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Aligning Accounting Education with Industry Demands: Bridging Competency Gaps for the Future of Auditing and Financial Services

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ABSTRACT

Purpose—This study aims to evaluate and compare the competencies required for accounting professionals, specifically focusing on intellectual, technical, organizational, interpersonal, and personal competencies, as well as the effectiveness of current learning methods used in universities. By identifying the gaps between the competencies required in the industry and the learning methods applied by higher education institutions (HEIs), the study intends to highlight areas for improvement to better prepare accounting students for the professional world.

Design/methods/approach—A quantitative descriptive method was used, involving a survey distributed via Google Forms to practitioners in accounting, finance, and auditing. The analysis compares competencies taught in university courses with those demanded by the industry. Data from syllabus reviews, practitioners' feedback, and a literature review of relevant frameworks were utilized to assess the alignment of educational practices with industry needs.

Findings—The study found that while HEIs effectively cover intellectual and technical competencies, there is a gap in organizational and management skills. Additionally, the methods used by universities, particularly lectures and group discussions, do not fully align with industry expectations. Practitioners emphasize the need for more case-based and project-based learning to improve practical skills, with leadership and time-management competencies identified as areas needing improvement.

Research implications/limitations—The research is limited by the sample size and the reliance on survey data from practitioners in specific fields. The findings may not be generalizable to all accounting education systems. Future research could explore the impact of specific teaching methods on student competencies and expand the sample to include more diverse industries.

Originality/value—This study contributes valuable insights into the alignment of accounting education with industry needs, particularly in the context of the changing business environment. The recommendations provide a framework for adapting curricula to better equip students with the competencies necessary for the future of accounting and auditing. Future research could further investigate the integration of innovative teaching methods into accounting education.

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Introduction

In recent decades, accounting has played an increasingly pivotal role in enhancing information disclosure and achieving fiscal transparency, which are crucial for ensuring the clarity and reliability of financial information (Carrera, 2010). However, the emergence of highly competitive markets, along with rapid transformations in social, political, and demographic domains, has created new and complex challenges for the accounting profession (Beard, 1998). One professional domain significantly impacted by these developments is auditing. Auditors are now operating in a highly dynamic environment shaped by globalization, advances in information technology, rising competency expectations, and ongoing changes in government regulations and tax systems (Dyball et al., 2010).

Technological innovation, in particular, continues to contribute to economic and financial development by enhancing the effectiveness and efficiency of various business activities (James, 2008; Lam et al., 2015). In the field of auditing, the integration of advanced technologies such as big data analytics, artificial intelligence (AI), and blockchain is transforming the audit process. Zhao et al., (2017) say these technologies enable auditors to collect, process, and interpret vast amounts of data more accurately and efficiently than ever before. This shift has redefined the competencies required of auditors. No longer is it sufficient to merely apply traditional auditing standards—today's auditors must also possess strong technological acumen to conduct high-quality audits and meet the increasing demands for transparency and accountability (Apostolou et al., 2015).

Auditors are under growing pressure to remain both technically proficient and ethically grounded. They must demonstrate integrity and independence while navigating increasingly complex regulatory environments and integrating sophisticated technological tools into their workflows. Integrity remains the cornerstone of public trust in audited financial statements, while independence ensures objectivity and impartiality in the audit process. As audit practices become more automated and data-driven, auditors must adapt to changing expectations by adopting a mindset of continuous learning and professional development (Blanthorne et al., 2005).

While these technological advancements offer significant benefits—such as reducing manual errors, improving audit quality, and accelerating audit timelines—they also pose risks. Among these are the threat of professional displacement, heightened competition, and the growing disparity in skill levels between traditional and technologically adept auditors. The transition from being a "good auditor" to a "technologically skilled auditor" is no longer optional but necessary for long-term professional relevance (Hancock et al., 2009).

This paper explores the evolving role of auditors in the era of technological disruption. It seeks to examine how emerging technologies are reshaping the auditing landscape, the implications for auditor competencies, and the balance that must be maintained between embracing innovation and upholding professional standards. The study contributes to existing literature by highlighting both the opportunities and the threats posed by technological change to the auditing profession. It also emphasizes the urgent need for auditors to adapt by re-skilling and rethinking traditional audit paradigms (Albrecht et al., 2000).

