



**ADVANCES IN ACCOUNTING
EDUCATION**

**TEACHING AND CURRICULUM
INNOVATIONS**

VOLUME 8

**BILL N. SCHWARTZ
ANTHONY H. CATANACH Jr.**

Editors

**ADVANCES IN ACCOUNTING
EDUCATION: TEACHING AND
CURRICULUM INNOVATIONS**

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EDITED BY

BILL N. SCHWARTZ

New Jersey, USA

ANTHONY H. CATANACH Jr.

School of Business, Villanova University, USA



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LIST OF CONTRIBUTORS

<i>C. Richard Baker</i>	School of Business, Adelphi University, NY, USA
<i>Roberta J. Cable</i>	Accounting Department, Pace University, NY, USA
<i>Jane E. Campbell</i>	Department of Accounting, Kennesaw State University, GA, USA
<i>Clement C. Chen</i>	School of Management, University of Michigan-Flint, MI, USA
<i>Leroy F. Christ</i>	College of Business Administration, Valparaiso University, IN, USA
<i>Karen J. Crooker</i>	Department of Business, University of Wisconsin-Parkside, WI, USA
<i>Rick L. Crosser</i>	Department of Accounting, Metropolitan State College of Denver, CO, USA
<i>Cheryl A. Cruz</i>	Undergraduate Studies, California State University-Los Angeles, CA, USA
<i>Dorothy Feldmann</i>	Department of Accountancy, Bentley College, MA, USA
<i>Randall Hayes</i>	School of Accounting, Central Michigan University-Los Angeles, MI, USA
<i>Patricia Healy</i>	Accounting Department, Pace University, NY, USA
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<i>Laura Jean Kreissl</i>	Department of Business, University of Wisconsin-Parkside, WI, USA
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<i>Debra Ertel McGilsky</i>	School of Accounting and Computer Information Systems, Central Michigan University, MI, USA
<i>Richard I. Newmark</i>	School of Accounting and Computer Information Systems, University of Northern Colorado, CO, USA
<i>Karen K. Osterheld</i>	Department of Accountancy, Bentley College, MA, USA
<i>Georgia P. Saemann</i>	School of Business Administration, University of Wisconsin-Milwaukee, WI, USA

- Ali M. Sedaghat* Accounting Department, Loyola College in Maryland, MD, USA
- James Stuck* College of Business Administration, Valparaiso University, IN, USA
- Jay C. Thibodeau* Department of Accountancy, Bentley College, MA, USA
- Thomas Tyson* Department of Accounting and Finance, St. John Fisher College, NY, USA
- Kristin Wentzel* Department of Accounting, LaSalle University, PA, USA

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Non-empirical papers should be academically rigorous. They can be thought pieces (e.g., anecdotal experiences with various pedagogical tools, position papers on particular issues, or historical discussions with implications for current and future efforts). Reasonable assumptions and logical development are essential. The papers must place the topic within the context of the course or program and discuss any relevant tradeoffs or policy issues.

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Bill N. Schwartz
170 Prospect Avenue Apt. 8-L
Hackensack, NJ 07601
bschwartz0109@optonline.net
201-663-5307

Empirical:

Anthony H. Catanach, Jr.
800 Lancaster Avenue
Villanova School of Business
Villanova University
Villanova, PA 19085-1678
anthony.catanach@villanova.edu
610-519-4825

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“Our knowledge of education research ... and its potential limitations for accounting... .”

10. *Headings*: Use headings and subheadings liberally to break up your text and ease the reader’s ability to follow your arguments and train of thought. First-level headings should be upper-case italics, bold face, and flush to the left margin. Second-level headings should be in bold face italics, flush to the left margin with only the first letter of each primary word capitalized. Third-level headings should be flush to the left margin, in italics (but not bold face), with only the first letter of each primary word capitalized.
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Bloom, B. S., Krathwohl, D. R., & Masia, B. B. (1956). *Taxonomy of educational objectives: The classification of educational goals*. Handbook 1. New York, NY: McKay.

17. Sample Journal References

Schwartz, B. N. (1984). An investigation of publications in accounting journals, 1970–1982. *Journal of Accounting Education* 2(2): 97–110.

Green, B. P., & Calderon, T. G. (2005). Assessing student learning and growth through audit risk simulations. In: B. N. Schwartz & J. E. Ketz (Eds). *Advances in accounting education* (Vol. 7, pp. 1–25). Amsterdam, The Netherlands: Elsevier.

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TEACHING TRANSACTION PROCESSING USING TRIAL-VERSION SOFTWARE IN ACCOUNTING INFORMATION SYSTEMS COURSES

Mary C. Hill

ABSTRACT

This paper discusses the value of using transaction-processing software in Accounting Information Systems (AIS) courses. A variety of AIS learning objectives can be met using the transaction-processing software. These objectives include understanding internal controls and security systems, understanding the basic functions of transaction-processing software, gaining knowledge of software vendors and experience with a commercially available software product, gaining an understanding of end-user computing skills, and finally understanding how data files are organized and related to each other. However, transaction-processing software is not commonly available on most college campuses. In this paper, I suggest that an efficient method for obtaining transaction-processing software is to use commercial, low-end accounting packages that are available in trial version. Vendors provide trial-version software as a marketing tool. Using trial-version software is advantageous due to its minimal cost, but it has the disadvantage that each vendor limits the software in specific ways. The

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paper presents information on individual trial-version packages including how to obtain them, their features, and their limitations. Instructors that decide to use trial-version software must match the software's limitations to the projects the students will complete and to the students' computer literacy.

In the prevailing environment of high technological change combined with limited university resources, teaching accounting, in general, and technology-related classes, in particular, has become very challenging (Albrecht & Sack, 2000, pp. 5–17). Faculty members who teach technology-related courses, such as Accounting Information Systems (AIS), have limited resources with which to purchase software and hardware, obtain software documentation or training, and maintain and staff computer labs. Thus, giving students skills-based experiences with relevant software becomes difficult. Yet the accounting profession and accounting academia have stressed the importance of skills-based, technology-intensive instruction for accounting students (AICPA, 1999; Albrecht & Sack, 2000, p. 53). To further increase the difficulty in teaching technology, accounting professionals have recommended that faculty teach new accountants several types of software products. These include spreadsheet software, database software, transaction-processing software, flowcharting software, communication software, Internet software, case tools, and general office software (Bain, Blankey, & Smith, 2002, p. 162).

This paper discusses teaching transaction-processing software in AIS courses. In this paper, I discuss the advantages of teaching transaction-processing software in AIS courses and describe the basic features of the software. Then I list some projects that students can complete using transaction-processing software and explain how these projects meet learning objectives common in AIS courses. After the list of projects, I provide an explanation of the advantages and disadvantages of obtaining transaction-processing software via trial version. Next, I present the accounting packages available in trial version including the limitations and features of the individual packages. Finally, I discuss matching the limitations of the trial-version software to specific projects and groups of students.

LEARNING OBJECTIVES ATTAINED USING TRANSACTION-PROCESSING SOFTWARE

AIS instructors must select which of the professionally relevant products to present to students based on the learning objectives of the course. Given

academic constraints (such as time and access to software), instructors cannot cover in a single course all the products that professionals consider valuable to new accountants. AIS is an accounting course for which there historically has not been a standardized curriculum with set learning objectives (Bain et al., 2002, p. 143); therefore, different faculty select different software applications to present in their courses. AIS faculty most often teach spreadsheets (37%), database applications (35%), and transaction-processing software (33%) (Bain et al., 2002, p. 163). Professionals highly recommended teaching these same applications: spreadsheets (72%), database applications (57%), and transaction-processing software (49%) (Bain et al., 2002, p. 163). Overall, professionals placed a much higher emphasis on teaching students actual software applications than did faculty.

This paper recommends teaching transaction-processing applications in AIS courses for three reasons. First, instructors can effectively teach spreadsheet and database applications in a variety of other courses, but could not effectively cover transaction-processing software in those same courses (e.g., spreadsheets in managerial accounting or database applications in business information systems courses). Second, accounting transaction-processing software provides coverage of the three most emphasized topics in current AIS syllabi: introduction to systems, internal control, and transaction processing (Bain et al., 2002, p. 163). For example, instructors can use transaction-processing software to demonstrate the basic system concept of standing/master file data versus transaction data; they can use the software to demonstrate internal controls such as programmed edits and preformatted screens; finally, they can use the software to show how transactions flow into the financial reports. Third, teaching transaction-processing software allows for a review of concepts learned in earlier accounting courses such as the journal entries generated by various transactions and the use of control accounts and subledgers (Pillsbury & Saemann, 1996–1997, p. 4). Thus, using transaction-processing software in AIS courses can accomplish a variety of learning objectives.

Accounting transaction-processing software has a variety of names such as general ledger software, financial software, accounting software, or business process software. It also is part of ERP systems. Regardless of the name used, the basic purpose of accounting transaction-processing software is to capture and process data from common business transactions and prepare standardized reports (e.g., a comparative income statement or a classified balance sheet). Thus, virtually all transaction-processing software has the ability to perform certain functions and contains certain features. These functions and features appear in [Table 1](#) and include general ledger processing, inventory tracking, sales and accounts receivable processing, payables

Table 1. Accounting Transaction-Processing Software Standard Functions and Features.

Functions	Features
General ledger	Customizable chart of accounts Normal journal entries Recurring journal entries Reversing journal entries Budgeting Standard financial statements
Inventory Tracking	Perpetual records by item using weighted average cost
Sales	Multiple price levels Sales orders/quotes/estimates Invoicing Credit memos
Accounts receivable	Sales tax tracking Customer tracking Apply payments by invoice Automatic discount calculations
Accounts payable	Vendor tracking Purchase orders Purchase returns Bill payment Automatic discount calculations
Security	Check writing Audit trail availability User profiles/individual passwords
Miscellaneous	Microsoft Windows based Integrates with Microsoft Word and Excel Can export reports in a variety of formats (e.g., comma separated, text, PDF)
User help	Start-up guidance screens Web support Embedded user manual

processing, and user access control. One notable function that is omitted from most transaction-processing software is payroll processing. Transaction-processing software generally does not include payroll or includes a payroll module that will soon become obsolete, because changes in tax rates require annual updates.

Given the features and functions of transaction-processing software, instructors can use it in a variety of projects. Instructors can design projects at different levels of difficulty for both undergraduate and graduate students. The specific learning objectives met by having students use

transaction-processing software depend on the project's requirements. Learning objectives can include specific AIS topics that instructors wish to address or general objectives such as increased analytical skill. Bain et al. (2002, p. 160) asked faculty and professionals to rate the importance of 26 possible AIS topics. I reviewed these ratings to find the top 10 topics for faculty or professionals. Then I selected the topics that closely related to transaction-processing software. For example, faculty and professionals both ranked internal control first in importance, while faculty ranked database management systems fourth and professionals ranked them tenth in importance. When selecting topics to match to AIS projects, I selected internal control as a topic that closely relates to transaction-processing software, but omitted database management systems since they are separate from transaction-processing software. Using this approach, I selected the following five topics to match to transaction-processing projects: internal control (faculty rank 1/professional rank 1), transaction processing (faculty rank 2/professional rank 3), use of application software (faculty rank 17/professional rank 5), end-user computing (faculty rank 9/professional rank 6), and file organization (faculty rank 14/professional rank 8). Faculty ranked three of these topics in the top 10, while professionals ranked all five of these topics in their top 10. The professionals in general ranked topics related to students' use of software higher than did faculty members. Because all of these projects use transaction-processing software, they all meet the learning objective to use application software. I relate the other four topics to specific types of AIS projects in Table 2 and describe the projects below.

The first type of project requires students to *process transactions for a single company* using a company that is already set up for the students. Most transaction-processing software comes with one or more sample company files. Software vendors create these files to demonstrate the features of their software. Instructors can design projects to use the sample company files. Alternatively, instructors may wish to create a new company for their project in order to demonstrate particular software features or accounting treatments (e.g., LIFO inventory valuation, budgeting, multiple price levels, job costing). If instructors wish to create their own company file, then they must find a way to distribute it; I usually distribute company files at a course web site or via an attachment to a class email. Given the company file, these projects require students to enter new data (e.g., new customers, new vendors, and new products), process transactions, and print or view a variety of reports. This type of project is most appropriate for teaching inexperienced students how to use a transaction-processing package. Table 2 summarizes

Table 2. Potential Projects Mapped to Learning Objectives Ranked as Important by Either Faculty or Practitioners (Bain et al., 2002, p. 160).

Project Type	AIS Topic			
	Internal control (Faculty Rank 1/Practitioner Rank 1)	Transaction processing (Faculty Rank 2/Practitioner Rank 3)	End-user computing (Faculty Rank 9/Practitioner Rank 6)	File organization (Faculty Rank 14/Practitioner Rank 8)
Process transaction for a single company	<p>Use software to experience internal controls such as:</p> <ul style="list-style-type: none"> (1) Preformatted input screens (2) Programmed edits (3) Security modules (4) Control reports 	<p>Use software to observe transaction-processing features such as:</p> <ul style="list-style-type: none"> (1) Automatic generation of journal entries for different types of transactions (2) How transactions flow into the financial statements 	<p>Use software to gain end-user computing skills such as:</p> <ul style="list-style-type: none"> (1) Backing up and restoring data (2) Solving problems via user help 	<p>Use software to experience:</p> <ul style="list-style-type: none"> (1) The relationships between standing data (ledgers and subledgers) and transaction data (2) The data elements required to process specific transactions

		(3) The variety of reports available in accounting environments		
		(4) The variety of accounting treatments available in the package		
Compare two or more transaction-processing packages	Same as processing for a single company but does not require students to input transactions	Students can only observe differences in reports and variety of treatments since projects do not require transaction input	Same as processing for a single company but students only use help to perform research	Same as processing for a single company but does not require students to input transactions
Implement a new system and process transactions for a single company	Same as processing for a single company and adds selecting specific programmed edits to use and setting up security modules	Same as processing for a single company and adds selecting the specific accounting treatments to be used	Same as processing for a single company	Same as processing for a single company but adds the requirement for students to determine coding schemes and load beginning balances

how this project can meet the specific learning objectives of internal control, transaction processing, end-user computing, and file organization.

An expansion of the single company project is for students to use the same case materials and *process transactions using two transaction-processing packages*. This project requires instructors to create and distribute two company files; one for each transaction-processing package that students will use. The project requires students to perform the same activities using both packages and evaluate how the packages differ. This project not only addresses the same AIS learning objectives as the single package project as shown in Table 2, but also enhances students' general analytical skills by requiring them to compare and contrast the packages. It also reinforces the concept that they are not learning a specific package, but AIS skills that will transfer across transaction-processing applications.

Instructors can also design a variety of projects to *compare and contrast two or more transaction-processing packages without entering data*. For example, students could compare:

- Application features (e.g., the availability of reoccurring entries, the availability of reversing entries, the inventory methods supported).
- The number and variety of reports available and the methods available to customize reports.
- The security levels supported by the application (e.g., screen, field, or functional area).
- The number and types of programmed edits contained in the application.

Instructors can design projects that specify comparison criteria or projects that require students to develop their own comparison criteria. In addition to meeting AIS learning objectives as shown in Table 2, students can attain some general learning objectives by completing these projects. The projects can enhance students' research skills as they determine which criteria are present and increase their communication skills as they document the differences between applications. Multiple package comparison projects can also include software selection projects (e.g., Walters & Normand, 2003, pp. 115–117). Software selection projects require students to determine which transaction-processing package is the best solution for a specific company's requirements (e.g., the information in the case specifies that the software must have budgeting, consolidation, and reoccurring entries). In addition to the objectives shown in Table 2 or discussed above, this project addresses an additional AIS learning objective—systems analysis and design.

The most complex projects require students to *implement a system*. These projects require students to set up a new company, design a chart of

accounts, convert data, process transactions, and prepare reports for a given case situation. Instructors can create a more complex system-implementation project by requiring students to set up several businesses that interact with each other using E-commerce. Students then process transactions with some companies acting as vendors to the other companies. Students attain the learning outcomes associated with a system-implementation project as outlined in Table 1 and add experience with E-commerce and the Internet. Faculty and professionals ranked E-commerce and the Internet as important topics for AIS students (E-commerce: faculty 7/professionals 18; Internet: faculty 11/professionals 2) (Bain et al., 2002, p. 160).

OBTAINING TRANSACTION-PROCESSING SOFTWARE

Although using transaction-processing software for AIS projects can meet many learning objectives, it is not a readily available application on most college campuses. Therefore, instructors wishing to teach this software must find a way to make it available to their students. Using more than one package increases the difficulty in obtaining the software. While, I believe the best way to obtain transaction-processing software is by using trial-version software, there are other approaches. I will first discuss the other approaches and their limitations.

Faculty can obtain transaction-processing software by using *packages written specifically for academic use* (e.g., Ivy; Klooster & Allen, 2007). One limitation of this approach is that these packages are not as “polished” as commercial packages (Pillsbury & Saemann, 1996–1997, p. 2). Another limitation is that skill with academic specific software is not directly transferable to students’ resumes and eventually to their workplace.

Another approach is to use student versions of *commercial packages bundled with textbooks* or transaction sets (e.g., Arens & Ward, 2001). This approach has three limitations. The software is not the vendor’s current version, thus students are using dated technology. The transaction sets provide very specific instructions, which make using the software an instruction following experience rather than an accounting systems experience. Finally, students cannot use the software to set up a new company; they can only use it for one specific transaction set, thus it cannot be used to complete a system implementation project.

Yet another approach is to install a *transaction-processing package in a campus computer lab*. Some vendors offer “lab packs” free to universities.

This approach has the most limitations. First, the software usually is not the vendor's most current version. Second, campus lab personnel must support the package. Generally, lab personnel do not know accounting transaction-processing software and do not feel that it is their job to manage and support it. Third, using a package in a lab requires the lab personnel to reinstall the package each semester in order to delete any student work previously done in the package. Fourth, lab personnel cost money. Finally, installing a package in a computer lab requires students to work in that lab. Students that have computers at home do not want to be limited by the hours the lab is open, to have to wait for computers to become vacant, to work in noisy or crowded conditions, or to work on lab computers that frequently have computer viruses.

Another way faculty can obtain transaction-processing software is to have *students purchase the package*. Prices for single-user transaction-processing software currently range from \$49.99 to \$799.99. The disadvantages of this approach are that some students might find purchasing software a financial hardship and given the limited use of the software in the course may find the cost of the software excessive.

This paper suggests that the best source for transaction-processing software is vendor provided *trial versions* of the software. Trial-version software is a fully functional version of a commercial package that users can experiment with to determine whether they would like to purchase the software. Obtaining transaction-processing software by using a trial version avoids most of the limitations noted for the other approaches and has some significant advantages. First, instructors and students can obtain trial-version software for free or for a minimal cost. Second, students learn current technology and gain a marketable computer skill. Many job advertisements require that candidates must have accounting systems software experience or even experience with a specific package, e.g., "requires proficiency with QuickBooks software". Third, students do not have to work in computer labs. Fourth, the university incurs no additional costs for technical support from lab personnel. Fifth, students are required to learn about the package on their own, acting in a role similar to a potential purchaser of the product. Sixth, some of the trial-version packages require students to obtain and install them; thus, students gain end-user computing skills. A final advantage is that due to the low cost, students can experience more than one transaction-processing package in a single course. When students use more than one package, the instructor can point out that each package contains many of the same AIS features, yet also show students that vendors can implement the same features in different ways.

