

Link dan Match Concept for Accounting Education in Indonesia

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Presentation Outline

Disruption: How it will affect accounting professions?

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Designing concept of link and match accounting education

DISRUPTION: HOW IT WILL AFFECT ACCOUNTING PROFESSIONS?

Introduction

- The accountancy profession faces **significant opportunities and risks from digital disruption and rapidly evolving technology.**
- An accountancy profession will become a very different profession. It is **changing the focus of auditors as well as accountants in business.** Ultimately, digital disruption will impact the nature of demand and expectations on what an accountant is and does.

Ten Technology Trends

Mobility

Cloud

Social
Collaboration

Digital
Service
Delivery

Big Data

Payment
Systems

Cyber
Security

Robotics

Augmented
and Virtual
Reality

Artificial
Intelligence.

Accountant and Technologies

- At the moment it seems clear that these 10 technologies are coming together to create the '**new normal**'
- **Accountants have a significant role to play in this increasingly connected and interconnected ecosystem.**
The internet and cloud-based technology resources are reshaping myriad aspects of business: from the way we finance, resource and develop new and existing enterprises, to the way we create, buy and sell products and services.

How Accountant and Technology Interact?

- **Robotics and data analytics** (big data and predictive analytics) are rapidly gaining ground in each of the accounting function's core tasks (not only in the transactional processes).
- An increasing number of organizations already meet the preconditions for accelerating this development, such as the **standardization of financial processes, systems, and information architecture**.
- The use of robotics and data analytics is resulting in **increased efficiency and effectiveness**. Organizations that use robotics are cutting the costs associated with the finance function. Those organizations that use data analytics have a more effective financial function.
- Many accounting professionals **underestimate** the impact of technology on their jobs.
- Competences that are important for accounting professionals operating in a digital world, such as **data analysis and leadership skills**, must be developed before it is too late.

Future Profile of Professions

Accountancy will be cloud based.

Accountancy will harness the power of big data.

Accountancy will integrate non-traditional financial information.

Accountancy will be more efficient and mobile.

Accountants' roles are and will continue to change radically.

ACCA Prediction on Accountant Future in Disruption Era

- By 2015 every accountancy firm will give clients an app they can use to access their business/accounting data from a mobile device such as a tablet or smartphone
- Accountants will need to re-skill to retain their emerging role as the gatekeeper of corporate data.
- The profession must develop new ways to measure and value technology costs and benefits for the world of cloud computing and social networking.
- The accountancy profession will shrink as software vendors build progressively more finance expertise into self-learning products and services.
- The CFO of the future will need to know as much about technology as they do about financial management.

ACCA Prediction on Accountant Future in Disruption Era

- Unless accountants embrace technology they will follow the dinosaur into extinction – individually and as a profession.
- By 2020 audits may well be real-time. Regulators will conduct them automatically pulling data in from business systems and sensors embedded in everything – from stock to livestock and even human beings.
- If accountants do not position themselves as subject matter experts on emerging trends such as crowdfunding and new payment platforms then other professionals will.
- Accountants must exploit emerging technologies to attract talent and to develop and manage existing talent.
- By 2025 all digital data will be available to everybody.