The structure of this paper is as follows: the next section provides a detailed literature review on technological change and its impact on auditing practices; subsequent sections discuss methodological approaches, present findings from recent research, and offer analysis and implications for practice. The final section outlines conclusions and recommendations for future research and professional development. Ultimately, this paper aims to provide insights into how auditors can remain relevant, competitive, and ethical in an increasingly digital audit environment (Kolb, 1984).

Methods

This study employs a quantitative descriptive approach, which aims to describe, analyze, and explain observable phenomena in their current form using numerical data. This approach was chosen to capture the perceptions of practitioners in the fields of accounting, finance, and auditing regarding the development of professional competencies needed to meet the demands of the workplace and ongoing technological changes.

The method used in this research is a survey, utilizing a structured questionnaire as the primary data collection instrument. The questionnaire was distributed online via Google Forms, allowing for efficient dissemination and data collection from respondents across various regions. The population of this study consists of practitioners in the fields of accounting, finance, and auditing. The sampling technique employed was purposive sampling, with specific criteria: respondents must be active professionals in the relevant fields, have more than two years of work experience, and hold a supervisory or managerial position (i.e., oversee staff or teams) (Mohamed et al., 2003). These criteria were selected to ensure that the collected data reflects insights from individuals with relevant experience and decision-making responsibilities (Resnick, 1987).

Data collection was carried out in three main stages. First, the researcher identified learning methods used in accounting education by referring to existing literature. Second, a document analysis was conducted by reviewing publicly available syllabi and Semester Learning Plans (RPS) from various universities to explore the currently applied teaching approaches. Third, data were collected from practitioners using a questionnaire adapted from a previous study titled “Model to Develop Skills in Accounting Students for a 4.0 Industry and 2030 Agenda: From an International Perspective”. The questionnaire was designed to gather perceptions about how higher education institutions can enhance the competencies of accounting students (Rebele et al., 2015).

The professional competencies analyzed in this study are based on the International Federation of Accountants (IFAC) framework, as outlined by Luis & R. (2021), which includes five key categories: intellectual competence, technical and functional competence, organizational and managerial competence, interpersonal and communication competence, and personal competence (related to individual behavior and ethics).

The collected data were analyzed using descriptive statistical methods, such as frequency distribution, percentages, means, and standard deviations. The analysis was conducted with the support of statistical software to ensure accuracy and reliability. The results of the analysis provide insights into practitioners’ views on the effectiveness of current teaching methods in developing competencies relevant to industry needs.

Result

This study analyzed five core competencies based on the IFAC framework intellectual, technical and functional, organizational and management, interpersonal and communication, and personal competencies (Luis & R, 2021). The analysis compares the extent to which these competencies are accommodated by higher education institutions (HEIs) through their syllabi and by practitioners in the industry.

Table 1 Competencies analysed

Analyzed Competencies	33 Competencies	College	Industry
Intellectual	Knowledge	20.6%	19.3%
	Understanding	20.6%	19.3%
	Application of accounting science	20.0%	18.2%
	Report analysis ability	14.9%	18.7%
	Organizing	6.3%	7.7%
	Identification and proble solving that unstructured	17.7%	16.7%
Technical and Functional	Ability to run mathematical applications, statistics, and computer skills	20.7%	22.0%
	Decision making and risk analysis abilities	24.8%	24.0%
	Measurement capabilities	12.4%	15.0%
	Reporting capabilities	17.4%	20.0%
	Compliance with legal and regulatory requirements	24.8%	19.0%
Organization and Management	Strategic planning capabilities	26.1%	19.0%
	Project management capabilities	10.8%	10.0%
	Ability to organize and delegate	20.7%	21.0%
	Ability to motivate and develop human resources	15.3%	18.0%
	Leadership	8.1%	18.0%
	Professional assessment	18.9%	14.0%
Interpersonal and Communication	Ability to solve group problems	12.7%	11.0%
	Ability to work with a team	16.0%	19.0%
	Interaction ability	12.7%	16.0%
	Negotiation skills	14.6%	8.0%
	Ability to work effectively in an environment and culture	10.3%	15.0%
	Ability to submit reports on time	5.2%	14.0%
	Ability to discuss and defend opinions effectively	14.1%	9.0%
	Ability to listen and read effectively	14.6%	9.0%
Personal	Self management	6.3%	15.0%
	Initiative	15.6%	16.0%
	Ability to influence groups	12.1%	3.0%
	Learn to be independent	15.6%	9.0%
	Ability to manage resources	10.3%	9.0%
	Ability to anticipate and adapt to change	14.3%	16.0%
	Ability to make decisions professionally	9.8%	14.0%
	Ethics	16.1%	17.0%

