

Fall 1991

Education: Accounting Education - Time for a Change?

James R. Henderson

Charles E. Jordan

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Henderson, James R. and Jordan, Charles E. (1991) "Education: Accounting Education - Time for a Change?," *Woman C.P.A.*: Vol. 53 : Iss. 4 , Article 16.

Available at: <https://egrove.olemiss.edu/wcpa/vol53/iss4/16>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

Accounting Education – Time for a Change?

By James R. Henderson and Charles E. Jordan

Accounting education is at a crossroads. Many accountants are questioning the ability of our present accounting educational system to train future accountants. Many new topics, such as ethics, international business, computer applications and communication are constantly being added to the amount of material that must be covered in the classroom. On the other hand, very little is being deleted from the curriculum. This has led many groups (e.g., The Anderson Committee, The Treadway Commission, and The Bedford Committee) to propose a 150-hour rule as the solution to the expanding body of knowledge.

Few would argue that a 150-hour program would likely produce a *better* educated person and certainly a *more* educated person. However, there are many questions that need to be answered before the 150-hour program is implemented. Is the new program the answer to the problems in the accounting profession or will it only intensify existing problems? Will the new extended program improve the image of the profession? What will the 150-hour curriculums include? Will this program attract “the best and brightest” students or will the additional cost of this program be prohibitive to the point of driving away some of these students?

Dialogue

To study the problems of the accounting educational system, a hypothetical committee of representatives of each interested group has been invited to a forum to express their viewpoints on some key accounting issues. Among the groups represented is the American Assembly of Collegiate Schools of Business (AACSB) This is the national accrediting association for schools of business. Also included in the discussion are representatives from the American Institute of CPAs (AICPA); “Big 6” CPA firms; local CPA firms; private sector corporate accountants; accounting educators; and liberal arts professors. A bright undergraduate student has also been invited to participate in the forum. The student has recently completed a course in Intermediate Accounting and is interested in learning more about the profession and why accounting students will soon be required to have five years of college education. The buzzing in the room stops

as the student asks the first question.

Student: I do not understand why I should be required to take five years of coursework. My parents are not wealthy, and an extra year will cost them \$10,000. I will also be giving up a salary of approximately \$28,000. As I see it, that comes to \$38,000 for one more year of college.

AICPA: But if you went to medical or law school, it would be at least seven or eight years of schooling and we are only suggesting five years.

Student: But I do not want to go to medical or law school.

AICPA: Well, accounting graduates need more training in all areas to make a well rounded individual who is ready to function in today’s complex business world. That is the basis for our recommendation of a 150-hour requirement. We do not suggest or think it would be best for all of the extra hours to be taken in accounting or even in business. There should be more time for the students to study history, the arts, and written and oral communication.

Student: I would like for someone to explain the importance of studying music appreciation. How will this enable me to do my job better as an accountant? Shouldn’t I be spending more time figuring out why SFAS 96 may never be implemented?

Music Professor: The reason you study music is the reason college is not a vo-tech school. It is the same reason you study art and literature. We are trying to educate the whole person and not just teach a particular skill. We try to develop you as an individual and teach you to have the ability to face new problems with a sense of purpose.

Student: I want to develop my mind but my parents have already said that I need to hurry and finish school so that I can get a job. They liked the idea of my going to this university because of the excellent career placement record of accounting graduates. My future job is important to them.

Older Accountant (veteran accountant with a local CPA firm): It might be good if the practicing accountants in the room were to give the educators an idea of the skills and attributes that we think are necessary for

graduates to have if they are to be successful not only in business but also in life. Maybe that would be a starting point for the development of the 150-hour curriculum.

Student: I do not know about everyone else, but that seems like a sensible suggestion to me.

"Big 6" Accountant: I think the quality we desire more than any other is personal integrity with a strong ethical value system.

Accounting Professor: But is ethics something that can be taught or acquired once the student is in college? Are individuals' value systems not established in their more formative pre-college years? If young people fail to develop strong ethical values at home, I think the organizations the people serve should bear the responsibility for the employees' ethics – not the universities. Is that not one of the major purposes of codes of professional conduct and ethics?

Corporate Accountant: I disagree; a code of ethics is no more than a watchdog for the company. I serves as an outward symbol of control for individuals when they do not have their own personal control systems. We need accountants who have strong ethical values perhaps more than we need accountants with skills. We can teach technical skills much more easily than we can teach moral and ethical values.

Accounting Professor: That is exactly my point. We are being asked to do what accounting practitioners are either unwilling to assume or consider impossible to do for themselves.

Student: I think individuals can be changed by the personal influences of those people around them. I think that I am still growing as a person. The value systems of professors are evident to students. How professors treat their students, what kind of preparation they do for their classes, and how equitably they evaluate students are outward signs of the inward value system of each professor. These would seem to speak much louder than any lecture on ethics.

"Big 6" Accountant: There is a lot to what you say. I also feel that the students should be exposed to some of the good things that accoun-

tants and businesses do; instead, professors always concentrate on negative publicity. How many auditing students are aware of the work we do with the United Way and other charitable organizations? On the other hand, I feel certain that most of them are aware of isolated audit failures such as ESM Government Securities.

AACSB: Since we are very much concerned with the curriculum of business schools, we will attempt to make notes of these suggestions. The point is well taken that all accounting programs should have a strong exposure to ethics, not just one stand-alone course.

Older Accountant: I think that the youth of today need to know how to think. I do not mean any fancy type of logic but I would like for them to be able to recognize a business problem when they see one. I think they spend half of their time trying to find the requirements as if it were an exercise in some book.

