

■ BY EVA NAGARAJAH

# Hi, Robot

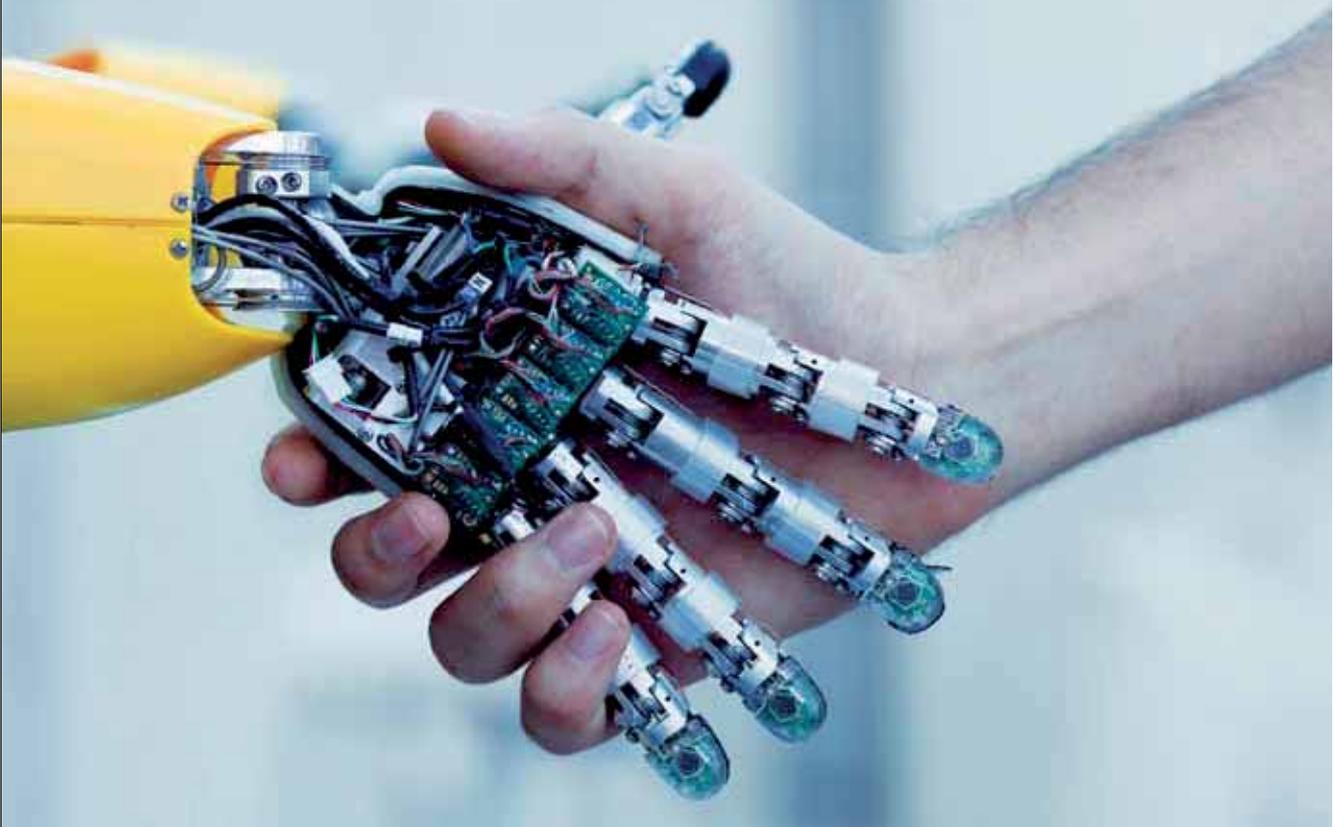
## What does automation mean for the accounting profession?

**AUTOMATION** is threatening several jobs with obsolescence, and accountants are supposedly at the top of the hit list.

According to research by Frey and Osborne cited in a 2014 article by *The Economist*, 47% of job categories are open to automation within two decades.