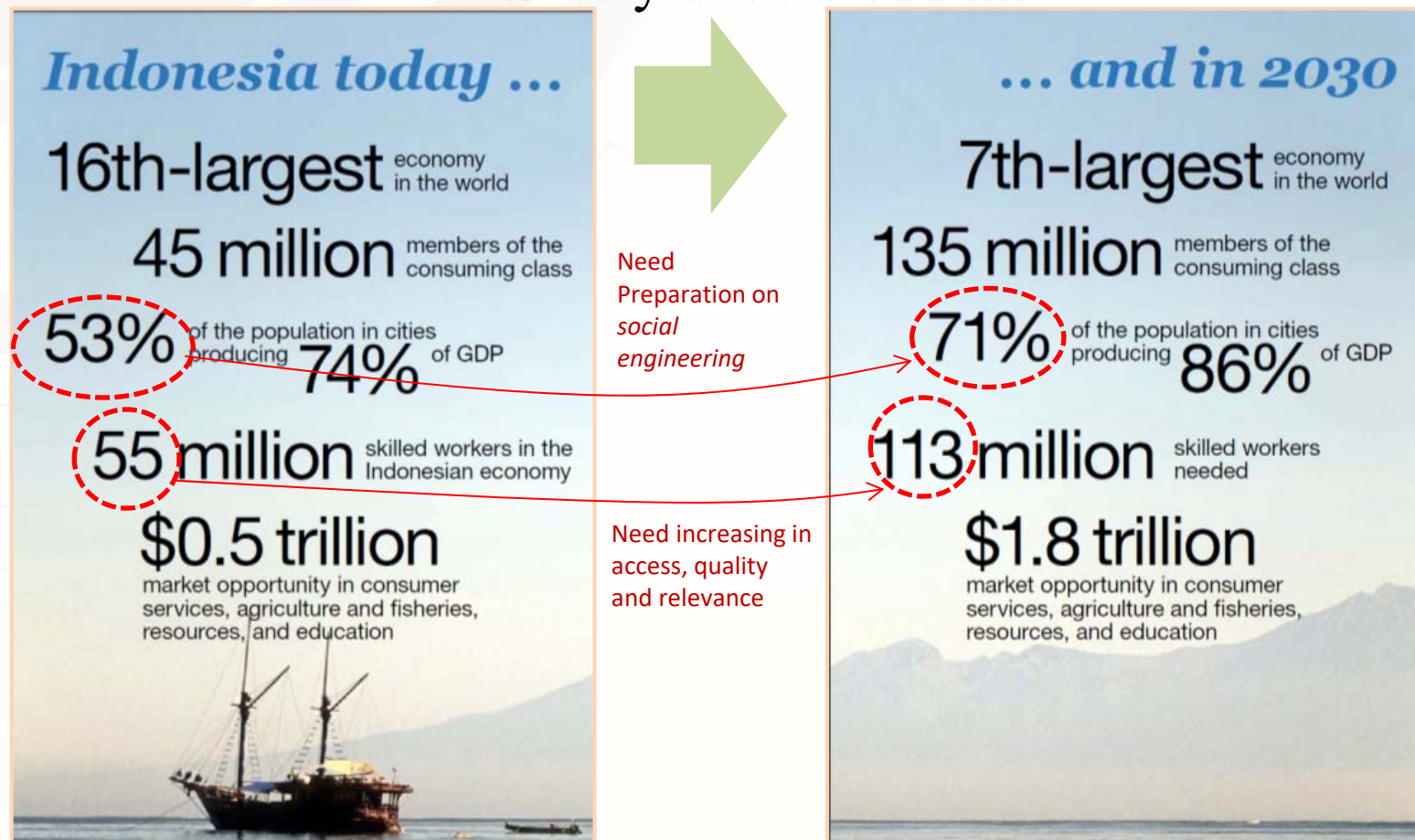


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GAP BETWEEN EDUCATIONS AND ACCOUNTING PROFESSIONS

....Indonesia's economy has enormous promise...

.... Indonesia's recent impressive economic performance is not widely understood



Source: *Archipelago Economy: Unleashing Indonesia's Potential* (McKinsey Global Institute, 2012)

Recent Trends in Accounting Professions

- Indonesian accounting student totalled **265.498** coming from **589** universities, taught by accounting lecturer totalled **6.654** people.
(Ministry of Higher Education, 2014)
- Average annual accounting study program graduate from all ASEAN countries totalled **77.330**.
- Indonesia is a country that produced the most accounting graduates in ASEAN country. Indonesia contribute 45% of all accounting graduates in ASEAN region.
- Indonesia produced more than **35.000** accounting graduates annually

(World Bank, 2014)

Conclusion:

Indonesia has a strong demand and supply for accounting Professions.