Obtaining transaction-processing software by using trial-version software has a significant disadvantage because the vendors deliberately limit its use. Faculty must work within these limitations when planning course demonstrations or student projects. Another potential disadvantage is that some students might perceive that wealthier students have an advantage in the course. Students with more financial resources and thus newer computers will have an easier time with the trial-version software. Newer computers run faster than older computers, so the on-line trial versions are easier to use. Further, students with computers that are more than three years old occasionally experience hardware/software compatibility problems when installing the trial versions. Another potential disadvantage is that students must provide some personal information such as address, professional level, or email address in order to obtain the software. Vendors provide the trial versions as a marketing tool and thus they use distribution of the software to gather data about potential customers. To date, I have not had students complain about providing personal information; however, students could become more reluctant to provide information as the incidences of identity theft increase.

DESCRIPTION OF TRIAL-VERSION SOFTWARE

Vendors offer trial versions of their packages in order to promote their product and encourage accounting faculty to use their software in order to familiarize students with it. Trial versions allow potential buyers to experiment with the software; they can set up their company and process actual transactions. If the potential buyer decides to purchase the product, the trial version converts to a production version and retains the user's data. Thus, trial-version software allows potential buyers to convert software research time into system setup and transaction-processing time.

Trial versions are generally limited to low-end accounting software. Low-end accounting software is designed for small businesses with less than \$5 million in revenues and with less than five concurrent users (Tate, 1999, p. 51). These packages generally retail for less than \$300 for a single-user system and less than \$1000 for a multi-user system. Trial versions are limited to low-end packages because of the complexity inherent in installing and implementing larger systems. However, given the similarity of data structures, data flows, input screens, and programmed edits in all accounting transaction-processing software, students should be able to transfer the knowledge they gain working with low-end packages to larger packages. All

of the trial-version packages use a file structure such that all data are contained in a single database that contains multiple tables.

Vendors provide two forms of trial-version software: software that users can load on a local computer (disk-based) and trial use of accounting service provider (ASP) software (web-based). Using disk-based packages requires users to acquire and install software on a computer to which they have update access. Users can obtain disk-based software either by requesting the vendor to mail a CD or by downloading the software from the vendor's web site. Software requested by mail usually takes less than 14 days to obtain. Downloading the software requires a high-speed Internet connection (DSL (digital subscriber line), Cable modem, or T1 line), but students have immediate access to the software. Downloading the software also requires that students follow the vendor's instructions on how to use the downloaded file and subsequently install the software. Web-based trial software allows the students to use an ASP by accessing the vendor's web site. Students can begin using the ASP as soon as they "register" over the Internet with the software vendor. Registration involves providing name, address, and email information.

Vendors limit the trial versions; they allow a user either to enter the software a given number of times or to use it for a given number of days. For use limitations, the software will count down the number of uses left in the trial version. For time limitations, the software records the system date the first time the user enters the software and adds a given number of days that it will remain available. Many of the packages display the expiration information on the software package's main page. At the end of the trial period, the software will stop working unless the user "registers" and pays for it. If a user registers, no data from the trial period are lost.

Combining the forms (disk- or web-based) and limitations (use or time) creates three categories of trial packages: (1) disk-based, use limitation, (2) disk-based, time limitation, and (3) web-based, time limitation. I use these three categories to discuss the individual packages, because instructors must carefully consider these factors when using trial-version software.

INDIVIDUAL PACKAGE INFORMATION

Table 3 presents the specific packages available for trial use. The table presents three panels each summarizing a category of trial-version software based on the form and limitation combinations. The table presents the vendor's method(s) for distributing the software, any fees the vendor

Table 3. Trial-Version Packages.

Package	Web Site for Trial Version	How to Obtain	Trial-Version Limitations	Single User Price in US \$ as of 1/1/2005 Per Vendor Web Site	Variations from Standard Features List
<i>Panel A: Disk-Based, Use Limitation Packages</i>					
Peachtree Complete	http://www.peachtree.com/	Download (file size: 173,716 KB); obtain CD via mail (US \$4.95 for shipping and handling)	15 use	\$299.95	Supports multiple perpetual inventory methods (Average cost, LIFO, FIFO) Adds time and billing Adds job costing Adds fixed asset tracking Numerous commercial manuals and transaction sets
Peachtree Premium				\$499.95	Same as Peachtree Complete Also adds integration with Crystal report writer Also adds departmentalized financial statements
Simply Accounting Basic	http://www.simplyaccounting.com/us/	Download (file size: 75,428 KB)	30 use	\$49.99	Adds foreign currency translation for two currencies Adds time and billing Adds job costing Trial version contains a complete user manual (344 pages) viewable with Adobe Acrobat
Simply Accounting Pro		Download (file size: 75,524 KB)		\$29.99	Integrates with Crystal report writer Same as Simply Accounting Basic Also adds foreign currency translation for unlimited currencies Also adds bill of materials
Simply Accounting Premium		Download (file size: 77,536 KB)		\$499.99	Also adds departmental level accounting Same as Simply Accounting Pro Also adds company consolidations Also adds industry-specific reports

Table 3. (Continued)

Package	Web Site for Trial Version	How to Obtain	Trial-Version Limitations	Single User Price in US \$ as of 1/1/2005 Per Vendor Web Site	Variations from Standard Features List
<i>Panel B: Disk-Based, Time Limitation Packages</i>					
MyBooks	http://www.appgen.com/aptus/my_books_professional.htm	Download (file size: 32,355 KB)	30 day	\$799.99	Supports multiple perpetual inventory methods (Average cost, LIFO, FIFO) No audit trail Will run on Windows, Macintosh, and Linux operating systems Can download user manual for viewing in Adobe Acrobat; however, manual/web help cannot be searched Can only export to text files and not to other common packages
MYOB BusinessBasics	http://www.myob.com/us/getmyob/trials/	Download (file size: 28,728 KB)	30 day	\$99.00	Check writing but no accounts payable No inventory management No exports to Microsoft Word or Excel Web support only
MYOB Premier		Download (file size: 41,898 KB)		\$299.00	Adds job costing Adds time and billing Adds foreign currency translation for unlimited currencies Web support only
MYOB FirstEdge for Macintosh		Download (file size: 21,966 KB)		\$99.00	Macintosh operating system Same as BusinessBasics
MYOB AccountEdge for Macintosh		Download (file size: 56,239 KB)		\$299.00	Macintosh operating system Same as Premier Also adds choice of method for inventory valuation
People's Choice Basic	http://www.safechoice.com/	Download (file size: 29,234 KB)	30 day	\$199.95	No inventory No invoicing Audit trail not supported Based on Microsoft Access
People's Choice Premier		Obtain free CD via mail		\$399.95	Supports multiple perpetual inventory methods (Average cost, LIFO, FIFO) Audit trail not supported Based on Microsoft Access

QuickBooks Simple Start Pro Premier	http://accountant.intuit.com/products_services/quickbooks_financial_software/trialsbrochures.aspx	Download (file size: 416,716 KB); obtain free CD via mail	30 day	\$99.95	General ledger limited to standard financial statements No inventory Check writing but no accounts payable
QuickBooks Pro				\$199.95	Numerous commercial manuals and transaction sets Can download bank and credit card transactions
QuickBooks Premier				\$299.95	Same as QuickBooks Pro Adds job costing and employee time tracking Can integrate with QuickBooks point of sale software

Package	Web Site for Trial Version	Trial Use Limitations	Single User Retail Price in US\$ as of 1/1/2005 Per Vendor Web Site	Variations from Standard Features List
<i>Panel C: Web-Based (ASP), Time Limitation Packages</i>				
ePeachtree	http://www.peachtree.com/epeachtree/	30 day Requires ordering package with 30 day delayed billing	\$44.97 per quarter per user automatically billed to a credit card	Adds job costing Adds automatic backup of data
QuickBooks Online	http://www.quickbooks.com	30 day	\$19.95 per month (3 user limitation)	No inventory tracking No purchase orders Budgets only available at additional cost Support provided at no extra charge. Adds automatic backup of data
Simple Accounting Online	http://www.simplyaccounting.com/us/	30 day	\$24.99 initial set up fee \$24.99 per month per user	Adds foreign currency translation for unlimited currencies Adds time and billing Adds job costing Adds bill of materials Adds time and billing Includes two free support questions per month Adds automatic backup of data

charges for the software, the vendor's limitations on the trial-version software, and the vendor's current market price for the software. The table also presents how the individual packages differ from standard processing as shown in Table 1 either by omission or by addition. My students have successfully used the trial-version packages listed in Table 3 over the last 10 years. They have also used some other trial-version packages (DacEasy, BusinessWorks, and Netledger); however, I omit these packages from this paper because students have reported difficulty using them. Table 3 also presents the current URL address to obtain the software. While these vendors are well established, URL addresses are always subject to change. Most trial-version software can be located by searching the vendor site using the key words "trial version" or "free software". Table 3 presents the packages in alphabetical order.

Table 3, Panel A, presents trial versions that are disk-based and have a use limitation. Best Software (<http://www.bestsoftware.com/>) offers two products in trial version with a use limitation: Peachtree and Simply Accounting.

Peachtree is one of the most popular small business accounting packages in the United States (Schiff, 2002, p. 20). I have found that my students are generally interested in learning Peachtree simply because they have heard of it. Best Software offers two versions of Peachtree for trial: Peachtree Complete and Peachtree Premium. Both are available at the same web site, are contained in a single downloadable file, and have a 15-use limitation. The Peachtree products contain all of the standard transaction-processing features. In addition to these features, they stress the use of accounting terminology, provide three methods for calculating inventory cost, allow users to select either immediate or periodic processing of transactions, and contain the option to use some advanced accounting treatments such as time and billing and job costing. Peachtree Premium is the more advanced of the two products. The difference between Peachtree Complete and Peachtree Premium is that Peachtree Premium adds Crystal Report Writer and departmental accounting. See Table 3, Panel A, for a summary of the differences in functionality.

Best Software also offers trial versions of Simply Accounting Basic, Simply Accounting Pro, and Simply Accounting Premium. All three trial versions are available at the same web site and they all have a 30-use limitation. Table 3, Panel A, summarizes how the Simply Accounting Packages differ from standard processing as outlined in Table 1. One significant addition of the Simply Accounting products is that they can process multiple currencies and perform foreign currency translation. A disadvantage of

the Simply Accounting packages is that they use a complex chart of accounts structure that requires users to define accounts according to financial statement formats so that there are accounts for “headings” and “groups”. Users cannot post transactions to header and group accounts, and students occasionally find these non-posting accounts confusing. Another complexity in the products is that users must specify the accounts that link control accounts to subledgers.

Four vendors offer trial-version software that is disk-based and has a time limit. Currently, all of the vendors are offering trial versions with a 30-day time limit; previously they have used some longer limits.

Appgen (<http://www.appgen.com/>) offers a trial version of their product MyBooks. Appgen differentiates itself from other accounting software vendors as being more flexible and customizable. MyBooks is a rarity in the low-end accounting marketplace because it runs on multiple operating systems (Windows, Linux, and Macintosh) and can support up to 100 users (Girsch-Bock, 2002). MyBooks provides the standard transaction-processing features and adds multiple inventory costing methods. However, one significant weakness of this package is that users cannot use keywords to search the help information.

MYOB (<http://www.myob.com/us/index.htm>) has four products available in trial version: two are Macintosh-based: MYOB FirstEdge and MYOB AccountEdge, and the other two are Windows-based: MYOB BusinessBasics and MYOB Premier. MYOB FirstEdge and the Windows-based BusinessBasics are introductory accounting packages and thus omit many of the standard transaction-processing features found in Table 1. The AccountEdge and Premier packages, on the other hand, contain the standard transaction-processing features and add multiple currency, job costing, and time and billing processing (see Table 3, Panel B). The MYOB packages have the same disadvantages as Simply Accounting packages with respect to account structure; the chart of accounts contains non-posting accounts and the user must specify what accounts link to subledgers. Another disadvantage of the MYOB packages is that they do not have a consistent approach to handling standing data. For example, users update the general ledger standing/master file data in a process area labeled “accounts” and the inventory standing data in a process area labeled “inventory”, but update customer, vendor, and employee standing data in a separate area called “card files”.

People’s Choice (<http://www.safechoice.com/>) is a relatively new entry into the low-end accounting software marketplace. The products available in trial version are People’s Choice Basic Accounting and People’s Choice Premier Accounting. People’s Choice Basic Accounting is very limited; it supports

only banking and general ledger functions. People's Choice Premier Accounting is a fully functional accounting package with the features listed in Table 1. People's Choice has designed these packages based on Microsoft Access and thus the packages provide a familiar user interface. Further, users can access the database tables created by People's Choice using Microsoft Access if further analysis or a separate accounting treatment is required.

Intuit (<http://www.intuit.com/>) offers QuickBooks in trial version. QuickBooks is one of the most popular small business accounting packages in the United States (Schiff, 2002, p. 20). Similar to Peachtree, students in the United States are usually interested in learning QuickBooks because they have heard of it. Intuit is a leading vendor of personal finance products and sells both TurboTax and Quicken. Because Intuit focuses on personal finance, the QuickBooks packages are very user friendly. Thus, they are good transaction-processing applications for novice AIS users. Intuit currently offers three versions of QuickBooks for trial: QuickBooks Simple Start, QuickBooks Basic, and QuickBooks Pro. Intuit distributes all of these products in one large file. The QuickBooks versions differ with respect to functionality. Simple Start is quite limited, QuickBooks Pro has the basic transaction-processing features, and QuickBooks Premier has some advanced features (see Table 3, Panel B). All of the QuickBooks packages are particularly easy for students to use because they allow users to delete any transaction in order to make error correction simple. One disadvantage of the QuickBooks packages is the potential for students to confuse them with Intuit's personal finance package, Quicken.

Trial use of three web-based accounting service providers is also available. These products are Intuit's QuickBooks Online Edition, Best Software's ePeachtree, and Simply Accounting Online. For differences between these packages and variations from standard transaction-processing software, see Table 3, Panel C. One issue relevant to any ASP is speed of Internet access. While web-based packages have advantages such as multi-location processing and automatic backup, they can be slow depending on the time of day and day of the week.

MATCHING PACKAGES TO PROJECTS AND STUDENTS

Instructors that decide to use trial-version software must match the category of trial-version package with the projects students will complete, and the

characteristics of students in the course. As described above, vendors are currently offering three categories of trial-version packages: disk-based, used limitation, disk-based, time limitation, and web-based, time limitation (see [Table 3](#)). Instructors should select a package with a use limitation if they will be demonstrating the software infrequently over a longer period (e.g., demonstrated 20 times over the course of two semesters). Instructors should select a package with a time limitation if they will be using the package frequently over a short period (e.g., demonstrated daily or twice daily for 20 days).

With respect to projects, several factors influence the selection of trial-version software. Instructors must consider whether individuals or groups will complete the project, how long the project will take, whether the project involves comparing packages or processing transactions, whether students will use multiple packages, and what accounting treatments the project will demonstrate.

Group projects are very common in AIS courses. AIS instructors use group projects to enhance realism as groups complete most professional AIS projects and because groups can work on more complex and realistic projects. However, group projects generally require that more than one student work with the transaction-processing software. If more than one student works with disk-based software, then students must exchange the latest version of the company file either via email or via face-to-face meetings. Another option that groups can use to exchange files is file-sharing software such as “PC Anywhere”; however, this solution requires students to be more technically competent and to purchase additional software. To avoid having to exchange the latest company file, students working in groups often prefer to use web-based trial versions because they are designed for file sharing by multiple and distributed users.

Instructors can design AIS projects to last an entire semester or to last a shorter period. Currently, vendors are limiting the trial versions to 30 days of use (see [Table 3](#)). The 30-day limit can motivate students to complete the project in a timely fashion, but the time limit restricts the length and potentially the complexity of the project. When I design a project to last longer than 30 days, I suggest that students use Peachtree (15 uses), Simply Accounting (30 uses), or one of the ASPs. The use limitations allow students to access the software over a longer time, while using an ASP is a low cost alternative if the project is to continue more than 30 days. The ASPs cost approximately \$20 per month (see [Table 3](#), Panel C), thus an additional month is not an excessive expense, especially if a group splits the cost. If an instructor designs a project to last longer than a 15-week period, a trial

version would not be the best option. For long projects, I suggest that students purchase Simply Accounting Basic as the least expensive software (\$49 for the unlimited package at the vendor's web site and the software is sometimes available at a discounted price at other web sites).

Comparison projects are much easier for students to complete than use projects. The comparison projects do not require students to enter data, but only to explore the features and functions of a package. Generally, students can complete comparison research in a 30-day time period.

If instructors decide to assign a project that requires students to input data, then they must also decide how to assign software to students. I have used three approaches to assign software to students: (1) assign all students the same package, (2) assign different groups of students, different packages, or (3) let students choose a package. Requiring all students to use a single package for a project is the easiest instructional approach. The students (and the instructor) only have to learn one software package. However, when I have required different groups to use different packages, students have spontaneously compared the packages, which enhanced their knowledge of the competing products. When I allow students to choose the software they want to use, they usually choose a package they are motivated to learn, thus there are less complaints about the software. Further, students often choose a package they want to learn for work. If instructors assign different packages to different student groups in graded projects, the packages must be comparable in difficulty level. There are two United States-oriented packages, QuickBooks Pro and Peachtree Complete, two internationally oriented packages, Simply Accounting Pro and MYOB Premier, and two web-based packages, ePeachtree and Simply Accounting Online that are good matches in terms of features and level of difficulty (see [Table 3](#)).

Instructors must also examine the package to make sure that it contains the accounting treatments needed for the project. Some packages will offer job cost, LIFO inventory, or time billing, while others will not (see [Table 3](#)). If the instructor creates a project that contains time and billing and assigns students a software package that does not permit accounting for time and billing, then the students will not be able to complete the project. For example, if instructors want to demonstrate foreign currency translation, they must select either Simply Accounting or MYOB.

Instructors must consider three student factors when selecting trial-version packages: (1) the number of students who own computers, (2) the common operating system of those computers, and (3) the experience level of the students. If most students own computers, then they usually prefer disk-based software because they can load the software onto their

computers and use it without having Internet access. If many students own Macintosh computers, then instructors must select the Macintosh-based MYOB AccountEdge, MyBooks, or one of the ASPs. If many students do not own computers, then they must use web-based packages in campus labs. A final student factor in selecting software is the level of experience that students have with accounting software. Students with work experience might have previously used one or more of the packages available in trial version. Thus, instructors should select a package that is unknown to all students or experienced students will have an advantage over other students.