Accountants and auditors are the second highest in terms of risk, just after telemarketers.

If that's not scary enough, the *Financial Times (FT)* reported that as automation evolves, it has already started affecting hiring practices in the Big 4 –





the largest graduate employers around the world. The FT said that artificial intelligence tools are increasingly used to replace work conducted by fresh graduates, leading to predictions of a sizable decrease in graduate employment by these companies.

Don't press the panic button yet though, because automation is still nascent. Research by McKinsey Global Institute found that although going digital is the new buzzword and consumers have largely gone digital, the digitisation of jobs is still in the very early stages, even for companies that are at the forefront of digital spending.

The bright side is that accountants should be skilling upwards to negate the risks of obsolescence. "As technology becomes increasingly sophisticated and present in all aspect of businesses, accounting professionals can expect a shift towards more strategic and analytical roles," stated recruitment firm Randstad Singapore at the beginning of the year. Randstad wrote that transactional roles like general ledger, accounts receivable and payable may be endangered, but other higher-skill roles like financial planning and analysis or business controlling would still be in high demand.

### AUTOMATION GOOD FOR SHARED SERVICES

Finance shared services (FSS) is positioned as an important source of jobs for the profession as businesses seek to streamline their finance functions. Deloitte's report "The Robots are Coming" suggests that automation can have immense strategic value to the profession, particularly in the finance shared services industry. Apparently automation, even though not applied significantly yet in the industry, is currently the number two strategic priority, right after process improvement. Specifically in finance functions, perhaps up to 56% of roles could have a high possibility for automation.

But even in FSS, automation isn't definite. In a response to Deloitte, ACCA argued in its own paper "The Robots are Coming?" that there are significant challenges to the adoption of robotics and automation in the industry and financial services in general. Specifically, the risks of trusting software fully to do very customised, intricate work are still very real, while the benefits of automation are yet to be fully proven. Furthermore, cost is a barrier to adoption, and automation is more likely to happen in tedious, mind-numbing roles which employees

**Figure 1 BRING ON THE PERSONAL TRAINERS**

Probability that computerisation will lead to job losses within the next two decades, 2013 (1=certain)

Jobs	Probability
Recreational therapists	0.003
Dentists	0.004
Athletic trainers	0.007
Clergy	0.008
Chemical engineers	0.02
Editors	0.06
Firefighters	0.17
Actors	0.37
Health technologists	0.40
Economists	0.43
Commercial pilots	0.55
Machinists	0.65
Word processors and typists	0.81
Real estate sales agents	0.86
Technical writers	0.89
Retail salesperson	0.92
Accountants and auditors	0.94
Telemarketers	0.99

Source: "The Future of Employment: How Susceptible are Jobs to Computerisation?" by C.Frey and M.Osborne (2013)

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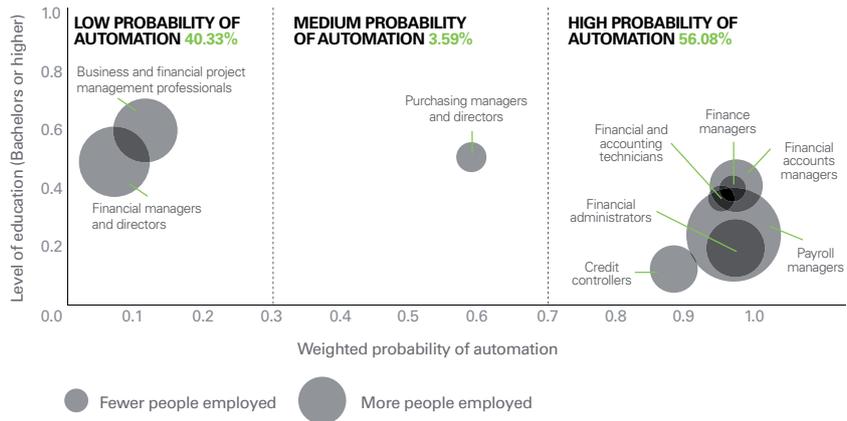
**Tom Osborne**  
Regional Director of Hays Malaysia



