

Accounting

Numbers guys and gals

A profession tries a makeover to attract newcomers

IN TIKTOK PARLANCE, “accountant” is code for a sex worker. Now proper bean-counters want to reclaim the title and make it appealing to prospective recruits, on the popular short-video app and elsewhere. The American Institute of Certified Public Accountants (AICPA), the profession’s main trade group in America, has a TikTok feed laden with career tips and young accountants (the real sort) living their best professional lives. It has 27,000 followers—and its work cut out.

America had 1.6m accountants and auditors last year, according to the Bureau of Labour Statistics. That is down from nearly 2m in 2019. Many veterans are retiring—five years ago three in four certified accountants were at or near retirement age, according to AICPA. Too few youngsters are interested in taking their place. Only 65,000 students completed an accounting degree in 2022, down from around 80,000 a year between 2012 and 2018.

This is having a material impact on American business. Advance Auto Parts, a car-parts supplier, explicitly mentioned “the loss of certain accounting personnel and turnover of accounting positions” as a reason for delaying its quarterly regulatory filings last year. It was not alone. In 2023 more than 700 companies blamed a lack of personnel, typically in accounting, for potential errors in their financial statements, according to Bloomberg, nearly a third



V is for variable overheads

more than made similar excuses in 2019.

Unless more people are attracted to the profession, such problems will proliferate. The rub is that making accounting appealing as a career is hard, says Ashley Austin, who teaches it to undergraduates at the University of Richmond. Other finance jobs, such as investment adviser or trader, require less time in college and pay more on graduation, she admits.

Ms Austin tries to promote the profession by describing practitioners as interpreters of data rather than counters of beans. PwC, one of the “big four” professional-services firms with a giant accounting practice, is collaborating with accounting professors to make entry-level courses less tedious, says Rod Adams, PwC’s chief recruiter in America. It helps that a lot of the grunt work typically taught in first-year

classes is now done by computers, leaving the fun creative stuff to humans.

AICPA, too, wants to jazz up the job, by branding the accountant as a strategic contributor—or, in the words of Tom Hood of AICPA, from a “CF-No” (the chief financial officer who vetoes projects) to a “CF-Know”. One campaign led by AICPA touts virtues such as autonomy, remote work, travel, the ability to live anywhere: just the sort of thing that many youngsters say they relish. Accounting+, as the initiative is called, has enlisted the general manager of the Pittsburgh Steelers, an American-football team, to endorse accounting courses. It has also sponsored TikTok influencers to make the career sexy. Not too sexy, though—at least one of the TikTokers had to clarify that she was endorsing actual accounting, not the sex trade. ■

