

Thomson Reuters

Future of Professionals Report

*How AI is the Catalyst for Transforming
Every Aspect of Work*

August 2023

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Foreword by Steve Hasker, CEO and President, Thomson Reuters

Many of the innovations we use today have crept up on us, evolved, and gradually changed the way we work and play. But not generative AI — this is different. It has captured our collective imagination and changed everything in a very short amount of time. It is not new, however. Generative AI has been actively researched and utilized since the 1960s, but the easy interface of recent generative AI tools has made us all suddenly aware of its immense capabilities.

These amazing technological feats and simple user interfaces have business leaders asking how AI will transform their industries. Perhaps nowhere is that fever pitch higher than in the professional field, where conjecture around the potential for generative AI in everything from research to contract development to analysis has been building for years.

It is critical that we acknowledge AI's shortcomings, however. Yet, we know if AI tools are built and harnessed correctly, they have the potential to overcome some of businesses' biggest pain points. Overcoming shortfalls in the labor markets; increasing job satisfaction and mental health; automating the most unpopular and menial of tasks; and helping professionals navigate the increasingly complex regulatory and compliance landscape — without adding cost or time — is just the beginning.

This study, *The Future of Professionals Report*, has been invaluable in shaping our understanding of how we can continue to innovate and evolve while remaining a trusted partner for our customers for many years to come. We will do this by building responsibly and with integrity, but at pace, providing our customers with increased productivity, delivering greater value, and living our purpose with the accountability that our privileged position demands.

The research underscores the tremendous opportunity AI presents, specifically for the future of professionals, Thomson Reuters, and for society more broadly. Through the lens of this research we've identified three thematic areas around AI and its impact on Future of Professionals: productivity, value, and responsibility.

First, to garner the **productivity** benefits we have been promised, we must fully acknowledge, accept, and harness new technology and automation to enable greater efficiency and provide greater value. In fact, two-thirds of the people we interviewed said they believe that AI will be high-impact or transformational in their profession over the next five years. An evolution of this magnitude will require us all to step out of our comfort zones and reassess spending allocation in key areas such as real estate, training, and hiring to better ensure we are keeping pace with emerging technology investment.

The second opportunity is to consider a new **value** exchange with our clients, customers, and stakeholders. The professionals we spoke with said that producing high-quality advice is the most important motivator across all industries. To continue this work in the era of generative AI, we need to reconsider and redefine what it means to be an *advisor* and evolve business models to prepare and service customers for tomorrow — not just today. Market forces will continue to define organizational profit and loss, and change agendas for the professions as economic conditions remain uncertain. The focus on retaining, attracting, training, and upskilling talent should remain



Steve Hasker
CEO and President
Thomson Reuters

a top-of-agenda organizational issue if businesses are to continue to provide the value that customers and stakeholders have come to expect, especially as we put more emphasis on the tech changes that are disrupting all industries.

Finally, it is becoming clear that AI-empowered professionals will outpace those who don't take advantage of this era of transformation. However, before we allow ourselves to get swept up in the sensational headlines about bots automating professional jobs or entire industries being decimated at the hands of generative AI, the imperative is to look at the guardrails we have in place. This will be the true key to driving trust, encouraging adoption, and building on a steady foundation that lets users truly harness the opportunity. As professionals, building and using new technology **responsibly** must be the biggest investment we make.

Developing responsible technology is not just an industry issue but also a societal imperative — and not one any of us can solve alone. As an industry — which is comprised of businesses, professionals, technologists, technology providers, trade associations, and government — we need to clearly articulate the role of AI, defining which routine tasks can and should be automated, which can be performed by machines alone, and which require human oversight. Before we can truly trust computer-generated guidance, ethical or otherwise, users need to be clear on the sources of information, know how an AI system arrives at its conclusions and recommendations, and feel confident that the results are explainable. In fact, 30% of the professionals interviewed told us their biggest concerns were around data security (15%) and ethics (15%).

While we may not have all the answers now, we can start putting some fundamental guardrails in place, in the form of regulation, to help drive trust and innovation in AI. We need to get comfortable with the concept of regulating both as an industry and society, based on what we know now while being prepared to correct our course as we go.

I am a firm believer that human intelligence, thinking, and collaboration are fundamental to the success of professionals across more than the legal, tax & accounting, global trade, compliance, and risk industries. Generative AI will have a transformational impact on the work professionals do and how it is done, but it will never replace the human element when advising clients and stakeholders. People have been, are, and will continue to be the number-one asset in any business. However, training programs will need to be adapted to help staff oversee and interpret the output of these models, as well as increase the implementation of AI solutions. This will ultimately enhance the inherent capacity, potential, and range of abilities possessed by individuals.

It is an enormously exciting time at the intersection of technology and professional information. We are on the verge of a revolution in creating new efficiencies by providing professionals with the right answers and subsequent insights faster than ever. We will see the development of new ways of collaborating and new models of creative problem-solving that haven't yet been envisioned. Before we can make any of those a reality, however, we need to do the critical foundational work that ensures everyone can trust the results.

“Generative AI will have a transformational impact on the work professionals do and how it is done, but it will never replace the human element when advising clients and stakeholders.”

At Thomson Reuters, we are committed to using this technology to drive increased productivity, as well as deliver greater value to our customers and their internal or external clients. The imperative we must consider is that there is nothing predestined about the impact of AI. Its development depends on the choices we make today and in the future.

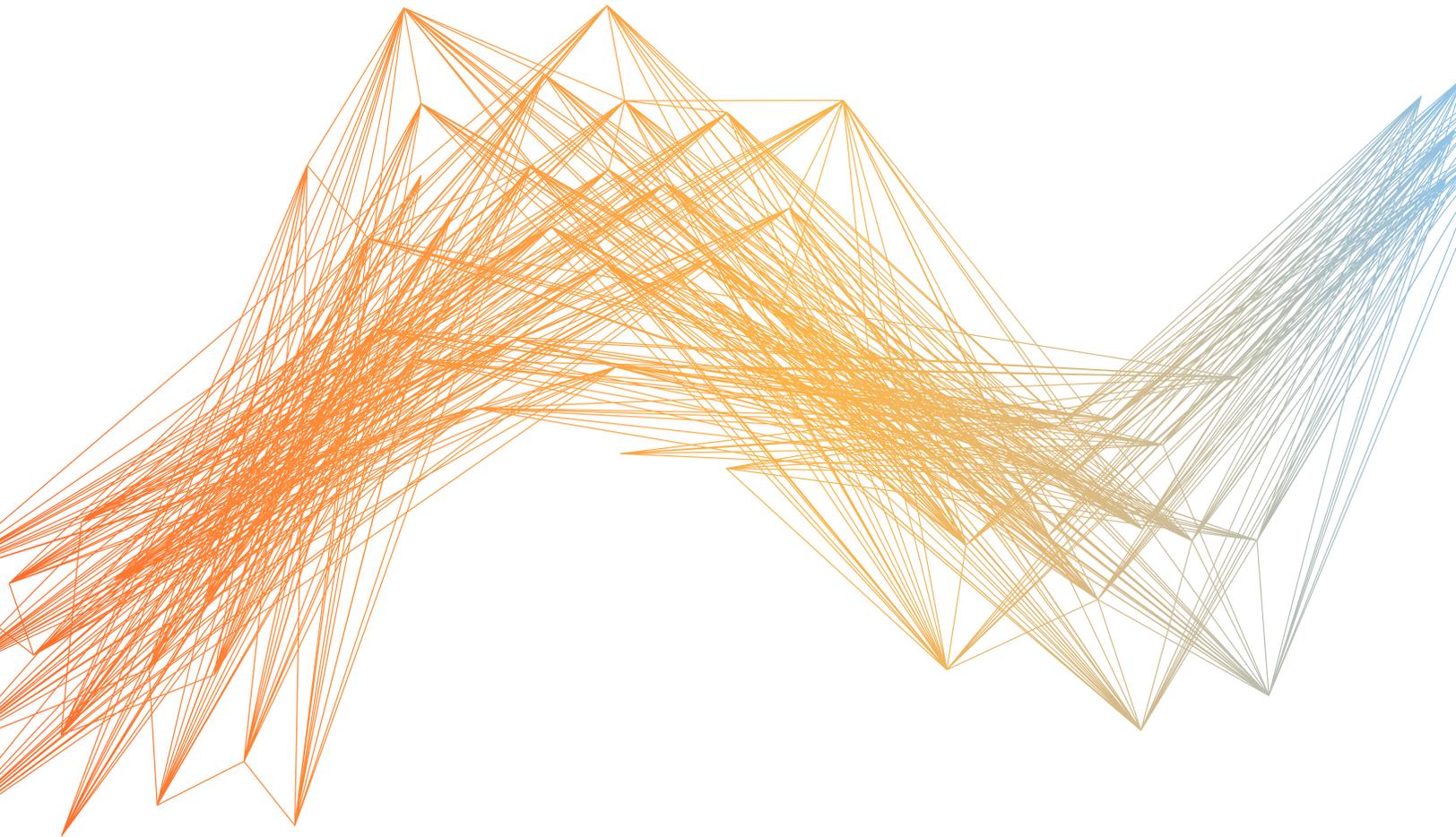
We have great confidence in the potential of this technological era and the capability of professionals to make the very best of the opportunities ahead of us. At Thomson Reuters, we are dedicated to convening the best minds around generative AI and the future of professionals. We will continue to build innovative technology that furthers the professions we serve and society at large. And we will do so responsibly, so our customers can trust the information to become more empowered professionals.

Together, we can all help inform the way forward. This is just the start.

Thanks for reading,



Steve Hasker



Introduction

It is undeniable that the future of work is set to be revolutionized, driven by the power of AI. At Thomson Reuters, we are committed to understanding how this evolving technology is truly impacting the professionals and industries we serve as well as the greater society at large — today and tomorrow.

Our Trust Principles and purpose — *To Inform the Way Forward* — drive us to serve our customers with integrity, promote access to justice, and champion truth and transparency. It is through this lens that we view the potential for generative AI as a powerful force for good, especially for professionals.

Thomson Reuters has long been a leader in leveraging new technologies, including machine learning (ML) and AI. In fact, Thomson Reuters was among the earliest providers of commercial applications for natural language processing search. In the 30 years since then, we have leveraged increasingly sophisticated AI and ML capabilities to improve search, expand analytics, and create workflow efficiencies through a series of product advances for our customers.

As such, we have surveyed more than 1,200 individuals working in the legal, tax & accounting, global trade, risk, and compliance fields who are employed at firms, corporate in-house departments, and government agencies based in North America, South America, and the United Kingdom. Our objective was to better understand how the macro-trends impacting their businesses are converging with their talent, their customers, and their environment. These professionals think AI, tech, and automation will have by far the most significant impact on their business over the next five years.

In this report, we present the findings from the first phase of our research, which includes notable insights such as:

- How professionals' hopes for generative AI are centered around improvements in operational efficiencies that will provide greater **productivity**. They also envision that the freed-up time resulting from the removal of mundane work will make them available for higher-value tasks. We at Thomson Reuters believe this will largely be achieved over the next five years.
- How true transformation will occur around talent. While many can see the positive impact AI will have on recruitment, training, career paths, and well-being, there is uncertainty. This unease showed up in the research findings as fears around job loss and, for some, the demise of their professions altogether. We at Thomson Reuters believe jobs will change and tasks will be automated, but AI will create greater capacity for professionals to provide even more **value** to customers and stakeholders.
- How professionals acknowledge the transformational impact AI will have on their work over the next five years. Society and economies have been shaped by our ability to keep pace with innovation. This study shows professionals are ready to embrace change and harness new technology to enable productivity and efficiency, and offer a greater customer experience. At Thomson Reuters, we believe it is too early to fully understand the full scope of these changes and the subsequent impact, but we must partner across industries and create new applications of AI **responsibly** to achieve the most desirable outcomes.

