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RESEARCH INSIGHTS

A PROFESSION AT A CROSSROADS—INSIGHTS FROM A HISTORICAL LENS

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EXECUTIVE SUMMARY

The accounting profession faces unprecedented challenges from technological disruption, declining recruitment, and evolving skill requirements. Generative AI and technology in general threaten traditional roles. Global studies reveal significant drops in accounting enrollments and workforce attrition. This paper explores whether accounting can sustain its identity or should transform into a new profession. Drawing on historical parallels, it examines the radical shift from venture-based to income-focused accounting during the 18th and 19th centuries, driven by industrialization, legislative reforms, and shareholder demands. That transformation gave impetus to the formation of the modern accountancy profession, emphasizing a coherent voice and professional status. Today's context, marked by AI integration and skill realignment, echoes similar pressures. History cannot prescribe solutions but can offer insights into adaptive strategies through reflection on the underlying historical context compared with the present. Proactive reinvention is needed for today's accounting professionals to remain relevant and resilient in this rapidly changing environment.



KEYWORDS

- Accounting profession
- Double entry accounting
- Venture accounting
- Costing
- Companies Acts
- Industrial Revolution
- Shareholders
- Accounting history

RESEARCH RELEVANCE

- The accounting profession is in crisis: Accounting enrolments have fallen 56% since 2010, 300,000 US accountants left between 2019–2022, and firms like PwC are now recruiting AI engineers rather than accounting graduates — signalling a fundamental shift in the profession's identity and skill requirements.
- History offers context, not prescriptions: The paper argues that comparing the environmental context of past crises with the present — rather than transplanting old solutions — is the legitimate and productive way to use accounting history when addressing current threats.
- The 18th–19th century transformation of accounting was radical and costly: The shift from stewardship of assets to income-focused accounting, driven by the Industrial Revolution, joint stock company legislation (1844–1868), and shareholder demands, gave birth to the modern accountancy profession — but destroyed the granular cost information that the venture-focused accounting of the previous 600 years had provided, a loss not adequately addressed for decades, well into the 20th century.
- Today's accountants mirror yesterday's bookkeepers — but with one advantage: Just as bookkeepers were displaced by the newly professionalised chartered accountants in the 19th century, today's accountants face displacement by AI and technology; unlike the bookkeepers, however, they already possess organised professional bodies and so have the institutional capacity to lead proactive, transformative reinvention before it is too late.

BIBLIOGRAPHIC INFORMATION

Sangster, A. (2026). A Profession at a Crossroads—Insights from a Historical Lens. Accounting Horizons. Advance online publication.
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“The paper argues that the accounting profession's current existential crisis — driven by AI, falling recruitment, and shifting skill demands — mirrors the 18th–19th century transformation that relegated bookkeepers to a supporting role, completely changed what accounting was done, and led to the emergence of the modern accountancy profession; and proposes that history's lesson if accountants are to avoid the fate of the unorganised 19th century bookkeepers is for today's highly organised accountancy profession to take the lead in dramatic, proactive, and profession-led reinvention.”

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