

The negative effects of technology on the accounting profession research proposal...

[Profession](#)



Abstract

Technology affects everyone at different levels of their daily life. In the 20th century, technological advances have improved tremendously thus playing a major role in the human evolution. Information, technology and software are evolving at a high rate and the people must be on their toes to keep up.

Skills in the accounting profession have to be constantly improved so as to navigate the profession the same way as the computers do. With the increasing software programs that cater for almost everything there is no need to keep the big ledger books in the office anymore. Even though the advancement in technology has made almost all professions to progress it has also brought negative effects. This paper seeks to demonstrate some of the negative effects that have been made possible by technology in the accounting profession. It mostly focuses on the ethical issues that have emerged in the profession with the advancement of technology.

Technological improvement has demanded for the workers to be more skilled to keep up with its rate. This is because the modern world is in need of speed and accuracy. This means that everyone needs to use a computer in the office. This paper will develop a conceptual framework on the negative impacts of technology in the accounting profession based on the issues elicited from open ended questionnaires given to several professors at Ole Missi. The experts are professors at the university but very knowledgeable as they have been in the profession before and after technology advancements.

Introduction

According to Noor Ismail and King (2007), the term accounting was still in use before the introduction of computers. In the 1950s (machine accounting era), information technology was used to help in clerical matters of accounting. This was done by technical assistants whose work was to operate the technology. Currently accountants are supposed to operate all kinds of technology regarding their profession like, the Turbo Tax software program. This applies for tax preparers but it does not leave the auditors out. For example, they use electronic communication to send tax papers to the internal revenue service. Technology has provided accountants with detailed information and eased up their jobs but it has brought about a trail of negative impacts; loss of jobs, risks of losing confidentiality and accountability, emotional exhaustion, demise of human aspects, self-absorption, and limited abilities. Since the mid-eighties when the personal computer was introduced, the accounting profession has been on an evolution journey. Nowadays most of the accounting work is done through the wide area networks and the computers (Journal of accountancy 1994). Technology and its tools have definitely changed the face of the accounting profession. It is however not clear whether the impacts of technology in the profession are positive or negative but the tools of technology have drastically changed the profession. In most cases a technological advancement is termed an asset to a business but it is also a liability to the accountant of the firm (Reckers, 2002). The high demand for security, accuracy and speed in the profession has led to the use of modern technology. The nature of the business in accounting evolves on a daily basis

and the accountants have to keep up with the pace so as to make greater contributions, for instance, auditing systems. Efficiency and effectiveness associated with technology is what financial organizations and public accounting firms require to better the results and thus they have to incorporate the challenges that come along with technological advancements. For instance, technology has made it possible for information to be produced at a high speed and more accurately but at the cost of confidentiality.

Cloud and mobile technologies are at the top of the list for technologies in the accounting profession that are transforming the accounting and tax profession. The need to improve client service is forcing people to adopt the emerging technologies seconded by profitability and productivity. Many firms in the profession report that they have had a share of problems while trying to leverage technology efficiently. The decision to invest in a new technology is influenced by service delivery to the client. Cloud solutions, ERPs and mobile are the main technologies that have an impact on accounting as a profession but there is a percentage of individuals who do not understand the emerging technologies. I found a reference, (Halpert, 2011), that explains on nature of cloud computing and several services that are significant in the provision of the service like infrastructure.

There is an increase in the mobility of the profession with so many individuals choosing to work from the comfort of their homes. Cloud computing has its challenges including the safety of the firms information because there are a number of hackers in the internet (Warren, Gorham and Lamont, inc., 1984). The accounting firms and professionals have an

obligation in protecting their clients. This can be done by the creations of firewall that are not easily broken by hackers. Accounting files in this technological era are susceptible to fraud and corruption and it the responsibility of the professionals to ensure the security of the system.