In the report, where appropriate, we have also added additional commentary around our perceptions based on the data gathered and the interviews conducted. We hope you find this research insightful and informative as we partner with our customers and the industry to purposefully shape the future of professionals.

SECTION 1: THE PRODUCTIVITY QUESTION

How can AI help professionals attain their goals?

As more organizations continue to assess how they build and maintain sustainable operations, we opened the research by asking professionals their perspectives on what trends would have the biggest impact on their industry. While professionals predicted several macro-factors to have an ongoing impact — such as the possibility of economic recession and increasing regulations — more than two-thirds of them (67%) forecasted the emergence of AI and generative AI to have either a transformational or high-impact change to their profession over the next five years. What’s more, there is a 14-percentage point gap between this answer and the second-most cited transformational/high impact, the economic recession/cost of living crisis (53%).

AI, and specifically generative AI, is expected to be transformational, or high impact at the very least. Other feedback from survey respondents indicates professionals expect environmental, social & governance (ESG) issues to have a moderate impact, while the remaining four impacting factors are forecasted to have a moderate to high impact. And all of these are continuations of trends we have already been seeing in recent years.

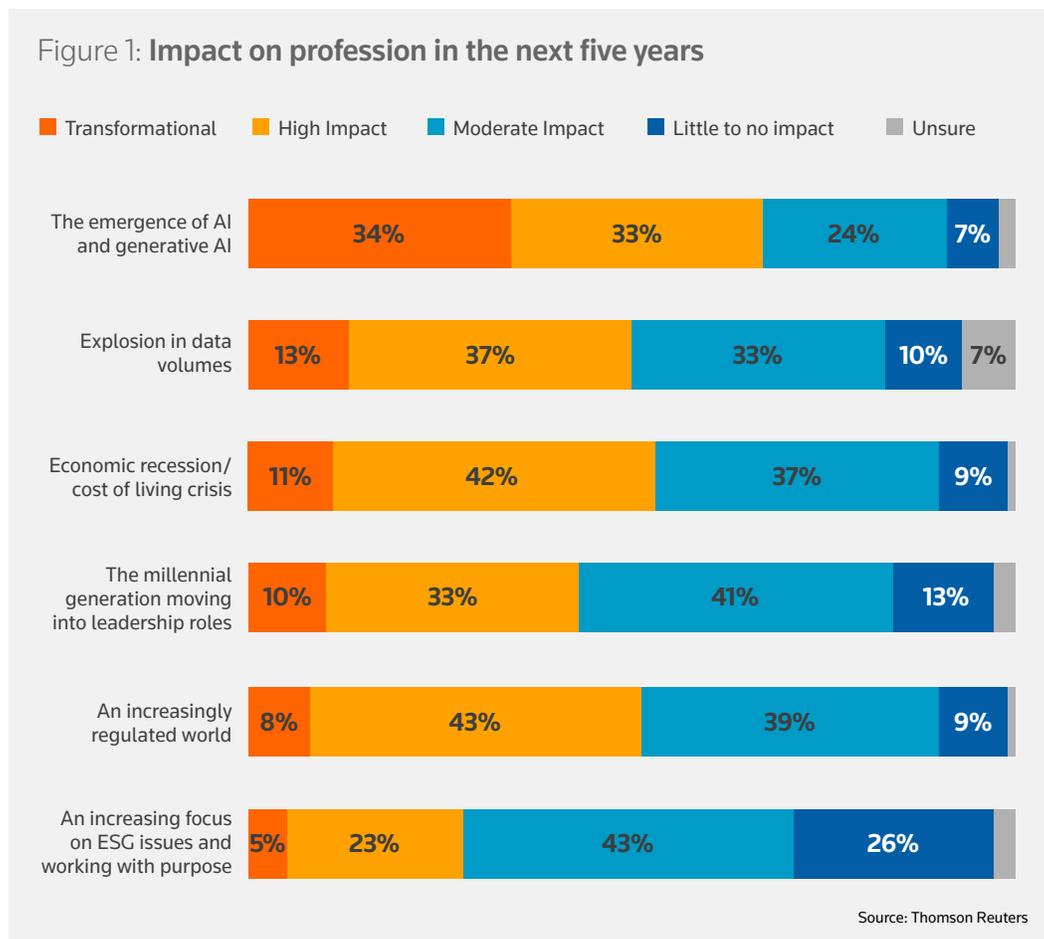
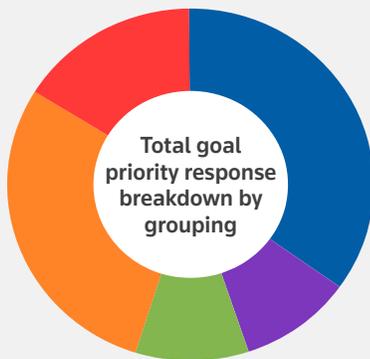


Figure 2: Top priorities for firms and departments

While specific priorities vary from firm to firm and department to department, professionals' top goals in the coming 18 months all fall under the same five groupings:

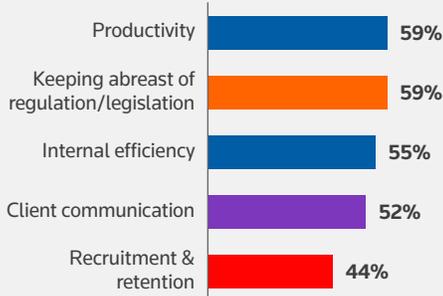
Operations	Productivity, reducing internal inefficiency, and reducing external spend
Client Service	Client communication for firms and internal client service for departments
Enable growth	Expansion into new markets for firms and enabling company growth for in-house professionals
Protect business	Keeping abreast of regulation and legislation, and risk identification and mitigation
Talent	Recruitment, retention, and training and development



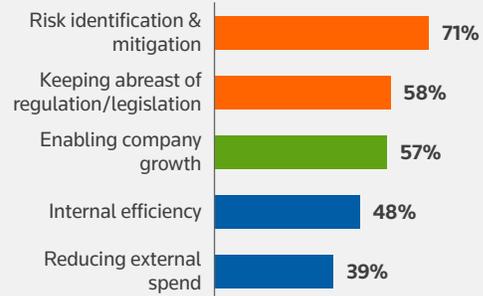
Law firm



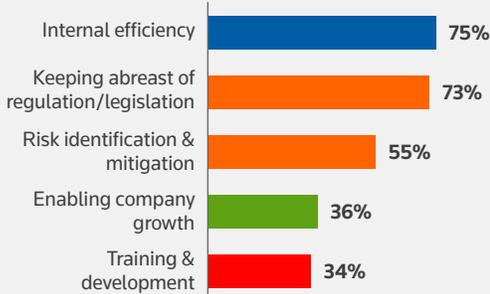
Tax firm



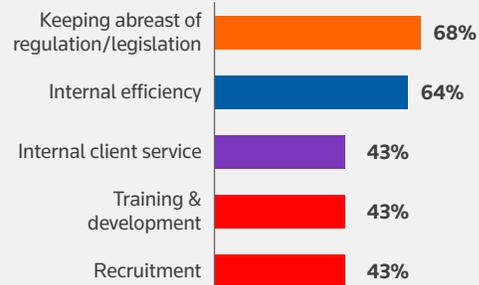
Corporate legal department



Corporate tax department



Government legal department



Source: Thomson Reuters

For firms, operational improvements were most important across the professions — Productivity was the top priority cited by 75% of legal and 59% of tax and accounting professionals working at firms. Likewise, 50% of employees at law firms and 55% of tax and accounting firm professionals selected internal efficiency as one of their top priorities, making efficiency their second and third most common priorities, respectively.

For in-house departments, protecting the business is the top priority — Among in-house departments, activities such as keeping abreast of regulation and legislation in order to protect the welfare of the business was the dominant priority area for corporate and government functions. Risk identification and mitigation were in the top three priorities for corporate functions. These priorities are mirrored in the Thomson Reuters Institute's annual State of the Corporate Tax Department Report¹ and State of the Corporate Law Department Report².

How professionals are viewing AI in their workplaces

Bringing together macro- and organizational trends, we asked professionals about the areas in which AI had the most potential to help firms and departments meet their goals, and if AI would hinder progress in the same areas. Not surprisingly, the majority of professionals reported net-positive impacts across the board.

Majority of professionals perceive AI as a catalyst for growth

Whether it is firm growth or in-house departments seeking to facilitate revenue generation through offering new services or products, professionals employed in both firms and corporations see AI as having the ability to enable growth opportunities. For firms, AI reduces friction to launch new advisory services or expand into new markets. For example, AI potentially can free-up time for professionals to identify and evaluate attractive markets for expansion. For corporate departments, AI can assist in the development of new products and services that could further company growth.

THOMSON REUTERS VIEW:

In-house teams will be repositioned from Cost Centers to Growth Enablers, with a stake at the Board table.

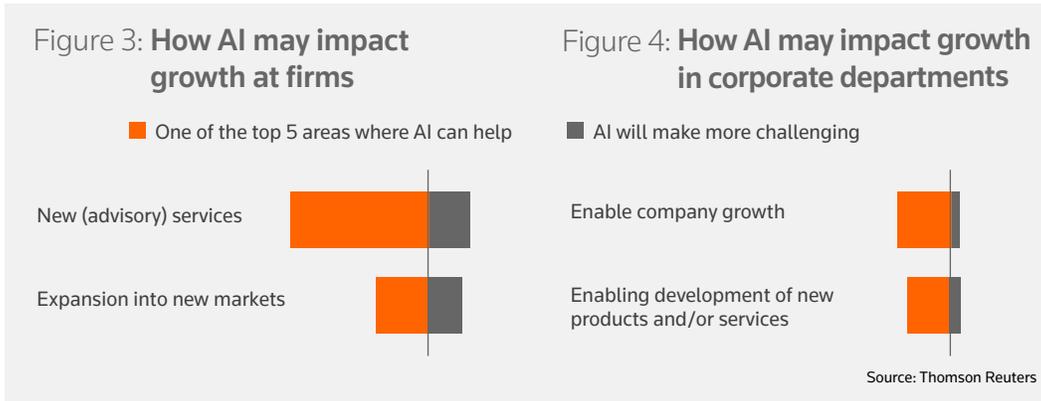
Enabling company growth is already the third-highest priority for corporate legal departments and fourth-highest priority for corporate tax departments. Our discussions with department leaders tell us that many are

looking to move this priority higher up the agenda.

Further, two-thirds of professionals within corporate legal and tax departments predict a shift to more consultative advice.

¹ <https://www.thomsonreuters.com/en/reports/2022-state-of-corporate-tax-department.html>

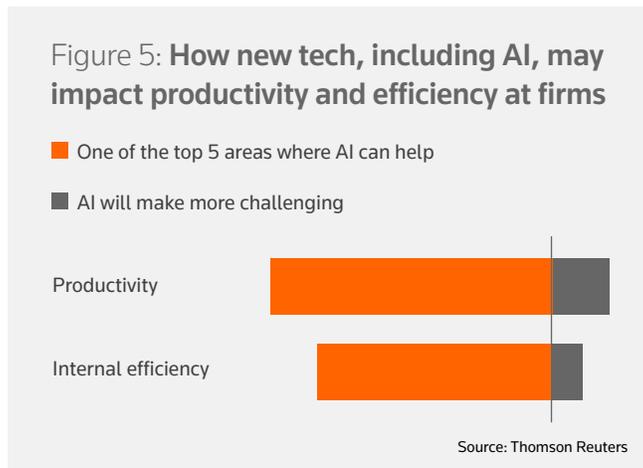
² <https://www.thomsonreuters.com/en-us/posts/legal/state-of-the-corporate-law-department-2023>



Professionals mostly bullish on how AI can drive operational improvements

Broadly speaking, professionals are optimistic about the ability of AI usage to help them tackle operational challenges and meet their goals through changes in the work they do and in how that work is done. Professionals at firms predict the largest net-positive impact of AI through operational improvements in productivity and internal efficiency.