My personal approach when I teach transaction processing in my undergraduate AIS class is to have students first complete a project where they *process transactions for a single company* using a company that I have set up and distributed to them. I then have them complete a *system implementation* project. I have them complete the first project individually and the second project as part of a team. My students are at a large, United States, public university. The vast majority of my students have work experience and own computers. Our university uses IBM/Microsoft Windows computers as the university standard for our labs. Given the above factors, I usually use QuickBooks Pro for the smaller individual project and Peachtree Complete for the system implementation project. I also have my graduate students complete a large semester long system implementation project. I let these students choose any software they would like for the project. If they do not have a personal preference, I recommend they use Simply Accounting because it has the most trial uses.

CONCLUSION

Using transaction-processing accounting software in AIS courses meets several learning objectives. I believe the best method for obtaining this software is from vendors through their trial-version offers. Vendors provide the most recent version of their software for minimal cost, but they limit its use either by limiting the number of times users can enter it or by limiting the number of days it remain active. To use trial-version software effectively instructors must match package's limitations to the project's requirements and to the characteristics of students in the course.

While I recommend using trial-version software for AIS courses, instructors must consider their own comfort level with transaction-processing software before deciding to use it themselves. It is impossible for instructors to know the answer to every question that students will ask when using an

accounting package. If instructors elect to use more than one package, the knowledge problems multiply with each package. Thus, instructors must be comfortable with telling students “I don’t know, let’s figure it out, or have you checked user help?” A further problem is that instructors are also subject to the limitations in the trial version. The 30-day limits on the software may make it difficult for instructors to help students with software problems, because their trial package may have expired. Instructors may need to purchase the software if students are using a package with a 30-day limit. Because of the trial-version limitations, instructors must carefully plan their use of the software in demonstrations, for problem solving for students, or for grading. A final instructional issue is that the vendors may change their trial offers at will. Thus, each term instructors must verify the availability and limitations of the trial version.

In conclusion, I have used trial-version software in my classes for over 10 years. Students have responded positively to using this software. They have expressed appreciation at not having to purchase software; they tell me they are putting the package they used as a skill on their resume; and they often state that completing a transaction-processing case using software helps them to pull together concepts learned in earlier classes and better understand accounting in general.

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BLEND-ED-LEARNING VS. TRADITIONAL CLASSROOM SETTINGS: ANALYZING STUDENTS' SATISFACTION WITH INPUTS AND LEARNING PROCESSES IN AN MBA ACCOUNTING COURSE

Clement C. Chen and Keith T. Jones

ABSTRACT

We conducted a survey of MBA students in an accounting course at a state university located in the Northern United States. Students took a graduate accounting course either in a section that used a traditional classroom setting or a "blended-learning" delivery method. The latter approach primarily used online instruction, but had a limited number of in-class meetings during the semester. Students in the blended-learning class indicated that group work was more effective and more satisfying than did their counterparts in the traditional classroom setting. However, those in the traditional classroom setting were more satisfied with the amount and quality of interaction. These students also were more satisfied with the ability of the instructor to answer their questions and to

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demonstrate the material by working pertinent problems. Additionally, they were more satisfied with the instructor's management of in-class time. The results have implications for course design and suggest that both delivery methods can improve in effectiveness as technology advances.

Distance-learning courses have increased dramatically in popularity over the past several years, with a total enrollment estimated at three million students (Fisher, 2003, p. 170). For many students, the relative convenience of this mode of course delivery factors heavily into their decision to further their education, and where to pursue such a goal (Rubenstein, 2003, p. 38; Shanahan, 2003, p. 59). Universities across the country have incorporated distance-education courses into their curriculum to allow students the opportunity to achieve at least a portion of their total hours online (Braun, 2003, p. R7). Further, college and university administrators reap the benefits from either maintaining enrollment stability or increasing enrollments (Phillips, 2004, pp. 72–74). Some schools offer programs that are completely online.

The growth in online education has had its growing pains. Crow, Cheek, and Hartman (2003) cite a number of factors laid out by prior researchers as barriers for instructors and students. From the standpoint of the instructor, in addition to significant “start-up” costs to teach an online course for the first time, the primary means of communication becomes email. As a result, instructors may find themselves spending relatively more time responding to individual emails than when teaching a traditional course. From the students’ standpoint, varying comfort levels with technology and breakdowns in the technology itself may lead to frustration. These frustrations have led to high dropout rates in some programs (Bennett, 2000, p. R36).

One form of online learning, referred to as “blended-learning” or “mixed mode”, uses the Web as the primary instruction mode, but incorporates a limited number of face-to-face classroom meetings at various points in the semester (Ward & LaBranche, 2003, p. 22). This approach offers the convenience of a primarily online course, but still provides for some face-to-face interaction with an instructor. Therefore, blended-learning incorporates benefits of both online and traditional classroom delivery. At the same time, this delivery method addresses some of the frustrations that students may encounter in totally online instruction.

Some distance-learning research has examined the differences in learning outcomes between online courses and those that use a traditional classroom, with mixed results (Sooner, 1999, pp. 243–248; Dellana, Collins, & West, 2000, pp. 43–47; Terry, Owens, & Macy, 2001, pp. 1–4). Crow et al. (2003, pp. 335–338) argue that it is important to look not only at learning outcomes, but also at the inputs and processes. *Inputs* include such aspects as learning styles, computer knowledge, distance-learning technology, and methods of instruction and evaluation. *Process* refers to how the learning occurs. They further argue that students who are frustrated by some of these inputs and processes will tend to blame the instructor for them and student evaluations will be lower as a result. For instance, students may become frustrated, anxious, and confused due to communication breakdowns and technical difficulties with the use of technology. Only by understanding those aspects of a course that students find satisfying or frustrating can educators understand how to continuously improve education and avoid such undesirable results as reduced quality.

Although considerable research has examined online learning in recent years, little research has focused on blended-learning (e.g. Grandzol, 2004, pp. 237–244; Trasler, 2002, pp. 191–194). Therefore, the current paper extends the literature by presenting survey results relative to a number of important specific inputs and processes. Specifically, we examine overall class meeting effectiveness, group work, and technology used to administer the blended-learning course. Students also responded to an “open-ended” question where they provided suggestions for future improvement in the course.

The results were mixed in terms of which method students viewed as most advantageous among several important areas. For instance, those in the blended-learning class indicated that group work was more effective and more satisfying than did their counterparts in the traditional classroom setting. However, those in the traditional classroom setting were more satisfied with the amount of interaction afforded and the ability of the instructor to answer their questions and to demonstrate the material by working pertinent problems. Students in the traditional setting also indicated more strongly that the instructor managed class time effectively. Specific student suggestions underscored some of the themes indicated by the statistics. The survey results have implications for course design and suggest that trade-offs remain in the processes. Instructors using either delivery method may enhance the effectiveness of their courses by addressing these trade-offs.

PRIOR LITERATURE

Much of the literature in distance learning has focused on overall effectiveness and has related more specifically to courses carried out completely online (Gagne & Shepherd, 2001, pp. 58–63; Vamosi, Pierce, & Slotkin, 2004, pp. 360–366). Gagne and Shepherd (2001) examined MBA students in online sections and traditional face-to-face classes of financial accounting. They found no differences for final grades, overall course, and overall instructor. Vamosi et al. (2004) investigated students' satisfaction and perceptions in an accounting principles course. Their distance-learning students indicated that the distance learning was less interesting and less efficient for learning, which might be associated with lower overall course satisfaction than they had anticipated. Studies in other disciplines found that distance learning was at least as effective as the traditional classroom learning (Sooner, 1999, pp. 243–248; Dellana et al., 2000, pp. 43–47). However, Terry et al. (2001, pp. 1–4) provided results suggesting that students perform better in traditional MBA courses than in virtual ones.

Since the blended-learning approach is still relatively new, little research has been performed to date on this method of delivery. Grandzol (2004, pp. 237–244) investigated MBA student responses to blended-learning and traditional methods of delivery for two sections of a statistics class. That study revealed no definitive information about learning outcomes as measured by examination scores. Grandzol argues that relying solely on test scores is a recognized weakness of learning outcomes assessments. Therefore, they further examined students' perceptions of enthusiasm, preparation, grading, and clarity of instruction. Perceptions along these dimensions were similar for the two sections. Trasler (2002, pp. 191–194) argues that flexibility, variety, and adaptability are keys to attracting, retaining, and motivating learners. He further argues that it is vital to ensure that different learning media are appropriately used and in the right mix.

The current study answers the call of Crow et al. (2003, pp. 335–336) and Grandzol (2004, pp. 237–244) to go beyond learning outcomes and examine more closely some specific inputs and learning processes involved in blended-learning. The study is exploratory in nature and provides a comparison between blended-learning and traditional classroom delivery on several important inputs and learning processes. In doing so, we are able to pinpoint areas in which there are trade-offs and perhaps advantages offered by blended-learning relative to a traditional classroom setting.

The following sections discuss our methods, statistical results, and conclusions drawn from the results, along with our assessment of important questions that remain unanswered.

METHOD

Students from the same MBA course, but two different delivery methods, participated in a survey aimed at assessing the relative effectiveness of the two methods. The course included introductory material in financial and managerial accounting. Two sections from two separate semesters involved a traditional classroom setting ($n = 38$), while the other two sections involved a blended-learning approach ($n = 58$). In the latter, there were four on-campus meetings during the semester, one of which was at the beginning of the semester. All other “meetings” for the blended-learning sections were online for 2 h each week during the semester. The traditional section met twice a week for 75 min each. In order to control for differences due to instructor, the course selected was one in which the same instructor taught both courses.

The traditional and blended sections differed only in the method of delivery. The sections were alike in terms of the factors that determined students’ grades and the relative weight of each factor. The instructor conducted classes in the traditional sections using a combination of lecture and class discussions. The lecture primarily involved a summary of key issues related to a particular topic. Discussions focused on illustrative examples from actual financial reports and cases that the instructor assigned for a particular day. In the blended-learning sections, the instructor conducted the four in-class meetings in the same way as those of traditional sections. Online class meetings primarily focused on specific student questions e-mailed to the instructor prior to online meetings. The instructor required students in the blended-learning section to participate during online class meetings.

Performance on homework cases (50%), examinations (40%), and class participation (10%) determined the course grade. The instructor assigned five homework cases that students completed in groups of four formed during the first class meeting. Each group made a single submission for each case. In the first meeting and in the course syllabus, the instructor told the class that they would fill out peer evaluations during the last class meeting to assess the relative contribution of each group member. The instructor then

adjusted individuals' grades based on these peer assessments. The examination score consisted of two take-home exams.

RESULTS

Overall Meeting Effectiveness

Table 1 shows the mean responses for several questions intended to provide different measures of perceived effectiveness for the two alternative course delivery methods. Students responded to each of these items on a five-point scale from 1 (strongly disagree) to 5 (strongly agree). We examined all differences for significance using *t*-tests. This test was appropriate because the Levene statistic showed no significant difference in the variances of the two groups ($p > 0.2$ for all items). There was no significant difference due to the semester in which the survey was administered ($p > 0.3$ for all items). Therefore, we aggregated the results for each type of course delivery.

Table 1. Comparison of Student Experiences Regarding Meeting Effectiveness.

Items	Blended-Learning ($n = 58$)	Traditional In- Class ($n = 38$)	<i>p</i> -Value
1. The amount of interaction during meetings was sufficient.	3.43	4.45	<0.01
2. MGT 521 had an interactive environment.	3.35	4.24	<0.01
3. I felt comfortable asking questions during meetings.	3.16	4.38	<0.01
4. The professor was able to answer my questions during in-class meetings.	4.06	4.67	<0.04
5. I find the use of assigned problems worked out during meetings to be helpful in learning the concepts.	3.79	4.37	<0.01
6. I find the use of handouts to be helpful in learning concepts.	3.82	4.62	<0.01
7. MGT 521 was boring.	2.02	1.72	0.24
8. The instructor used class time well.	3.28	4.45	<0.01

Notes: MGT 521 is an MBA course in accounting that covers introductory financial and managerial accounting topics.

Scale: 1 = Strongly disagree, 5 = Strongly agree.

The comparative results shown in Table 1 are highly in favor of the traditional in-class approach. *t*-Tests indicated that all differences are significant at conventional levels, except for Item 7 (“boring”), as shown in the table. Students enrolled in the traditional sections were more likely to believe that there was sufficient interaction, as indicated by the results for Items 1 and 2. Students also were more comfortable asking questions during meetings in the traditional in-class sections (Item 3), and felt more strongly that the professor was able to answer those questions (Item 4). An additional item included only for the blended-learning classes solicited students’ perceptions about the instructor’s ability to address questions during *online* meetings. On the same five-point scale, their mean response was 3.3, again not indicating strong satisfaction and perhaps amplifying their lack of satisfaction in having their questions answered. Also important is that students perceived better use of class time in the traditional setting (Item 8).

Perhaps most important with respect to an accounting class is that students found the use of assigned problems worked out during meetings to be more effective in the traditional in-class sections (Item 5). The availability of a board and the ability to stop and answer questions during the process may facilitate the ability of the instructor to work through the assigned problems more effectively and efficiently. It is also likely that most instructors are more comfortable in this environment as well, because that is the way they have taught throughout their careers. On a positive note for both sections, neither group appeared to perceive the course as boring (Item 7).

Group Work

Notwithstanding the above differences, another set of questions yields results that favor the blended-learning approach. Organizations of all types and sizes have increasingly used groups over the past decade, as Total Quality Management and other management tools have become popular (Young, Fisher, & Linqvist, 1993, pp. 466–467). Largely as a result of this trend, the use of groups has become widespread across college campuses. The course examined in this study used group work extensively for chapter homework problems. As stated previously, the instructor told students in all sections at the beginning of the semester that their peers would evaluate them at the end of the semester. These peer evaluations, along with the instructor’s assessment of individual students’ participation, determined the

Table 2. Responses Related to Group Work.

Items	Blended Learning	Traditional	<i>p</i> -Value
9. Group work enhanced my understanding of materials in this course.	4.19	3.26	<0.01
10. I found the group work to be satisfying.	4.26	3.23	<0.01
11. Group members contributed equally to assignments.	3.04	2.80	0.44
12. Conflict resolution in groups was smooth.	3.75	3.06	<0.01

Scale: 1 = Strongly disagree, 5 = Strongly agree.

final grade on homework. Therefore, the survey included four questions related to students' perceptions of the effectiveness of group work. Table 2 shows the mean responses relating to these items.

As shown in Table 2, students taking the course under a blended-learning approach were considerably more satisfied with their group work than those in the traditional class. Again, *t*-tests revealed that all of the differences are statistically significant at conventional levels, except for one item (Item 11). Students in the blended-learning section indicated more strongly that group work enhanced their understanding of the course materials. These students were even more satisfied with conflict resolution. Students in the two delivery modes did not differ significantly when asked whether group members contributed equally (Item 11). Keep in mind that a response of "3" on the scale in this study is essentially neutral. Therefore, neither blended-learning nor traditional classroom students appear to believe very strongly that group members contributed equally.

Technological Issues

Table 3 provides the mean responses to a number of questions related to the technology used in the blended-learning sections. The mean responses suggest that, on average, students in the blended-learning sections were not highly satisfied with the technology. For example, students indicated a mean response of only 2.95 for usefulness of the "chatroom". Although they were at least moderately comfortable with Blackboard for learning purposes in general (Items 13 and 14), they graded it down somewhat when considering its effectiveness for the specific course they took, providing a mean response of only 3.02 on the five-point scale provided.

Table 3. Responses Related to Technology (Blended-Learning Only).

Items	Mean Response
13. I feel comfortable using Blackboard for learning purposes.	3.50
14. Blackboard is user-friendly.	3.35
15. Blackboard's virtual chatroom was useful in enhancing my understanding of accounting concepts.	2.95
16. I like using Blackboard as MGT 521's course platform.	3.02

Scale: 1 = Strongly disagree, 5 = Strongly agree.

STUDENT RECOMMENDATIONS FOR IMPROVEMENT

The survey also provided a space for students to write any recommendations for improving the course in the future. At least three themes emerged from their feedback. First, 20 of the 58 students in the blended-learning section felt there would be value in using more interactive multimedia (e.g. voice, live video, or teleconferencing) methods to complement or supplement the web-based instruction. Second, and likely related to the first theme, students in the blended-learning section did not appear satisfied with the use of online time and the amount of interaction with the instructor and other students. Finally, students in the blended-learning section indicated that the pace was too rapid during in-class meetings. They believed the instructor placed too much emphasis on quantity at the expense of quality in working problems.

Overall, many of the students' suggestions are consistent with the differences noted in [Table 1](#) above and underscore those areas in which they believe there is room for improvement. In defense of the blended-learning section, some students in the traditional class also thought the pace was too fast, despite their belief that the instructor managed class time better.

ANALYSIS OF SURVEY RESULTS

The results of comparing two different course delivery modes in this study are somewhat mixed. On the one hand, students in the traditional in-class sections appear more satisfied when asked about the sufficiency of interaction, their comfort level in asking questions, and the ability of the instructor to answer those questions. Students in the traditional class also

believed the instructor managed class time more effectively and that the problems worked out during class sessions were more effective. Students in the blended-learning section further indicated that the pace was too fast when they did meet in class. The limited number of class meetings makes it even more vital that the instructor manage each class session carefully and suggests that the decision regarding how to conduct them is very challenging to instructors. If students find online instruction to be lacking in clarity and instead rely upon those few in-class meetings, they are likely to feel frustrated if they do not feel that the instructor cleared up their confusion during those times.

A theory from the research literature known as “impression management” offers a potential explanation as to why students were less comfortable in asking questions during online meetings. Social facilitation theory suggests that the presence of potential evaluators will increase an individual’s motivation to maintain a positive image (Erez & Somech, 1996, pp. 1513–1537; Guerin, 1986, pp. 38–77). Since the delivery platform identifies a student on everyone’s screen during online class interaction, students may not want their user name displayed in relation to a bad question (or answer). Given limited class time, they also may not want others to perceive them as using an inordinate amount of this limited time. Therefore, they may “manage” others’ impressions of them by choosing their questions more carefully. Students in a traditional class, although visible to others, may find it easier to ask certain clarification questions quickly without having their question documented. This ability to have the instructor quickly dispose of their question without further notice may in some sense make a student more willing to voice their inquiry. Future research should examine the role that impression management plays, if any, in explaining students’ experiences with blended-learning.

Another possible explanation for the lack of comfort in asking questions is technology-related. As indicated in Table 3, students in the blended-learning section indicated rather lukewarm responses when asked several questions regarding their impressions of the online course platform. These responses indicate that the platform used may have accounted for some of the students’ struggles with question resolution. Given the relative newness of online learning and constantly improving technology, many of these concerns will likely be alleviated in the future.