*Let's not forget that the accountant's role has evolved with time; they are no longer just number crunchers. Businesses rely on their finance team to provide strategic advice on top of compliance and cost-saving guidance.*

**David Chin**  
Head of ACCA Malaysia

**Figure 2 PROBABILITY OF AUTOMATION BY FINANCE FUNCTIONAL ROLES**



**Source:** Deloitte analysis based on Frey and Osborne, 2014

would rather pass on to technology anyway.

Again, it must be reiterated that automation would produce new skilled jobs in the long run, and increase adaptability to change. The impact therefore, may not be as imminent and as severe as predicted, as long as accountants are willing to reinvent themselves and become smarter and stronger.

**AUTOMATION IN MALAYSIA: THE PROSPECTS**

How are robots facilitating accountancy? And is automation really threatening accounting jobs in Malaysia?

“Automation has made things easier for the modern-day finance professional, especially when we are talking about commercial finance that requires information from across business divisions such as sales and marketing or logistics to be analysed. The advances in data science and artificial intelligence are opening up new ways to look at

businesses and generating insights that can lead to major productivity improvements,” remarked Tom Osborne, Regional Director of Hays Malaysia.

Are Malaysian accountants themselves at risk of being replaced by robots? “The automation of accounting transactions is inevitable and accountants have to constantly stay relevant by providing value-add to the business. Competition may be stiffer with lesser accounting jobs in the market over time as a result of automation thus there is a demand for higher quality accountants who are able to provide sound business judgement, proposals while still upholding accuracy,” theorised Toh Joo Lee, Manager, Accounting & Finance, Robert Walters Malaysia.

Nevertheless, robots still aren’t ready to replace humans, especially in providing advisory and strategic insights. “Automation conjures up an image of a machine replicating the activities of a human doing the work. But I don’t think that transformation will become reality that soon. Sure, we

are already seeing how smart software and systems are replacing manual work (such as bookkeeping). But let's not forget that the accountant's role has evolved with time; they are no longer just number crunchers. Businesses rely on their finance team to provide strategic advice on top of compliance and cost-saving guidance. This interpersonal capability is where the robots will fall short," said David Chin, Head of ACCA Malaysia.

On that note, Salika Suksuwan, Human Capital Leader of PwC Malaysia, said: "It's a rather simplistic view of accountants' role if we were to think that the profession will be taken over by machines. Automation brings greater opportunities for the profession as it helps reduce transactional and routine tasks such as data entry, bookkeeping and compliance work, and allows accounting and finance professionals to focus more on value-added services. These include advising clients and providing strategic insights on critical financial transactions."

People are irreplaceable, especially at higher levels. "However far systems and technology advance, they will

never replace human beings who can strategise, influence and work with major stakeholders to improve finance and business performance overall," said Osborne. "Good finance professionals with strong business acumen are here to stay. The advancement of technology and automated processes give professionals more time to be strategic and become true business partners. What finance professionals will need to do is keep abreast of technology to maintain a competitive edge in the market, and develop their digital skills which employers will increasingly be in search of."

At the end of the day, automation is still nascent but accountants should be prepared – and flexible. "Despite the billions of dollars spent on enterprise resource planning (ERP) systems, finance delivery still requires a significant amount of manual labour to complete a process or a transaction," said Chin. "To remain relevant, professional accountants should enhance their knowledge of new models for business, funding, payments and services. Adaptation to business expectations is key." ■



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**Toh Joo Lee**

Manager, Accounting & Finance,  
Robert Walters Malaysia



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**Salika Suksuwan**

Human Capital Leader of PwC  
Malaysia