Law firms — For law firms, professionals see the opportunity for AI to enable productivity in two ways: i) saving time by conducting large-scale data analysis; and ii) performing non-billable administrative work with greater accuracy. Both productivity enhancements highlight the fact that these tasks can be done faster and better, allowing fee earners to make greater billings, even if rates are reduced; and by “free[ing] up fee-earner time for greater productivity, allowing them to focus more, if not all, of their attention on billable work. AI could help capture time and billing more effectively where we tend to forget to enter time entries now,” said one survey respondent. In addition to the areas captured in the survey, we suggest that AI has the potential to help legal professionals at firms recapture revenue that is currently lost in write-offs because of inefficiencies³ within the practice.

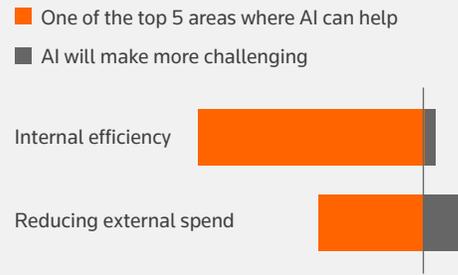


Tax & accounting firms — Likewise, using AI to bring about internal productivity improvements within accounting firms was also cited by professionals as a way the technology can add even greater value to the services they provide. “In reviewing a return, I often spend a substantial amount of time... trying to figure out the best way to handle a client’s taxes to reduce overall taxes in the next five years and not just the current year,” one tax professional said. “AI will greatly assist in saving time in determining the best way to handle certain large deductions and income streams by showing the future tax results.”

3 <https://www.thomsonreuters.com/en-us/posts/legal/stopping-rate-degradation>

In-house departments — Similarly, in-house professionals also forecast gains that AI can have on internal operational efficiencies, as well as reducing external spend. For example, AI can help with in-house internal performance enhancements by introducing efficiencies in processes through “system improvements... inter-departmental issues like processing finance and HR transactions and... streamlining IT processes,” said one survey participant. “AI could [do this] without the need [for] different pieces of software or apps, it will save time.”

Figure 6: How new tech, including AI, may impact in-house efficiency and reduce spending



Source: Thomson Reuters

Professionals foresee compelling benefits in client service through AI

Client communication and internal client service each were highlighted as one of the top areas in which AI could have gains for both firms and in-house professionals.

For firms, it can help add value to client communication in several ways, including:

- **Automating drafting and editing communications to clients** — “Most people find it easier to revise than draft anew,” one firm professional said. “So AI can help significantly by doing a lot of leg-work up front with a professional fine tuning and adding the experienced advice a client needs. It can all be done faster so the client expectations of communication are met.”
- **Keeping clients in-the-know** — “AI can assist with identifying client needs and impacts of changing regulations and legislation much faster than we have been able to identify these needs and impacts through manual practices,” one respondent told us.
- **Improving readability** — Another respondent explained how AI can put “complex ideas into layman’s terms” and “assist with rewriting and clarification, minimizing the time spent on communication with clients.”

Similarly, corporate and government professionals noted several ways in which AI could support better internal client service in order to spur quicker response times, such as:

- **Research** — “Natural language queries will replace complex reports,” one professional elaborated. “And AI will speed up research, decision models.”
- **Document review** — “Document analysis tasks that are currently done manually can be largely automated, and made much quicker, leading to quicker response times,” said another professional.

Figure 7: How AI may impact client communication by firms

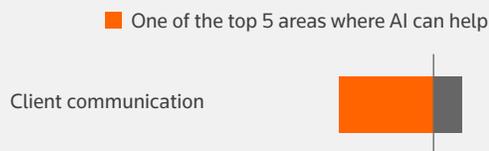
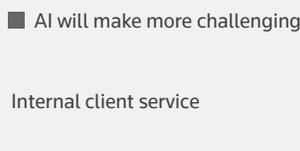


Figure 8: How AI may impact in-house internal client service



Source: Thomson Reuters

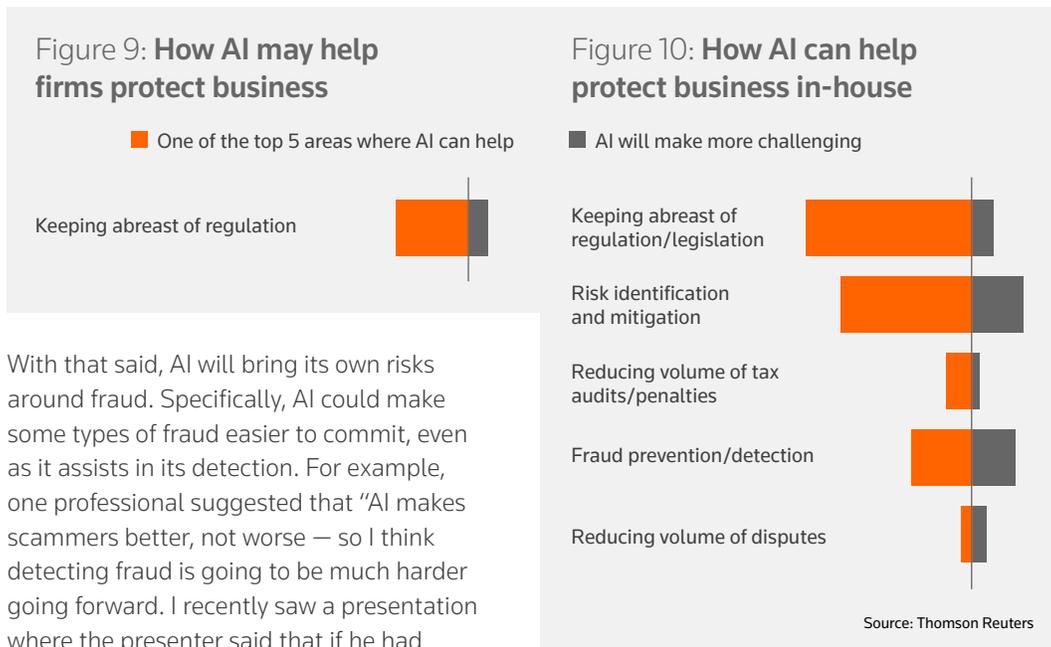
Not all in-house survey respondents were optimistic about AI’s impact on client service internally, however, with some expressing concern that the human element may be lost. As one in-house professional explained: “[These goals] are all centered around human interaction and collaboration which AI will reduce and, in some cases, eliminate.”

Professionals confident in added capability of AI to safeguard business

Largely, survey respondents across firms, corporations, and government said they believe that AI can help in the protection of businesses. This includes helping professionals keep abreast of regulation and legislation, improve risk identification and mitigation, reduce tax audits and penalties, and enhance their fraud prevention and detection abilities.

For example, professionals from firms and corporate and government functions said they see the opportunity for AI to assist in risk-related work.

Within tax functions, professionals said that AI can help reduce tax audits and penalties through improved data quality and the identification of trends in transfer pricing. Likewise, AI can detect patterns that identify potential risk of losses that could occur based on analysis of large amounts of data, including contracts.



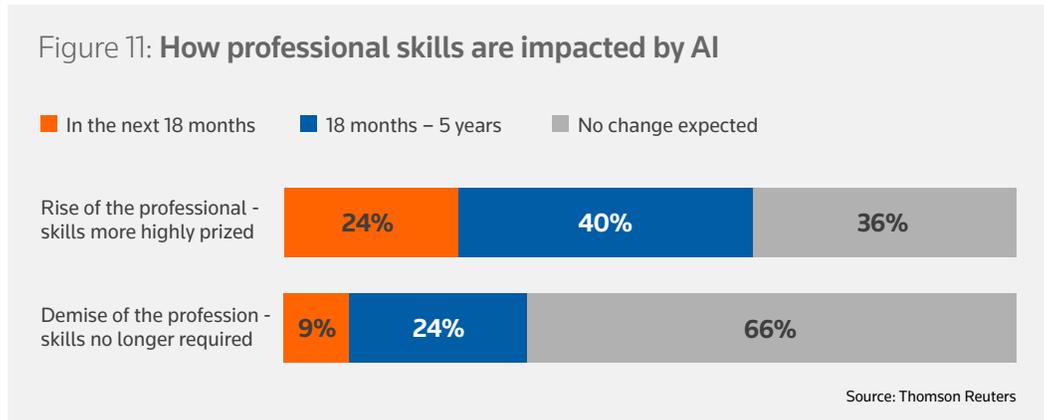
With that said, AI will bring its own risks around fraud. Specifically, AI could make some types of fraud easier to commit, even as it assists in its detection. For example, one professional suggested that “AI makes scammers better, not worse – so I think detecting fraud is going to be much harder going forward. I recently saw a presentation where the presenter said that if he had a video of someone talking for 1 minute, he could recreate them with AI. Today, if we’re not sure if an email is real, we call the person. Tomorrow, the person answering the phone could be someone using AI – and it would be infinitely more difficult to detect.”

Professionals are also aware that other new, yet to be fully understood risks will result from the use of AI. “I believe AI may make people less inclined to be engaged and more reliant on systems that are (currently) imperfect,” said one respondent. “This will require regulation and constant technological change to keep up with risk factors related to AI.”

Many professionals see talent and skills being more highly valued

Professionals participating in our research said they were much more likely to see that the advent of AI would cause their skills to be more highly prized, rather than less. Just under two-thirds (64%) of professionals said they see a rise in the appreciation of their professional skills, with almost one-quarter (24%) of them predicting this result would come over the next 18 months.

Still, one-third of respondents (33%) said they see a darker outlook, with AI resulting in the demise of their profession and their skills no longer in demand.



Along with the potential of more highly sought-after talent, many survey respondents also expected disruptions in recruitment and the talent delivery model, while expressing fears about job loss, the demise of the profession, and ethical issues.

Concerns: Operational questions, financial uncertainty, and macroeconomic pressures spur unease

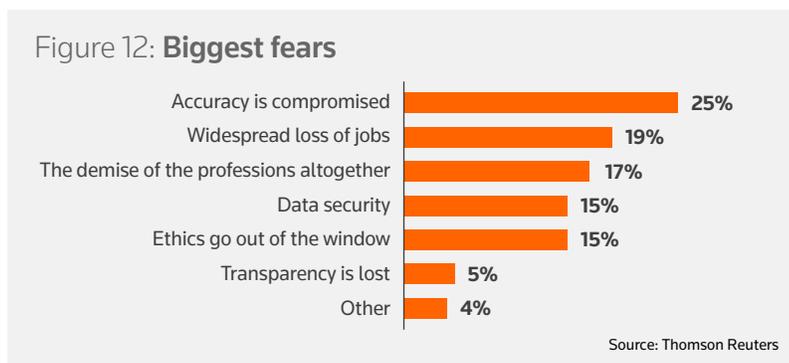
Beyond the potential for AI to greatly improve operations and client services, many respondents also cited specific fears they have around the usage of these new technologies for professional work.

Questions around data security and accuracy highlight lack of trust (for now)

It is unsurprising that 66% of professionals believe AI will also bring new challenges. Most of the new challenges centered around uneasiness around adapting to AI, including the pressure to change, dealing with resistance, and overcoming steep learning curves as it relates to acquiring the skills necessary through training and development to meet the opportunity that AI brings.

