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LEGITIMATING HISTORY IN THE ACCOUNTING CURRICULUM

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Over the past eight years I have taught a senior honours course in accounting history at Edinburgh University. The (predominantly) positive feedback received from students enrolled for this option indicates two things. First, that accounting history is considered to be a worthwhile and interesting course. Second, the subject is perceived as refreshingly different. One student commented recently that the course 'brought another discipline and its skills to accounting'. This reference to skills is the essential message of this paper. Trends in higher education in Britain inspire consideration of an alternative basis for legitimating the inclusion of accounting history in the curriculum. One which extends beyond the traditional advocacy of history based on its capacity to increase the *knowledge and understanding* of students. It is argued that claims about the merits of including of accounting history in the curriculum should focus on its capacity to deliver learning outcomes which emphasise *transferable skills*.

The task of the Education Committee of the Academy of Accounting Historians is essentially concerned with encouraging and assisting the implementation of history in accounting programs. The Committee pursues its agenda by assembling and disseminat-

ing historical materials for integration in accounting courses. The Syllabi Project of 1994 has supported attempts to convince institutions of the desirability of an accounting history course or the inclusion of historical content in existing accounting courses. The Committee is currently focusing its attention on encouraging doctoral students to include a historical component in dissertations, and collecting syllabi and resource materials for teaching purposes. This concern with the presence of accounting history in the curriculum has also inspired a number of academic papers on the subject. Contributions by Bloom and Collins (1988), Coffman, Tondkar and Previts (1993) and Armernic and Elitzur (1995) have sought to reveal how different types of material (such as published papers, biographies, videotapes and annual reports) can be used in accounting courses to broaden students' comprehension of the development of the craft and to enhance student awareness of the issues surrounding the application of contemporary accounting rules and techniques.

These authors and the work of the Academy are primarily concerned with broadening the accounting *knowledge* of students. That is, showing how history can enhance the practical and theoretical understanding of accounting. In a paper by Simon (1995) reference was made to the use of histories of firms to improve understanding of the basic subject matter of accounting. Such histories were identified as a source of anecdotes and trivia questions in order to spark an interest in history. Nurturing 'interest' among students is not so difficult in the author's experience. Neither is a shortage of teaching material a constraint on the introduction of accounting history courses given the vast expansion of published output in

the subject over recent years. The problem lies in *legitimizing* the presence of accounting history in a curriculum choked with accreditation-driven content and the claims of more modernist subjects. In the UK at least, there are pedagogical shifts afoot which may serve to enhance the legitimacy and contribution of history in the accounting curriculum. This arises because of the increasing emphasis on skills transmission.

In the UK the advent of external quality assurance regimes has encouraged a deeper consideration of the specification of learning outcomes in accounting degree programs. The ability of an institution to achieve its defined outcomes is the benchmark against which teaching quality is formally evaluated. It is obvious to anyone involved in preparing for teaching quality audits in the UK that it is no longer sufficient to suggest that imparting knowledge in a subject is the only learning objective of a course or programme. Emphasis is increasingly placed on skills as well as subject-knowledge and understanding. These skills are defined as *intellectual* and *transferable* and are to be enhanced in order to better equip graduates to exploit employment opportunities. At the last major teaching quality evaluation in business and management subjects in the UK, it was apparent that faculties were providing insufficient specification of such skills. They were most commonly found to be implicit rather than explicit in statements of program objectives. Those suffering more recent quality assurance reviews have been anxious to ensure that skills feature prominently in teaching documentation. They have also been aware that curriculum design is increasingly conditioned by the need to impart skills.

In the UK a 'Benchmark Statement for Accountancy' has been issued by the Quality Assurance Agency. This outlines the typical cognitive abilities which a student of accountancy could be expected to attain having pursued a degree program. These abilities are identified as the following:

- 1) Critical evaluation of arguments and evidence.
- 2) The ability to analyse and draw reasoned conclusions from a set of data which is both given and acquired by the student.
- 3) The ability to locate, extract and analyse data from multiple sources.
- 4) The capacity for independent learning.
- 5) Numeracy skills and the ability to manipulate financial data.
- 6) Skills in the use of information technology.
- 7) Communication skills and the ability to present quantitative and qualitative information.
- 8) The ability to work in groups, and oral and written presentation skills.