Accounting Educations in International Level

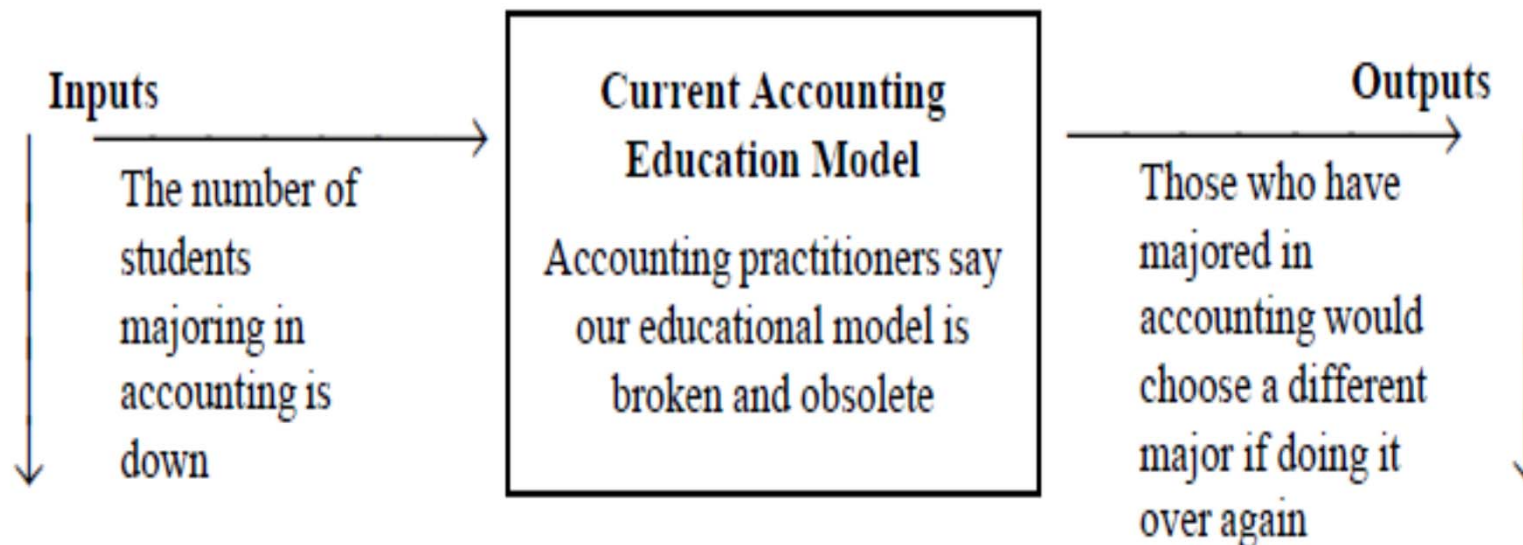
Accounting Education Series, Volume No. 16

Accounting Education: Charting the Course through a Perilous Future

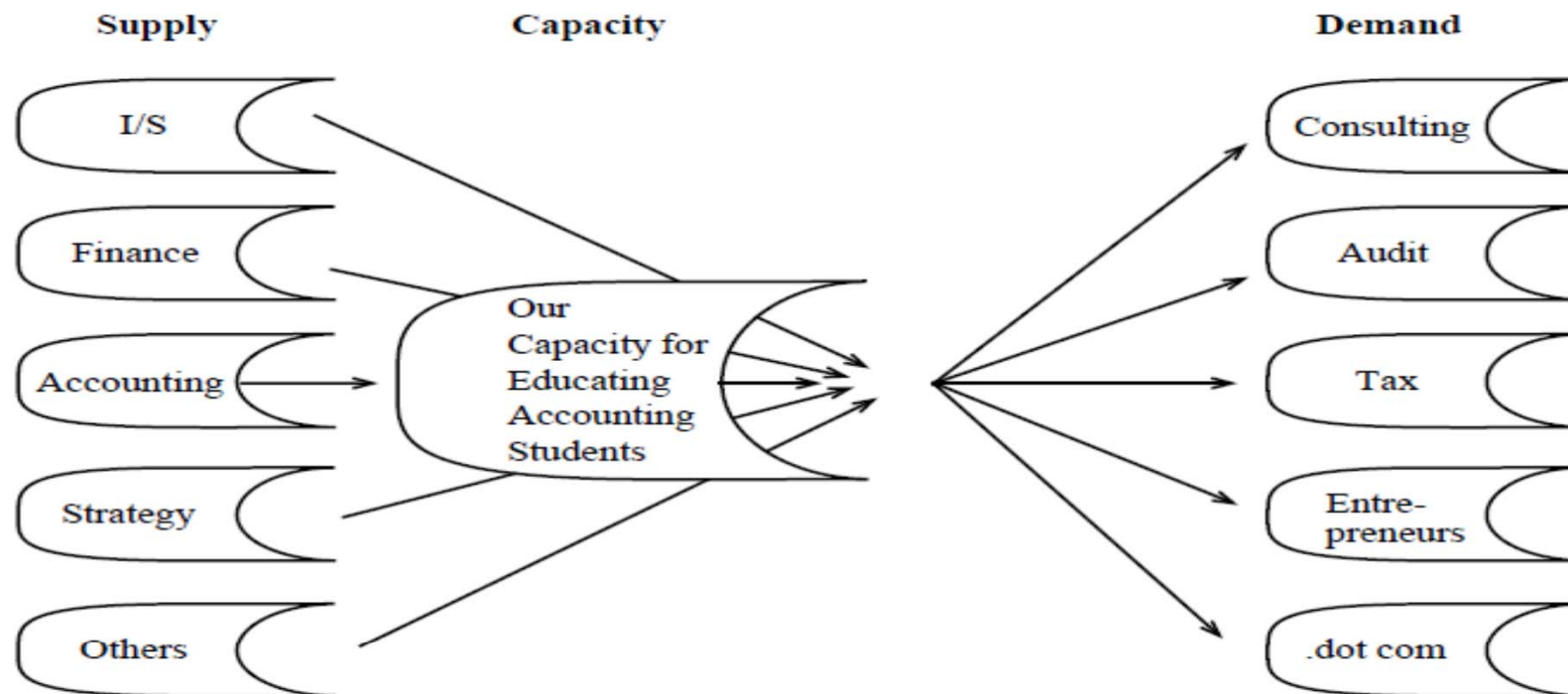
W. Steve Albrecht, Brigham Young University

