

10-1982

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Abdel M. Agami

Ula M. Motekat

Stanley E. Warner Jr.

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Recommended Citation

Agami, Abdel M.; Motekat, Ula M.; and Warner, Stanley E. Jr. (1982) "Practical Experience For Accounting Educators: What Are The Problems?," *Woman C.P.A.*: Vol. 44 : Iss. 4 , Article 4.

Available at: <https://egrove.olemiss.edu/wcpa/vol44/iss4/4>

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Practical Experience For Accounting Educators

What Are The Problems?

By Abdel M. Agami, Ula K. Motekat, and Stanley E. Warner, Jr.

In April 1982 the first accounting programs were accredited by the American Assembly of Collegiate Schools of Business (AACSB). While the standards used to evaluate accounting programs are, by and large, similar to the standards used to judge business programs, one of the new standards for accounting programs is different and unique: it is the professional experience requirement. In its interpretation of this standard, the AACSB states:

A significant proportion of all faculty should strive to obtain relevant professional accounting experience regularly throughout their professional careers. "Regularly" means at least sixty days of experience within the most recent five-year period. "Relevant" means the experience should be related to the subject matter content of the courses generally taught by the faculty member.

Such experience may include, but is not limited to, 1) consulting with and employment by business, public accounting, governmental and other not-for-profit organizations, 2) serving on technical

committees of professional and academic organizations, 3) serving on boards of directors, and 4) developing case material which involves substantial exposure to practice problems of the accounting profession. [AACSB, 1981]

Since the accreditation process can work only if enough faculty members satisfy this requirement, the authors decided to find out whether accounting educators are willing to meet this standard.

THE RESEARCH DESIGN

A questionnaire was chosen as an appropriate method of obtaining the faculty's reaction to the experience standard. To get a representative sample the questionnaire was mailed to 525 accounting faculty members (approximately ten percent) chosen randomly from Hasselback's *Accounting Faculty Directory 1980-81*. [Hasselback, 1981] By the cut-off date usable responses had been received from 215 faculty members, a response rate of forty-one percent.

In order to determine whether the respondents were a fair representation of the sample, the two groups

were compared on the basis of certain characteristics listed in the *Directory*. Table 1 shows this comparison. It can be seen from this table that, with two exceptions, the rates of response are clustered around the overall rate of forty-one percent. The two exceptions are the responses from women and from holders of professional certificates. In both cases, the number of people with the characteristic was probably undercounted in the sample. In the case of sex, an addressee was classified as female only if the first name was given in the *Directory* and was unequivocally female. A person listed with a first name used by both sexes, with an unusual first name, or with initials only was therefore classified as male. In the case of professional certification, the *Directory* probably omitted this fact for faculty recently certified.

The questionnaire consisted of two parts. The first part asked faculty members whether they were interested in obtaining professional experience and, if so, how they would like to do it. These questions were designed to find out not only for whom professors want to work, but also what kind of work they want to do, when they want to do it, and how much remuneration they expect. The second part of the questionnaire asked for personal data from the respondents. These questions were included to see whether differences in responses could be attributed to certain characteristics such as rank, age, sex, publication record, previous accounting employment, teaching areas, etc.

THE SURVEY RESULTS

Of the 215 respondents to the survey, 147, or well over two-thirds, expressed an interest in working for a CPA firm to satisfy their relevant professional experience requirement. Of these 147, fifteen female and ninety-three male faculty members (fifty percent of all respondents) ranked employment by a CPA firm as their first choice for employment. This response surely is an indication that a sizable proportion of accounting educators will look to the public accounting profession for help in acquiring relevant accounting experience. To assist the profession in meeting this demand, this article describes the responses by the 108

TABLE 1

Rates of Response by Rank, Sex, Professional Certificate and Teaching Institution

	Sample		Respondents		Rate of Response
	n	%	n	%	%
Rank:	n = 525		n = 215		41%
Professor	165	31	66	31	40
Associate Professor	122	23	58	27	48
Assistant Professor	155	30	70	32	45
Instructor, Lecturer, etc.	83	16	21	10	25
Sex:					
Male	472	90	184	86	39
Female	53	10	30	14	57
No answer			1		
 Holders of CPA/CMA Certificates:	332	63	163	76	49
 Faculty Teaching at:					
AACSB Accredited Schools					
with doctoral programs	132	25	55	25	42
without doctoral programs	228	43	98	46	43
Total at Accredited Schools	360	68	153	71	42.5
Non-Accredited Schools	165	32	62	29	38

faculty members and examines the implication for the prospective employers. This will be done by answering, in turn, the questions: Who wants to work for CPA firms? What do they want to do? When do they want to work? What compensation do they expect, and for what firms do they want to work?