Given the widespread use of group assignments, the results regarding groups (Table 2) are particularly interesting and enlightening. Blended-learning students had a better experience overall with group work than did those in the traditional classroom setting. However, the reason is not clear

from the data in this study. An interesting and sometimes troubling phenomenon is that many groups have one or more “free-riders” who other group members view as not carrying their share of the burden (Harkins, 1987, pp. 1–18). Although some group members find themselves carrying relatively more of the burden than their peers, they may not necessarily choose to disclose their misgivings to the instructor. With respect to the students in this survey, *neither* group indicated strongly that group members contributed equally, although the instructor incorporated peer evaluations under both types of course delivery. Therefore, the difference in the students’ experiences does not appear to be the result of better perceived input by other group members. Future research should examine the dynamics of groups more closely to determine whether something is occurring in the blended-learning process that truly enhances group work. If so, then perhaps educators can incorporate changes that will benefit all modes of delivery.

CONCLUSIONS

The purpose of this study was to examine students’ perceptions with regard to the inputs and learning processes involved in blended-learning to compare with traditional classroom delivery. The comparative results are mixed. However, with the exception of group work experiences, these results remain largely in favor of the traditional classroom approach. When considering the results of this survey, a number of unanswered questions come to mind that are relevant to planning course delivery. First, is the different nature of the interaction such that one is simply more effective than the other? Alternatively, are such differences in perceived effectiveness simply due to class size or some other combination of factors? Are certain higher-level courses in accounting and other quantitative subjects simply less adaptable to online instruction than other courses? Finally, when an administrator or instructor selects blended-learning as the course delivery method, what is the optimum number of class meetings? The answers to these questions are important. Accounting educators need more research in order to determine how widespread these perceptions are and why the differences exist.

Clearly, online instruction and blended-learning methods offer valuable alternatives to the meeting-intensive traditional courses and lower the opportunity cost for many in furthering their education. Also, if a professor is not physically tied to a classroom two to three times per week, s/he may find that the increased flexibility frees up more time for research pursuits

once the “start-up” costs of a new, difficult preparation are overcome in subsequent semesters. Therefore, these types of instruction can offer a “win/win” situation for universities and their students if educators can close any gaps in perceived effectiveness.

As technology continues to become even more advanced and instructors become more comfortable with its use, both traditional and online instruction are sure to improve in quality. Many instructors already have become quite adept at using technology and delivering courses effectively online (Eisinger, 2003, p. C1). However, the survey results suggest that both methods can improve by more effectively incorporating aspects of the alternative. The challenge to educators is to improve the education process continuously so that graduates are as prepared as possible to meet their own challenges.

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NEW LINKAGES: INTEGRATING MANAGERIAL ACCOUNTING AND FUNDAMENTALS OF FINANCIAL MANAGEMENT

Bruce A. Leaby and Kristin Wentzel

ABSTRACT

Recent research on revising accounting curricula calls for value-added accounting courses (Albrecht & Sack, 2000, p. 1; Brewer, 2000, p. 214; Maher, 2000, p. 343; Stout & West, 2004, p. 96) which provide more integrative foundations to ensure that students appreciate and understand the interactions of various disciplines and better prepare for the professional world. At La Salle University, we recently took an innovative approach to undergraduate curriculum integration by partnering with our Finance Department to link Introduction to Managerial Accounting and Fundamentals of Financial Management together in a substantive manner. This paper describes the development and successful implementation of our novel design to concurrently teach sophomores both managerial accounting and introductory finance. Faculty from each discipline jointly reengineered the courses, generally following the recommendations described in the Practice Analysis reports of the Institute of Management Accountants (IMA). The objective of the linked design is to reinforce the natural connections and interdependence of accounting and finance to enhance our students' appreciation of the inseparable impact of these

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disciplines in decision-making through joint cases and other projects. Initial feedback suggests that students' awareness of the interconnections between accounting and finance has been enhanced by the linked offering. The development process and design of our unique combination of managerial accounting and introductory finance allows other accounting educators the opportunity to understand our value-added approach to improving undergraduate accounting education and hopefully use it as a springboard for other innovative managerial course offerings.

A common goal of business school curricula is to give students a clear understanding of how key business disciplines interrelate in the real world. Most traditional curricula use the silo approach to presenting material, thus ignoring the opportunity to reveal the many interrelationships that exist between subjects (Stover, Morris, & Byers, 1997, p. 10). While some schools employ a capstone course at the senior level to capture these interrelationships, there are concerns that such offerings are much too late in the educational process to be fully effective (Walker & Ainsworth, 2001, p. 63).

At La Salle University, we recently took an innovative approach to curriculum integration by linking our *Introduction to Managerial Accounting* and *Fundamentals of Financial Management* courses together in a substantive manner. By partnering with our Finance Department, we redesigned these two courses with the objective of more concretely illustrating the natural link and interdependence of accounting and finance in order to enhance our students' knowledge of how multiple disciplines in business join together in decision-making. Through the use of common cases, examples, and sequencing of material, students learn to interpret the same information from different perspectives and to integrate material across related disciplines. The use of technology in common assignments also enhances our ability to effectively communicate the natural integration between accounting and finance concepts.

This paper describes the development process and details of our recently integrated accounting and finance course. Brewer (2000, p. 212) suggests that such sharing of curriculum development is useful because it provides insight for other accounting educators who are considering changes and modifications to their own existing programs. Watson, Apostolou, Hassell, and Webber (2003, p. 288) also support the sharing of curriculum development information but link the need more directly to schools seeking to gain or maintain AACSB accreditation. Since the revised AACSB standards require mission-driven programs, many schools are revisiting their offerings to determine if modifications are necessary to reflect this new perspective (AACSB, 2004).

Additionally, the accounting profession has generated a litany of calls demanding that accounting education change the content covered, teaching methods used, and pedagogies employed to increase cross-disciplinary learning and more explicitly develop professional competencies and skills (AAA, 1986; Perspectives, 1989; AECC, 1990; AICPA, 2000a, 2000b). Albrecht and Sack (2000, p. 64) suggest “each school take a ‘zero-based’ approach to its curriculum” and try to “make its programs as value-added as possible.” Overall, this recent body of literature strongly suggests that a truly efficient curriculum involves integration. Based on our experience at La Salle University, a linked managerial accounting–finance course appears to be a viable option for meeting these challenges to provide more integrative and value-based undergraduate accounting education which more concretely illustrates to students how multiple disciplines in business come together in decision-making.

This paper is organized as follows. In the next section we synthesize the literature addressing course integration. In the third section, we provide a brief overview of La Salle University’s mission, learning goals, and prior curriculum design to give some context to the development of our revamped course. The specifics of our integrated accounting and finance course appear next. The paper ends with a discussion of the benefits of our curriculum change and some concluding remarks.

LITERATURE REVIEW

Recent accounting curriculum research calls for value-added accounting courses (Albrecht & Sack, 2000, p. 1; Brewer, 2000, p. 214; Maher, 2000, p. 343; Stout & West, 2004, p. 96; Stout, Borden, German, & Monahan, 2005, p. 254) in which emphasis is placed “on the compounding of learning by appropriate combination across course and departmental lines,” as opposed to simply presenting relevant course content (Perspectives, 1989, p. 12). In particular, the academic community has suggested moving away from the emphasis on discipline specialization to one with a stronger integrative foundation (Patten & Williams, 1990, p. 177). Stover et al. (1997, p. 10) call for a model that is more representative of the real business world in which “silos” are broken down to create more integrative courses. Stout et al. (2005, p. 254) note the potential importance of cross-disciplinary education as one of the driving forces in their new graduate program curriculum design. Specifically, they designed their new program to “add value (complement)” to existing accounting education skills “by emphasizing coursework in complementary areas,” including finance (p. 255).

Regarding managerial accounting in particular, Brewer (2000, p. 232) asserts that managerial accounting needs to become a more integral part of accounting curriculums, arguing that a major contemporary challenge is to partition management accounting topics across multiple courses in a logical manner. In general, higher educational bodies have heard such challenges and have implemented many changes to the delivery of accounting education. For instance, some modifications include changing the way we teach managerial accounting to focus more on problem-solving skills and the organizational context of decisions, thereby increasing the potential value that students can bring to the workplace (Maher, 2000, p. 343). Walker and Ainsworth (2001, p. 63) suggest a more process-centered accounting program that supports the integration of disciplines resulting in a more efficient educational process to reduce redundancies within the curriculum, whereas Stout and West (2004, p. 110) report on a stakeholder-based process implemented at the graduate level in management accounting.

Meanwhile, professional organizations also support integrative reform in the classroom. The Institute of Management Accountants (IMA) provided a series of studies showing that future accountants must be prepared to work as strategic business partners in organizations (IMA, 1996, 1999). Due to technological advancements, the mechanical aspects of managerial accounting in practice receive less emphasis, allowing and requiring more time for analysis and interpretation of financial information. Similarly, the American Institute of Certified Public Accountants (AICPA) issued a list of core competencies desired for entry-level accountants (AICPA, 2000a). In this list, the AICPA emphasizes the need for improved decision-making and problem-solving skills, along with knowledge of how internal and external business environments *interact* to create business success or failure. To meet these external calls, the business program at La Salle University sought to adopt a more integrative discipline approach to accounting education.

More specifically, finance provides a natural option for obtaining an integrative management accounting curriculum for several reasons. The IMA¹ reports that the terminology used to describe the work of management accountants tends to include the term “finance.” The IMA even renamed its main journal for members *Strategic Finance* to highlight the importance of the interrelationships of managerial accounting and finance. Additionally, in creating the new computerized CPA Exam, the AICPA combines managerial accounting and finance topics in the Environment of Business section. Furthermore, while accounting tends to view results from an historical standpoint, finance is likely to be more forward looking. Surveyed practitioners note that while their job uses historical information, the major

emphasis of their work is to create information in a useful format, thereby aiding future decision-making. The consensus is that management accountants are doing “less traditional accounting and more financial analysis and business partnering” (IMA, 1996, p. 12). Some of the people interviewed in the study suggest, “finance will go beyond business partnering and broaden its role to strategic partner. Rather than support only what happens in the division, management accountants will look at the marketplace and at what the competition is doing. They will need to be more strategic, be better visionaries, and be more proactive” (IMA, 1996, p. 12). Coppage and French (2002) encourage accounting programs to follow the recommendations of the *IMA Practice Analysis* and to seriously consider revamping management accounting education offerings.

Professional decision makers recognize that many business decisions involve information and perspectives from multiple disciplines. Emulating this integrative, relevant approach in the classroom setting helps bring student learning closer to actual practice, while also aligning academic programs with calls from the profession on content delivery.

LA SALLE UNIVERSITY’S MISSION, LEARNING GOALS, AND FOUNDATION FOR CURRICULUM CHANGE

Business programs need to offer relevant, cross-disciplinary courses that connect to their strategic plan or mission (Nelson, Bailey, & Nelson, 1998, p. 318; Albrecht & Sack, 2000, p. 58; Stout & West, 2004, p. 96; Stout et al., 2005; AACSB, 2004). Embracing this notion, The School of Business Administration (SBA) at La Salle University formed a planning committee to review our course offerings and suggest a totally revamped business core that more directly supports our overall mission.

To provide some background, La Salle University is a Christian Brothers school with a vision to “[prepare] students for informed service and progressive leadership in their communities” (Mission Statement).² La Salle is committed to a liberal arts education. Our heritage links to the founder of the Christian Brothers, John Baptist de La Salle, whose beliefs were grounded in a practical education. The SBA’s mission statement thereby defines a Lasallian education as having two purposes. The first is “a liberal education for a full purposeful life,” and the second is “the development of professional knowledge and skills that enable career enhancement. In this context the Lasallian culture provides for the integration of the theoretical

and practical throughout the education process” (SBA Mission Statement).³ Thus, the heart of the efforts of the planning committee was guided by the standard of making certain that our course offerings blend the practical with the theoretical. Toward this end, our SBA learning goals emphasize experiential learning with specific emphasis on such objectives as the following:

- Critical thinking, problem solving, and decision-making skills
- An ability to evaluate, identify, and understand different perspectives, positives and negatives, and strengths and weaknesses
- An ability to integrate and synthesize diverse information or skills
- Oral, written, and interpersonal communication skills
- Knowledge in key business disciplines
- Knowledge of and ability to examine ethical considerations in business
- Knowledge of specific businesses, business practices, and opportunities
- An understanding of contemporary social forces affecting business.

The overall outcome of the planning committee was the decision to re-vamp our business core curriculum so that students receive exposure to an integrative course during *each* year of their college education, as opposed to just the typical senior year capstone class. As discussed earlier, reports from industry suggest that such integration helps graduates who often lack managerial accounting and general business knowledge skills. The precursor to our linked managerial-finance course is our freshmen *Business Perspectives* course, modeled after a course originated at Lehigh University.

In brief, *Business Perspectives* provides a basic introduction to all functional areas of business. As such, the course is taught by faculty from a variety of business disciplines (i.e., accounting, management, finance, and marketing) with cooperation of executives from Johnson and Johnson (J&J). During the term, students work in teams to develop a business plan for a product or service within the consumer healthcare industry and then later introduce their idea to J&J executives in a formal presentation. To mimic the use of cross-functional teams in practice, teams consist of students with various majors. While the course uses a generic introduction to business textbook to provide the theoretical framework, regularly scheduled guest speaker sessions featuring J&J executives provide practical integration through the presentation of firm-specific material to all our students. Prior to these sessions, our faculty discuss the theoretical foundation to support these practical presentations. Travel to selected J&J plants for tours and Q&A sessions further highlight the integration of the practical with the theoretical. For instance, during Q&A sessions, the J&J controllers often

provide specific examples of their strategic involvement in changes to processes or packaging that led to significant cost savings to J&J. Such examples bring to life the true involvement and value of managerial accountants in the operations of organizations.

Early in their educational experience, our freshman students receive exposure to a very challenging integrated course which links theoretical knowledge with practical application. *Business Perspectives* thus provides the groundwork for further integration in later courses. Walker and Ainsworth (2001, p. 48) support such a design by asserting “students should examine business organizational structure and strategy [as] (a whole) before they learn about operating processes (the parts).”

DETAILS OF LINKED MANAGERIAL ACCOUNTING–FINANCE COURSE

Prior to the implementation of our revamped core curriculum, students at La Salle University took *Introduction to Managerial Accounting* (Principles II) during the second half of their freshmen year as a follow-up to *Principles of Financial Accounting* (Principles I). During their junior year, students took *Fundamentals of Financial Management* and received their first exposure to our finance faculty. Each course occurred independently of each other and carried the weight of 3-credit hours.

When we revamped our curriculum, we moved both courses to the sophomore year and reduced each course to 2-credit hours. To establish a tangible link, we schedule the courses in blocks so students meet twice a week in 2-hours sessions. The students attend the block as a cohort group; thus, the same students meet together to take 1-credit hour of Accounting followed by 1-credit hour of Finance (or vice versa) twice a week. Another option is to present the Accounting segment in one, 2-hours segment, while the Finance section meets in a second 2-hours segment on a different day. Some faculty feel the 2-hours concentration allows for more efficient delivery of content. Other faculty has experimented with team teaching to further stress the interconnections between the two disciplines.

Course Content

Exhibit 1 presents the major topics covered in each course. While Exhibit 1 shows the major linkages between the two courses, it does not highlight the

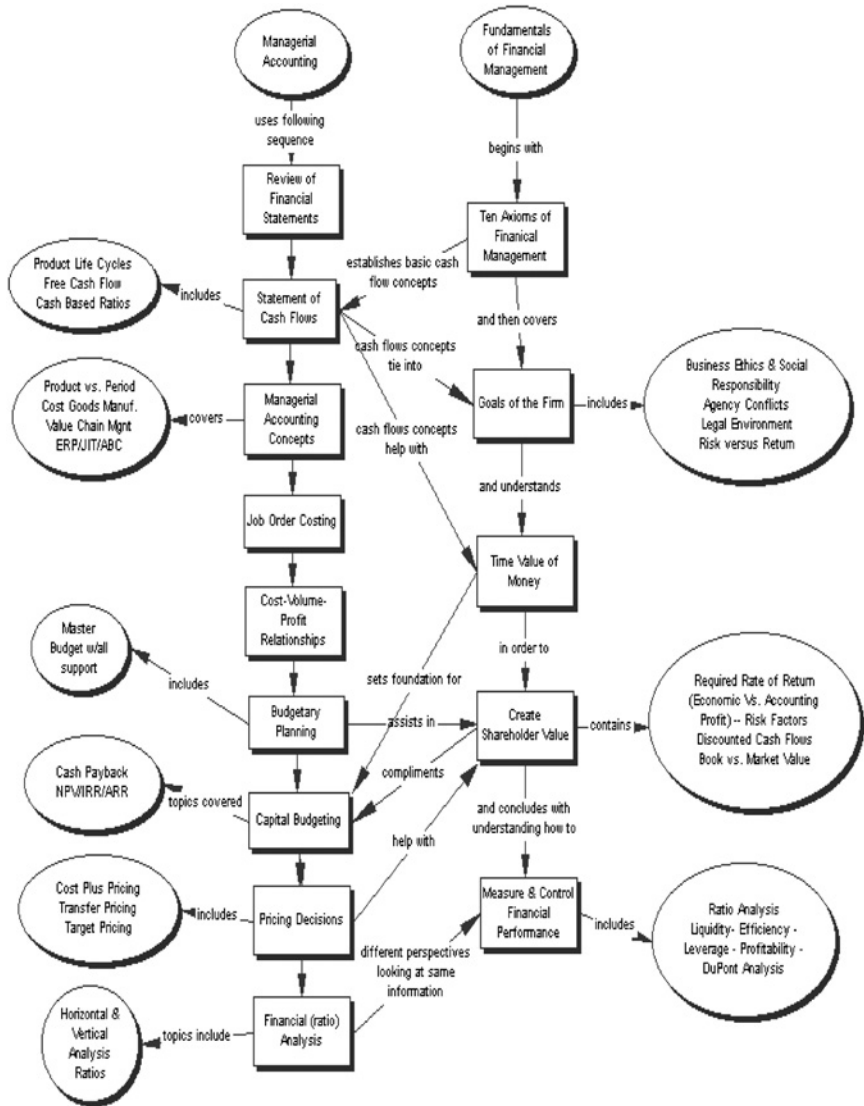


Exhibit 1. Major Topics Covered in Integrated Course.

many detailed connections that exist between the materials. The faculty members from Accounting and Finance retain flexibility in changing the sequence and emphasis of the course depending upon their expertise and course objectives. At present we are using two textbooks approved by each discipline. However, as we refine the coordination between these courses, a customized text seems likely. As suggested by Massey and Van Hise (2003, p. 245), a customized textbook helps support curriculum revisions in accounting education. In addition to being cost effective, it also allows faculty to reinforce the importance of cross-disciplinary integrative learning by the use of one jointly created text.

Examples of Common Projects

One method used to foster the interconnections between the two courses is through joint cases. The IMA reports that more than 70% of those interviewed work in companies which require management accountants to participate in cross-functional teams. Furthermore, the IMA asserts that for entry-level management accountants to succeed in dynamic business environments, they must be able to work in teams and possess a “solid understanding of how a business functions” (1999, p. 6). The use of integrative business cases in the classroom therefore seems to be a viable mechanism for preparing students for these requirements in their professional careers. Barsky and Catanach (2005) have successfully used serial cases in a newly designed management accounting course and suggest that these cases help reinforce material presented in the classroom, help develop communication skills, and get students more actively involved in their learning process. Their motivation for changing their management accounting course links closely with our goal to help develop better business skills, understand the context in which decisions are made, and stimulate an interest in accounting.

