She's got their number

Accountants today have to be more than digit-savvy, says SMU prof

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THE days of accountants as number crunchers are over.

Listening to Associate Professor Pang Yang Hoong, dean of the School of Accountancy at the Singapore Management University, it seems that, these days, only a narrow band of professionals will make it in the industry.

Overseas exposure, leadership qualities, interpersonal skills — these are some of the attributes that have become as important as a trusty calculator.

"If you stay as a bean counter, you’re no longer an accountant. You’re just a bean counter," she said.

It might be trite to say the world has changed, but with accounting scandals at Enron, Worldcom, and even Informatics, accountancy education certainly has had a good deal of adjusting to do.

And the No 1 attribute needed among future accountants is integrity.

"There are a lot more regulations in business and auditing. So, accountants do need more technical competence and expertise. But they need even more to be trained in areas like professional ethics," said Prof Pang.

"It’s not so much a result of changes in the industry but because of the increasing importance of issues that involve integrity and professional ethics."

"A strong grounding in these is the backbone of the accounting profession. Graduates who want to practise must bear that in mind."

On the whole, accountants need broader skill sets now than in the past because it is the only way to be successful in a rapidly changing business world.

"It’s no longer possible to be narrowly trained in accounting. We’re likely to see an even broader-base education. We’re already encouraging accountability students to study more than one minor (discipline)," she said.

Of course, this should not come at the expense of the minimum technical skills required, said the member of the accreditation committee appointed by the Accounting and Corporate Regulatory Authority.

So, what does she make of recent moves by the big accounting firms to hire more people with non-accountancy backgrounds?

"It will be not a threat to accountability graduates, she thinks. "This is a response to the inability to hire enough accountability graduates. A low starting salary is one reason why some accounting graduates don’t go to accounting firms."

"Firms recently announced an increase in starting salaries by 10 per cent. It’s a start but we really need to close the gap with the finance industry."

At the Singapore Management University (SMU), which has an annual intake of 200 students, 70 per cent of its graduates join the "Big Four" accounting firms, while about 30 per cent of them go into industry and finance. The latter is "quite substantial" in the Singapore context, admits Prof Pang, and tends to consists of "outstanding" graduates.

The Singapore context itself is unusual, as it is the only country in the world where university students can graduate with an accounting degree and become qualified to practise without taking further professional exams.

Anomaly though it is, change in this regard is unlikely to happen anytime soon.

"Our degrees are recognised by statute. For Singapore to change, the legal regulatory framework has to change, which is unlikely," she said.

But she is not ruling out the possibility that more people will be inclined to opt for accountancy as a postgraduate programme.

At SMU, its Master of Professional Accounting, which it launched last year, has attracted increasing interest.

The university began with 26 students — from engineers to lawyers and those in the arts — and it has admitted 30 students this year. In due course, the programme will grow.

With the profession being in the spotlight more as of late, some issues will continue to be debated.

Prof Pang gave her take on one of the hot topics: Whether chief financial officers need to be qualified accountants.

She said: "CFOs have qualified accountants reporting to them. So, they must understand accounting issues. Even if they are not technically qualified, they must be qualified knowledge-wise. Most large companies employ qualified accountants. As long as the training of accountants is broad enough, not just narrowly focused, accountants can become very good CFOs."

No second guesses, though, on whether ethics and integrity or number crunching is more important for the job.

"She has got their number."

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"If you have a question for Prof Pang on accountancy as a field of study or a profession, or any queries on the evolution of the accountancy industry in general, write in to succeed@nettoday.com.sg and Prof Pang will answer a chosen question in Quiz Time next Monday."