We also asked professionals what were their greatest fears in relation to AI in their profession, and we learned that their biggest fears have to do with compromised accuracy, with one-quarter (25%) of

respondents citing this as their biggest fear; widespread job loss (19%); the demise of the profession altogether (17%); concerns around data security (15%); and a loss of ethics (15%).



One of the biggest fears of AI that was highlighted by professionals is the lack of accuracy that could result from queries or proactive prompts of suggestions to existing AI chat tools. Although AI has the potential to remove human error, many respondents said they also do not yet trust the accuracy of its outputs. For example, some professionals suggested that if clients begin using AI themselves it could bring new challenges, especially if clients are unaware when an answer is inaccurate or incomplete.

“Clients will use AI in their own research, which may give them false understanding of the issues of the case,” one lawyer respondent pointed out. This underscores the need for there to be a human involved in the process, checking for accuracy when the technology is used, rather than taking the output at face value.

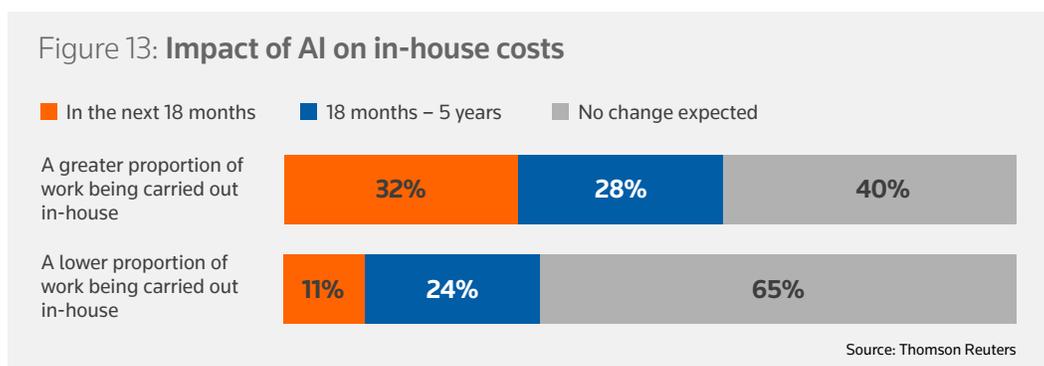
Financial ‘victor’ in use of AI remains uncertain

When highlighting the concerns they had over AI use, survey participants demonstrated the age-old tension between firms’ desire to increase profitability and the in-house need to reduce external spending. Nearly half (48%) of professionals predicted that lower costs for firms, resulting from AI use, would lead to greater firm profitability.

Of course, it may be too early to predict — based solely on these research findings — what will be the outcome of more widespread AI use, because there continue to be several factors at play, including the initial investment costs of AI, how much investment cost firms can pass on to clients, where alternative legal service providers (ALSPs) fit into the mix, the proportion of work shifting in-house which will greatly influence external spend, and more. Let’s discuss each of these in turn:

Short-term investment costs on AI — Our research suggests that AI’s promise of operational efficiencies for both firms and in-house departments is well-known, but a short-term issue is how much investment will be required. Regarding firms, profit margins may take a while to increase because productivity and efficiency gains are unlikely to be realized until the first 12 to 18 months after the initial investment costs of integrating this new technology. On the corporate and government in-house side, the return on investment, similarly, is likely to be felt many months after the initial investment is first made. Also, in-house departments inevitably need to compete with other areas of their businesses for technology investment in the first place.

External spend reductions by in-house functions — Cost efficiencies gained from AI internally within corporations are expected to result more from a greater amount of work moving in-house, rather than from outside firms lowering their fees. In fact, 60% of respondents indicated that a greater proportion of work will be carried out in-house over the next five years. This proportion was even higher among in-house legal professionals and those based outside of the U.S. This finding also is backed up by Thomson Reuters Market Insights research results from the first quarter of this year, which showed that 68% of General Counsel globally expect that bringing more work in-house would represent a significant part of their cost-control strategy over the coming 12 months.



THOMSON REUTERS VIEW:

While the advent of AI may cause the number of ALSPs to contract, growth in the overall market share of these non-traditional providers will continue to accelerate.

Role of ALSPs — Another component influencing the profit of firms and spending goals of corporate functions is the role of ALSPs. Professionals expect clients to turn to alternative service providers to gain leverage on managing costs. In fact, 28% and 49% of survey respondents anticipate this shift occurring in under 18 months and between 18 months and five years, respectively. ALSPs are well-positioned to take on this work and have already been showing accelerated growth over the last decade, with a compound annual growth rate of around 20% between 2019 and 2021, according to the Thomson Reuters Institute's reports on the topic in 2023⁴ and in 2021⁵.

Pricing leverage of firms — AI usage also opens the opportunity for firms to build upon existing sources of revenue and generate new sources of income by i) assessing productivity by revising what they currently offer and how they charge and interact with clients; and ii) adding greater value with new advisory services and new AI-assisted products and services. Indeed, more than 80% of respondents said they expect new services to emerge within the next five years, in part because professionals believe some of the time that they will have freed up because of AI will be dedicated to developing new added-value services.

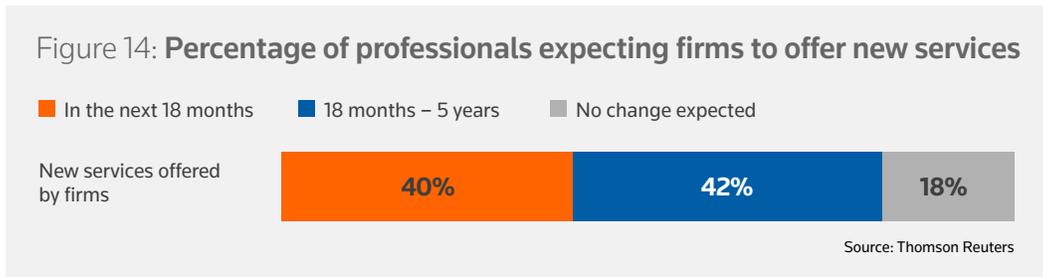
We are in agreement with the 78% of professionals who predict a rise in the use of non-traditional firms/alternative legal service providers.

It could be argued that ALSPs will lose their competitive advantage, as firms and in-house can do more of the mundane work more efficiently with the help of AI. However, in reality, firm and in-house professionals are likely going to focus on higher-level work, leaving much of the commoditized work to ALSPs.

Of course, as will be the case with traditional firms, these non-traditional providers will also have to reassess their business models, the work they do, and how they do it. Providers who fail to adapt will fall by the wayside.

4 <https://www.thomsonreuters.com/en-us/posts/legal/alsp-report-2023>

5 https://www.thomsonreuters.com/en-us/posts/wp-content/uploads/sites/20/2021/07/ALSP_2021-Report_FINAL-1.pdf



Beyond just offering new services, however, some professionals predict whole new alternative pricing models will evolve, probably because AI-assisted work can be charged on a fixed-fee basis. Indeed, 74% of professionals surveyed said they believe new pricing structures will materialize over the next five years, with almost one-third (32%) saying they expect these structures to surface within the next 18 months.



As mentioned earlier, in-house professionals see the potential for AI to reduce external spending, while their outside firms expect efficiency to improve. A key concern for firms is that clients will try and exert unrealistic downward pressure on fees. As one professional at a firm speculated: “Clients will be less willing to pay certain prices for services if they believe AI is assisting.”

Macro-economic cost pressures another concern

In addition, cost pressures from the ongoing tight labor market and global economic uncertainty, which includes the cost-of-living crisis, make it hard to forecast who will win out financially with AI’s emergence. Several professionals on the tax and legal side illuminated the unique aspects of this challenge:

- **Murky economic picture** — “Clients need more work done for less cost, we need to be innovative and find ways to do this. We are also looking at interest rate hikes and uncertainty, which means we need to help our clients find strategies to grow their businesses in non-traditional ways.”
- **Inflationary environment** — “As the cost-of-living increases, I worry that I will see a decline in customer retention for personal tax services. I also worry about when I have to increase my prices, how that might affect customer retention.”
- **Competitive talent market** — “Being able to charge clients enough to cover the cost of salaries and overhead will be difficult and may result in smaller firms with less staff.”

Who wins financially — firms or in-house functions, or indeed both — remains unclear in professionals’ eyes, yet AI is one of many drivers, albeit a major one, that could determine the victor. The geopolitical environment and the global macroeconomic environment, which can be force multipliers positively or negatively, also will produce a lot of uncertainty in the future. Our view, however, is an optimistic one.

THOMSON REUTERS VIEW:

We will see record levels of profitability, at both firm and individual level, as AI creates demand and frees up time for specialist high-value expertise.

Opinion among professionals was split, with just under half predicting lower costs resulting in increased profit for firms. It is understandable that the other half are less optimistic, given

the concerns about downward pressure on fees.

However, even if the commoditized work itself does not become more profitable, professionals

likely will be able to spend more of their time on the higher-value, more profitable work. A full 72% of professionals agreed that there will be a shift to more consultative advice.

THE WAY FORWARD: Achieving operational gains and improving the firm-client value exchange

Navigating uncertainty in the business environment — whether driven by the economy, a health crisis, technology advancements, or some combination of all — is something that the legal and tax and accounting professions have been dealing with, off and on, for decades. However, the emergence of AI as a technological advancement is different. It is much bigger, at once both paradigm-shifting and discombobulating. This is why it is important for both professionals and employers alike to take stock of this watershed development and act decisively.

There is little doubt that AI used at scale will drive significant change, and most professionals said they expect these changes to be mostly positive, both from an operational standpoint and in the overall demand for their skills. To take advantage of all the opportunities that AI offers, the role of AI needs to be clearly articulated. Defining which routine tasks could or should be automated, which can be performed by machines alone, and which require human oversight will be key to evolving how professionals work and the work they do. Likewise, employers should conduct a thorough assessment of their own competitive advantages and areas for improvement, taking into account their client mix and the combined talent capabilities within their organization. Then, they must identify the biggest opportunities that AI presents for growth of their business and drive forward decisively with action. When challenges are foreseen, both firms and in-house leaders need to tackle them head on.

The focus on attracting, retaining, training, and upskilling talent should remain a top priority if professionals are to continue to provide the value that customers and stakeholders have come to expect, especially as we put more emphasis on the technology changes that are disrupting all industries.

In addition, we must expedite the creation and implementation of fundamental AI guardrails, in the form of a globally aligned, cross-industry regulatory framework. This will help us address key areas of concern around AI such as transparency, bias, and accuracy, while also helping to unlock the possible benefits in a transparent and trusted way.

SECTION 2: THE NEW VALUE PROPOSITION

How AI can enhance and empower human talent

AI most definitely creates opportunities for gains in productivity and internal efficiencies, such as more effective and faster client communications and service as well as improvements in giving clients strategic business guidance. Yet, while these opportunities feel transformative, they are really table stakes and are already coming to fruition.

Our research indicates that real transformation will exist in the future and will involve fundamental changes to how professionals work and the work they do. An understanding of the evolution of these conditions is essential to enable Professional 2.0 to emerge.

In addition, the leadership in establishing these structural and organizational changes will be required to create the conditions for teams to upskill and think strategically about how they can reimagine their role of advisor, create a new value exchange with the client, and deliver more value than ever before.