Student: I memorize examples to get through my tests in college. Why should I switch from a system that works? Grades are everything in getting that first job. The pressure to do well is created by the recruiters when they hire primarily graduates with 3.6 gradepoint averages.

"Big 6" Accountant: Grades are important, but they are not everything. We must maintain some minimal standard of excellence and grades provide us with a relative benchmark. Thinking skills are most important to us, but they are difficult to measure in the short period of time we have to interview the student. Accordingly, we have to use gradepoint averages since they can be readily measured.

Student: What if you could measure thinking ability? What if the teachers in school could tell you who has the ability to do the job?

"Big 6" Accountant: Many of your professors are not even familiar with what we do in the workplace. How can they be qualified to say who could or could not do the job if they don't know what the job is? When we read some of their published works, it would seem that many of them have no desire to know the problems practitioners face.

AACSB: We seem to be straying from the subject of what is needed in the curriculum. The point has been made that the student should be made to think, to reason, and to be analytical while in college.

Corporate Accountant: I think a valid point has been made and we should not overlook it. Professors do not seem to be as attuned to what is going on in the business world as we think they should be.

Accounting Professor: I have heard this argument many times. It is not that we relish the idea of publishing research. Many of us would like to do consulting or have faculty residencies with businesses and accounting firms. The simple truth of the matter is that we are not judged primarily by our business expertise or our teaching ability. We are judged to a large extent by the number of articles we publish.

AACSB: Gentlemen, I must again remind you that accounting research is not the topic of discussion.

Accounting Professor: (Mumbling in a disgruntled tone) Of course the AACSB wants us to change the subject because they know the practitioners in the room will disagree with the position of the AACSB. I would love to serve in an intern program with an accounting firm. It would do much more for my lectures than researching a subject that has little application to the courses I teach.

Older Accountant: You academic types can quibble about publishing on your own time; right now we are trying to decide how a young person should be educated. I think another trait that is severely lacking is communication skills. I mean young people ought to be able to write in complete sentences and speak clearly and confidently without being seen as aggressive. I cannot have them offending my clients.

English Professor: We can do only so much in the one or two writing classes that the students are required to take. All teachers must work together to see that writing skills are improved.

Speech Professor: I agree 100 percent with what my colleague just said. We have only one course to teach the students everything there is to know about speaking. That is an

PROGRAM MODEL	ACCOUNTING HOURS	ACCOUNTING SPECIALIZATION	LIBERAL ARTS EMPHASIS	MANAGEMENT EMPHASIS
Business	30-35	Medium/Light	Medium	Heavy
Accounting	35-40	Heavy	Light	Medium
Liberal Arts	25-30	Light	Heavy	Medium/Light

impossible task!

AACSB: Recapping what has been said, the graduates should be taught ethics, problem solving skills, and communication skills. There seems to be some disagreement as to who should teach these skills. There seems to be a common thread or problem that is present. We do not want to train a person to solve a particular problem, but to have an inquisitive mind that is constantly searching. We really do not need an answer to every situation the graduate will face because situations change. We need for students to develop good value systems so that they can react to diverse ethical problems in an acceptable manner.

Student: This is all well and good for you folks. You already have your degrees and CPA licenses, but I'm the one faced with an extra year of college. Why can't you continue to achieve your objectives in four years like all the other business disciplines such as finance, management, and marketing? Perhaps that's where I need to be – in another business major.

AICPA: I can understand your frustration but I do not think that changing majors is the thing to do. The accounting profession is now facing exciting and challenging times. All the people in this room want the same thing and that is to prepare you to take your place in a dynamic profession. I would like a member of the AICPA's 150-hour Education Committee to say just a few words about the present status of the 150-hour requirement.

150-Hour Committee Member:

As some of you may know, 82 percent of the AICPA members who voted (73 percent of the total membership participated) in January 1988 wanted the 150-hour requirement. This is actually not a new idea but was first suggested in the 1967 AICPA publication, *Horizons for a Profession*. This idea was reaffirmed by the Beamer Committee and the Albers Task Force. The AICPA has suggested three possible alternative models as seen in the following chart:

The key in any of these models is to prepare the student for a lifetime of learning and not to just give the student a set of rules to memorize. The models are deliberately flexible to permit educational institutions to best utilize their resources and to permit accounting students to select the model that best fits their career goals. The flexibility also permits persons with a diversity of nonbusiness backgrounds to explore accounting careers – and these may have been some of the “best and brightest” persons who would have otherwise not considered careers in accounting.

“Big 6” Accountant: The national CPA firms are in agreement with the need for 150 hours, and we have shown our belief by pledging \$4,000,000 over five years to the development of improved accounting curricula. The skills that are needed have been discussed and the challenge is for educators, practitioners, and students to work together to guide the accounting profession through challenging times.

Student: It sounds as if a lot of things are still up in the air.

Accounting Professor: Yes, much uncertainty abounds regarding curriculum designs and new accreditation standards for accounting programs by the AACSB. It seems likely that a number of schools will merely piggyback their MBA programs on top of their 4 year traditional programs. This would be a rather inexpensive quickfix to meet the 150-hour requirement that several state legislatures have adopted as well as avoiding a rigorous Type B accreditation process by the AACSB. We really need to look at the overall content and delivery of the basic 4 year model and design our extended programs to articulate with the initial years of accounting education.

Older Accountant (to the student): The only thing that you can be sure about in this profession is that change will always occur. It makes life and work exciting, frustrating, and rewarding. You can take an active role in this change process or you can become stagnated in indecision. The choice is yours, but I hope your decision will enable me to work with you one day in the future.

James R. Henderson, CPA, Ph.D. and Charles E. Jordan, CPA, DBA are both with the School of Professional Accountancy at the University of Southern Mississippi.