Prior to the start of the semester, both accounting and finance faculty meet to develop common cases to integrate the materials from both disciplines. As an example, last year three cases utilized financial information from J&J and Merck. Using J&J related cases helps students gain new and more deeply developed perspectives of the company’s operations since, as freshmen, J&J provides the foundation for the *Business Perspectives* course. Before completing the cases, students download the 10-K of each company from the EDGAR database and are required to do horizontal and vertical analyses (without ratio analysis this early in the course) on the balance sheet and income statement in order to gain a general understanding of the financial

perspective of each company. This initial step allows students to refine and expand their understanding of Excel spreadsheets, while obtaining a basic financial foundation for the firms they will be studying in greater detail.

Exhibit 2 presents the highlights of the cases by showing the connections to the materials taught during class. All case submissions require word processing and spreadsheet applications. Students submit one completed case. Grading of the cases depend on faculty preferences. Some instructors provide one overall grade for the case. Another approach is for both instructors to provide dual grades for each case. One grade reflects an overall grade, while the second grade is specific to the discipline of each faculty member. Since each course reports a separate final grade, the discipline-related grade supports the grading criteria. Faculty also meet regularly to discuss what worked and what did not. Potential changes to the cases, along with students' performance, comprise the discussions. It is not uncommon for the same students to struggle in both courses and thus, strategies are developed to improve the level of performance of weaker students. Subsequent classroom discussions, using perspectives from both disciplines, further help students form tangible connections between accounting and finance information. One successful approach is to have both instructors together present ideal solutions to cases in one classroom setting.

BENEFITS OF CURRICULUM CHANGE AND CONCLUDING REMARKS

Obviously such a dramatic curriculum change has led to some challenges. For instance, block scheduling for students and faculty is not always accomplished with ease. Accounting and finance faculty require additional preparation time to effectively partner. Furthermore, difficulties occur when a student drops one of the linked courses mid-semester or transfers into our university with credit for one of the linked courses, but not the other. In general, we have been able to overcome the latter challenges by offering very limited sections of unlinked courses.

Despite such challenges, anecdotal evidence suggests that both faculty and students like these linked courses. More importantly, feedback from both suggests that our main goal of increasing students' awareness of the interconnections between accounting and finance has been accomplished. Given the newness of the course, outcome assessment data are not yet available. Overall, exposure to faculty members from distinct disciplines in such a tangible linked manner forces our students to recognize the relationships

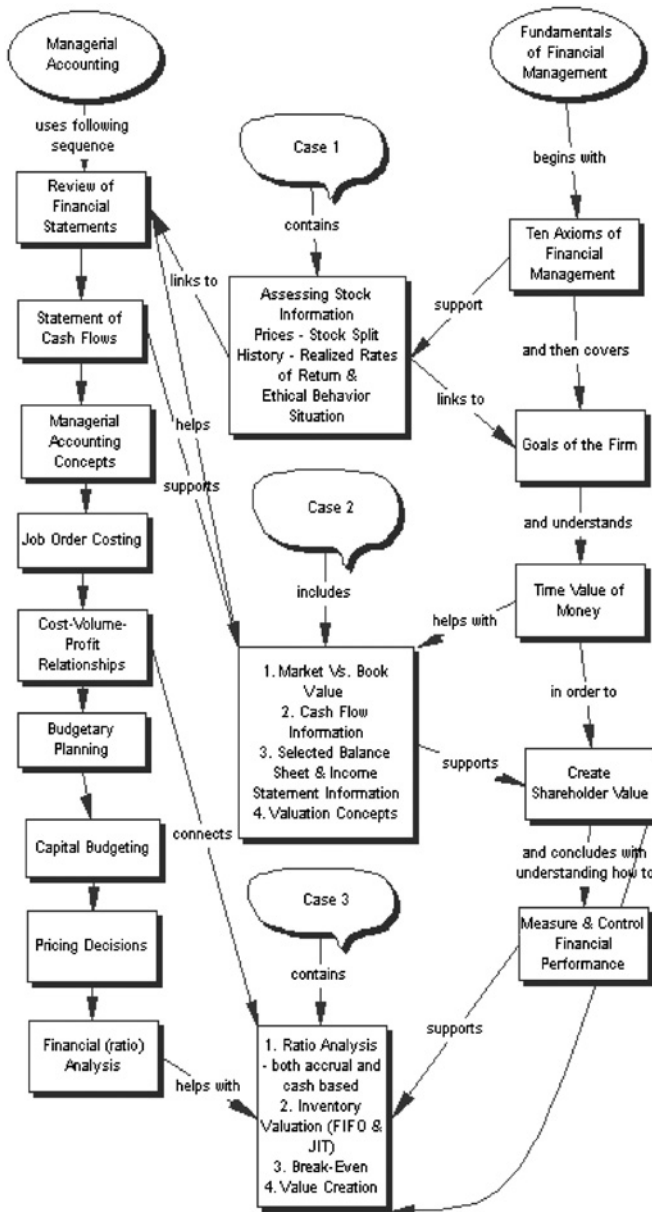


Exhibit 2. Using Cases to Reveal Interrelationships of Topics.

between the subjects earlier in their educational process. Such connections otherwise might not occur until much later in their professional career.

In conclusion, a linked managerial accounting–finance preparation meets the profession’s emerging demands for an integrated education, while enabling our students to better see and appreciate “the big picture.” A major benefit of such an integrated offering is that students obtain a unique and insightful understanding of how the financial side of business operates, instead of the typical functional perspective. Another benefit is the efficient delivery of information by reducing redundancies of topics that tend to occur without such coordination between disciplines. Furthermore, from a practical perspective, [Maher \(2000, p. 342\)](#) notes that the label “management accountant” is often misguided since when students graduate and join the workforce they obtain positions with titles such as “corporate finance,” “financial analysis,” or “financial consultant,” hence suggesting that the term “management accountant” does not describe a function in the workplace. By offering a combined managerial accounting–finance course, we reduce this perception gap by exposing students to the interrelationships between managerial accounting and finance prior to entering the workforce.

[Russell, Siegel, and Kulesza \(1999\)](#) observe that firms rely on a cross-functional, team-based decision-making process to help add value to an organization. Our close partnership with J&J in designing and delivering our freshman year *Business Perspectives* course allows us to witness firsthand their integrative team approach to managing business processes. Thus, firms hiring our students expect that qualified candidates are able to effectively work in team settings with members from other disciplines, appreciate the integrative nature of decision-making, and quickly add value to their organization. At La Salle University, we responded to this need by re-vamping our undergraduate accounting curriculum to provide students with more practical integration. More specifically, we substantively linked our *Introduction to Managerial Accounting* and *Fundamentals of Financial Management* courses to focus on developing integrated problem-solving skills within the context of an organizational structure. Such a model might prove useful for other accounting programs interested in offering a more integrated educational experience for accounting undergraduates.

NOTES

1. It is interesting to note that the IMA refers to its members as accounting and finance professionals. The inclusion of finance captures the importance of the linkage between the two disciplines and how inseparable they have become.

2. See <http://www.lasalle.edu/mission/>
3. See <http://www.lasalle.edu/academ/sba/mission.shtml>

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USING A RESEARCHER–REVIEWER PEDAGOGY TO TEACH TAX RESEARCH

Richard I. Newmark, Marguerite R. Hutton and
Cheryl A. Cruz

ABSTRACT

Teaching tax research challenges instructors to provide students with ample opportunities for hands-on practice and detailed feedback in resolving tax situations. We provide a researcher–reviewer pedagogy for tax research assignments that goes beyond the traditional approach to teaching tax research. We believe this pedagogy provides additional benefits: students critically review researchers' work and provide written constructive criticism to researchers in a professional manner. In addition, we implemented our researcher–reviewer pedagogy using technology. Student perceptions of the benefits derived from the researcher–reviewer pedagogy were generally positive. It provided students with hands-on review experience, improved their ability to communicate electronically, and increased their overall computer competency and comfort.

Teaching tax research presents an interesting challenge because the focus is generally on process (performing tax research) rather than outcomes (understanding an area of tax law). Since tax research courses focus on how to *do*

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tax research, instructors must provide students ample opportunity for hands-on practice and detailed feedback in resolving tax situations. Instructors often provide hands-on experience by assigning five or six assignments for all students to research. In this paper, we provide a researcher–reviewer pedagogy for tax research assignments that goes beyond the traditional approach to teaching tax research. We believe this pedagogy provides additional benefits: students critically review researchers’ work and provide written constructive criticism to researchers in a professional manner.

For each research case assigned using our pedagogy, one-third of the students prepare research memoranda based on detailed guidelines supplied by the instructor. The other two-thirds of the students get hands-on supervisory experience by making three detailed, but brief, review comments that must meet specific criteria. Additionally, all students get practice in giving and receiving constructive criticism in a professional manner.

Although instructors can use this researcher–reviewer pedagogy without using electronic communication, we chose to implement this pedagogy using tools commonly found in course management software: email, digital drop box, discussion boards (also referred to as threaded discussions, bulletin boards, or discussion forums), and chat. The electronic communication implementation has several benefits. First, students communicate through email and electronic discussion boards, improving their electronic communication skills and increasing their overall computer competency and comfort. Second, students can learn from each other as all students see all memoranda and review comments. Third, since students use technology to complete peer reviews outside the classroom, more class time becomes available for other activities such as lectures, discussions, debates, and presentations. Finally, as a side benefit, this method keeps the instructor’s grading load from increasing in direct proportion to the class size, and even may result in an overall decrease in the instructor grading.

We organized the paper into four sections. First, we present a brief discussion of the background for this pedagogy. The second section provides a complete description of the methodology, including a description of the student tasks, such as the preparation of the research memo, the review process, in-class discussion of the research, and the preparation of a client letter and a case brief. We also describe the criteria for evaluating the assignments, with specific criteria for evaluating research memoranda, review comments, client letters, and case briefs. Third, we discuss the results. In the final section, we present our conclusions.

BACKGROUND

Communication is one of the AICPA's Core Competencies (AICPA, 1999). Communication includes not only written and oral components, but also reading comprehension. In developing this researcher–reviewer pedagogy, we hoped that students not only would learn from actually researching and preparing memoranda (as they would using a traditional approach to teaching tax research), but also that they would learn from reading other students' memos, preparing review comments, and reading review comments. These expectations center on written communication and reading comprehension, as well as critical analysis of research materials and memoranda.

There has been substantial coverage in the accounting literature on written communication skills (Catanach & Golen, 1997; McIsaac & Sepe, 1996), as well as coverage of “writing to learn” in accounting courses (Baird, Zelin, & Ruggle, 1998; Scofield & Combes, 1993; Stout, Sumutka, & Wygal, 1991). These studies demonstrate the need for significant writing components in accounting courses to foster the learning process. Catanach and Golen (1997, p. 46) describe a writing model for accountants that instructors can use to encourage students to write using contexts that support critical thinking, and at the same time, promote the use of collaborative writing or editing techniques. These techniques assist students in understanding not only how they write, but also how others write, and thus, foster communication and interpersonal skills. In addition to these techniques, Scofield and Combes (1993, p. 71) suggest other issues that promote meaningful writing: motivation, process-oriented assignments, feedback, and grading. McIsaac and Sepe (1996, p. 529) go on to state that students who write within the accounting discipline (1) gain an appreciation for importance of writing within their discipline, (2) improve their writing skills, and (3) understand accounting concepts at a higher cognitive level. Students also benefit in this learning environment by developing positive attitudes toward writing and the course itself (Stout et al., 1991, p. 139). In theory, the “writing to learn” approach uses writing to “engage” students in the learning process (Baird et al., 1998, p. 260). When students are engaged in the writing process, they tend to report high levels of satisfaction with the usefulness of the assignments in facilitating learning (1998, p. 262).

Education literature includes coverage of peer evaluation and assessment (Falchikov & Goldfinch, 2000; Topping, 1998), focusing on the process and characteristics of peer evaluation by students. Topping (1998, p. 250) defines peer assessment as an “arrangement in which individuals consider the amount, level, value, worth, quality or success of the products or outcomes

of learning of peers of similar status.” Simply stated, peer assessment is a process in which groups of individuals rate their peers. Outcome studies suggest that peer assessment has adequate reliability and validity in a wide variety of applications: grades, oral presentation skills, writing, group work, professional skills, etc. (1998, p. 258). Topping also suggests that peer assessment of writing has positive effects on student achievement and attitudes (1998, p. 249). Student involvement in discussions about the criteria enhanced the positive effects of peer assessment (Falchikov & Goldfinch, 2000, p. 317).

Students’ views on the benefits of peer assessment include obtaining feedback, improving one’s own assignment, and enhancing critical thinking skills (Hanrahan & Isaacs, 2001, p. 65). Other benefits accruing to students are a realistic perception of their own abilities and the ability to make rational judgments about achievement of their peers (Stefani, 1994, p. 69).

Several researchers have discussed the implication of peer evaluations in group task environments (Chen & Lou, 2004; Dyrud, 2001; Paswan & Gollakota, 2004; Persons, 1998). Persons (1998, p. 225) used peer evaluation to measure students’ contributions to group work as well as the success of cooperative learning. It can help short-circuit dysfunctional behavior in groups and improve student productivity (Dyrud, 2001, p. 108). Additionally, peers have more information and may be able to evaluate performance within the group more accurately than the instructor (Chen & Lou, 2004, p. 276; Paswan & Gollakota, 2004, p. 226). Key factors that motivate students to participate in peer evaluation of group projects are the use of peer evaluations to determine peers’ grades, and the reduction of conflict and uneven workload distribution among group members (Chen & Lou, 2004, p. 275).

Specific research on the actual or potential learning benefits derived from student peer review includes Sindre, Moody, Brasethvik, and Solvberg (2003). This article contains a discussion of the positive pedagogical effects of peer review and the potential of peer review for reducing instructors’ work burden. In our design of the researcher–reviewer pedagogy, we focus on the positive pedagogical effect of peer review as a learning activity, with the added benefit that there also may be a reduction in the instructor’s grading burden. The positive pedagogical effect in our design is that students learn research and writing better by researching and writing plus reviewing, than by researching and writing plus more researching and writing. For example, reviewing peers’ research and receiving peer feedback on one’s own research could stimulate deeper thinking about research, which is a cognitive benefit of peer reviews. Alternatively, students may put more

work into their research to make a good impression on their peers, which is a motivational benefit of peer review (Sindre et al., 2003, p. 102).

The potential for instructor work reduction occurs when students review memoranda and provide feedback through review comments to each other throughout the term. By reducing the need for the instructor to provide specific feedback, the instructor’s time can be devoted to other tasks such as discussions, and presentations. Additionally, an instructor can grade a student’s short and specific review comments more quickly than an entire research memo.

Sullivan, Brown, and Nielson (1998) addressed the issue of computer-mediated peer review of student papers using the technology available at that time. Specifically, students can sidestep paperwork problems by using electronic communication to exchange files (1998, p. 119). Email, discussion boards, and other electronic solutions can store projects easily (memoranda in our case) and the peer review comments. Albrecht and Sack (2000, p. 5) emphasize the need to include technology in accounting curricula as one of the “drivers of change” in the business environment. They mention that students “need to know how technology is used to facilitate and drive business, including everything from communication, to on-demand information for decision making ...” (2000, p. 57). The profession expects students to be knowledgeable in not only “research” technology but also “communication” technology. The need for students to understand technology’s role in their education is supported by our decision to implement the researcher–reviewer pedagogy using various technological tools, including electronic communications and online tax research databases. Learning and using electronic communication benefits students by preparing them for long-distance collaboration with peers in both academic and business settings (MacLeod, 1999, p. 87).

Our researcher–reviewer pedagogy addresses three areas. These areas are writing to learn, peer review, and communication technology.

DESCRIPTION OF METHOD

To fully implement the researcher–reviewer pedagogy, the instructor divides the tax research class into three groups, and students remain in those groups throughout the term. The function of the three groups is to facilitate scheduling the due dates of memoranda and review comments. Students perform all research on an individual basis. There are six research cases during the class term, with each group of students – Groups A, B, and C – having a

staggered schedule of due dates for their research memoranda, review comments, client letters, and case briefs. [Exhibit 1](#) contains a sample semester-based timetable for the assignments and provides an overview of the method presented.

The researcher–reviewer pedagogy uses electronic communication tools for all document administration. Using the tools described below forces students to become proficient with a variety of electronic communications. The class website, which is typically in BlackBoard, contains the syllabus, assignments, chapter notes, and details concerning research assignments and other projects. Students submit research assignments to the instructor via email or a course-management “Digital Drop Box” on or before the due date. After the assignment due date, students post their assignments on an electronic discussion board. Then, reviewers read the researchers’ memoranda and post review comments as responses to the memoranda.

In addition to becoming proficient with electronic communications, students also learn how to use one or more online tax research libraries – RIA Checkpoint and/or CCH Tax Research Network. We provide students with guided tutorials for learning the basics of tax research, as well as a small amount of formal in-class training and “tips & tricks” for doing tax research. Additionally, one author brings in a professional trainer from a tax research system provider.

Timing of Assignments

Proper timing of the assignments is essential to achieve the objectives of this pedagogy. First, students must have sufficient time to learn tax research fundamentals before completing their first assignment. Second, students need sufficient time to complete the assigned cases. Generally, additional time also must be available during the term for other activities, such as exams, mock tax court, and oral presentations. Finally, the schedule must spread the workload so that the instructor can provide timely feedback to students.

The instructor posts new assigned research cases on the course website each week, which allows students to have two weeks to complete the research memo and one week to provide review comments on the other cases (see [Exhibit 1](#)). Students download the case prior to the official “assignment” day, so students have an opportunity to ask the instructor specific questions after she introduces the case in class. A week after assigning the case, the instructor again addresses student questions in class. These in-class opportunities to address student questions, as well as individual communications

Exhibit 1. Timetable of Research Assignments.

Week ^a	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
1						
2	Assign case					
3		Assign case				
4	Research memorandum due (A)		Assign case			
5		Research memorandum due (B)				
6	Review comments due (B and C)		Research memorandum due (C)	Assign case		
7	Class discussion	Review comments due (A and C)			Assign case	
8	Client letter due (A)	Class discussion	Review comments due (A and B)	Research memorandum and case briefs due (A)		Assign case

Exhibit 1. (Continued)

Week ^a	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
9		Client letter due (B)	Class discussion		Research memorandum and case briefs due (B)	
10			Client letter due (C)	Review comments due (B and C)		Research memorandum and case briefs due (C)
11				Class discussion	Review comments due (A and C)	
12				Client letter due (A)	Class discussion	Review comments due (A and B)
13					Client letter due (B)	Class discussion
14						Client letter due (C)

^aThis schedule was made to accommodate a 14-week semester (42 contact hours).

outside of class, seem to prevent misunderstandings concerning the form and content of the memoranda. The research memorandum is due the following week. The class discusses the case in the classroom at the conclusion of the review period, after which the researchers have one week to write a client letter. In this way, the client letter serves as a summary of the process and allows the students to demonstrate their understanding of the issues and resolutions.