Who Wants to Work for CPA Firms?

According to the survey results, the professional background of the 108 respondents is compatible with their employment interest. Over three-fourths have CPA Certificates, and the majority have previously worked for CPA firms, either part-time, full-time, or both, as Table 2 shows. It can also be seen from this table that only ten percent have no previous accounting experience whatsoever, whereas well over half have two or more kinds of accounting experience. The previous accounting experience of the fifteen women follows the pattern of the men and is therefore not shown separately.

This variety of previous accounting experience means that some faculty members may have had experiences which regular staff members in CPA firms lack, whereas others are less qualified than junior staff members. Schedulers used to professional staff with a known and predictable level of experience will have to pay special attention when assigning faculty to jobs.

If the Cohen Commission Report was correct in seeing a widening schism between academia and the accounting profession [AICPA, 1978], the results of this survey should be encouraging to both academic and public accountants. The 108 respondents primarily interested in working in CPA firms tend to be younger and in lower academic ranks than all respondents, raising the hope that through their employment in CPA firms they will help to bridge the schism. While the women are slightly younger than the men, almost half (sixty percent of the women and forty-six percent of the men) are under age forty, and over four-fifths are under age fifty. Only twenty-two percent of this group are full professors, whereas thirty-one percent of all respondents are in the higher academic rank.

TABLE 2

Previous Accounting Experience of 108 Respondents

	No Previous Experience with CPA Firms	Previous Full and/or Part-time Experience with CPA Firms
Previous Experience in:		
Self-employment	1	4
Consulting only	4	10
Business only	7	7
Business and consulting	3	13
Business and self-employment	1	2
Consulting and self-employment	5	13
Business, consulting, and self-employment	7	10
Respondents with Other Previous Experience	28	59
Respondents with no Other Previous Experience	10	11
Total Respondents	38	70

Sixty-two percent have a doctoral degree; eight percent are ABD.

The scholarly output, as measured by presentations of papers at professional meetings and publications in professional journals, is somewhat less for the 108 respondents interested in CPA employment than for the 215 respondents as a whole. About thirty percent have less than six publications and no presentations, and another forty percent have less than six publications and/or presentations. This low scholarly output is understandable since the 108 respondents tend to be in the lower academic ranks, and scholarly output is closely associated with academic rank. Of those with no scholarly output, seventy-seven percent are below the associate professor level and eighty percent are below the full professor level. On the other hand, almost ninety percent of those with high scholarly output are associate or full professors.

For the female respondents, too scholarly output and academic rank are correlated. Since the women in this group tend to be younger and in lower academic ranks than the men, their scholarly output is lower.

The age, academic rank, and education of the 108 faculty members point to a potentially serious problem when they work for a CPA firm. Their lack of previous experience may result in their being supervised by staff members much younger and less educated than they are. How will the professors and the staff members react to these delicate situations?

What Do They Want To Do?

Specifically, do the 108 faculty members want to broaden or deepen their accounting knowledge while working in a CPA firm? The answer is: both. Although most of them want to do what they teach, they also want to work in areas where they have not taught, as Table 3 shows. The table also shows that virtually all faculty members are flexible and interested in working in more than one area.

Since the areas in which accounting educators want to work will play a major role in faculty assignment by CPA firms, this section will take a closer look at five areas: auditing, taxes, systems, professional development, and research.

TABLE 3

Teaching Areas and Work Interests of 108 Respondents

	Teaching Areas				
	Financial n=85	Cost n=51	Audit n=29	Systems n=12	Tax n=33
Working Interests:					
Financial (n=88)	81	43	24	8	23
Cost (n=51)	42	29	13	6	12
Auditing (n=61)	52	24	26	6	9
Systems (n=43)	24	12	6	2	5
Taxes (n=54)	41	23	10	2	32

Auditing

Since CPA firms are best known for their auditing function, it is understandable that the majority of the 108 respondents want to do auditing. What is surprising is that over one-fourth do not. Their work preferences are shown in Table 4.

It is also noteworthy that of the 61 faculty members who want to work in auditing, only 26 teach auditing now, or have taught it in the past. Unless the other 35 educators plan to teach auditing in the future, they may find that working as auditors does not qualify as "relevant" professional experience for them, since the AACSB may interpret "relevance" to denote a direct relationship between the work done and the subjects taught.

