

A supplement to *accountingtoday*

# Educating the future

The profession's need for new skills is changing the face of accounting education





# The future of accounting education

Accounting academia and firms are coming together to help develop the new skills that young accountants need

By Sean McCabe

In an ever-changing business landscape, academia finds itself collaborating with the accounting profession like never before in order to teach students the most relevant and forward-leaning skills they can to better prepare them for a dynamic, technology-focused future. But what are these skills, how are they being taught to students, and whose responsibility is it to teach them?

As accounting students look to build new skill sets, it's important to review what exactly has changed in accounting education over the last decade to understand where it's headed.

"There is no doubt that accounting education today is vastly different from even 10 years ago," said Steve Kimble, chairman and CEO of Deloitte Tax. "With advances in technology disrupting the workforce on a daily basis, academia has evolved and transformed its approach just as we have in the world of professional services. Fundamentally, professionals still need to develop their technical competency in their area of focus and understand their clients' businesses, the industries in which they operate, and the changes to their business models."

"However, to thrive in business today, technical

competence in accounting disciplines is only a starting point," he added. "Now more than ever, professionals who are able to adapt and embrace new technologies and innovative methods quickly will be well-positioned to move the business forward. ... This expanded skill set also enables them to provide even more strategic insights when serving clients."

James Powell, national partner-in-charge of campus recruiting and university relations at Big Four firm KPMG, adds that today's accounting professionals "need a blend of accounting and technology skills in order to drive audit quality and to develop insights into their clients' businesses and industries."

Technology is also seen as a primary disruptor of the profession by those on the frontlines of education.

"From an accounting perspective, more and more businesses are automating routine accounting functions, often carrying out the work in off-site or offshore shared service centers," said **Elizabeth Almer, a professor of accounting at Portland State University and senior editor of "Issues in Accounting Education."** "All of this means students will not enter the workforce and perform the routine accounting. ... Employers will instead expect

them to analyze and interpret the output from automated processing. ... This will fundamentally change expectations for entry-level staff and the way new accountants learn on the job. Therefore, faculty need to start rethinking their curriculum."

Academia's biggest challenge through all this has been meeting the workplace's pace of change in order to keep students' heads above water. And while academia's pace of adaptation to more technology-focused skills may have been unhurried in the past, that attitude is changing.

"Universities have often been criticized for moving too slowly," added Yvonne Hinson, academic-in-residence at the Association of International Certified Professional Accountants. "While this criticism may sometimes be well deserved, I have really seen an effort in the past few years by accounting programs to more rapidly integrate technology into the curriculum. We are a technology profession now, and that has become widely understood and accepted."

"At the same time, there is a growing movement by many accounting organizations to bring together accounting academia and practice to better meet the needs of the profession and to support academics and curricula," Hinson added. "While this movement to integrate technology certainly varies by university, much like it does across firms, the efforts and pace of change have been much more rapid than in prior times."

## Essential skills

As the accounting profession changes, so does the skill set that future professionals need to equip themselves with. But what do students need to learn in such an unprecedented time?

"As technology and innovation in accounting practices continue to advance, there is a significant need for professionals with a hybrid of accounting and STEM skills — this is the future of the profession," said Kimble.

"Needed skills are certainly evolving, and firms expect new graduates to operate at a higher level; they must understand the foundations while operating in a digital world," said Hinson.

"Not only must graduates be well-versed in accounting principles, they need skills in data mining, analysis and visualization," echoed Powell.

Analytics in particular has become a major area of study, as new professionals are now looked upon to "use their knowledge to critically assess issues and arrive at solutions faster than they would have in the past," according to Hinson, in addition to a "solid foundational accounting knowledge. This knowledge, coupled with critical thinking, professional judgement, and an ethical underpinning protects the public interest."

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## Education

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Technical skills are only part of the equation, though, as future professionals are now often expected to serve as advisors to their clients. To reach that level of trusted advisor, soft skills must be seen as approximately equal to the traditional hard skills.

"New accounting hires must possess requisite core technical and soft skill sets, while layering on deeper critical thinking skills and digital agility to solve problems in a rapidly evolving technology landscape," said Hinson.

"Advanced technologies must be matched with people who know how to use them effectively, and who can exercise professional judgment in examining transactions," said Powell.