THOMSON REUTERS VIEW:

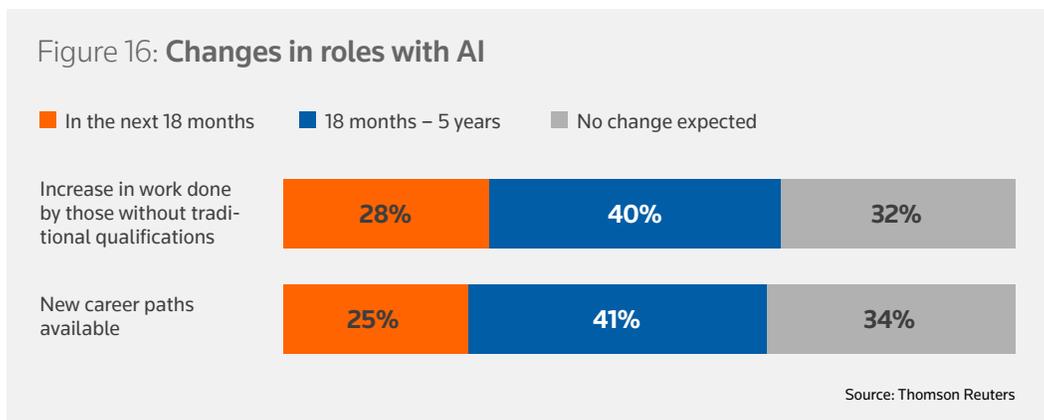
The most common motivator for professionals in their working lives is to deliver high-quality advice to their internal or external clients. AI can bring about a step-change in their ability to do this.

Not only will the automation of mundane tasks free up time for professionals to focus on higher-level tasks, but professionals will find creative ways to use AI tools to deliver value in ways we can't yet imagine.

Who does the work? Unveiling new career horizons and powering unconventional credentials

Insights from our research on how roles will evolve once AI becomes a fixture in the workplace is perhaps one of the biggest areas of transformation within the talent arena. More and more bandwidth will be freed up for higher value work, enabling professionals to meet the strategic advisory needs of their clients and to focus on the work for which professionals' skills will be more valuable.

Already, many professionals surveyed predict new career paths will become available and increases in non-traditional work roles, such as those that do not require the conventional legal or tax qualifications. In fact, two-thirds of respondents said they anticipate these outcomes will occur between the next 18 months and five years.



Research findings indicate that there are a few influencing factors. One of them involves the transition of some tasks from professionals with education and professional credentials — such as JDs, CPAs, etc. — to employees without such professional licensure. Indeed, as automation and AI solutions make completing traditional legal tasks easier, it could become more appropriate for such tasks to be completed by a paralegal or more junior professional. Using this tactic at scale could potentially increase the profit margin, enabling alternative and cheaper ways of becoming a fee-generator in the firm. In addition, the process of applying automation and AI solutions to legal work, which currently is completed by lawyers, will likely increase the need for legal tech consultants.

“Similarly, on the tax side in the U.S., more enrolled agent (EA) professionals may be able to do personal tax returns using this new technology. “The average tax firm has little-to-no use for a CPA compared to an EA,” said one survey respondent within the tax industry. “The hours and educational requirements of a CPA make it difficult for most people to go into that path. Most non-Big Four firms are not doing much audit work and do not [require] credentials above an EA.”

THOMSON REUTERS VIEW:

AI-enhanced and empowered professionals will begin to deliver advice and value to their internal and external clients in new ways.

History has shown us that whenever new technologies are developed, humans use their creativity to employ those technologies in novel ways to better enhance their

own abilities. For example, the day-to-day work of every professional in every industry would be unrecognizable to their predecessors before computers were available.

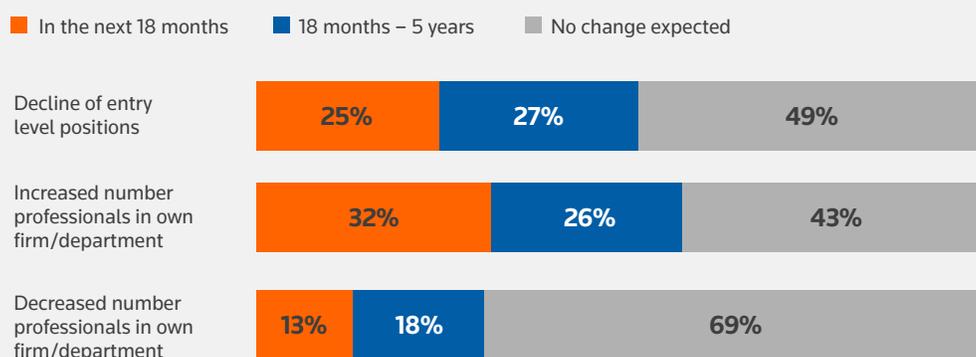
As with all change, individuals and organizations that fail to adapt risk being left behind.

In addition, changes in expectations of the work that junior employees are doing is another aspect that could impact the hiring of non-traditional professionals. Despite the decrease in expected entry-level roles over the next five years predicted by more than half (51%), some survey respondents hinted at more challenging work being assigned to junior level employees.

In turn, this creates expanded options for career progression and opens up space earlier in one’s career for younger professionals to pursue the strategic capabilities of Professional 2.0.

As one respondent stated: “Early adopters will be able to move up career ladders faster than resisters. This may change the entire shape of the law firm model. Who wants luddites for partners when you could have a tech genius?”

Figure 17: **Changes predicted in mix of entry-level and experienced professionals**



Source: Thomson Reuters

Even with the predicted decline in entry-level positions and more work being done by non-credentialed professionals, a majority of survey respondents (57%) predicted an overall increase in the number of professionals in their firm or department. Indeed, the overall trend appears to be towards increased recruitment, with respondents much more likely to predict team size increasing rather than decreasing. This is even true of tax professionals, despite a common fear that there are more people leaving than joining the profession.

Who does the work? Sparking the rise of new providers

Another influencing factor in creating new career pathways are emerging areas of the law and regulation, including for AI itself. This fact has several potential downstream implications for talent with the most basic one being that clients will need outside counsel advice on these new areas and the associated law, and firms will need professionals to have this expertise.

In addition, our research suggests broader potential impacts for talent as respondents noted a few examples, including:

- **Rise of freelancing intermediaries** — A decrease in the traditional in-house career path compared to the private practice career path could include the possibility of a freelance model in which professionals with expertise (such as in fintech) advise both in-house and private practice clients.
- **Cross-border institutions** — New roles to operate at the multinational or international organizational level might be needed to harmonize the regulatory landscape of AI across jurisdictions.

Likewise, firms and companies will be forced to be creative in staffing models. Within the tax & accounting profession, for example, more consulting, including IT and security, expertise will be needed with less needed on narrowly focused tax law, much of which will be supplanted by AI, according to one professional. This offers one scenario for Professional 2.0 to emerge in many areas of expertise; in addition, as firms evolve there will be pathways for roles within firms to manage remote employees, specifically, and to manage subgroups within firms in a more dynamic *firm-within-a-firm* manner.

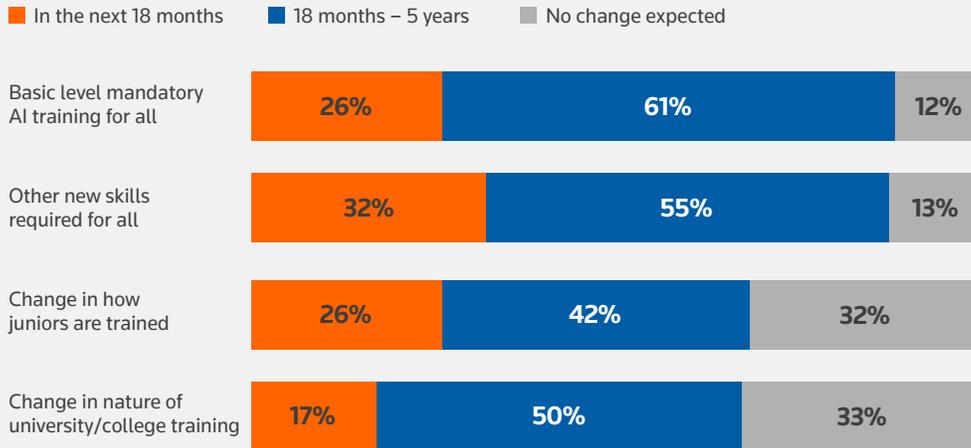
Reshaping talent, skills and recruitment through the AI revolution

Training and development needs will expand — AI is causing and will continue to instigate an onslaught of new training and development requirements — from basic training on how to make best use of AI to the need for upskilling and reskilling of existing professionals as well as changes to how junior professionals are educated on the job and within higher education. In fact, agreement on training and development needs over the next five years among professionals was one of the biggest areas of consensus in our survey. Indeed, just under 90% of professionals expect basic mandatory AI training for all professionals over the next five years. Interestingly, AI innovations within training and development reduce the need for humans to be involved and enables *self-sufficient* training, according to some survey participants.

In addition, 87% of respondents said they believe everyone will need training on new skills, with the majority (55%) saying these needs may not show up until 18 months from now. At the same time, over two-thirds of professionals said they see a change in how junior professionals will need to be trained as well as a change in the nature of university or college training in the same time frame.

Figure 18: **How will training and development change?**

Which of the following changes to professional roles in the industry do you expect to see?



Source: Thomson Reuters

At the same time, expectations of anticipated progress might be overstated. In particular, there will continue to be a need for someone to review junior professionals' work because juniors will not be trained to interpret AI outputs without the background in education and training to work through the task from the ground up. The nuance of this is important, noted one lawyer respondent: "There is a tendency to use AI large language models as the *shortcut* to the answer rather than as the tool to enhance the answer. If people are not strictly guided towards using AI towards the latter purpose, training in general will suffer as early career professionals will no longer work to understand the outputs but rather use the outputs as their legal advice."

There could also be a negative aspect to the realization by experienced professionals, who have invested years in earning a professional credentials or licensure, of how much training and development might be needed on AI in order to acquire new skills. "I think that it will be a disengaging moment when those with less tax technical skills

THOMSON REUTERS VIEW:

Entry to the profession will change dramatically, through modernized university and college courses, greater use of apprenticeships, and other more diverse entry points.

As new career paths for traditional and non-traditional professionals alike are created, entry into firms and departments will need to change dramatically.

University and college courses will need to teach professionals how to leverage AI effectively to better help

them capitalize on the productivity benefits and use their time to provide value-added advice.

Apprenticeships will likely be more appropriate for specialist roles that merge traditional professional skills with more modern skills such as data science.

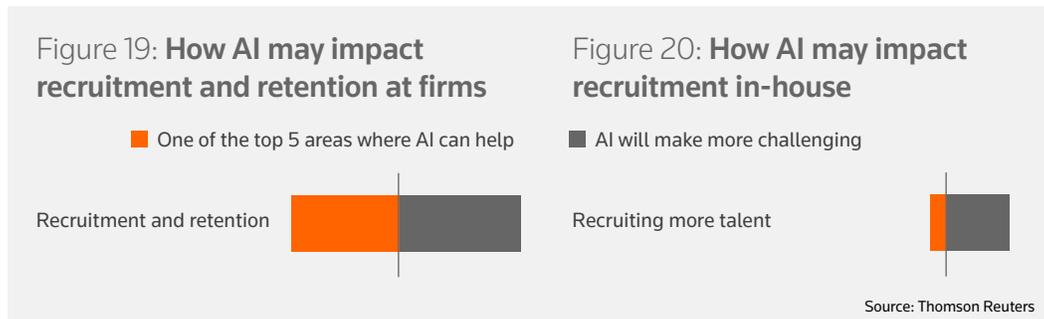
are made to realize that their multiple-year investment was just not enough and that in order to thrive, they are being asked to shift into more of a technologist role,” said one tax professional.