The first three of these are intellectual skills, the remainder are transferable personal skills. The extraordinary feature of the intellectual skills identified in the 'Benchmark Statement for Accountancy' are their affinity with the essential attributes of the historian. They bear an uncanny resemblance to the skills identified by teachers of history as the learning outcomes of their programs (see, for example, Coltham and Fines, 1971; Gunning, 1978). In fact, taken as a whole, there can be few sub-disciplines of accounting aside from history which are more closely attuned to the acquisition of the skills identified by the framers of this benchmark statement.

By emphasising the intellectual skills

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which accounting history can nourish, the appearance of the subject in learning programs may be advanced to counter the usual arguments against its introduction, viz., that it has limited value to students as *knowledge*. Mainstream historians have long had to face the accusation that their subject has limited vocational value. Their response has been to emphasise the skills and attributes which the study of history develops. The same agenda might be pursued by accounting historians. Accounting History has a particular value in developing the intellectual skills of the student, particularly those abilities which are not so evident in the traditional elements of the accounting curriculum. These skills can be identified as follows:

- 1) Research Skills: the capacity to identify and search for relevant information.
- 2) Reference Skills: the ability to systematically obtain, verify and retrieve information from a variety of sources.
- 3) Translation Skills: the ability to gather information in one form (such as financial data) and construct a narrative around it.
- 4) Critical Evaluation Skills: the ability to criticise and interpret evidence are fundamental skills of the historian. This involves the evaluation of evidence, the identification of bias and assessing the merits of competing theories and explanations with a view to making reasoned judgements.
- 5) Contextualisation Skills. The ability to appreciate the complexity and diversity of social and economic situations. This contrasts with the prescriptive and confined

nature of much of technical accounting.

- 6) Synthesis Skills: the ability to identify and articulate salient points, divergent conclusions and linkages between available evidence.
- 7) Analytical Skills: the ability to evaluate and interpret evidence.
- 8) Extrapolation Skills: making inferences and framing hypotheses on the basis of evidence gathered.

These intellectual skills of the historian are all of direct vocational relevance to the aspirant accountant (especially future auditors, whose profession emphasises the gathering of relevant, reliable and sufficient evidence, its evaluation, analysis and drawing reasoned judgements) and can be utilised in advancing the case for the introduction of accounting history courses.

Like other subjects accounting history offers many opportunities for novel approaches to enhance *transferable personal skills* such as oral and written communication. Accounting history presents students with a new and challenging subject which involves engagement with a different vocabulary. Skills in group work, the use of information technology and time management feature large in history programs, again, using types of material (such as primary sources) which may be quite different to those utilised in other accounting courses. Written communication is especially associated with the historian and represents an important complement to the technical and quantitative bent of much mainstream instruction in accounting and finance.

The challenge therefore, is to advance

the pedagogical case for accounting history on the basis of the *intellectual skills* which it imparts as well as its potential for *knowledge* enhancement. The increasing emphasis on skills as learning outcomes in the UK offers new opportunities for legitimating history in the curriculum. It enables accounting historians to construct courses which are attuned to developing the core intellectual and personal skills of the accounting graduate and to do so in innovative ways.

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markets. As the size and complexity of business grew from the beginning of the Italian Commercial World through the Industrial Revolution, the success and growth of those businesses were often dependent on the sophistication of the accounting system. The concept and determination of net income was critical in the computation of how much capital could be taken out of the business in the form of dividends. Dividends based on faulty income measures led to insolvency. The SEC's power to set GAAP (subsequently transferred to the FASB) reflects the importance the U.S. government places on the capital market's need for quality financial reporting. The Companies Acts in England reflect similar concerns.

SUMMARY

Accounting history is a cornerstone for both our accounting theory course and accounting curriculum at Kansas State University. Students gain a broader perspective of accounting and therefore, enhance their awareness of the interrelationship between accounting, business, and society. Equipped with this perspective, students are better prepared to understand more complex accounting issues and concepts that impact financial, managerial, systems, and tax accounting.

Probably the most important perspective that accounting history provides is that accounting is an ever changing system that evolves to meet the needs of its users. Students learn that in order to thrive in accounting's changing environment, they must understand the origin and nature of the change process. That alone may be enough to keep teaching accounting history in our classrooms!