If some or all of these 35 educators plan to teach auditing in the future, they provide the CPA firms with a unique opportunity: the firms can show the future auditing teachers through actual cases what knowledge they would like to see in the graduating students they will recruit in the future.

The 29 faculty members who teach

auditing are probably of particular interest to CPA firms. Their work preferences are shown in Table 5. It shows that, although their first choice is auditing, they are very flexible and would also like to work in other areas. An interesting fact is that six of these 29 auditing teachers have never worked in CPA firms.

Taxes

Table 3 shows that of the 108 respondents, 33 teach taxes (thirty-one percent), 54 want to work in taxes (fifty percent), and 32 of the tax professors want to work in the tax area. CPA firms may be able to assign these 32 tax professors to planning research, or return preparation in their tax departments. But the 22 professors who have not taught taxes and yet are interested in tax work raise two important questions: (1) Can the CPA firms find meaningful work for them? And, (2) if so, will such work qualify as relevant experience for non-tax professors?

Systems

Only 12 of the 108 faculty members (eleven percent) teach systems, as Table 3 shows, while 43 want to work in systems (forty percent). Only two

TABLE 4

Work Preferences of 28 Faculty Members Not Interested in Audit Work

Work Preference	Number of Faculty Members
Taxes	22
Professional Development	22
Financial Accounting	21
Research	10
Managerial Accounting	4
Systems	1

TABLE 5
Work Preference of 29 Respondents
Who Have Taught Auditing

Work Preference	Number of Faculty Members
Auditing	26
Financial Accounting	24
Professional Development	19
Taxes	10
Managerial Accounting	8
Research	8
Systems	4

of the twelve systems professors want to work in their teaching area, the lowest proportion for any teaching area. The 41 professors who do not teach systems but are interested in working in that area raise the same two questions as the 22 non-tax professors discussed previously about availability of meaningful work and qualification of the work as relevant experience.

The preceding descriptions of the teaching areas and work interests of the 108 faculty members highlight the problems the professors and the CPA firms may have to face in working together. On the one hand, these faculty members are flexible in their work interests, enabling the firms to assign them to a variety of tasks. On the other hand, many faculty members would like to work in areas in which they have never taught or worked, probably necessitating a lot of on-the-job training by the employing CPA firms and running the risk that such employment will not qualify as relevant professional experience for the faculty member.

Professional Development

Of the 108 respondents, 76 want to work in professional development (seventy percent). This high positive response is probably due to two factors: (1) faculty may feel most comfortable offering their services in this area, because conducting professional development seminars closely resembles classroom teaching, and (2) the respondents may have thought that they could offer a valuable service, especially to small CPA firms who lack enough personnel to allow a high-ranking member of the firm to concentrate on new developments in accounting and taxes. These firms could, instead

hire accounting teachers who must keep up with new developments in their teaching areas and could therefore keep the professional staff up-to-date.

It should probably be pointed out that only the preparation of the professional development seminars will qualify as relevant professional experience, the mere running of the seminars will not. The reason may be that the educators do not learn anything about practical accounting problems if they simply transfer their theoretical knowledge to their public accounting audience in these seminars. To meet the professional experience requirement, professors may have to familiarize themselves with the firm's clients and their practical problems and then present their findings and solutions like case studies in their professional development seminars.

Research

Of the 108 faculty members, 74 expressed an interest in doing research while working in CPA firms (sixty-nine percent). The majority of these 74 educators, as Table 6 shows, have little or no scholarly output as measured by presentations of technical papers and publication of articles.

The high interest in doing research, coupled with the low scholarly output, points out a potential problem. Given the emphasis on scholarly research in universities, these faculty members may want to do research which will lead to publications and presentations. The CPA firms, on the other hand, may want them to solve practical problems arising during the course of an engagement which are not suitable for publication.

At the same time, the faculty's interest in doing research presents CPA firms with the opportunity to influence future research topics by guiding the faculty members working for them into researching practical problems and away from more esoteric research areas.

When Do They Want To Work?

Employing faculty on a temporary basis will pose problems for CPA firms who must staff engagements over a period of time. However, the faculty members interested in working for CPA firms show a surprising flexibility which should reduce the difficulties of work assignment. Ninety-five of them (eighty-eight percent) will work during the summer, giving their employers an extended period of time, unfortunately during the slack season. Ninety-nine (ninety-two percent) will work while on sabbatical or unpaid leave, resulting in an even longer working association. However, not all universities grant paid sabbatical leaves, and unpaid leave may require higher compensation of faculty. Fifty-seven of them (fifty-three percent) will work regularly during the semester, for instance one day a week, thus providing continuity in their association with the CPA firm but raising questions about the type of engagement which can be carried out during only a few hours a week. Finally, forty-five faculty members (forty-two percent) will work during vacations, other than the summer break, enabling CPA firms to use them on engagements of short duration. If these vacations include the month of January, as is becoming common, CPA firms can get temporary faculty help during their busy season.