Content of Research Cases

Assigned research cases have two levels of difficulty – Level 1 and Level 2. The first three research cases, Level 1 cases, are fairly straightforward, with a combination of Code, Regulations, and cases and rulings directly “on point.” These cases are commensurate with students’ expected skills early in the semester. [Exhibit 2](#) contains an example of a Level 1 case. The fourth, fifth, and sixth cases are Level 2 cases, which are more difficult than the first three research assignments, reflecting additional research skills that students should acquire during the semester. These cases involve complex issues combined with ambiguous law and authority. An example of a Level 2 case is available upon request from the authors. The authors usually write their own cases so that each case meets the instructor’s specific needs for their courses.

The process described in “Timing of Assignments” applies to both the Level 1 and Level 2 cases, with students in Groups A, B, and C each taking their turn as researchers. For Level 2 cases, researchers also prepare a case brief on one of the authorities cited in the memorandum.

Student Tasks

Preparing the Research Memorandum

We give the class a client fact scenario in which the issues are not specifically stated or identified. Each student in the researcher group (Group A in this illustration) individually researches the case based on the tax research format discussed in class. Students also receive a detailed set of guidelines on how to write a research memo (available from the authors upon request), which reviewers also use to evaluate the research memoranda.

Once students complete their research memoranda, they submit them via email or digital drop box on or before the specified due date and time. Students then post their memoranda to the appropriate discussion board during a 24-hour period beginning immediately after the submission

Exhibit 2. Example of a Level 1 Research Case.

Harlan Overbite went to dental school and is a licensed dentist. However, during dental school, Harlan was fascinated by the materials used for fillings and other dental procedures. So, after dental school, instead of opening a dental practice, Harlan Overbite went to work for Amalgamite Corporation. Amalgamite developed and produced materials for use in making fillings and dental prostheses (e.g., caps, dentures, bridges).

While working at Amalgamite Corporation, Harlan Overbite developed a material that could be applied on top of existing (or new) fillings which would act as a sealant to prevent further decay. Unfortunately, the acidic properties of this coating caused the material currently used for dental fillings to corrode and break down. Therefore, Amalgamite Corporation refused to provide additional funding for Harlan's "filling sealant."

Disappointed that Amalgamite killed his pet project, Harlan decided to leave Amalgamite Corporation and start his own company to continue his research and eventually bring this product to market. Since Amalgamite did not believe that Harlan's filling sealant had any value, they provided in writing a statement stating that Harlan Overbite may use all knowledge relating to the filling sealant.

Unbeknownst to Amalgamite, while Harlan was developing his filling sealant, he read about a cavity filler that did not decompose from acidic food in the *Dental Times*. It was developed and patented by a practicing dentist, Carrie Choppers. Carrie called the product Rejuvenite. Suspecting the Rejuvenite would resist breaking down due to application of his filling sealant, Harlan obtained a sample of Rejuvenite from Carrie Choppers. He then confirmed his suspicion in his home lab. Since Rejuvenite holds up after the filling sealant is applied to it, Harlan knew that he had a viable product.

After resigning from Amalgamite Corporation, Harlan formed his own corporation called Seal-All Corporation. Harlan contributed \$400,000 cash in exchange for 100% of the Seal-All Corp stock. (Do NOT research this issue!! All you need to know about this transaction is that Seal-All's balance sheet contained only \$400,000 cash and \$400,000 in the Common Stock account.)

After successfully applying the filling sealant to the Rejuvenite filling materials, Harlan Overbite contacted Carrie Choppers about acquiring the patent to Rejuvenite. During their negotiations, Harlan discovered that Carrie was looking for somebody to purchase her dental practice. Even though Harlan only wanted the patent, he agreed to acquire all the assets of Carrie Choppers' dental practice for \$250,000.

The \$250,000 purchase price was allocated in the following manner, which was based on the appraisal of a licensed and certified business appraiser who specialized in dental and medical practices. The appraiser specifically identified the following assets acquired with their fair market values.

- Equipment (assume all equipment is 7-year property): \$100,000.
- Computer system including all software currently installed (all software licenses are transferable): \$45,000 (software valued at \$20,000 was custom designed for Carrie Choppers' dental practice and \$10,000 of software was off-the-shelf software).
- The list of current patients: \$20,000.
- The patent for Rejuvenite: \$50,000.
- An agreement that Carrie Choppers not try to solicit current patients for 3 years: \$25,000.
- The remainder of the purchase price was properly allocated to Goodwill.

All-Seal, Inc. purchased the above assets of Carrie Choppers' dental practice on May 1, 2006.

Exhibit 2. (Continued)

During the months of May, June, and July 2006, Harlan rented office space (\$1,200 per month) and moved in and installed the equipment. He also set up a lab for development of his new products.

On June 1, Harlan Overbite sufficiently refined his filling sealant such that Seal-All, Inc. could now apply for a patent in addition to contacting FDA for approval to test the filling sealant with Rejuvenite on human patients. The filling sealant was named Sealite. Seal-All had spent \$55,000 developing Sealite.

On July 1, All-Seal, Inc. acquired a customer list from a Dentall Corp., a dental materials supplier, for \$25,000 so that he could do direct marketing and make personal sales calls to pitch his dental products.

On September 1, 2006, Seal-All received permission from the FDA to conduct human experiments. It was also granted a patent on Sealite.

Seal-All, Inc. officially opened for business on September 1, 2006.

What expenses should Seal-All report for calendar year 2006? (Hint: you need to know if the various items should be immediately expensed, capitalized and depreciated/amortized [and over what period], capitalized and not depreciated/amortized, or neither expensed nor capitalized)

deadline – not early or late. The timing of postings prevents researchers from “borrowing” other researchers’ work and provides reviewers an equal opportunity to review all memoranda.

Reviewing Research Memoranda

We designed the review process so that reviewers must do research, although to a lesser degree than the researchers, in order to make acceptable review comments. Although reviewers can use the research provided in the memos as a starting place to help guide their efforts, they must be familiar with the authorities for a variety of reasons. These reasons include determining whether or not researchers identified all of the issues, whether or not issues are relevant, or if the facts necessary to resolve an issue are included.

After researchers from Group A have posted their research memoranda, the students in Groups B and C have a two week period to post three brief review comments (75–100 words) on any research memo(s) they choose, using the reviewer guidelines provided to students before they begin making review comments (see [Exhibit 3](#)). At least one review comment must address the issues section of a memorandum and at least one comment must pertain to the reasoning and authority section. The third review comment may pertain to any section. Also, at least one comment must be positive. Review comments may be either original review comments, or responses to other reviewers’ comments such as disagreeing with a comment or expanding

Exhibit 3. Specific Reviewer Guidelines.

Overview:

These specific review guidelines require that you are already familiar with the general writing/reviewing guidelines (i.e., General Memo Information, Researcher Information, Reviewer Information, and General Writing Guidelines; available from the authors upon request).

Read the memorandum prepared by the researcher. As you read, write down all of your comments, including constructive comments, grammatical corrections, and clarifying questions you would like to ask the researcher. Also, tell the researcher what worked and what did not work in the memorandum.

1. For all questions, consider whether that element of the memorandum needs major improvement; needs some improvement; or is absolutely perfect as is.
2. You will be graded on the thoroughness and helpfulness of your review comments.
3. When reviewing a particular section of the research memo, you must address all items listed below for that particular section of the research memo.

Specific guidelines:

Facts

- Were the relevant facts restated?
- All relevant facts should be identified – watch out for missing relevant facts.
- Irrelevant/extraneous facts should not be included in the facts statement. Be careful! You must have a complete understanding of the case. Sometimes seemingly irrelevant facts are important to the case.
- Comment on the format/ordering of the facts.

Issues

- Were the tax issues stated clearly?
- Identify all missing issues.
- Identify all irrelevant issues.
- Comment on the ordering/logical flow.

Conclusions

- Were the basic conclusions stated clearly and completely?
- Comment on format. For example, were the conclusions tied to the issues?
- Could you understand the conclusions without going back to reread the related issues?

Reasoning and Authorities

- Were the authorities and reasoning easy to follow?
- Each substantive issue should be commented on separately. A substantive issue may include minor sub-issues.
- Comment on logical flow of the R&A for the issue in question.
- Was proper citation format used?
- Is the authority easily distinguishable from the reasoning?
- Do the authority and reasoning support the conclusion?

Summary/recommendations

- Summary
 - Are all of the *major* issues discussed?
 - Is the summary sufficiently brief?
- Recommendations
 - Are recommendations consistent with conclusions and R&A?
 - Do recommendations make sense?

Questions that apply to all sections of the research memo

- Is the spelling correct?
 - Is the memo grammatically correct, and are the sentences complete?
 - Does the memorandum make sense overall?
-

upon it. All postings must be professional, constructive criticism, and must offer specific suggestions for improvement.

In-Class Discussion

There is an in-class discussion of each case at the end of the two-week review period, which also could take place electronically either in a chatroom session or on a discussion board. The discussion may be structured or unstructured. During structured discussions, members of the class identify specific issues, which other students may challenge. Then students offer conclusions and authorities to support the conclusions, which other students may debate. Finally, after all issues have been resolved, the instructor summarizes the results of the discussion. Instructors base their decisions concerning delivery method and discussion format on course delivery method (face-to-face, synchronous online, or asynchronous online), instructor comfort level with technology, and instructor preferences.

Client Letter

After the in-class discussion, the original researchers prepare a client letter using the guidelines provided in [Exhibit 4](#). Their client letters should reflect the review comments, in-class discussion, and also anticipate client questions.

Exhibit 4. Client Letter Guidelines.

You will be required to write at least one client letter. The client letter is often used to communicate the results of your research to your client. It should be tailored to sophistication of your client. *Assume that you are writing to an unsophisticated client.* The letter should convey the highlights of the research to the client. It should be brief – no longer than one and a half single-spaced pages. Clients want an answer to their question. They see issues as black-and-white. Give them the bottom line. Deliver general conclusions and recommendations. The format is outlined below.

- Salutation
 - Social graces
 - General conclusion
 - Summary of results
 - Objective of report
 - Statement of facts/disclaimer
 - Summary of critical issues
 - Implications of results
 - Assumptions/limitations
 - Closing
 - Reference to follow-up meeting
 - Social graces
-

Researchers electronically submit the client letter to the instructor on or before the specified due date, which is one week after the in-class discussion.

Case Brief

The second set of research cases requires a detailed analysis of relevant case law to resolve the major issues. In addition to preparing a research memo for Level 2 cases, students prepare a case brief in accordance with guidelines in [Exhibit 5](#) for a case cited in support of their conclusions. As with research memos, students submit case briefs electronically and post them on the discussion board. Each reviewer must make at least one additional comment on a case brief.

Allocating Points to Assignments

One author used a full implementation of the pedagogy in a graduate level tax research course. The course point allocation in the full implementation of the researcher–reviewer pedagogy appears in [Table 1](#).

In addition, the pedagogy was partially implemented at two other universities in tax research courses, as well as in an undergraduate basic taxation course. In some courses, instructors chose not to assign client letters and/or case briefs, choosing instead to use the elements of the pedagogy that they felt fit best with their course design. For example, in the basic taxation course, the instructor implemented the pedagogy using discussion boards. The tax research assignment was one of four 60-point stand-alone assignments. Teams of two students prepared memos that were worth 48 of 1,000 total semester points. All students then posted three review comments that were worth four points each.

Instructor Tasks

Evaluating Research Memoranda

The instructor grades the research memos during the week after students submit them. Since only one-third of the class prepares a research memo, the instructor can spend time to provide detailed and timely feedback to each researcher on a separate review sheet (see [Exhibit 6](#)), and email it back to the students. Instructors use the same grading criteria as in the reviewer guidelines specified in [Exhibit 3](#). If the instructor discovers information in the review comments that she has not considered when grading the research memos, she will re-grade the appropriate portion of the memos.

Exhibit 5. Case Brief Guidelines.

You will be required to write one or more case briefs during the course and review two others. A case brief is a summary of a court case. It should not exceed one single-spaced page. It is often attached to a research memo when a case is significant to the research.

Preparing a case brief

The format for preparing a case brief is presented below:

- **Citation.** Must be a complete citation in the proper format – case name and numerical citation. Include the jurisdiction – state or circuit.
- **Issues.** List the main issues in the case, especially issues that pertain to your research. If there are a large number of issues, just list the issues most related to the research question(s) and note that there are several other issues. Number the issues to correspond with the holdings. Follow the same rules for the issues section of a research memo.
- **Facts.** Briefly list only the most relevant facts. Follow the same rules stated for the facts section of a research memo. The lower court’s ruling should be included in the facts section, not the holdings.
- **Holdings.** List the findings of the court as it relates to the corresponding issues. Do not include analysis here. Include which party each holding favored – the taxpayer or the IRS (do not just state plaintiff or defendant). This is similar to the conclusions section of a research memo.
- **Analysis.** This is the rationale the court used for its holdings on the corresponding issues. It is important to include the court’s authority (citations) to facilitate future research. This section is similar to the R&A section of a research memo.

Reviewing a case brief

Reviewers of research cases 4, 5, and 6 are to make one review comment on a case brief. The comment *MUST* concern the Analysis section. It may also cover other sections of the case brief *EXCEPT* the Citation section. Feel free to comment on the citations, but such comments will not be graded.

The rules for reviewing case briefs are the same as for reviewing a research memo.

- **Issues.** Follow the rules for reviewing the issues section of a research memo.
 - **Facts.** Follow the rules for reviewing the facts section of a research memo.
 - **Holding.** Follow the rules for reviewing the conclusions section of a research memo. For whom did the court find (who won) on each issue?
 - **Analysis.** Follow the rules for reviewing the Reasoning and Authorities section of a research memo.
-

Evaluating Review Comments

The instructor evaluates review comments during the week following their due date using the criteria in [Exhibit 3](#). Since the instructor already has graded the related research memoranda, this process goes very quickly as review comments are only 75–100 words long.

To save time and to help students determine what a good review comment looks like, the instructor posts his or her comments as a response to reviewers’ comments instead of emailing the comments directly to each

Table 1. Point Allocation of Assignments for Full Implementation of Researcher–Reviewer Pedagogy.

Assignment	Points
1st research memo prepared	70
2nd research memo prepared	90
Client letters prepared (2 at 20 points each)	40
Case brief for 2nd assignment	20
Review comments (12 memo comments + 2 case brief comments at 10 points each)	140
Exams (2 at 215 points each)	430
Project/presentation	200
Other assignments	10
Total points	1,000

Exhibit 6. Instructor Review Sheet for Research Memos.

Date: _____
 To: [student]
 From: [instructor]
 Subj: Comments for assignment # _____
 Facts (9 points):..... _____ points
 Issues (24 points):..... _____ points
 Conclusions (8 points):... _____ points
 Reasoning and authorities (24 points): ... _____ points
 Summary (5 points):..... _____ points
 General comments: _____
 Grade (out of 70 possible): ... Total _____ points

reviewer. Comments that meet the required criteria receive full credit and merit only a posting of “good comment,” unless there is some particularly outstanding aspect of the comment. Comments that do not meet the requirements receive a brief posting explaining their shortcomings.

Evaluating Client Letters

The instructor evaluates client letters based on the criteria listed in the client letter guidelines (see Exhibit 4), which are reflected in the instructor’s client letter review sheet (see Exhibit 7). Instructors do not require much time to evaluate client letters because they already have graded the related research case. Also, the letters should be free from content errors as students write them after the in-class discussion, student review comments, and instructor comments have been completed.

Exhibit 7. Instructor Review Sheet for Client Letters.

Date:
 To: [student]
 From: [instructor]
 Subj: Client letter comments for assignment #:
 Appropriateness of language for taxpayer (3 points): ____ points
 Clarity of content (7 points):..... ____ points
 Summary of findings (7 points):..... ____ points
 Format/organization (3 points):..... ____ points
 General comments:
 Total client letter points (out of 20 possible).....Total ____ points

Exhibit 8. Instructor Review Sheet for Case Briefs.

Date:
 To: [student]
 From: [instructor]
 Subj: Case brief comments for assignment #:
 Citation (2 points):..... ____ points
 Issues (4 points):..... ____ points
 Facts (3 points):..... ____ points
 Holdings (4 points): ____ points
 Analysis (7 points):..... ____ points
 General comments:
 Total case brief points (out of 20 possible):.....Total ____ points

Evaluating Case Briefs

Researchers prepare and submit case briefs with their research memos, which facilitate grading the case brief at the same time as the memo. Reviewing case briefs need not be a time-consuming endeavor. The instructor already should have read many of the cases relevant to the topic, and if there is a precedent-setting case on the topic, many students will brief the same case. As stated previously, Exhibit 5 contains the guidelines for reviewing case briefs. Exhibit 8 is the instructor’s review sheet for case briefs.

RESULTS

Faculty Perceptions

In all of the full and partial implementations of the researcher–reviewer pedagogy, the research memos were generally very good, as were the review

comments posted by student reviewers. The authors believe that the quality of the research memos in the course using the researcher–reviewer pedagogy was no different than memos from students in a more traditional tax research course who prepared more memos but did not use the peer-review process. Moreover, it appears that students in both the researcher–reviewer course and traditional tax research course developed similar research skills.

One of our concerns was the possibility that students would read other students’ review comments and just apply them to other memos. There was no evidence of students using other students’ review comments. Most review comments were clear, concise, written on a professional level, and were generally very helpful to the researchers. Allowing all student reviewers to comment on any memo resulted in the best-written memos receiving few review comments, whereas memos with the most deficiencies received many comments. Although all memos received at least a couple of comments, it would not be problematic for a memo to receive zero comments because such a memo would likely have few errors *and* the instructor would provide review comments to the researcher. Since the comments were very constructive, researchers who had the most difficulty preparing their memos received the most help.

Some students exploited the review comment guidelines in the first iteration of this pedagogy by commenting on the format rather than the content of memoranda. We have revised the reviewer guidelines since to state explicitly that all review comments must include evaluation of the content of a memorandum and that “format only” comments will not count. Moreover, comments must be very specific about what was good or bad about a particular portion of the memo.

An added benefit from the peer review process was that there were no complaints from students concerning the fairness of grading research memoranda or review comments. In fact, some students commented on the instructor’s generous grading in light of comments received from their peers.

The client letters also were well written. It seemed to be beneficial to have an in-class discussion of the research case before the researchers wrote their client letters. Therefore, students were able to concentrate on communicating the information from the research process in a manner understandable by an unsophisticated client, rather than worrying about the results of the research process.

Student Perceptions

The data presented in this section are based on a survey completed at the end of the semester by students from a single graduate tax research course

taught via interactive television to 36 students. The authors received 35 valid surveys. Students' mean age was 34 and 60% were female. They had an average of 12.9 years of work experience, with 50% of the students reporting $\leq 20\%$ of their work experience was in accounting, and 60% reported having no tax work experience.