Sportswear

Three stripes and you are out

BERLIN

A marketing victory for Nike is a business win for Adidas

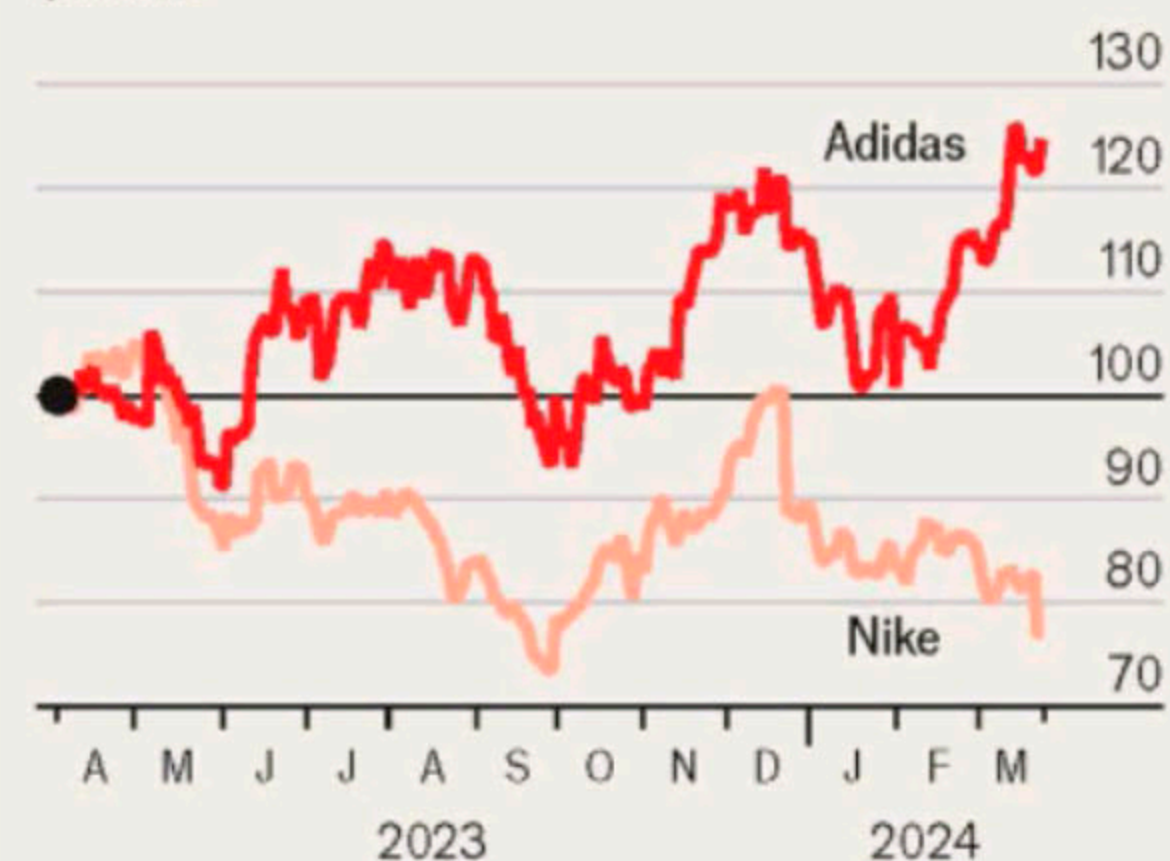
THE CHOICE to replace Adidas with Nike as the supplier of kit for the German football team from 2027 to 2034 was a purely commercial decision by the German Football Federation (DFB). Germans’ reaction to the ending of a 77-year-old all-German partnership was, by contrast, highly emotional. Commerce is destroying a piece of *Heimat*, lamented Karl Lauterbach, the health minister, using the German word that evokes the idea of home, belonging and place. Robert Habeck, the economy minister, said that he would have hoped for a bit more “local patriotism”. Markus Söder, Bavaria’s straight-shooting premier, declared it simply “wrong, a pity and incomprehensible”.

Bernd Neuendorfer, head of the DFB, was “aghast” at the outcry. In his view, the decision was a no-brainer. The DFB is in financial dire straits and he received an offer from the American company that was far higher than the one from Adidas, so he accepted it. According to reports in the German press, Nike offered €100m (\$108m) to kit out the *Nationalmannschaft*, twice as much as its German rival. For the world’s biggest maker of sportswear, with an annual operating profit of \$6bn, it is pocket change. For Adidas, the distant number two, which eked out just €268m from operations in 2023, matching Nike would have burnt a hole in its pocket.

Björn Gulden, who took over as chief executive of Adidas at the start of 2023, chose finance over football—his earlier ca-

Who is swooshing now?

Share prices, April 3rd 2023=100
\$ terms



Source: LSEG Workspace

reer as a professional player notwithstanding. Under the no-nonsense Norwegian’s leadership, Adidas seems to be at last on the path to recovery. Its share price has risen by around 40% over the past 12 months. Its operating profit may pale in comparison with Nike’s, but it came as a pleasant surprise to analysts, who had forecast a loss. Mr Gulden expects an operating profit of €500m this year.

Adidas’s chief “runs the business well”, sums up Aneesha Sherman of Bernstein, a broker. He has mended Adidas’s dysfunctional relationship with retailers. He has increased the production of Gazelle and Samba, two classic Adidas trainers popular with European and American fashionistas, ten-fold. And he has found an elegant sol- ▶▶

► tion to €1.2bn in unsold stock of Yeezy shoes designed by Ye, an American rapper (formerly known as Kanye West) with whom Adidas has severed ties after his offensive outbursts. The Yeezies are being sold in tranches with parts of the profit going to charities.

