

Country:	Global
Member/Company	International Federation of Accountants
Initiative	The Future for Accounting

Overview

[The Future for Accounting](#)

The accountancy profession, like all professions, is going through a period of appraisal of its future position as a result of numerous changes in culture, technology and the world of work. In particular, the profession is witnessing a threat to its future viability as a result of three broad challenges. I will call these: the challenge of attraction; the challenge of relevance; and the challenge of change.

The first challenge can be seen in the volume of data showing that fewer young people than historically has been the case are attracted at an early age to pursuing a career as an accountant. Subsequently, they are not studying accounting as a discipline. One impact felt by professional accountancy organizations is a diminishing pipeline of graduates ready to enter certification programmes. There are several reasons for this from the generational push of children following a parent's profession diminishing to the fact that young people with a learning disposition previously directed towards accounting can now have those interests satisfied by many other career paths and opportunities, especially around data management, insight, and business intelligence.

This leads to the second challenge of *relevance*. Increasingly, accountancy is facing a barrage of social memes that state, without clear evidence, that the robots will take the jobs, that the demand for accountants is diminishing (factually untrue), and that technical accounting skills are being automated.

The third challenge, and probably the most “wicked” of them all, is that the new “skill economy” is placing a greater emphasis on workers requiring more granular credentials for skills that will need regular updating and replacing. That is, the initial education and certification of an accountant is no longer going to be sufficient to guarantee career-long employment.

These three challenges result in a clear shift in education and career choices and downstream impacts on membership of professional accountancy organizations.

Rather than push back at these challenges or try to tackle them directly—for example, increasing recruitment drives or marketing spend—the profession needs to address them and re-imagine itself as a profession that is attractive, relevant, and agile.

To do this, professional accountancy organizations need to embrace the challenges and seize the opportunity to re-think the future of accountancy. To do this requires all of the following:

- disaggregate “accounting” from the “accountant”;
- “flip the model”; and
- “open the borders”.

Accounting and the Accountant

What is becoming clear is that the accounting function within an organisation is increasingly being undertaken by a range of employees coming from outside of the accountancy profession. That is, they are not, by training, accountants.

A good example is in business intelligence where the proliferation of BI roles and responsibilities within the finance department might previously have been solely the domain of the strategic management accountant. The converse is also a tremendous opportunity for accountants: their skills and training open a larger field of employment outside the finance departments of big businesses or the world of public practice.

Whether the future sees more and more of the technical requirements of accounting being machine managed or more roles traditionally filled by accountants now being filled by others, the education and preparation of accountants must be mindful of this broadening and shallowing of expertise in the accounting space in order to remain relevant.

Flipping the Model

The demand across all industries and the reported shortage of talent illustrates that business skills and acumen (including essential soft skills) and the application of knowledge in context are becoming increasingly more important than technical skills alone. But how do you teach the student to compose on the piano if they haven't honed their skills with endless practice of their scales?

This challenge is starting to be addressed by the service sector: moving to competency-based curricula and assessment, teaching core skills through problem-solving approaches, incorporating more project-based learning where the technical components are micro-credentialed and subject to constant up-skilling and re-skilling requirements. Professional certification is currently lagging this move and needs to march in lockstep with changes in education generally.

Opening the Borders

The observation that students are opting for more generalist, rather than professionally accredited, degrees behoves us to think more carefully about how those potential accountants are brought back into the fold. Moreover, the profession needs to manage the pathways into the profession such that doors aren't closed too early and alternative routes do not impose such barriers to entry that they are unattractive.

Beyond just keeping doors open, the single most significant challenge and opportunity for accountancy is how our understanding, definition, and delineation of the accountant needs to be re-thought in order to embrace the future whilst retaining a clear role for the idea of a professional. In technical terms, the future model needs to satisfy what's called the "Tests of Narrowness and Broadness." More specifically, the definition of an accountant needs to be narrow enough to maintain the clear distinction between what is and what is not an accountant, yet broad enough to include non-traditional roles and occupations that are now performing accounting functions. Satisfying both tests is extremely difficult.

Taking these three together, the professional accountancy organizations must address not only *education pathways* but also *membership categories*. Herein lies the tension that could hold us back.

Membership of a professional organisation is often as much about who is *not* eligible for membership as it is about who has been funnelled across the rope-bridge from the mainland of generality to the exclusive island of certification. Professional certification programmes discriminate between those who have and those who have not been through one kind of assessment process that measures the apprentice's competency to practice. Given that accountancy is rapidly broadening its requirements, we must question what that means for how we educate and prepare the best accountants for a very different future.

First, we must embrace the essential requirement for lifelong learning across all disciplines and practices. This will slowly erode the traditional model of compulsory education, followed by post-secondary education, followed by post-graduate specialisation, followed by employment and career. If the future accountant will constantly re-invent herself, then at what point is their training complete? This question, in itself raises the question about membership: how is membership impacted by a future where the accountant's skill acquisition is a journey and not a destination? Put in more practical terms, there is enormous benefit to the profession, business, and the economy for students from backgrounds in business, finance, commerce, economics, banking, technology, engineering, law and so forth to be on that journey rather than "locked out" because they didn't pass through a stage-gate to *membership*.

Second, what endures and what is temporal? If technical requirements are being delivered by software, if fundamental skills are less fundamental and more part of a toolkit of supporting aids dependent on the role or job being performed, if business skills are becoming more relevant than pure technical competencies where value-add is required by customers, then when and how and in what order do we

prepare future accountants for these requirements? For example, should technical specialization in tax, audit, management accounting and so forth be undertaken *after* certification?

These questions are not easy to answer because they go to the heart of the nature and definition of the profession. The danger is that the idea of the *accountant* becomes so diluted and the borders between accountancy and other professional areas so porous, that the profession is hard to identify.

Third, and in response to these questions, the profession needs to re-purpose itself less around an apprenticeship model and more around, what is known as, a community of practice. In this regard, there are a number of key elements that should be fostered and defined. At the outset, the challenges we face are clearly arising because of an erosion of the certainty around the conception and ethos of the profession: to future proof it, what is its agreed mission? What are its common purpose and values? And, most important, what is the compelling need for such practitioners? In a time of diminishing public confidence in the ethical conduct and integrity of many of our private and public institutions, this shouldn't be hard to identify.

The enduring features of any mature community of practice are its openness to self-reflection, its ongoing questioning of relevance, and its preparedness for renewal and re-generation. The drivers for the latter must come from a DNA that seeks continuous improvement, commitment to change, and the constant demonstration of value. It's time to open the doors and welcome worthy members into that community and keep accounting as a profession relevant for generations to come.