The data indicate that universities have made substantial efforts to integrate intellectual and technical-functional competencies aligned with industry expectations, particularly in knowledge acquisition and decision-making abilities (Prince, 2004). However, discrepancies exist in organizational and leadership competencies. HEIs emphasize strategic planning, while the industry places greater value on leadership and delegation due to operational demands.

In terms of interpersonal and communication competencies, teamwork is well-accommodated across both sectors. However, punctuality in report submission is undervalued by universities, despite being crucial in professional settings. For personal competencies, while ethics are consistently prioritized, HEIs tend to emphasize social influence and independence, whereas the industry prioritizes adaptability and professionalism in decision-making (Biggs et al., 2011).

Analysis of Learning Methods in Audit Courses

This study also examined the learning methods used in various auditing courses Fundamentals of Audit, Advanced Audit, and Audit Practicum in comparison with methods preferred by practitioners.

Table 2. Learning Methods in Audit Courses

Learning Methods	College			Practitioner
	Audit Basics	Advanced Audit	Audit Practicum	
Lecture	21.8%	16.1%	35.7%	1.6%
Discussion Group	24.4%	25.8%	21.4%	17.9%
Simulation	2.6%	3.2%	7.1%	17.2%
Case Based Learning	2.6%	3.2%	0.0%	21.9%
Problem Based Learning	5.1%	4.8%	0.0%	13.6%
Project Based Learning	3.8%	3.2%	0.0%	14.9%
Cooperative Learning	9.0%	11.3%	0.0%	11.8%
Peer Learning	0.0%	0.0%	0.0%	1.1%
Presentation	7.7%	1.6%	14.3%	0.0%
Tutorials	2.6%	0.0%	0.0%	0.0%
Collaborative Learning	3.8%	6.5%	0.0%	0.0%
Self-Directed Learning	3.8%	6.5%	0.0%	0.0%
Brainstorming	3.8%	0.0%	0.0%	0.0%
Practice Laboratory	1.3%	1.5%	7.1%	0.0%
Self-Learning	1.3%	0.0%	0.0%	0.0%
Discovery Learning	2.6%	4.8%	0.0%	0.0%
Contextual learning	2.6%	3.2%	0.0%	0.0%
Student Center Learning	1.3%	1.6%	0.0%	0.0%
Literature Study	0.0%	3.2%	0.0%	0.0%
Searching internet databases and websites	0.0%	1.6%	0.0%	0.0%
Work Field	0.0%	1.6%	0.0%	0.0%
Independent	0.0%	0.0%	7.1%	0.0%
Problem Solving	0.0%	0.0%	7.1%	0.0%
Total	100%	100%	100%	1 00 %

The data show a noticeable gap between the learning methods implemented by universities and those valued by industry professionals. While practitioners favor case-based, project-based, and simulation methods, universities still rely heavily on lectures and discussion groups. This disparity highlights a need for curriculum transformation to include more experiential and student-centered approaches that mirror real-world auditing practices.

Proposed Learning Model for Audit Courses

The study proposes a relevant learning model for auditing courses, adapted to the disruption era and aligned with industry needs.