The accounting profession has had to undergo transformation related to technology. This is because their aim is to survive in the competitive business and still abide by the rules and regulations. Software is improvement has helped to assemble data and make reports. Information systems in the past have been replaced by ERPs. According to Wanda, 1993), in the duality of technology, this development has however made the people to laze around and become inaccurate in their work since they are installed programs to help in correction of the errors. They over rely on the technology and have adapted to its demands. Software in the information technology department is complicated and requires someone to monitor them. In its complex form, most of the employees do not know how to operate and use such technology which leads to inefficiency and vulnerability to security issues. For example if the employee in question does not know how to detect a potential threat and figure out a safety measure to stop it. And what happens if the whole program is an error and the employee can not rectify it? This makes the data vulnerable to breach and the satisfaction of the accountant's job is questionable.

This paper lays emphasis on the need for those in the accounting profession to remain devoted and impartial to the ethics of the profession while delivering services. In most cases, accountants encounter issues regarding their professional ethics on a daily basis. They however have an obligation to

stay vigilant in order to ensure the safety of financial records. The customers have put total trust in the accounting firms and institutions to take care of their finances and therefore it is the professional and ethical responsibility of the accountant to ensure the safety of the records; guarding them from external manipulation.

Research design and questions

I chose to do an analytical research and examination on the topic of ethical issues involved in the accounting profession in relation to technology. In conducting this research I will have to interview some professors in the accounting department at Ole Miss.

Data will be collected through the use of open ended questionnaires issued to the professors. The interview persons are top professors in the department of accounting in Ole Miss and have been in the profession before and after the introduction of complicated software technologies in the work places. The professors represent the widest range of areas in accounting including; auditing, regulation, preparing, academics and users. The criteria used for their inclusion in the interview will be; each person is a known expert in the accounting profession and has good knowledge on development and application of technology that has evolved in the profession. The professors will not be randomly selected but through a few steps. First the total number of experts needed will be determined. An initial list of all the accounting professors will be drafted. All the professors will then be called on phone and those who agree to the research will be issued a questionnaire. The type of questionnaire issued is an open ended one. This means that what the professors respond will be their own opinions without

the influence of previous research. This research method has an advantage in that all the participants are professionals who occupy senior positions in Ole Miss. The professors could speak from positions of authority and knowledge. The views expressed by the participants are not biased because the nature of the questionnaire.

In conducting this research there are a variety of questions that I will ask the participants ranging from the history of technology and its impacts on the accounting profession, but most of it will be on the ethical issues that have emerged in line with technology. The questions to be asked have an open ending which means that the participants are at liberty to give their own opinions with no restrictions. The main objectives of the study are;

Some of the questions I intend to ask are;

- What was being an accountant like before (Cloud computing, ERPs, personal computers, Mobile smart devices) were introduced to the accounting profession?
- Do you have any specific examples of issues related to risk or negative effects cause by the implementation of the new technologies into the accounting profession?
- What about specifics examples of the benefits they have provided?
- What do you believe the widespread use of these technologies in the area of profession accounting does to the integrity of the data and the value provided to the customer through services.
- Do you think some of the old ways of accounting should be kept?
- What about the new methods?
- Have these items (cloud computing, ERPs, PCs, Smart Mobile Devices, etc.)

become less risky and more beneficial as they mature in their life cycle?

- What would you caution new and upcoming accountants of with regards to these technologies?

The gathered data and information will be organized, consolidated, and interpreted through a SWOT analysis that will help in identifying the strengths and weaknesses of the accounting profession in the era of technological advancement. My research will seek to evaluate whether technology advancement and its implementation has an impact on the productivity of an accounting profession.

Conclusion

In conclusion, my study research will hopefully answer my main question “ what are the ethical issues associated with technology in the accounting profession?” by advancing my knowledge on the technological improvements that have taken place since 1990s I will be able to make some conclusions on how they have affected or influenced the professional ethics of accounting. I also believe that I will find a number of new issues that pose risk to the accountant’s professional code of ethics, as well as to the consumer receiving the accounting services. The benefits will be written down though I feel that the negative aspects of technology in accounting will show that the real risks and problems created by technology have yet to be fully established due to lack of in-depth understanding of the current technological state, as well as a lack of long term industry studies.

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