Only five percent of the 108 faculty members limit themselves to working only while on leave or during the summer; all others are willing to work at various times during the year. This flexibility on the part of the accounting educators should help their prospective employers in scheduling their work assignments.

What Compensation Do They Expect?

It is obvious that faculty members would be happy if CPA firms compensated them for their time at a

higher rate than their universities. When asked whether expense reimbursement alone would be sufficient, eighty-four percent said no. Clearly, some compensation is expected. Most of them expect this compensation level to be at or above their academic salary, but a surprising 28 of them, including seven women, are willing to work for less than their academic rate of pay. The findings that some faculty are willing to work for expense reimbursement only and that over a fourth of them are willing to work for less than their academic salary shows that many faculty members are willing to make a significant financial sacrifice to obtain professional experience.

What Firms Do They Want To Work For?

The surprising answer is: not only for the Big 8. In fact, less than one-fourth (twenty-two percent) would limit themselves to working for large, national firms. Over one-half (fifty-four percent) of both the men and the women responded favorably toward working for small, local firms. The implication of these responses is that small, local firms cannot assume that the large national firms alone will have the responsibility for providing relevant accounting experience. The few large firms cannot possible accommodate the large number of faculty who will be looking for public accounting experience. The small firms will therefore have to share the respon-

sibility and, fortunately, many faculty members would like to work for them.

CONCLUSION

The answers to the previous questions show that faculty are interested in acquiring relevant accounting experience by working for CPA firms and that they are flexible in when they will work and what kind of work they will do. But the public accountant may still have one question: will accounting professors view their work with CPA firms as an integral part of their academic careers? The answer is a resounding yes. Over one-half (fifty-one percent) believe the CPA firm's evaluation of their performance should be furnished to their academic departments. But beyond that, forty-eight percent believe it should influence their raises, and over three-fourths (seventy-six percent) believe it should affect promotion decisions.

TABLE 6

Scholarly Output of 74 Respondents Interested in Research

Presentations at Professional Meetings	Published Articles				Total
	None	1 - 5	6 - 10	Over 10	
None	15	4			19
1 - 5	7	19	4	1	31
6 - 10		7	2	2	11
Over 10		2	2	9	13
Total	22	42	8	12	74

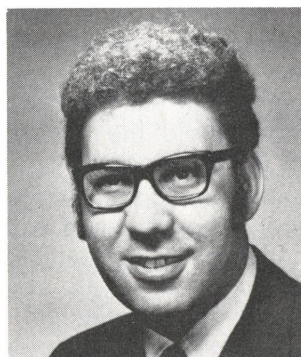
Finally, both academic and public accountants may wonder whether working for a CPA firm will have an impact on the faculty's research and teaching. Certainly, that is the faculty's expectation. Sixty percent felt it should be relevant to their research, while eighty-eight percent felt it should be relevant to their teaching. If the public accounting profession can meet these expectations, practice and education will meet, both in research and in the classroom. Ω

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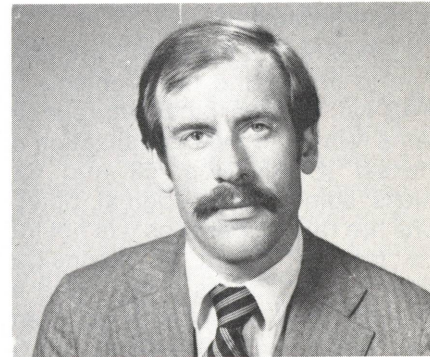
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Abdel M. Agami, CPA, Ph.D., is professor of accounting at Old Dominion University. He is a certified public accountant in New York and Virginia, and is a member of AAA, AICPA, NAA, NYSSCPAs, and VSCPAs. He is an earlier contributor to *The Woman CPA*, and has been published in other academic and professional journals.



Ula K. Motekat, CPA, DBA, is professor of accounting at Old Dominion University. She is a member of AWSCPA, ASWA, AICPA, and AAA. Dr. Motekat is a former editor of *The Woman CPA*, and presently serves this publication as column editor for the International Accounting Department.



Stanley E. Warner, Jr., CPA, Ph.D., is associate professor of accounting at Old Dominion University in Norfolk. He is a member of the American Accounting Association and has been published in various academic and professional journals.