Nike, for its part, needed a win. It recently warned that its sales will be clobbered this year by On and Hoka, two trendy running-shoe brands. In China, a huge market, it faces competition from home-

spun rivals such as Anta. Cristina Fernández of Telsey Advisory, another broker, notes that a renewed focus on sport is one way that Nike's boss, John Donahoe, is trying to revive the swoosh, along with reducing inventory and improving relations with wholesalers. In December he also announced \$2bn in cost cuts over the next three years. And in February he said he would eliminate around 1,600 jobs, or 2% of Nike's worldwide workforce.

One area where Mr Donahoe's axe will

not fall is marketing. He pumped a cool \$1bn into promoting Nike's brand in the last quarter, 10% more than in the previous three months. As part of this campaign he is reportedly willing to pay much more for kitting out the German squad, which is ranked a middling 16th in the world, than for the French team, which is second. Instead of bashing Mr Gulden and Adidas, Germans should be praising the firm's pfennig-pinching. After all, what is more *Heimat* than thriftiness? ■

BARTLEBY

Corporate uniforms

A quarter of the American workforce wears one. Why?

IF YOU WORK in a white-collar job in an office and make your way there this week, it is unlikely that anyone will be able to guess exactly what you do from your clothes. That is not true for lots of the people you will interact with. The bus driver who gets you to your destination, the barista who makes your coffee and the people on reception who wish you "good morning" as you enter the building—they, and many others, are likely to be wearing some kind of corporate uniform. A poll of American workers conducted last summer by Gallup found that although most employees wear casual clothes—some smart, some really not—almost a quarter donned a uniform.

For employers who require them, there are several arguments in favour of uniforms. They help ensure a level of professionalism in appearance. They project a brand identity, from the red coats of Virgin Atlantic crew to the "Browns" uniform of UPS delivery drivers. They may have useful job-specific features: chefs' jackets are double-breasted to protect against burns and can be reversed to hide stains. They send a clear signal to customers about whom they should approach with questions, avoiding those awkward "do you work here?" moments.

Those customers draw different conclusions if staff are in uniform, for good and bad. A study by Robert Smith of Tilburg University and his colleagues asked people to imagine being on the receiving end of poor service when picking up a pizza. They were then shown pictures of uniformed or non-uniformed employees; the person who had notionally treated them badly was circled. Participants were more likely to blame the company than the individual or the

circumstances for a bad experience when a uniform was involved. If corporate clothing makes each worker seem more representative of their employers, the authors suggest that it may be a good idea not to give it to inexperienced workers.

Uniforms can also affect the psychology of employees. In 2012 Hajo Adam, now of the University of Bath, and Adam Galinsky, now of Columbia Business School, coined the term "enclothed cognition" to describe the effect that specific clothes have on the way that people think and feel. Questions have been raised over the validity of enclothed cognition, but a new meta-analysis by Messrs Adam and Galinsky, along with Carl Blaine Horton of Columbia Business School, concludes that the phenomenon is real.

In one study Guillaume Pech of Université Libre de Bruxelles and Emilie Caspar of Ghent University gave participants the option to administer electric shocks to other people in return for money; those dressed up in Red Cross uniforms showed more empathy than those in normal outfits. Xuehua Wang of Asia

Europe Business School and her co-authors found that formal clothes made people more likely to make healthy eating choices. According to a paper by Saaid Mendoza of Providence College and Elizabeth Parks-Stamm of University of Southern Maine, people who wore a police uniform during a video-game simulation designed to test reaction times were more likely than those in their own clothes to shoot unarmed targets. Clothes maketh the bang.

The effects that uniforms have on workers will obviously vary. A uniform that confers a sense of professional identity—a doctor's white coat, say—is likely to be more motivating than one that does not. People will be happier to be a corporate billboard if they feel pride in their employer. Some work clothing looks good and some of it is a paean to polyester: you do not so much represent a brand as a fire hazard. Some uniforms are comfortable and some are not, with women usually getting the worst of it. Only in 2023 were female police officers in Britain issued with body armour made to suit their anatomy.

The obvious objection to uniforms, at least from people who do not wear them, is that they suppress individuality and autonomy. But employees who do not have to wear a formal uniform often gravitate towards a costume anyway. Some coders seem to be under an unspoken obligation to wear T-shirts. The combination of shirt, trousers and Patagonia gilet is known as the "midtown uniform" for finance types in New York. Executives wear cultlike corporate lapel pins. Celebrity bosses build brands by wearing the same outfit day after day. You may not be required to don a uniform when you head off to work. You may nonetheless be wearing one.