Robert J. Sack, University of Virginia

Why Accounting Education May Not Survive in the Future



Changes in the Business Environment



Changes in the Business Environment

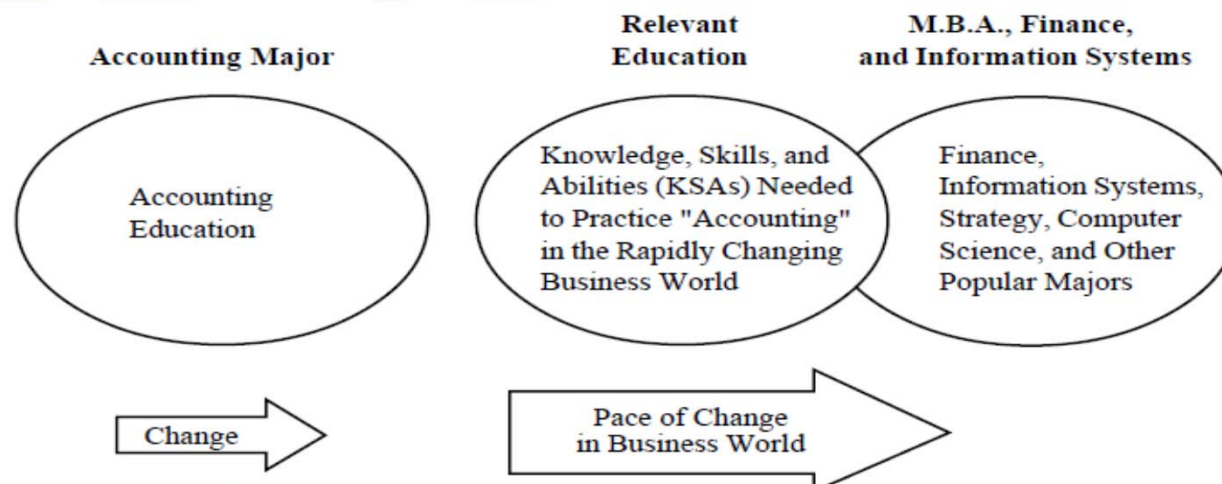
The following quotes from one of our interviewees articulate why students in majors other than accounting are being hired to fill accounting positions:

It's not the way we would like it to be, but I will tell you the way it is. We will hire any student who has brains, regardless of academic preparation. It's easier to hire smart people, without regard to their academic background, and teach them the accounting they need to know, than it is to search through the smaller pool of accounting-trained people, looking for the same level of native talent. Forty percent of what is traditionally done in an audit doesn't have to be done by partner-track people. The audit function has two fundamental needs: well-educated, bright people who have skills in either (1) business processes or (2) wealth accumulation. The first is handled best by engineering-type people, while the second is handled best by finance-type people.