There will also be a mismatch of skills between now and the future that will create medium-term barriers to progress. AI will “create challenges around training new employees as the skillset required will be very different from the ones we look for currently,” one professional commented.

Indeed, two areas that are likely to change quickly are: *i)* technology skills; and *ii)* the professionals’ capabilities around deepening expertise and specialization. Upskilling in technology, particularly around AI, will emerge as a key requirement. Evolving skillsets to learn how to maximize the outputs of AI — known as prompt engineering, which is a way of refining large language models with specific prompts for better output from generative AI services — is one example in this area. In addition, the potential of AI to remove the need to invest time and effort in technical work creates mental bandwidth for professionals to consider higher level thinking and deepening specialization in specific areas of expertise, adding to the value potential of the *Professional 2.0*.

Recruitment disruptions expected — Clearly, AI will impact organizations’ approach to talent. The mix of talent between recruiting for entry-level and for experienced positions will change shape. Overall, our research suggests that the number of professionals will increase, but it indicates a slight preference in forecasting a decline in entry-level positions.

Lower recruiting budgets also might be an expected reality of AI. Indeed, AI is already bringing some efficiencies to candidate screening. Also, firms investing significant resources to woo early career professionals with JDs and CPAs may find those efforts wasteful with the arrival of AI and the expectation of lower numbers of entry-level positions. “With limited budgets, it is likely that money will be spent on new technology rather than training existing or recruiting new staff,” stated one survey respondent.



In-house professionals in particular had concerns that AI could negatively impact their recruitment goals, with concerns ranging from difficulty finding people with the necessary tech skills to challenges assessing candidate’s true skills. “I think recruiting true talent will be more difficult because lack of skill will be concealed by applicants’ use of AI”, as one respondent suggested. Some respondents also believed that changes to roles might make the job less attractive.

Nevertheless, technology is seen as a key element in attracting younger talent. Gen Zers, those professionals born between 1997 and 2012, have grown up with easy access to mobile technology and prefer employers who are leaning in on how they utilize technology and AI in their operations. “Younger people are more in tune and interested in emerging technology. The legal field is historically slow to adjust and update, so having AI can help recruit younger and more well-versed employees.”

On the tax side, people currently leaving the profession outnumber those studying as accountants, and as such, AI could play a fundamental role in attracting a new generation of tech-savvy accountants.

The fact that historically both law and tax & accounting firms have been challenged by the adoption of new technology in general is one of the primary challenges for recruiting young talent, according to survey respondents. The desirability of joining those firms which are seen as lagging in technology will be relatively lower.

THOMSON REUTERS VIEW:

The tax profession will evolve once again, with more fulfilling work, a more technology-centered approach and greater work-life balance.

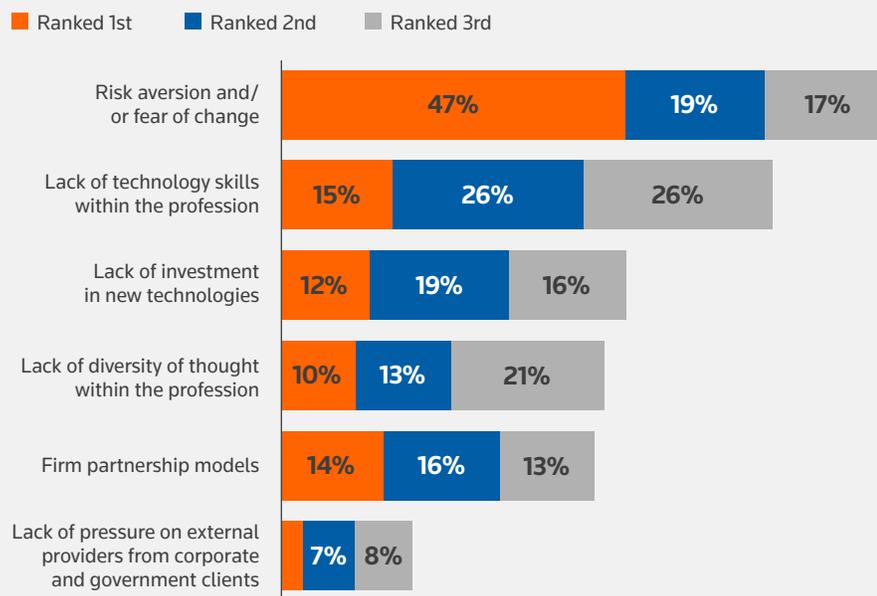
The tax industry – in the U.S. in particular – has been suffering from a lack of new talent entering the profession in recent years⁶, with many young people switching to more attractive careers, for example in finance.

We believe the rise of AI will make a career in tax a more attractive proposition to young people.

Concerns: Fears of change and job loss spur worries

Professionals face barriers in fully capitalizing on the opportunities presented by AI due to their risk aversion and pessimistic views regarding the potential demise of their respective fields, our research shows. In fact, 83% of professionals surveyed cited risk aversion or fear of change as a top three barrier within the professions.

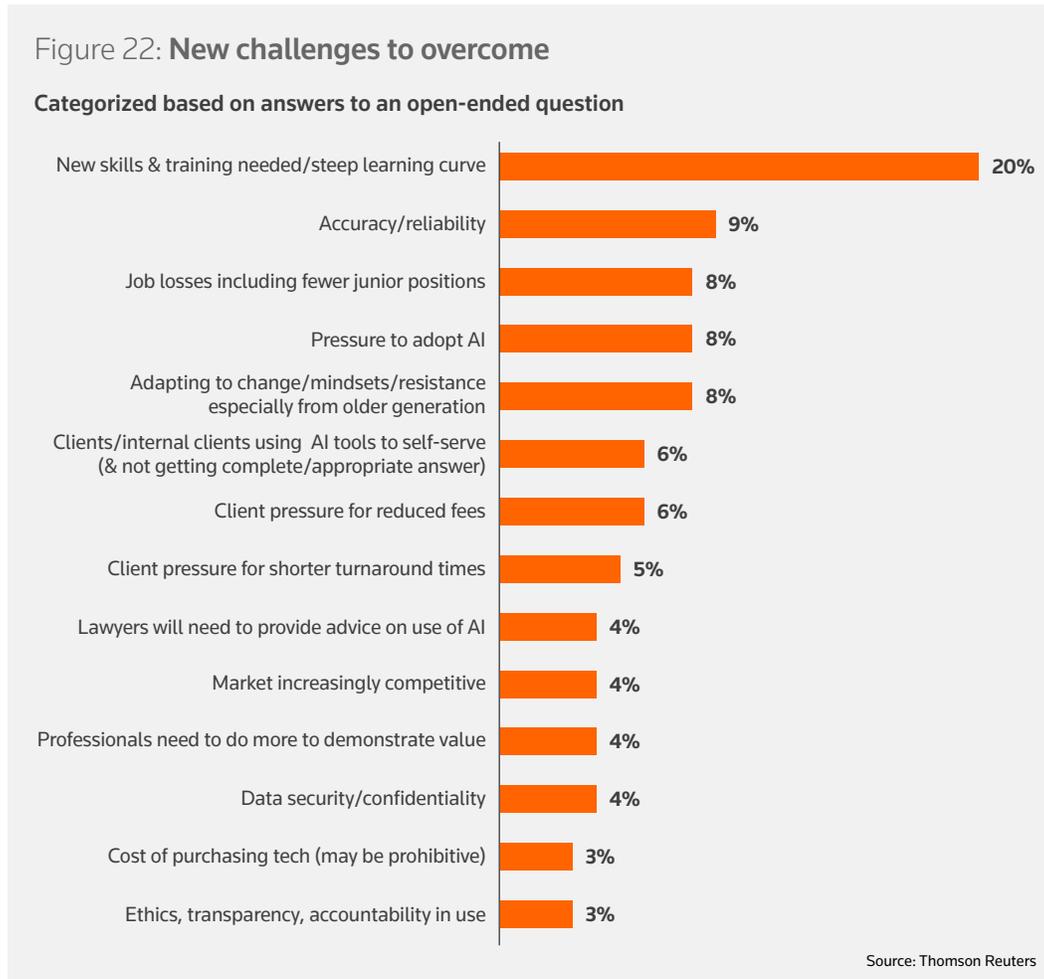
Figure 21: **Main barriers to change in your profession**



Source: Thomson Reuters

6 <https://tax.thomsonreuters.com/content/dam/ewp-m/documents/tax/en/pdf/reports/tr3147390-talent.pdf>

Of course, there will always be resistance to change, but even those professionals that said they were willing to embrace change recognize the challenge they face. In particular, 20% of professionals cited the steep learning curve around AI as well as the development of new skills and training needed as a major challenge.



In addition, job displacement is one of the biggest macro-fears of AI, fueled by the perception that the new technology is a competitor — rather than a complement — to the professional skills and capabilities of talent. “Competing against a computer that can *READ EVERYTHING* is daunting,” said one survey respondent. “Humans simply cannot keep up.”

Underscoring both the fear of change and of professionals being displaced by AI is that professionals’ capabilities will no longer be valued. This sentiment of *professional demise* emerged in two ways in our research: *i)* 17% noted the demise of their profession as their biggest fear; and *ii)* 34% of professionals cited concerns around AI displacing their skills.

On the latter, there is a fear of overall demise of professional capabilities with the potential for professionals to rely on AI and no longer use their own professional judgment. “It will literally dumb-down the average new professional and make teaching professionalism and judgement much more difficult,” suggested one respondent. “More staff will suffer from the mindset of: that’s what the AI generated, how can I be wrong?”

Although this prediction was shared by a minority of respondents, it is worth reiterating that almost twice as many professionals thought the opposite — that professional skills would in fact become more highly prized.

THE WAY FORWARD: Revolutionizing talent delivery through AI

AI represents a transformative revolution that has been unfolding over several years, characterized by rapid progress and fundamental shifts in paradigms. In order to navigate the ongoing disruptions effectively and achieve success in both the present and the future, leaders of firms and departments will need to adopt a visionary and strategic capability to spearhead the operational and profit potential of AI.

Of particular importance is leaders’ ability to proactively enable the transformation the Professional 2.0 *collectively* rather than adopting a passive *wait-and-see* mentality. Indeed, leaders must use the capabilities of AI to reshape and adapt their previous approaches to talent delivery and the training and development of new skills to get their talent where leadership envisions they need to go.

Despite the inevitable disruptive nature of AI in the years to come, individual professionals need to be poised to take action to regularly evaluate professional strengths, weaknesses, opportunities, and threats. They also need to develop a career action plan to capitalize on professional growth opportunities and minimize professional limitations. By doing so, they can unlock the potential positive impacts of AI and effectively navigate the uncertainties that will undoubtedly arise.

Generative AI will not replace highly trained lawyers and accountants, but a lawyer or accountant using generative AI will certainly replace one who isn’t using the technology. There will be new opportunities created by the advanced automation of tasks, and we need to train humans for these prospects. If business and AI work together, professionals will be able to focus on building a new value exchange with clients, customers, and stakeholders.

SECTION 3: BUILDING RESPONSIBLY

Harnessing the power of intentionality to fulfill promise of AI

The intersection of AI and talent involves the complexity of the sometimes competing and complementary drivers that make it difficult to evaluate the future. What is clear is that in order to leverage fully the opportunity of AI and avoid the downsides, professionals intentionally must keep their motivations front and center when acting decisively in the future.

Our research indicated that two of the top five personal motivations cited by professionals are directly involving clients — the top motivator, cited by 67% of respondents, was to produce high-quality advice; and the fourth-ranked motivator (55%) was to provide high-quality service. In addition, maintaining a healthy work-life balance (63%) and continuing to develop my knowledge and skills (60%) were ranked as the second- and third-most important motivations.