Students rated a series of statements about the researcher–reviewer pedagogy using a 7-point Likert scale (1 = Strongly disagree; 7 = Strongly agree). Summaries of the student responses appear in [Table 2](#). Almost all (91%) of the students said that they learned a lot about tax research by preparing the research memos. Over half of the students felt that preparing review comments had improved their ability to critically evaluate both the work of others and of themselves.

Sixty percent of students indicated that they learned from others' research memos when they were also a researcher. However, as a reviewer, 80% felt that they learned from reading others' research memos. The high incidence of students in their role as reviewers reported that they learned from reading others' research memos could be interpreted that, as a researcher, students already had performed a substantial amount of research on the same case so there was less to learn from others as compared with when they were a reviewer, which does not require as much research. Slightly more students (46%) stated that they learned from reading others' review comments when they were also reviewers, compared with perceived learning from reading review comments when students were researchers (37%).

Most students (91%) felt that acting as a researcher on all six research cases would have been too time consuming. There was no consensus on whether tax research skills would have improved if a student had researched all six cases. Only 11% of student felt that preparing review comments would not make them better supervisors or managers.

Overall, the students' perceptions matched our expectations for the researcher–reviewer pedagogy: students not only learned from actually researching and preparing memoranda, but they also learned from reading other students' memos and preparing review comments. The perceived benefits from reading others' review comments were not as strong as we had hoped.

Students also provided feedback to the instructor by responding to the following three open-ended questions:

- (1) What specifically did you like most about the tax research assignments?
- (2) What specifically did you like least about the tax research assignments?
- (3) How can I [the instructor] improve the tax research portion of the class?

Table 2. Student Ratings of Researcher–Reviewer Class Experience.

	Mean (Median)	Strong Negative (1, 2)	Neutral (3, 4, 5)	Strong Positive (6, 7)
<i>Learning from doing</i>				
I learned a lot about tax research by preparing research memos.	6.4 (7.0)	0 (0%)	3 (9%)	32 (91%)
As a result of preparing review comments for this class, my ability to critically evaluate the work of others has improved.	4.8 (6.0)	6 (17%)	11 (32%)	18 (51%)
As a result of preparing review comments for this class, my ability to critically evaluate my own work has improved.	5.1 (6.0)	4 (11%)	12 (35%)	19 (54%)
<i>Learning from reading others' memos</i>				
When I was a preparer, I learned from being able to read research memos prepared by other students.	5.3 (6.0)	5 (14%)	9 (26%)	21 (60%)
When I was a reviewer, I learned from reading research memos prepared by other students.	5.9 (6.0)	1 (3%)	6 (17%)	28 (80%)
<i>Learning from reading review comments</i>				
When I was a preparer, I learned from the comments I received from the student reviewers.	4.8 (5.0)	4 (12%)	17 (48%)	14 (40%)
When I was a preparer, I learned from the comments other students received from the student reviewers.	4.6 (5.0)	5 (14%)	17 (49%)	13 (37%)
When I was a reviewer, I learned from reading the review comments prepared by other students.	4.7 (5.0)	7 (20%)	12 (34%)	16 (46%)

Table 2. (Continued)

	Mean (Median)	Strong Negative (1, 2)	Neutral (3, 4, 5)	Strong Positive (6, 7)
<i>Preparing versus reviewing memos</i>				
I would have preferred to prepare a research memo for all six cases.	1.9 (1.0)	29 (83%)	4 (9%)	2 (6%)
Preparing all six research cases would have been too time consuming.	6.7 (7.0)	1 (3%)	2 (6%)	32 (91%)
<i>Job skills acquired</i>				
Knowing how to prepare tax research memos is a valuable job skill.	5.8 (6.0)	1 (3%)	11 (31%)	23 (66%)
I believe that preparing review comments will help me be a better supervisor/manager.	4.9 (5.0)	4 (11%)	15 (43%)	16 (46%)

Many students provided multiple responses to each question. In response to the first question, approximately half of the class indicated that the researcher–reviewer pedagogy was an effective way to learn tax research. Almost one-quarter of the class indicated that they most liked that the research assignments provided them with realistic cases and real world experience. About one-quarter of the class stated that the research cases helped them learn the law, and one-sixth of the class liked having the opportunity to explore in-depth an online tax research database.

The most common response to the question, “What specifically did you like least about the tax research assignments,” was that they were too time consuming – indicated by 17 of the 35 students. However, only two students mentioned that the schedule was too demanding.

Students also expressed frustration with conducting research. Four students stated that they did not know where to begin for the first assignment. Two students indicated that they had difficulty developing a good key word search. One student stated that there was too much irrelevant information in the cases. Finally, five students disliked having to draw a conclusion when there was no clear-cut answer.

Students made many suggestions to improve the tax research portion of the class. Several students expressed a desire to have more training in the research process prior to completing their first assignment. Student

suggestions included spending more time on key word searches and using the online databases. In response, we now give students additional in-class and out-of-class exercises to develop key word searches and other research skills during the first two weeks of class.

Several students indicated that there was an insufficient amount of time to adequately complete the assignments. Their suggested remedies included reducing or eliminating research assignments, review comments, presentations, and/or the final exam. These comments indicate that students felt significant time pressure from the research assignments, not unlike the time-budget pressure that CPAs experience. Additionally, four students stated that the research portion of the class was very helpful, and they could not think of any way to improve the class.

CONCLUSION

The results indicate that this pedagogy meets expectations and works well in the context of a tax research course. Rather than assigning each student a battery of cases to research, we experimented with a blend of research cases, review comments, client letters, and case briefs staggered throughout the term. Student perceptions of the benefits derived from the researcher–reviewer pedagogy were basically positive. Overall, students reported that they received value from both critically reviewing other students’ tax research memoranda and communicating the results of their reviews.

The researcher–reviewer pedagogy has the potential to be useful in any course that has a research and/or professional writing component such as auditing and financial accounting research. Increasing students’ ability to research and write professionally has become even more prominent now that the CPA exam requires candidates to perform research and draw conclusions based on their research.

A side benefit of this pedagogy is that spreading the more time-consuming grading work throughout the course allows the instructor to offer more individualized and timely feedback. We found that review comments are much less time consuming to grade than research memos, and through the use of an electronic discussion board, students receive additional feedback from other students – something that did not happen before. By using the discussion board, all research memos and review comments were available for inspection by all students. While we do not know if all students looked at all memos and review comments, the reviewers at least read multiple memos since they had to decide on which ones to comment. They

also had an incentive to look at a variety of memos to provide information for purposes of making review comments on other memos and preparing future memos.

We also wanted students to have an opportunity to get hands-on supervisory experience. We feel that the quality of the review comments indicate that this objective has been met, at least in part. The review comments were very good, very thoughtful, critical on a professional level, and helpful. However, the comments almost exclusively address deficiencies, and were in the form of constructive criticism – almost no one said “this section/issue is very good because.” We would like to encourage students to add more purely positive feedback to their review comments.

We also feel that students improved their ability to communicate electronically. A large investment of class discussion time on the electronic communications required for the course (email, website, discussion boards) paid off. Time spent in class demonstrating how to use online tax research services also was highly beneficial, such as integrating demonstrations with lectures about how to use the research database. The use of test exercises to give students practice in posting to an electronic discussion board resulted in significantly fewer posting errors than experienced in the past.

Finally, we implemented our pedagogy using electronic communication tools to increase students’ overall computer competency and comfort. We feel that this goal of increasing students’ overall computer competency is being met, since several students commented on the value of the computer skills developed as a result of the class. Overall, we are pleased with the results of the use of this researcher–reviewer pedagogy, and plan to further refine it. As stated previously, we feel that the reviewer–researcher pedagogy could be a valuable addition to any course with a research and/or professional writing component.

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ACCOUNTING ADVISORY BOARDS: A SURVEY OF CURRENT AND BEST PRACTICES

C. Richard Baker, Julia Karcher and Thomas Tyson

ABSTRACT

This paper discusses current and best practices of accounting department advisory boards. The findings are based on a nationwide survey of chairs of accounting departments. The Teaching and Curriculum (T&C) Section and the Accounting Programs Leadership Group (APLG) of the American Accounting Association (AAA) approved the survey and endorsed the project. Among the findings are the following: 64% of the responding departments have advisory boards. This is a significant increase from the 37% figure Schwartz and Fogg had reported in 1985. We assess the role of the Association to Advance Collegiate Schools of Business (AACSB) International as a possible factor contributing to this increase. In addition, the survey indicated that the median size of advisory boards is 15 members, with a range from 10 members to more than 30. Most board members are alumni. Few departments require financial commitments from board members. The primary activities of boards include curriculum review, strategic planning, and providing internship opportunities for students. Based on follow-up telephone interviews with department chairs, a number of suggestions for improving the effectiveness of advisory boards appears at the end of the paper.

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The motivation for this project was the authors' desire to learn more about what accounting advisory boards are doing, and could do, for chairs, departments, faculty, and students. Each of the authors was, or currently is, an accounting administrator with an advisory board, but none of us felt we were using our boards as effectively as possible. For example, we did not know if our boards were properly structured and staffed. We felt that our boards could provide better guidance and additional resources. We also thought that they could provide more support and assistance for faculty, and that they could facilitate student learning, recruitment, and placement. We felt that knowledge about other advisory boards could help us see where and how we might improve our own boards.

REVIEW OF PRIOR LITERATURE

The prior literature pertaining to external advisory boards is limited, but some common themes have emerged. For example, in a survey of administrators of professional education programs in the hospitality industry, [Conroy, Lefever, and Withina \(1996\)](#) found that advisory boards provide input on curriculum issues, are involved with fund raising, and play an important role in maintaining a program's connection with an industry. Likewise, in a survey of business school administrators, [Kaupins and Coco \(2003\)](#) found that business school advisory boards focus on curriculum issues and help with the development of the school's mission statement. Kaupins and Coco also found that advisory boards generally meet twice a year and have from 6 to 15 members (p. 353). [Schwartz and Fogg \(1985\)](#) surveyed the Association to Advance Collegiate Schools of Business (AACSB) accredited schools to determine whether those departments had advisory boards. They found that 37% of the responding departments had advisory boards and that most of the boards had been created fairly recently (within 6 years prior to the survey) (p. 180). The authors also found that on average advisory boards had 16 members and that the boards were concerned primarily with fund raising and public relations (p. 181). In addition, they found that departments that did not have advisory boards had never had one. Opposition from the business school dean was one of the reasons given why the accounting departments did not have an advisory board (p. 182).

Due to the relatively limited prior research about accounting department advisory boards, we decided to conduct a nationwide survey in order to determine what accounting advisory boards are currently doing and

to identify “best practices” – from a department chair’s perspective. We wanted to obtain this information to promote improvement in our own boards, but also to help other chairs who may benefit from having this information. An accounting department chair or unit head can benefit in three ways from reading this paper. First, the paper provides certain benchmarks about best practices of advisory boards. Second, knowing what other accounting administrators are doing may confirm that the department is proceeding on the right track. Third, the reader may take away one or more ideas about how an advisory board can be made more effective.

METHODOLOGY

We prepared a research proposal for presentation to the Teaching and Curriculum (T&C) Section and Accounting Programs Leadership Group (APLG) of the American Accounting Association (AAA) at the 2004 AAA annual meeting and received their endorsements for a web survey and follow-up telephone interviews. The T&C and APLG section chairs agreed to co-sign a cover letter to lend support for the project. The letter included a link to an online survey. The AAA headquarters emailed the letter to all persons listed in the Hasselback database of accounting administrators with US addresses.

The online survey was announced through an e-mail message from AAA headquarters in mid-September 2004. The AAA sent the online survey in early October 2004. The initial solicitation resulted in 90 responses. The AAA sent a reminder e-mail two weeks later resulting in an additional 52 responses. The 142 responses represent a 17% response rate based on the 853 names with domestic addresses in the database. While this response rate may seem somewhat low, many of the surveyed schools have small accounting departments that would not be expected to have departmental advisory boards. *Schwartz and Fogg (1985, p. 180)* had a 69% response rate in their survey of 195 chairs (i.e. 134 responses). However, their survey excluded accounting departments with less than five faculties. The number of responses to our survey (i.e. 142) is approximately the same as that of *Schwartz and Fogg* (i.e. 134). In addition, the fact that 39 chairs (28% of respondents) volunteered to participate in follow-up telephone interviews indicates that the topic was timely and important. We are confident that our sample is representative of the general population of accounting department chairs.

The survey contained four sections (*Note:* The authors will provide a copy of the instrument upon request):

- A. Demographic features and advisory board procedures.
- B. Board activities in relation to the accounting department.
- C. Board activities in relation to accounting faculty members.
- D. Board activities in relation to accounting students.

We also collected demographic information about the respondents' institutions and departments and asked several open-ended questions about (1) the chair's role in relation to the board, and (2) advice for setting up and administering advisory boards. Finally, we asked chairs to discuss the reasons they were pleased or displeased with their boards and to describe any special programs or activities of their boards.

In addition to the online survey, we conducted telephone interviews with 39 chairs in late October and early November 2004. (*Note:* The authors will provide a copy of the telephone survey instrument upon request.) The interviews lasted about 20 min each. We transcribed the call data and emailed the transcriptions to participants to verify accuracy and completeness. The telephone interviews provided further information about the practices of effective boards.

RESULTS

The focus of the following discussion is on accounting departments that have advisory boards. Wherever possible, we compared the results to the findings of [Schwartz and Fogg \(1985\)](#) who performed a similar survey of accounting department chairs in 1985. Respondents who indicated that their schools had accounting advisory boards provided detailed information about their boards. Those without advisory boards were asked why they did not have them.

The results of the survey indicate that 64% of accounting departments have advisory boards. This finding differs from [Schwartz and Fogg \(1985, p. 180\)](#) who found in 1985 that only 37% of departments had advisory boards. One possible reason for the large increase in the number of departments with advisory boards during the last 20 years may be the influence of the AACSB International ([Flynn, 2002](#); [AACSB, 2005](#)). A recent communication with an accreditation specialist at AACSB International ([Roberts, 2005](#)) revealed that AACSB does not have a specific requirement regarding advisory boards. However, the *Eligibility Procedures and Standards for Accounting Accreditation* ([AACSB, 2005](#)) specify that the mission statement

reflect the accounting department's commitment to be responsive to its stakeholders. This means that:

- The mission development process includes adequate input from the *stakeholders* which employ the academic unit's students concerning critical issues such as adequate supply of graduates, quality of graduates, diversity of graduates, licensure eligibility, etc.
- The current curriculum content reflects adequate content on the topics required by the *stakeholders*.
- The academic unit has processes in place to adjust the curriculum when changes within the *stakeholder* environment occur (AACSB, 2005, p. 14, *emphasis added*).

Based on this interpretation, an advisory board appears to be an important element in the accreditation process for accounting. However, only a minority of accounting departments obtains accounting accreditation. Therefore, the influence of AACSB may be greater in terms of establishing a role model for best practices rather than mandating a specific requirement.

Departments Without Advisory Boards

If a respondent to the survey indicated that their department did not have an advisory board, we asked them to explain. The most common reason they gave for not having an advisory board was that the number of students in the accounting program was too small to warrant creation of a board. This finding differs somewhat from that of Schwartz and Fogg (1985, p. 182) who found that opposition from the dean of the school of business was the primary reason for not having an advisory board. The difference between our survey and that of Schwartz and Fogg may be a result of our including smaller schools in the population surveyed.

Demographic Characteristics of Departments With and Without Advisory Boards

Demographic characteristics of departments with and without advisory boards are shown in Table 1. More than 84% of the departments with advisory boards have achieved AACSB accreditation status, either for their business programs or for both their business and their accounting programs. Only 57% of departments without advisory boards have achieved AACSB accreditation. A chi-square test indicates that there is an association

Table 1. Demographic Characteristics of Departments With and Without Advisory Boards.

	Yes	Percent	No	Percent
F1: Are you an AACSB accredited school?				
Yes – Business programs only	29	32	22	43
Yes – Business and accounting	47	52	7	14
No	12	13	22	43
No – but in candidacy	3	3	0	0
Total	91	100	51	100
<i>Pearson Chi-Square = 22.43 (p = .000)</i>				
F2: How many students attend your institution?				
5,000 or less	14	15	23	44
5,000–10,000	24	26	15	28
10,000–20,000	30	33	7	14
More than 20,000	23	26	7	14
Total	91	100	52	100
Median size of student body	12,000		5,000	
<i>Pearson Chi-Square = 17.78 (p = .000)</i>				
F3: How many full-time faculty members are there?				
5 or fewer	16	17	21	40
6–12	45	50	25	48
13–20	22	24	3	6
21–27	8	9	3	6
Total	91	100	52	100
Median size of faculty	10		6	
<i>Pearson Chi-Square = 13.47 (p = .004)</i>				
F4: Approximately how many accounting majors graduate each year?				
30 or fewer	15	17	23	44
31–100	42	46	20	39
Over 100	34	37	9	17
Total	91	100	52	100
Median number accounting graduates per year	47		31	
<i>Pearson Chi-Square = 14.47 (p = .001)</i>				
F5: How would you best describe your institution?				
Public	66	73	30	58
Private	25	27	22	42
Total	91	100	52	100
<i>Pearson Chi-Square = 3.03 (p = .069)</i>				

between AACSB accreditation and the existence of an advisory board. This finding provides additional support regarding the possible influence of AACSB concerning the establishment of an advisory board as a matter of best practice (AACSB, 2005).

The median size of the student body in the schools with advisory boards is about 12,000 students, while the median size of the student body in schools without advisory boards is about 5,000 students. This suggests that advisory boards are more common in larger institutions. A chi-square test indicates that there is an association between a larger student body and the presence of an advisory board (see Table 1). Furthermore, as Question F5 in Table 1 indicates, 73% of the respondents are chairs in public universities, indicating that advisory boards are more common in public institutions. Again, a chi-square test indicates that there is an association between being a public university and having an advisory board. While it is possible that public institutions are larger in size than private institutions (and in fact our data seem to support this conclusion), this is not always the case. Many public institutions are not significantly larger than comparable private institutions. Hence, while we have no specific evidence to support this assertion, the greater pressures for accountability to a more diverse constituency that are present in a public institution may cause a greater propensity to have external advisory boards.

We also found that the median size of departments with advisory boards in terms of number of faculty is 10, while the median size of department in schools without advisory boards is 6. Again, a chi-square test indicates that there is an association between having more faculty members and having an advisory board. Finally, the median number of accounting students graduated per year in schools with advisory boards is 47, while the median number of students graduated per year in schools without advisory boards is 31. A chi-square test indicates that an association exists between having a greater number of students graduate per year and having an advisory board. In summary, advisory boards appear to be more common in larger, public universities that have achieved AACSB accreditation status, and have more accounting faculty and more accounting students graduating per year (see Table 1).

Characteristics and Operating Procedures of Advisory Boards

The first section of our survey asked respondents to answer 15 questions about characteristics and operating procedures of their advisory boards. Table 2, Panels A, B, and C report the answers to these questions. Table 2, Panel A indicates that the median size of board is 15 members, with a range from less

Table 2. Characteristics and Operating Procedures of Advisory Boards.

