preference for this level of knowledge

		2.1 Expected theoretical knowledge					2.2 Preferred theoretical knowledge			
		High	Average	Lower than average	None		High	Average	Lower than average	None
Taxation environment in RSA	V11a	1	2	3	4	V11b	1	2	3	4
Fiscal framework of RSA	V12a	1	2	3	4	V12b	1	2	3	4
History of Taxation	V13a	1	2	3	4	V13b	1	2	3	4
Individual tax (excluding capital gains tax)	V14a	1	2	3	4	V14b	1	2	3	4
Secondary tax on companies (STC) / Dividend tax	V15a	1	2	3	4	V15b	1	2	3	4
Company tax (excluding capital gains and corporate rules)	V16a	1	2	3	4	V16b	1	2	3	4
Capital gains tax	V17a	1	2	3	4	V17b	1	2	3	4
Employees tax	V18a	1	2	3	4	V18b	1	2	3	4
Taxation of expatriates	V19a	1	2	3	4	V19b	1	2	3	4
Fringe benefits	V20a	1	2	3	4	V20b	1	2	3	4
Provisional tax	V21a	1	2	3	4	V21b	1	2	3	4
Donations tax	V22a	1	2	3	4	V22b	1	2	3	4
Lump sum benefits from pensions, provident and retirement annuity funds	V23a	1	2	3	4	V23b	1	2	3	4
Estate duty	V24a	1	2	3	4	V24b	1	2	3	4

Taxation of trusts (excluding capital gains tax)	V25a	1	2	3	4	V25b	1	2	3	4
Taxation of employment companies	V26a	1	2	3	4	V26b	1	2	3	4
Taxation of non-resident branches	V27a	1	2	3	4	V27b	1	2	3	4
International tax	V28a	1	2	3	4	V28b	1	2	3	4
Transfer pricing	V29a	1	2	3	4	V29b	1	2	3	4
Taxation of Public Benefit organizations (excluding capital gains tax)	V30a	1	2	3	4	V30b	1	2	3	4
Taxation on farming activities	V31a	1	2	3	4	V31b	1	2	3	4
Corporate rules (unbundling, amalgamations, etc.)	V32a	1	2	3	4	V32b	1	2	3	4
Taxation of long-term insurers	V33a	1	2	3	4	V33b	1	2	3	4
Taxation of retirement funds	V34a	1	2	3	4	V34b	1	2	3	4
Value Added Tax (VAT)	V35a	1	2	3	4	V35b	1	2	3	4
Transfer duty	V36a	1	2	3	4	V36b	1	2	3	4
Customs and excise duty	V37a	1	2	3	4	V37b	1	2	3	4
Security transfer tax	V38a	1	2	3	4	V38b	1	2	3	4
Taxation of mines	V39a	1	2	3	4	V39b	1	2	3	4
Other (Please specify)	V40a	1	2	3	4	V40b	1	2	3	4

3 From your experience, if a **newly-qualified graduate** had completed Taxation as part of their degree, what level of **practical skills**, as indicated in the following table, would you, as the employer, normally :

3.1 **expect** them to have?

3.2 **prefer** them to have?

Indicate your expectations (3.1) and preferences (3.2) by using the following ratings:

1: A **high** expectation or preference for them to have this skill

2: An **average** expectation or preference for them to have this skill

3: A **lower than average** expectation or preference for them to have this skill

4: **No** expectation or preference for them to have this skill

Practical skills:		3.1 Expected practical skills					3.2 Preferred practical skills			
		High	Average	Lower than average	None		High	Average	Lower than average	None
Ability to prepare / review tax computations by applying current tax legislation and case law	V41a	1	2	3	4	V41b	1	2	3	4
Ability to identify basic personal and business tax-planning opportunities	V42a	1	2	3	4	V42b	1	2	3	4
Ability to evaluate the impact of taxation on decision-making by individuals and businesses	V43a	1	2	3	4	V43b	1	2	3	4

Ability to use a variety of software packages, e.g. Word, Excel	V44a	1	2	3	4	V44b	1	2	3	4
Ability to use computer applications, e.g. e-filing	V45a	1	2	3	4	V45b	1	2	3	4
Ability to perform tax research	V46a	1	2	3	4	V46b	1	2	3	4
Ability to assist in general tax administration, e.g.: returns, objections, etc	V47a	1	2	3	4	V47b	1	2	3	4
Ability to write tax opinions	V48a	1	2	3	4	V48b	1	2	3	4
Ability to reason and solve problems with limited guidance.	V49a	1	2	3	4	V49b	1	2	3	4
Ability to communicate and negotiate	V50a	1	2	3	4	V50b	1	2	3	4
Other (Please specify)	V51a	1	2	3	4	V51b	1	2	3	4

- 4 From your experience, what personal characteristics, as indicated in the following table, would you, as the employer, normally:
- 4.1 **expect newly-qualified graduates** to have?
- 4.2 **prefer newly-qualified graduates** to have?

Indicate your expectations (4.1) and preferences (4.2) by using the following ratings:

- 1: A **high** expectation or preference for them to have this personal characteristic
- 2: An **average** expectation or preference for them to have this personal characteristic
- 3: A **lower than average** expectation or preference for them to have this personal characteristic
- 4: **No** expectation or preference for them to have this personal characteristic

Personal characteristics		4.1 Expected personal characteristics					4.2 Preferred personal characteristics			
		High	Average	Lower than average	None		High	Average	Lower than average	None
Imaginative / creative	V52a	1	2	3	4	V52b	1	2	3	4
General integrity	V53a	1	2	3	4	V53b	1	2	3	4
Initiative	V54a	1	2	3	4	V54b	1	2	3	4
Emotional flexibility / Ability to adapt	V55a	1	2	3	4	V55b	1	2	3	4
Positive attitudes towards:										
- new ideas	V56a	1	2	3	4	V56b	1	2	3	4
- stakeholders	V57a	1	2	3	4	V57b	1	2	3	4
- transformation	V58a	1	2	3	4	V58b	1	2	3	4
Ability to work in a team	V59a	1	2	3	4	V59b	1	2	3	4
Able to maintain professional attitude to all stakeholders	V60a	1	2	3	4	V60b	1	2	3	4
Leadership qualities	V61a	1	2	3	4	V61b	1	2	3	4
Interest in financial and commercial matters	V62a	1	2	3	4	V62b	1	2	3	4
Other (Please specify)	V63a	1	2	3	4	V63b	1	2	3	4

Thank you for completing the survey.
We appreciate your participation