Kimble suggested that accounting graduates should focus on leadership skills, such as analytical thinking to solve today's complex business problems, intellectual curiosity, communication skills, business acumen, relationship building, and exceptional listening skills.

These soft skills can and should be explored before entering university, according to Michael Donohoe, associate head of accountancy and associate professor of accountancy at the University of Illinois at Urbana-Champaign.

"Many incoming college students do not fully understand the importance of communication (e.g., writing, speaking, presenting) in business, especially client service industries," he said. "I'd also encourage high school students who are interested in accounting to start exploring what the profession entails, both public and private. Often it can take years to fully grasp the scope of the accounting profession."

### Who teaches what?

Another important matter to distinguish regarding accounting education is whose responsibility it is to teach certain skills to students at what stages in their professional lives. Where should academia's responsibility to educate and prepare future professionals end, and where should firms' begin?

"I believe it is a dual responsibility," said Deloitte's Kimble. "While graduates should be honing their technical and tech-savvy skills in school, it continues to be critical that firms also provide additional training to support them on their professional development journey. Graduates should have a strong grasp of leading-edge technology ... be aware of the global regulatory issues, as well as a view of the business, economic and political landscapes."

KPMG's Powell added that he expects academia to "expose students to innovative technologies while encouraging a mindset that embraces lifelong learning. Because technology will continue to evolve, universities need to



ensure graduates 'learn how to learn' and can adapt to the next-wave of technological disruption."

Some experts also believe that, as the future is unpredictable, it is academia's goal to teach students how to be agile and adaptable.

"The role of university is to grow a student to think globally and critically, to instill a lifelong learning mentality ... and to prepare them technically for that first position," said the AICPA's Hinson. "As they grow in the firm and become more specialized, the firm will provide additional training for them, as we are a profession of lifelong learners at our very core."

"Firms will continue to develop candidates as they always have in practice," she added. "Not all skills needed for a position can be taught, nor should they be, in the accounting curriculum. New hires will always have to acquire specific skill sets of certain roles and learn firm-specific technology upon arrival in their position."

Academia's challenge, then, is to introduce the right mixture of skills to candidates — traditional skills that are still much-needed in the contemporary business world, as well as the necessary soft skills that will help them grow their own dedicated career path.

"Educators need to strike a balance," said Urbana-Champaign's Donohue, "between pure quantitative skills development (e.g., programming, analysis), contextualization (e.g., understanding the problem and proper tool to use, relevance), and communication (e.g., visualization, presentation, data storytelling, informative writing). It will be more critical than ever to teach the hard and soft skills of data science for accounting. Other curricula must strike a similar balance by including/focusing on the soft side of analytics."

"Going forward, I believe the biggest challenge will be the changing economy and its impact on the demand for students," said **Portland State's Almer**. "Demand for new audit hires was predicted to decline even before the pandemic, and as business activity contracts and

investment in automation accelerates, demand will likely be further reduced. ... [Academic] faculty have been actively addressing the changing skills we know about, but we need to remain vigilant as further shifts may be needed to respond to changes in demand for our students."

### Working together

Academia and firms may be viewed as operating in different silos when it comes to professional education and development, but working together will undoubtedly have the greatest effect on young professionals. It is the responsibility of both sectors to fully prepare students for not just the present, but also for adapting to the future.

"Academia and the profession need to work more closely than ever before to prepare students for the rapidly changing environment," said Hinson. "The pace of change has accelerated to the point where old models no longer work. Working closely together, the profession can assist faculty to determine what trends are here to stay and should be integrated into the curriculum."

Hinson added that getting more contemporary CPAs into the classroom, such as through the AICPA's Accounting Doctoral Scholars and Minority Doctoral Fellowships programs, also helps familiarize students with the current professional environment.

Similarly, Powell said that KPMG's "Newcomer" programs introduce accounting professors directly to what professionals are learning in the classroom so that they in turn can enact real-time updates to their curricula. It's real-time communication like this that will help produce the strongest graduates.

"With the nature of work rapidly changing and tax departments being asked to do more than ever before, it is imperative that educators instill the importance of how to be resilient, collaborative and adaptable," said Kimble. "The ability to quickly adjust to market changes and chart a new course has never been more important." **AT**