

# IMPACT OF EMERGING TECHNOLOGIES AND MEGATRENDS ON THE ACCOUNTING PRACTICES SECTOR



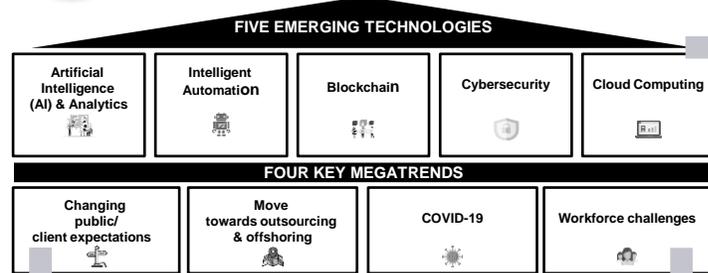
Emerging technologies & megatrends impacting the sector



Net jobs<sup>1</sup> are projected to be created in the accounting practices sector due to:



Hence, upskilling the workforce in technology and soft skills is key



- Increasing digital maturity of both clients and accounting practices
- Changing client expectations to demand for more advisory services
- Increasing emphasis on non-financial metrics in valuing businesses

<sup>1</sup> An additional 1,700 jobs would be required by 2025

## 3 key themes to focus for sector upskilling



There is a pressing need to **upskill** in **technology skills** as **job tasks evolve**



**Soft skills** such as communication and teaming in remote settings are becoming more critical due to COVID-19



Practitioners need a **mindset shift** where they need to be **agile** and **proactive in continuous upskilling** to be future-ready

Of which, there are 4 key drivers impacting the sector

## 2 key technology trends

- Intelligent Automation
- Cloud Computing

## 2 key megatrends

- Changing public/client expectations
- Workforce challenges

The sector is projected to have an average CAGR<sup>#</sup> of 1.9% To meet the needs of the sector, accounting practices should:

- Enhance talent attraction and development efforts
- Adopt a mindset shift to explore **wider talent supply sources** (e.g. mid-careerists)
- **Identify growth areas and upskill** the workforce to be future-ready as job tasks evolve

Growth is expected across all functional tracks at varying degrees

### \*Accelerated growth is expected for:

- Tax
- Risk Advisory<sup>##</sup>
- Mergers and Acquisitions<sup>\*\*</sup>
- Financial Forensics
- Business Valuation

### \*Continuous growth is expected for:

- Assurance
- Financial Accounting
- Restructuring and Insolvency<sup>\*\*</sup>
- Corporate Secretarial
- Internal Audit

#### \*Note:

Headcount growth is for roles in accounting practices and has taken into consideration supply constraints that may affect the sector's growth trajectory

**Accelerated growth:** Functional tracks whose upper range of estimated growth rate is **more than or equal to 4.5%** for the next 5 years

**Continuous growth:** Functional tracks whose upper range of estimated growth rate is **less than 4.5%** for the next 5 years

<sup>#</sup>CAGR refers to compound annual growth rate in headcount, from 2021 to 2025

<sup>##</sup>Risk Advisory represents the Enterprise Risk Management functional track in Skills Framework for Accountancy

**\*\*Note:** Indicates slower growth due to economic uncertainty resulting from the COVID-19 pandemic. However, industry players shared that there is potential for a greater degree of growth post-COVID-19

The trends will result in 3 key implications



Technology will act as an **enabler** for practitioners to increase productivity, allowing for greater focus on **advisory tasks**



Trends have created opportunities for practitioners to **learn new skills**



Trends have **enhanced sector appeal** to talent and **managing workforce challenges** becomes a priority

## Skills to build for the sector

### Technology skills:

- Artificial Intelligence Application
- Cloud Computing Application
- Data Analysis and Interpretation
- Robotics and Automation Application

### Soft skills:

- Adaptability
- Creative Thinking
- Customer Orientation
- Decision Making
- Digital Fluency
- Global Perspective
- Learning Agility
- Problem Solving
- Sense Making
- Transdisciplinary Thinking

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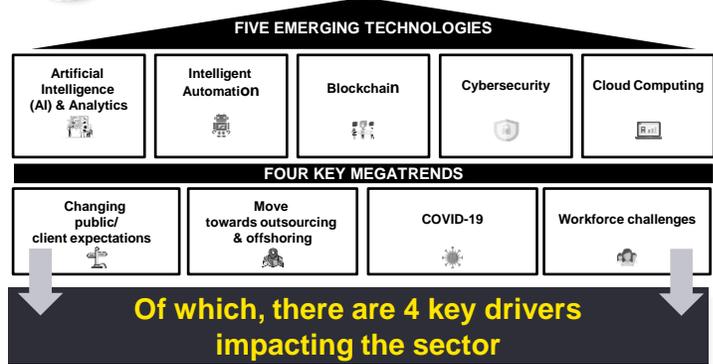


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# IMPACT OF EMERGING TECHNOLOGIES AND MEGATRENDS ON THE ACCOUNTING PRACTICES SECTOR

## Emerging technologies & megatrends impacting the sector



**2 key technology trends**

- Intelligent Automation
- Cloud Computing

**2 key megatrends**

- Changing public/client expectations
- Workforce challenges

**3 emerging job roles are seen across multiple functional tracks in the sector**

**IT Auditors**  
(Assurance, Risk Advisory<sup>#</sup> and Internal Audit)

**Ethical Hackers**  
(Financial Forensics)

**Environmental, Social & Governance (ESG) Specialists**  
(Financial Accounting and Business Valuation)

## An impact analysis was conducted for 38 job roles to assess impact of key drivers in the next 5 years

**7** job roles will experience a **HIGH** degree of change in job tasks and require **major job redesign**

- Significant proportion of the job tasks will be **automated by technology**
- **Highly impacted by megatrends**
- Job role will likely be enlarged, reconfigured or enriched and **upskilling or reskilling** is required

**21** job roles will experience a **MEDIUM** degree of change in job tasks and require **moderate job redesign**

- **Small** proportion of the job tasks will be **augmented by technology**
- **Moderately impacted by megatrends**
- Job role will transform to take on additional duties beyond what is expected, with **moderate upskilling**

**10** job roles will experience a **LOW** degree of change in job tasks and require **minimal job redesign**

- Job tasks will **remain largely unchanged**
- Job role will continue to deliver outcomes, with **minimal upskilling required**

## Recommendations for the way forward

### 3 strategic thrusts to work on

**Strategic Thrust #1: Embracing Technology**

**Strategic Thrust #2: Investing in Capability Building for the Industry**

**Strategic Thrust #3: Uplifting Sector Image**

### 5 recommendations

1. Encourage adoption of **emerging technologies** to drive workforce productivity
2. Drive **job redesign adoption** to maintain long-term competitiveness and agility
3. Embrace talent from a **wide range of talent supply sources** to meet the sector's manpower demand
4. Re-assess the current workforce's skills and create a **roadmap for acquiring future skills**, to build a future-ready workforce
5. Elevate the accounting practices **sector's image and appeal** to attract the best talent

<sup>#</sup>Risk Advisory represents the Enterprise Risk Management functional track in Skills Framework for Accountancy