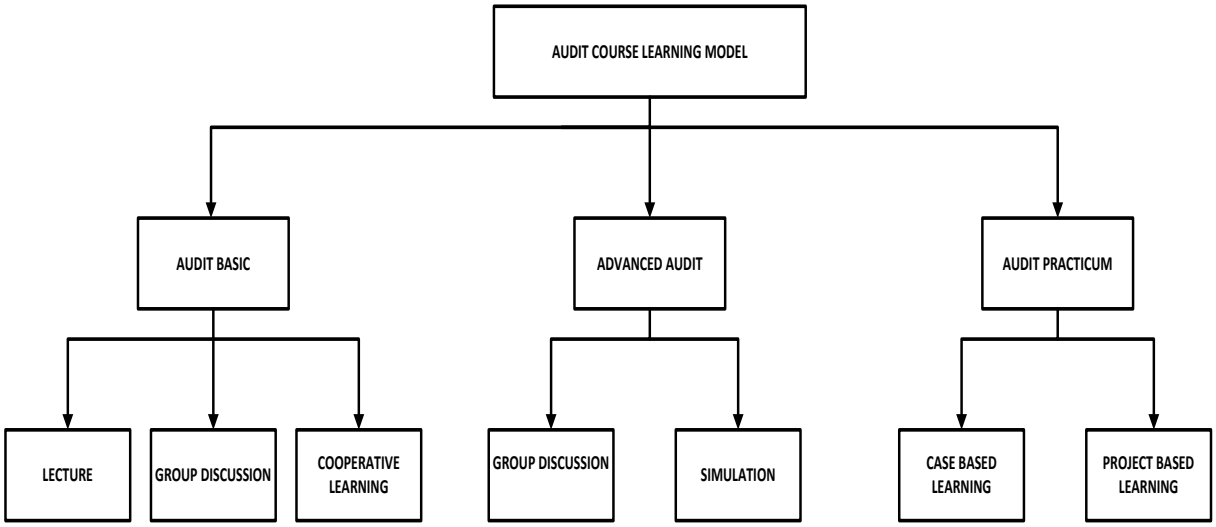

Figure 1. Recommended Audit Course Learning Model

- Fundamentals of Audit: Best delivered through lectures, group discussions, and cooperative learning due to its theoretical nature.
- Advanced Audit: Suited to group discussions and simulations, as it starts to introduce practical procedures.
- Audit Practicum: Should adopt case-based and project-based learning approaches to mirror real audit environments and develop critical problem-solving skills.

This tiered approach ensures that each course level progressively builds students' competencies, transitioning from conceptual understanding to real-world application (Jackling et al., 2009). Implementing this model can help align educational outcomes with industry expectations and better prepare students for their professional careers.

Conclusion

This study highlights the gap between the competencies emphasized in higher education auditing courses and those expected by industry practitioners in the disruption era. While universities have successfully incorporated intellectual and technical-functional competencies, there are significant discrepancies in organizational, leadership, interpersonal, and communication skills that are crucial in the workplace. The analysis also shows that traditional lecture-based methods still dominate learning, whereas practitioners emphasize

the need for more practical approaches such as case-based learning, simulations, and project-based learning.

To address this gap, a new audit course learning model has been proposed, aligning educational practices with industry expectations. This model integrates lecture and cooperative methods for foundational courses, simulations for intermediate learning, and case-based and project-based learning for practicum courses. By adopting this model, universities can better equip students with relevant professional competencies and practical skills needed in a rapidly evolving industry landscape.

In practice, the proposed framework can be implemented through curriculum adjustments, increased collaboration with industry professionals, and the incorporation of real-world audit scenarios into coursework. These changes are essential to ensure graduates are not only technically competent but also adaptable, collaborative, and ethically grounded.

For future research, a deeper exploration into how digital technologies and emerging audit tools (e.g., AI, data analytics, blockchain) can be integrated into accounting education is recommended (Pan et al, 2012). Moreover, longitudinal studies assessing the impact of such educational transformations on graduate performance in the workplace would provide further insights into the long-term effectiveness of the proposed model.

Declarations

Author contribution statement

The lead author participated in the study's conceptualization and design, analysis, interpretation of data, and initial drafting of the paper. Each author contributed to the critical revision of the content for intellectual rigor and provided final approval for the published version. All authors are responsible for every aspect of the work.

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Data availability statement

The data supporting this study's findings are available from the corresponding author upon reasonable request. However, due to privacy and ethical considerations, the data are not publicly accessible.

Declaration of Interests Statement

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