Figure 23: Top five personal motivators



Source: Thomson Reuters

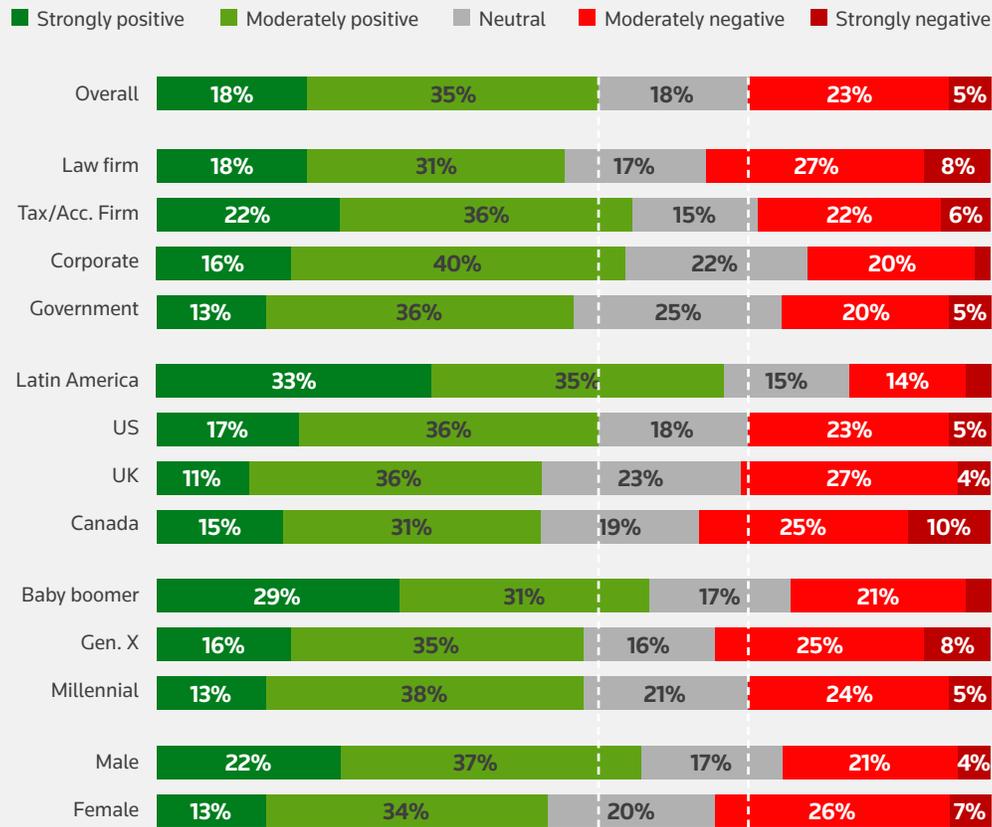
Also, clarity of purpose⁷ is noted as an important element of professional motivation and engagement, according to other research conducted by the Thomson Reuters Institute. In this current research, however, just under two-thirds of professionals at law or tax & accounting firms felt their organization had a clearly defined purpose, compared to more than 80% of those within corporate or government departments who thought this.

Prioritizing mental health & well-being is key to enduring disruption

With maintaining a healthy work-life balance being cited as the second most important motivator for professionals, it is easy to connect the dots to understand how work impacts overall mental health and well-being, given that many professions in the legal and accounting industries are known for long hours and high stress. Interestingly, more than half (53%) of the professionals surveyed said that their work had a strongly or moderately positive impact on their mental health and well-being. And just under half of legal professionals at law firms and in the government sector agreed their work positively impacted their mental health and well-being.

⁷ <https://www.thomsonreuters.com/en-us/posts/legal/custom-advisory-check-ins-retention/>

Figure 24: Overall impact of your work on your mental health and wellbeing



Source: Thomson Reuters

THOMSON REUTERS VIEW:

Professional mental health concerns will ease, with associate burnout and grueling tax seasons hopefully relegated to the past, as working hours reduce, flexibility becomes the norm, and room for human error is removed.

Long working hours and fear of making errors or missing an important detail each currently have a negative impact on the mental health of 80% of professionals.

Current sentiment from professionals is mixed in terms of the impact they predict AI

will have on well-being in the industry, with similar numbers predicting that AI will both help and hinder in this area. And yet, AI clearly has the potential to eliminate these negative factors.

Fear of the unknown can undoubtedly exacerbate mental

health concerns, but we feel confident that professionals can and will take control of their future to shape the profession to how they would like it to be for the next generation.

The positive nature of gaining mental health and well-being benefits from work suggests a good portion of professionals will be able to cope well with the disruption that AI inevitably will bring. Intentional focus by professionals on their mental health and well-being during this transition therefore will be very important to maintaining this positive state.

At the same time, 28% of professionals said work negatively impacts their mental health and well-being with employees at law firms demonstrating the highest level (34%) of being negatively impacted. Long working hours and fear of making errors are the top two factors driving perceptions of negative mental health and well-being. And among tax professionals, long working hours is a particular problem.

Widespread AI use within the industry has the direct potential to address long working hours and the fear of making errors. Indeed, productivity and efficiency gains could remove the need for long hours and lessen the risk of making errors because time is no longer being spent on mundane tasks. AI provides these efficiency gains along with performing lower-level tasks, which could potentially lead to more rewarding work; and, in the words of one respondent, that would leave “employees feeling like they are better using their skills and contributing more to the final work product.”

Driving AI regulation and ethical advancements through engagement

One of the top-five fears is that AI will “push ethics out of the window.” To compensate for this potential situation, there will be a need “to ensure that AI and corresponding information/ documents are appropriate, accurate, reliable, and ethically permissible,” said one survey respondent.

THOMSON REUTERS VIEW:

Professionals need to actively engage in the debate on AI regulation to ensure that technology is used in ethical, transparent, and sustainable ways.

The vast majority (93%) of professionals are recognizing the need for regulation.

Legal, tax, risk, and compliance professionals are by definition, well versed in grappling with regulation on behalf of their clients and their own organizations. As such, they are well placed to take the lead in

helping define the regulation that is needed to secure safe and ethical use of this important technology.

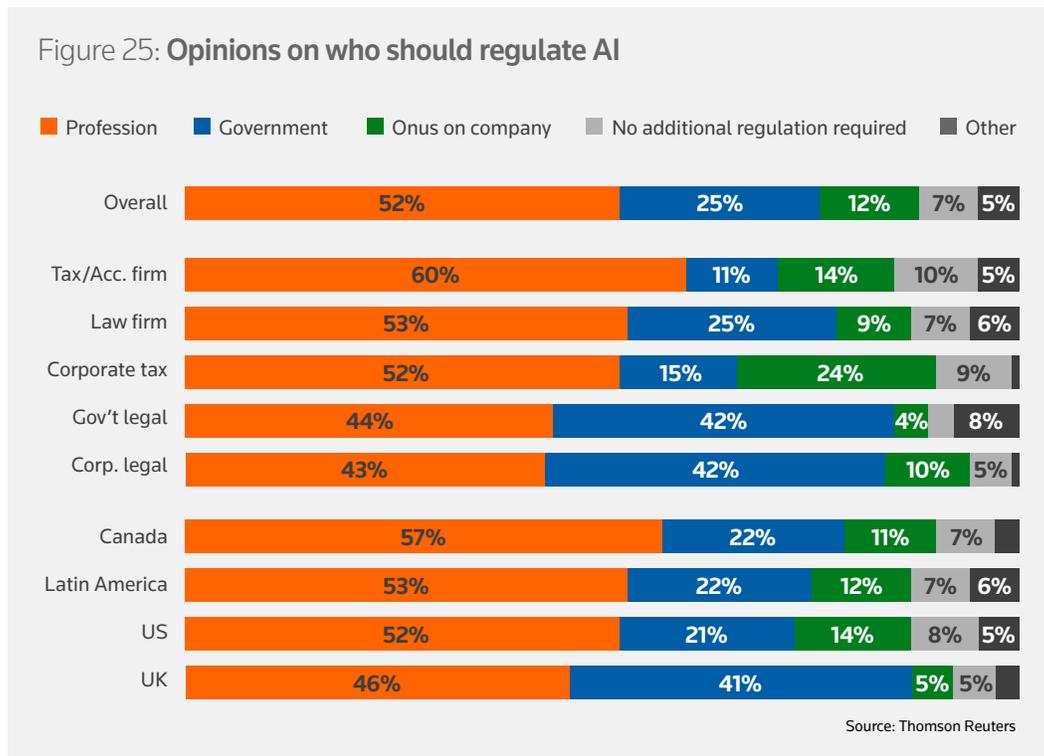
We are on the cutting edge of what AI can do for professionals, but long-term success will require self-governance and a public-private partnership in laying

ground rules for the industry at large. This may take many forms, but it’s vital for stakeholders to convene and hold each other accountable in building and using AI in a responsible way that professionals can trust in order to provide value and increase productivity.

The lack of trust and unease about the accuracy of AI is one of the primary reasons why professionals see the need for the regulation of AI at all levels. In particular, there were several survey respondents who voiced concern about using AI in the context of providing advice and using the AI output as legal advice without a human checking for accuracy.

These fears and negative outcomes necessitate the call for the need of firms and in-house departments to proactively enhance their ethics programs to mitigate the risk of these concerns.

Further, a majority of professionals (52%) said they believe that regulations to govern professional ethics of AI are necessary at the industry level with another one-quarter saying that governments should design and oversee professional ethics regulations.



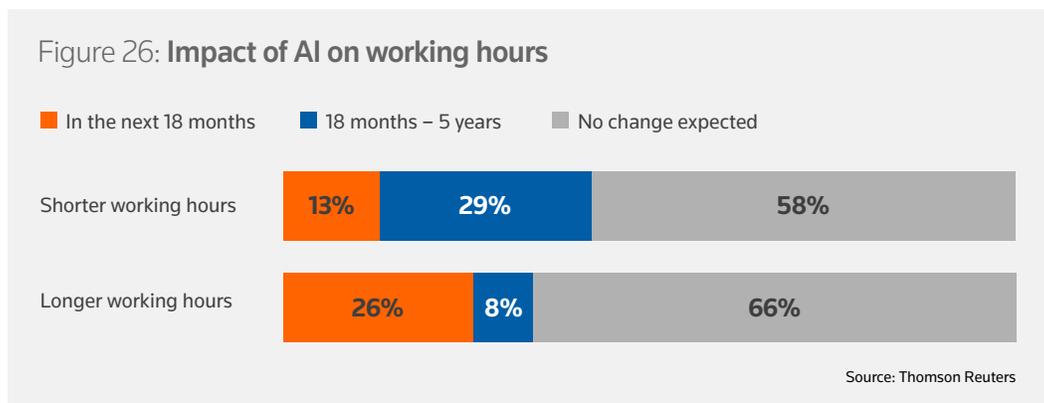
In fact, some respondents said they are in favor of regulation at multiple levels, even with the acknowledgment of the complexity of multi-layered dimensions. "I believe that AI will (and should) be regulated by both the Government [and] by my legal profession," said one respondent. "That said, inevitably it will need self-regulation by its providers and additional regulation by the other professions utilizing it as well."

Clearly, regulation has a critical role to play in instilling public trust in AI, helping to drive adoption, and harnessing its potential.

CONCERNS: Impacts on work-life balance and well-being

Although, as stated above, some professionals can see potential for AI to improve mental health and well-being, it must be acknowledged that not all professionals agreed with this optimistic standpoint. Indeed, some professionals believe AI will have a *negative* impact on their work-life balance and mental well-being, in part because of skepticism as to whether the benefits of AI will actually materialize.