Kegagalan Link dan Match Pendidikan dan Profesi Akuntansi

Ranking of Future Services	Faculty	Practitioners
1. (Most demanded)	Audit	Financial analysis
2.	e-commerce consulting	Financial planning
3.	Systems consulting	Financial reporting
4.	Tax consulting	Strategic consulting
5.	Strategic consulting	Systems consulting

Why Accounting Practitioners and Educators Would Not Major in Accounting Again



This diagram illustrates the two changes that are occurring and causing practitioners and educators to choose not to major in accounting today: (1) accounting education is not changing fast enough to keep up with changes in the business world, and (2) as the business world changes, increasingly more of the knowledge, skills and abilities (KSAs) needed to do what “accountants” do are being taught by other, often lower cost, disciplines. Students studying finance and information systems, for example, can get a four-year degree that some would argue is less rigorous than an accounting degree and be well prepared to perform many of the services that are now being performed by professional service firms and corporate accountants.



KEJAYAAN AKUNTAN PROFESIONAL
KEJAYAAN NEGERI



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More Technical Accounting Education Problems

- Course content and curricula
- Pedagogy
- Skill development
- Technology
- Faculty development
- Strategic direction

Course Content and Curricula

- Our curricula are too narrow and often outdated or irrelevant. They are driven by the interests of faculty and not by demands of the market.
- We are not exposing students in the right ways to highly relevant concepts such as globalization, technology, and ethics.

Pedagogy

- Our rule-based, memorization, test-for-content, and prepare-for-certifying-exam educational model is inefficient, but more importantly, it does not prepare students for the ambiguous business world they will encounter upon graduation.
- Our pedagogy often lacks creativity, involves too much lecture and dependence on textbooks, and does not develop the students' ability-to-learn skills. We are too bound by our class time and do not require enough student contact with business.

Skill Development and Technology

- Our educational models focus too much on content at the expense of skill development—skills our students need to be successful professionals.
- We teach accounting as if information were still costly. Information is now inexpensive and the part of our curriculum that is devoted to information gathering and recording is a waste of time.
- Information processing, which has been an important part of our educational model, can now be managed quickly by anyone using the right software.
- Our students are not exposed enough to the impact of technology on business and ways in which technology can be leveraged to make business decisions.

Faculty Development and Strategic Direction

- Accounting faculty are often isolated from business-school peers and from business professionals. As a result, we are becoming increasingly out of touch with market and competitive expectations.
- While a few schools have made good progress in the past few years, changes have not been substantive or pervasive enough and some of the changes that have been made are in the wrong direction. As a result, differences in quality between schools are increasing.
- Because of accounting education's lack of leadership and direction, competition in education has increased, resulting in fewer resources for accounting programs.

DESIGNING CONCEPT OF LINK AND MATCH ACCOUNTING EDUCATION

Integrasi Budaya Akademis dengan Perubahan Bisnis



What Next (1)?

Strategy for Accounting Study Program

What is our environment and what are our resources? Who are our students and employers?

What kinds of programs should we have? Should we form strategic alliances with other programs or disciplines?

What should our course content look like? Which courses should we offer? How should we structure our curriculum?

What kinds of delivery methods should we use? How do we develop our faculty? How do we measure performance?

What Next (2)?

Some Guidance to Check Our Curricula

1. Is what we are teaching and the level at which we are covering topics really important in the business world today or has technology, globalization, or increased competition dictated that we make substantive changes to our curriculum?
2. Are we teaching important concepts in the most efficient and effective way—that is, are we using the most effective pedagogy in our teaching?
3. Are we partnering sufficiently with related and/or needed courses in other disciplines? Is there an opportunity to eliminate silos in our school?

Some future suggestions for link and match

Assess the
Environment Your
Program is Facing

Consider Carefully
Every Degree
Offered

Consider Carefully
Your Curriculum
and Course
Content

Consider Carefully
the Pedagogy in
Every Class

Invest in Faculty
Development



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THANK YOU



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