In fact, the collective opinion among survey participants is divided as to whether working hours will shorten or indeed increase. A lack of clarity on the impact of AI on working hours was the dominant view, although the proportion of professionals who expect AI to result in longer working hours was twice that of those who predicted shorter hours in the short term.



Those with negative perceptions of AI on engagement brought up the potential of less-rewarding work because there is less of a “personal touch of an advice-centric organization.” Similarly, negative views of AI due to fear of job loss are noteworthy and linked to worsening engagement that is due to fear of displacement and feelings of disposability.

Using AI can also exacerbate the already-existing reality of low engagement and poor well-being within the professions. These already negative feelings were caused, in part, by a decline in the quality of interpersonal relationships since the pandemic and a lack of human interaction in new hybrid/remote work environments.

THOMSON REUTERS VIEW:

While we understand the fears around job displacement, we believe generative AI will create increased capacity and bandwidth for higher-value, higher-touch work.

With that said, it will be critical for leaders at firms and in-house functions to be bold in casting a vision that communicates and reinforces the need for professionals to up-skill and learn how to get

the best out of AI, as well as what output is needed to best serve the client or business.

AI will never replace humans, of course, but professionals using AI will replace those who

don't. AI may even bolster the careers of paralegals and young professionals. For example, AI may make them experts in asking the right prompts to optimize output, and in turn, increase their own value.

“Interpersonal matters that AI cannot solve may likely increase,” said one respondent. “Also, if a company is resistant to diversity and inclusion, then AI won’t solve that.”

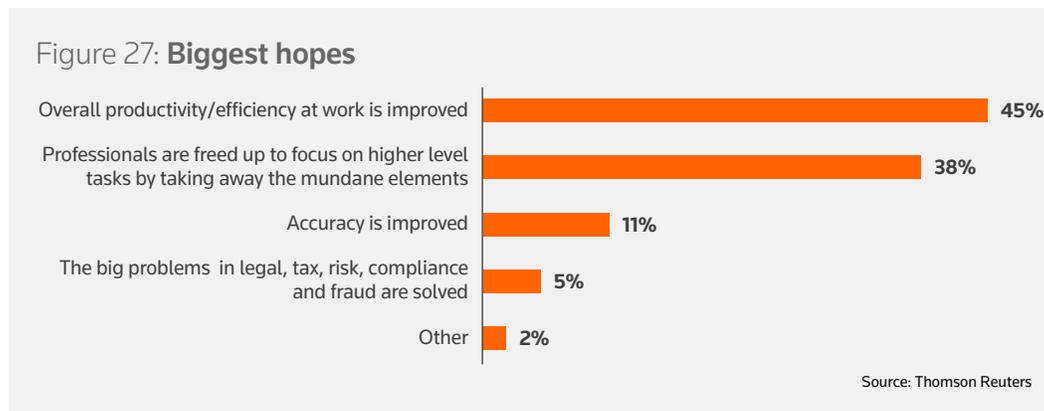
On the topic of AI’s implications for return-to-the-office strategies, the general consensus among professionals is that AI will hinder efforts of organizations to motivate the return to office. With the rise of AI, work processes could eventually be completed remotely. “With advances in AI, it negates the need to have a full-time presence in the office,” offered another respondent in a blunt assessment. “In local authority, the community prefers to have a physical presence so the case for AI mitigates a return to the office.”

Both positive and negative perceptions of AI’s impact on professionals’ work motivations, work-life balance, and mental health and well-being will remain at play over the next five years. This is why it is important for each individual professional to understand what drives them internally, conduct an honest assessment of their unique value proposition based on their expertise, and identify areas for professional development, all the while establishing their own personal guardrails to maintain a healthy mental well-being.

Likewise, leaders of firms and in-house functions must approach these challenges head-on through their own consistent organizational analysis of strengths, weaknesses, opportunities, and threats, while enabling an *employee-centered* culture in the process.

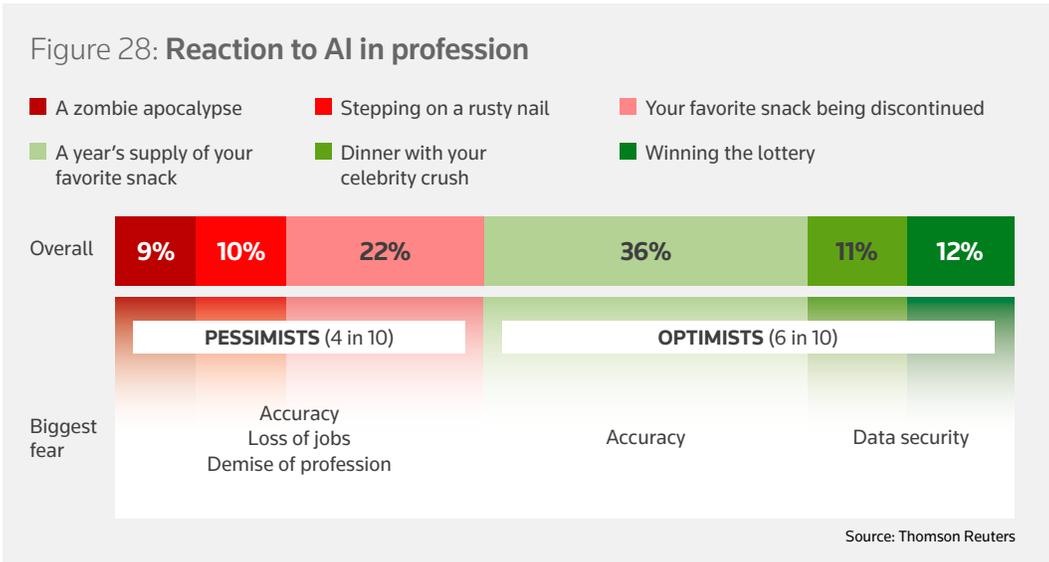
THE WAY FORWARD: Fierce optimism to embrace bold challenges on the horizon

AI will help professionals achieve their goals with the two biggest hopes — improvements of overall productivity and efficiency at work (45%) and freeing up time and mental bandwidth for higher level tasks (38%). These benefits can only happen, however, if action is taken with purposeful intention by both professionals and employers, all of which are necessary for the transformation of a Professional 2.0.



The number of professionals participating in this research who report having a general state of optimism about the potential of AI is a solid foundation from which to push forward. Indeed, most said they plan to stay in the profession, despite any fears they may have, and 6-in-10 remain optimistic about the impact of AI.

Playfully, we asked professionals to imagine how they would feel if a time traveler from 10 years in the future told them AI would become ubiquitous in their profession. One-in-10 professionals equates this scenario to a zombie apocalypse, but slightly more compare it to winning the lottery. The most common position was cautiously positive.



When asked about their worst fears about what AI will bring to their profession, the optimists focused more on immediate practical challenges, such as data security, and pessimists worried more about job loss. It is important to acknowledge the pessimists' view — that AI and the drastic amount of change it will bring has some real downsides, involving ethics, data accuracy, and data security, that need to be mitigated. However, these are not deal-breakers. There will always be resistance to change, of course, but our research clearly shows an optimistic outlook for AI to potentially make changes for the good.

THOMSON REUTERS VIEW:

As an industry the biggest investment we will make is in trust.

Professionals are cautiously positive about AI technology empowering their work operations. Based on the fears stated, this is understandable. Regulation will be necessary and will come when the entire industry, made up of

companies, professionals, technologists, and government, work together to define the way to engage with AI – and continue to adapt as the technology evolves.

Through education and clear understanding of how the data

and insights were formulated, more value is created and more productivity is realized.

As a result, more professionals will create even better use cases than we have envisioned today.

Conclusion

It's undeniable that the future of work is set to be revolutionized by generative AI. This study clearly shows that professionals are ready to disrupt or understand that their industry will be disrupted by the tide of generative AI that is already changing so many of the ways we work and play.

Industries need to work together to consider how they might find the right balance between the benefits of technology and accounting for any unintended consequences. Some of the respondents to our survey told us that data security and ethics were among their biggest concerns. As an industry the biggest investment we will make is in trust. The survey highlights the imperative to be clear on the sources of information, to know how an AI system arrives at its conclusions and recommendations, and to feel confident that the results are explainable.

Survey respondents also told us they were concerned that the rise of AI may cause widespread job loss and, for some, the demise of their professions altogether. We strongly believe that generative AI will not replace highly trained lawyers and accountants, but rather, that a lawyer or accountant using generative AI will certainly replace one who isn't using the technology in the very near future. There will be new opportunities created by the advanced automation of tasks, and we need to train humans for these prospects. If businesses and AI work together, it will enable people to focus on building a new value exchange with clients, customers, and stakeholders.

The exact transformation brought about by AI among professions is still unfolding, awaiting its full realization. This topic certainly divides opinion — while 60% of respondents said they were optimistic about AI, and 1 in 10 even likened the full realization of AI to winning the lottery. At the other end of the scale, of course, almost 1 in 10 compared it to a zombie apocalypse.

There is a risk that some professionals will adopt a wait-and-see approach. The alternative is to embrace a proactive and intentional path that empowers leaders to harness AI in ways that drive the desired change. This approach will transform roles into fulfilling, purposeful, and enjoyable positions as the advisors of the future. More than two-thirds (67%) of respondents said that producing high-quality advice was their top motivator, with 72% forecasting a shift to a more consultative approach with the adoption of AI. And almost two-thirds (64%) of professionals view AI as a means to making their skills more highly prized.

In the era of transformative value exchange, professionals must reassess and redefine what it means to be an *advisor*. With increased productivity and efficiency, AI will undoubtedly liberate bandwidth for higher-level tasks, empowering professionals to address internal and external clients' strategic advisory needs and allowing them to concentrate on work that holds greater value.

Respondents also told us that creating a healthy work-life balance was a top-two motivator for them, making it easy to connect the dots to understand how work impacts their overall mental health and well-being, especially given that the professions studied are well known for long hours and high stress. Intentional action to implement AI could help professionals experience healthier working hours and improvements in well-being due to efficiency gains.

The overriding sentiment of this study is one of confidence among professionals, both in their professions and in the new opportunities created by the advanced automation of tasks; and this confidence endures, even as professionals acknowledge the accompanying challenges they will need to be navigate.

Appendix: Methodology

Thomson Reuters undertook this *Future of the Professionals* research project by surveying participants on a number of trends — from the emergence of AI and its implications for operations, growth, client relations, risk management, and talent over the next five years; to understanding how AI is going potentially transform professionals' work and its impact on talent-related issues, work-life balance, and personal well-being.

The research was conducted during the months of May and June 2023 via web survey. As mentioned, more than 1,200 professionals from the legal, tax & accounting, and risk professions employed by corporations, firms and government agencies took part in the initiative. About half of the participants were based in the U.S. with almost all of the remaining half from the U.K., Canada, and Latin America.

Most of these professionals were traditional, meaning that those in the legal industry were lawyers, those from the tax & accounting industry were accountants and CPAs, while a small minority performed roles in operations and technology. In addition, representation of the survey respondents included the majority from the Baby Boomer (those born between 1946-1964), Gen X (1965-1980) and Millennial (1981-1996) generations. A handful of respondents were Gen Zers (1997-2012) or Silent generation (born prior to 1946).

For the purposes of this research, we use new technologies and artificial intelligence in the context of:

- 1. New technologies** — Those technologies that have the potential to change the way we live, work or interact with each other. They may appear both in physical products (such as smartphones or watches) and in services (such as music or video streaming) that we use. It includes new products and services or new features within existing products and services.
- 2. Artificial intelligence** — AI is the ability of a machine to imitate intelligent human behavior. An AI-driven product is one that is enhanced, improved, created, or shaped by an artificial intelligence method, such as machine learning or deep learning.

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