	Frequency	Percent
<i>Panel A</i>		
A1: What is the size of your Advisory Board?		
1–10 members	21	23
11–20 members	30	33
21–30 members	10	11
Over 30 members	4	4
Sub-total	65	71
No response	26 ^a	29
Total	91	100
Median size of advisory board	15	
A2: Do Board members make an initial financial contribution when joining the Board?		
No	87	97
Yes – \$500–\$1,000 per year	2	2
Yes – \$1,000–\$3,000 per year	1	1
Sub-total	90	99
No response	1	1
Total	91	100
A3: Are Board members required to pay an annual membership fee?		
No	80	88
Yes – \$500 or less per year	9	10
Yes – \$500–\$1,000 per year	1	1
Yes – More than \$1,000 per year	1	1
Total	91	100
A4: Have you had difficulty attracting Board members?		
No difficulty	63	70
Some difficulty	26	29
A lot of difficulty	1	1
Sub-total	90	99
No response	1	1
Total	91	100
A5: Have you had difficulty retaining Board members?		
No difficulty	62	68
Some difficulty	29	32
Total	91	100
<i>Panel B</i>		
A6: Does your school have Board bylaws and procedures?		
Yes	33	36
No	56	62

Table 2. (Continued)

	Frequency	Percent
Sub-total	89	98
No response	2	2
Total	91	100
A7: Is there a job description for Board members?		
Yes	20	22
No	71	78
Total	91	100
A8: Is there a membership term for Board members?		
No	53	58
Yes – 2 years or less	9	10
Yes – 2–4 years	28	31
Yes – Over 4 years	1	1
Total	91	100
A9: What percentage of Board members are alumni?		
25% or less	7	8
Between 25% and 50%	20	22
Between 51% and 75%	27	30
Over 75%	37	40
Total	91	100
A10: Is the performance of Board members formally evaluated?		
No	88	97
Yes – every year	1	1
Yes – every 2 or 3 years	2	2
Total	91	100
<i>Panel C</i>		
A11: How often does the Board meet?		
Once a year	28	31
Twice a year	52	57
3 or 4 times a year	11	12
Total	91	100
A12: How long do Board meeting usually last?		
Less than 2 h	37	40
2–4 h	35	39
More than 4 h	18	20
Total	90	99
No response	1	1
Total	91	100

Table 2. (Continued)

	Frequency	Percent
A13: Does the Board include any student members?		
No	77	85
Yes – only undergraduate students	4	4
Yes – both undergraduate and graduate	10	11
Total	91	100
A14: Do you ever have retreats for Board members?		
No	85	93
Yes – once a semester	2	3
Yes – once a year	4	4
Total	91	100
A15: What are the costs of the Board to the Department or School?		
Less than \$500 per year	64	70
Between \$500 and \$2,000 per year	23	25
Between \$2,000 and \$5,000 per year	4	5
Total	91	100

^aDue to an error in the survey configuration, some responses to this question were not recorded.

than 10 to more than 30 members in few cases. This finding compares with [Schwartz and Fogg's \(1985, p. 181\)](#) finding that the typical advisory board had 16 members. Apparently, the size of boards has not changed much since 1985.

Only 3% of respondents require their board members to make an initial financial contribution, either to the department or the school, and about 80% do not require an annual membership fee. This finding is similar to [Schwartz and Fogg \(1985, p. 182\)](#) who found that 86% of their respondents did not ask for a contribution from advisory board members.

While 70% of the respondents indicate that they have had no difficulty in attracting board members to their boards, about 30% responded that they have had some difficulty or a lot of difficulty. In addition, about 32% of respondents indicated that they have had some difficulty in retaining board members. These findings may reflect the time pressures and other commitments that advisory board members face in their professional lives. In addition, schools that are more geographically remote may have greater difficulty attracting board members to their campuses. Consequently, some geographically remote universities have held their board meetings in a city near an airport that is convenient for travel. (*Note:* This information was revealed through the follow-up interviews.)

Table 2, Panel B reports additional information about the characteristics and operating procedures of advisory boards. While 36% of boards have bylaws and procedures, about 62% do not. This result compares with Schwartz and Fogg's finding that 70% of the advisory boards in their study did not have written constitutions (p. 182). This finding also indicates that the number of advisory boards with written bylaws has increased slightly. Written bylaws and minutes of meetings can provide documentation of the department's commitment to consultation with stakeholders as prescribed by AACSB accreditation standards. Despite the increase in the number of boards with written bylaws, a majority of boards do not have written job descriptions or specified term limits for their members.

In general, advisory boards are heavily composed of alumni. More than 40% of respondents indicate that three-quarters or more of their members come from alumni, while an additional 30% indicate that more than half of their members come from alumni. Only a small percentage of boards (8%) rely primarily on non-alumni members. Schwartz and Fogg did not address the question of alumni serving on advisory boards.

Table 2, Panel C reports additional characteristics and procedures of advisory boards. More than 57% of the respondents indicate that their boards meet twice a year, while about 31% meet only once a year. Only 12% meet more than two times per year. This finding is consistent with Kaupins and Coco (2003, p. 353) who found that advisory boards typically meet two times per year. About 40% of the respondents indicate that their boards have meetings that last less than 2 h, while nearly 39% have meetings that run between 2 and 4 h. More than 85% of boards do not have any student members, and more than 93% of boards do not have retreats. Finally, over 70% of respondents report that the cost of the board averages less than \$500 per year.

The Most Important Activities of Advisory Boards

In 1985, Schwartz and Fogg (1985, p. 181) found that the three most important activities of advisory boards were fund raising, public relations, and curriculum review. In our survey we asked department chairs to list the three most important activities of their boards. Table 3 indicates that the three most important activities of advisory boards are curriculum development and review (65% responded that this is among the three most important activities of their board); strategic planning (52% responding yes); and assessment of programs, courses, or projects (41%). This finding differs from

Table 3. The Most Important Board Activities for the Department as a Whole.

		Yes	No	Total
The three most important activities for your Board are:				
B2a: Strategic planning – includes mission development and review	Count	47	44	91
	Percent	52	48	100
B2b: Curriculum development and review	Count	59	32	91
	Percent	65	35	100
	Percent	25	75	100
B2c: Assessment of programs, courses, or projects	Count	37	54	91
	Percent	41	59	100
	Percent	5	95	100

Schwartz and Fogg and from other previous studies. This difference in emphasis may again reflect the influence of AACSB on the accounting accreditation process in that the most important activity of accounting department advisory boards now seems to be curriculum review, which is part of the accreditation eligibility standards for accounting departments. Flynn (2002) indicates that fund raising is an important activity at the business school dean level. This may have led to a somewhat lesser degree of emphasis on fund raising for accounting department advisory boards. However, as our follow-up telephone interviews with department chairs indicate, helping accounting departments and business schools with fund raising continues to be an important activity among alumni working in public accounting firms. Accounting department alumni in public accounting are frequently represented on departmental advisory boards. Therefore, serving on a departmental advisory board may overlap with the alumni role.

Summary of Results

The findings of our survey and those of previous surveys such as Schwartz and Fogg (1985) are similar. In particular, the size of advisory boards, frequency and length of meetings, lack of required financial contribution, and lack of written bylaws are similar. These factors do not seem to have changed much in 20 years. The number of departments that have advisory boards has increased significantly. This may be due to the influence of AACSB and the accounting accreditation process, but, as indicated previously only a minority of departments seek accounting accreditation; thus,

raising a question about the degree of influence of AACSB. Our results reveal a lower degree of emphasis on fund raising as an activity of the accounting advisory board in comparison with the previous literature. This result may also reveal the influence of AACSB, because an important aspect of the AACSB accreditation process involves evidence of consultation with the department's stakeholders (i.e. accounting firms and other potential employers of students). Overall, we found that accounting advisory boards are more common in larger public universities that have achieved AACSB accreditation status, and have a greater number of accounting faculty and more accounting students graduating per year.

INTERVIEW DATA

Follow-up telephone interviews with 39 accounting department chairs provided additional details about advisory boards. A complete list of all of the comments would be too extensive to include here; however, department chairs expressed several common themes, which are summarized in [Table 4](#).

Table 4. Recommendations for Improving the Effectiveness of Advisory Boards (Based on Interviews with Department Chairs).

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- Board members are more likely to remain energetic and engaged if they are given clear goals and specific tasks to complete. If their suggestions are ignored or if they feel that their talents are not being used, their enthusiasm wanes. While bylaws and job descriptions may be helpful, many boards function well without them.
 - Most departments do not require specific financial commitments for membership; however, board members generally make financial contributions to the business school or the university and are often involved in fund-raising projects and ideas. University development officers are sometimes concerned about fund raising by accounting department chairs.
 - A common problem among department chairs is competition with the business school dean's advisory board. Some deans do not allow the accounting department to have a separate board.
 - Active advisory boards help stimulate curriculum development. Whether the task is improving or updating the current program or adding a new program, board members provide valuable insights and can save departments time and money. Boards often help with strategic planning and refining the department's mission statement.
 - As part of the program assessment process, board members may participate in reviewing or commenting on student projects, or they may interview students about their educations prior to graduation.
 - A strong reason for having renewable terms is that termination of board members is not necessary. Inactive board members are not asked to serve an additional term.
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Table 5. Innovative Ideas with Respect to Advisory Boards (Based on Interviews with Department Chairs).

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- Consider developing an “accounting circle” or junior advisory board made up of more recent graduates who meet periodically to provide a different viewpoint. This board also can serve as a training ground for the “senior” board.
 - Some schools have had no advisory boards or had trouble with attendance at board meetings because of their geographic location. Suggestions include having the board meet at a hotel near a city that has a number of successful alumni or set up ad hoc groups to solve specific problems, perhaps within one company or firm.
 - When potential faculty members visit a campus, advisory board members can meet with them and serve as advocates for your program. The board can sponsor faculty awards or special scholarships. Other interesting ideas involve an innovation in teaching award, a young alumna/alumnus award or a student leader award. In other instances, boards have selected a project to fund, such as renovating a classroom or naming a professorship.
 - Active participation in local professional chapters can introduce the department chair to potential board members. Alternatively, consider having the president of the local professional chapter serve on the advisory board.
 - Non-alumni members, a member from a peer school in the area and/or an accounting faculty member from a feeder community college can add a different perspective.
 - Because of the knowledge that board members have about a school’s programs, and their hand in improving them, members become more active program promoters. Board members might serve on a panel at student orientation and at recruiting events to discuss what professional work is about and why a degree in accounting is important.
 - Boards can write letters of support for accreditation purposes or meet with the accreditation visit team. In addition to serving as support for continuous improvement to accrediting agencies, this also underscores the importance of the board and can lead to more and bigger donations.
-

In addition, some innovative ideas regarding advisory boards are included in [Table 5](#).

CONCLUSION

Conversations among administrators at academic meetings and newsletter mailings from large schools and departments of accountancy may lead some accounting administrators to conclude that advisory boards serve primarily as fund-raising entities and that board meetings are lengthy events. Some accounting administrators may have decided that advisory boards are inappropriate for their programs. Our survey and follow-up interviews indicate that advisory boards can be relatively inexpensive tools to improve quality and can be tailored to suit the needs of each individual school even if AACSB accreditation is not the program’s primary goal. Programs with

successful advisory boards find that board member contributions in both time and money can be substantial.

Schools with no desire to have advisory boards can even consider setting up ad hoc committees for specific purposes. This may help to overcome or eliminate problems often associated with advisory boards, such as removing unproductive board members or finding enough productive activities for them. Schools that are located away from major population centers may benefit from the suggestion to hold the meetings in a nearby city that has a critical mass of alumni.

The authors of this paper have benefited from the survey in ways that have helped to improve the effectiveness of their advisory boards. For example, one of the authors decided that his board needed more formality and that board members should have a better understanding of their responsibilities vis-à-vis the chair and the department. Consequently, during the summer, he convened a group of five volunteers from the board and together they created a set of bylaws. The bylaws were circulated and then formally approved at the fall 2005 board meeting. The bylaws incorporate a number of findings from the web survey and telephone interviews. For example, the bylaws specify membership terms, describe the role of the executive committee, and broadly enumerate the responsibilities of board membership including their willingness to serve as a classroom guest speaker.

Disappointments have also occurred due to an inability to accomplish a lot more with the board, partly because of the institution's size and structure. This may be because the advisory board involves a multidiscipline department of accounting, finance, and MIS, so its focus cannot be simply on accounting matters. In addition, while many board members would be willing to pay annual dues or an initiation fee, this idea was prevented by the college's Vice President for Institutional Advancement. Lastly, a plan to cull inactive members from the board was not supported by certain administrators and board members, in part, because this action might create ill will among those who were asked to leave or who might become donors to the college. In summary, the findings of the survey identified many practical opportunities for making an advisory board a more active and effective body. Implementing these ideas has proved to be a bit more problematic, especially when they involve change and have broader institutional implications.

In conclusion, this paper reports on the results of a nationwide survey investigating current and best practices of accounting department advisory boards. Utilizing a web approach, we received responses from 142

accounting administrators, who answered a variety of questions of interest to accounting administrators. Among the findings are that 64% of the responding departments have advisory boards. This represents a significant increase from the 37% figure reported by Schwartz and Fogg in 1985. We also discussed the role of AACSB International as a potential factor in this increase. We also found that while few departments require financial commitments from board members, most board members are involved in fund raising for the business school or the university. The primary activities of boards are curriculum review and strategic planning. We also included a number of suggestions for improving the effectiveness of advisory boards based on follow-up telephone interviews. We hope that that this report can provide guidance to all administrators – both those who have advisory boards and those who do not.

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AN INTERDISCIPLINARY MANAGEMENT CONSULTING CONCENTRATION TO DEVELOP THE AICPA CORE COMPETENCIES AND MEET THE 150-HOUR REQUIREMENT

Randall Hayes, Debra Ertel McGilsky and
Lawrence Lepisto

ABSTRACT

We discuss how an interdisciplinary MBA concentration in management consulting is an effective and creative approach to accomplishing the objectives of the 150-h requirement. Our concentration consists of four team-taught courses taken in a cohort manner over two semesters. Students also complete an actual consulting engagement. We argue this type of concentration develops the skills specified in the AICPA's Core Competency Framework in a way that is superior to the more prevalent 150-h curricula of technical accounting courses. We find it is also a viable option for departments faced with limited resources.

Because consulting represents a new discipline in graduate business programs, we describe the process and challenges of developing a

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consulting concentration at Central Michigan University. We also outline the nature of our consulting curriculum, and explain the international consulting philosophy, the Socio-Economic Approach to Management (SEAM), that we teach in the concentration. We find by providing an interdisciplinary experience that requires students to understand and improve business processes within complex human organizations, an MBA consulting concentration offers the type of multi-faceted training the AICPA envisioned for the 150-h requirement.

Lacking specific curricula requirements from the AICPA, the AACSB, or state boards of accountancy, many university accounting programs added additional technical accounting courses to their curricula to allow students to achieve the 150-h requirement. Albrecht and Sack (2000), among others, criticize this narrow approach. In a recent study, Frecka and Nichols (2004, p. 184) identify examples of innovative graduate accounting programs, and they find many graduate accounting administrators are considering changing their programs (2004, p. 185) “toward more of an MBA-type curriculum, allowing greater flexibility in course selection, and a focus on both content and competencies.”

This paper discusses the interdisciplinary, team-taught 150-h alternative we implemented at Central Michigan University. Our program includes many of the innovative attributes identified by Frecka and Nichols (2004, pp. 183–185) and incorporates several changes administrators are considering. It meets the AICPA’s objective of broadening the business education of accounting students, and develops the AICPA core competencies in students in a way we believe is superior to the more prevalent curricula of technical accounting courses. We also believe the program is a viable option for schools faced with limited resources.

Briefly, our program consists of a year-long, five-course consulting concentration in our MBA degree. Students take four two-credit courses, each lasting for eight weeks in a lock-step manner beginning in the fall semester. The first course covers organizational development and change management topics. The second course addresses consulting techniques, including project management, engagement letters, client interaction, and technology. The third and fourth courses cover consulting methodologies with an emphasis on the diagnosis and implementation phases of an engagement. The fifth course is the required four-credit MBA capstone project, an actual seven-month consulting engagement starting early in the second course.

The paper first provides some background and criticisms of how the 150-h requirement has been implemented. Next we discuss our consulting curriculum and how it serves to develop the AICPA core competencies in students. We then identify several challenges we faced in developing and administering this concentration, and discuss how we addressed them. We also describe the international consulting methodology we teach in the program. Finally, we highlight tradeoffs the faculty and students have experienced in the program. This discussion provides a guide to those designing or considering changes to a 150-h program.

THE 150-H REQUIREMENT: BACKGROUND, CRITICISMS, AND INNOVATIONS

In 1988, the AICPA passed a rule, effective after 2000 requiring new members to have 150 semester hours of class work in addition to a baccalaureate degree (AICPA(a)). The 150-h requirement was adopted by the AICPA to broaden the educational background of individuals entering the public accounting profession and to develop skills needed to support lifelong professional careers (AICPA(b)). Though it called for flexibility and diversity in the content of accounting programs, the AICPA left curricula specifics to state boards of accountancy to determine. However, although 51 out of 54 licensing jurisdictions enacted a 150-h requirement, state boards left curricula development to the respective accounting programs.

Without specific guidance, accounting programs developed a range of courses and alternatives, although Frecka and Nichols (2004) find “a great deal of commonality” in the design and curriculum of the Masters in Accounting (MA):

Most programs, including programs with modest enrollment levels, offer three or four specialty tracks (assurance services/financial reporting, taxation, managerial, and information systems). Most programs require a large number of accounting courses, and there is substantial commonality among the sets of courses. In contrast, the nonaccounting business coursework is not well developed in most programs. (p. 165)

Thus, for the bulk of the additional 30 credit hours, many accounting programs offer what they are good at providing, i.e., technical, knowledge-based coursework that focuses on accounting techniques.

If the intent of this strategy is to increase the pass rate on the CPA exam, it seems to be working. Read, Raghunandan, and Brown (2001, p. 32) find that first-time CPA candidates with a minimum of 150 h have a significantly

better chance of passing the exam or earning conditional credit for part of the exam than do first-time candidates with less than 150 h.

Criticisms of the Implementation of the 150-h Requirement

Despite improved CPA pass rates, criticism of 150-h programs continues and is generally consistent with past criticism about accounting education in general. [See the [Bedford Report \(1986\)](#), the White Paper on [Perspectives on Education \(1989\)](#), the [Accounting Education Change Commission \(2000\)](#), and [Albrecht and Sack \(2000\)](#).] [Frecka and Nichols \(2004, p. 178\)](#) believe “the lack of breadth that is at the heart of the criticisms of the 150-hour programs” is evidenced by the majority of graduate accounting programs that offer multiple specialty tracks in accounting with a business core that “is neither well developed nor integrated into the overall program of study” (2004, p. 182).

[PricewaterhouseCoopers \(2003, p. 29\)](#) echoes this observation. The report concludes that for the most part, the fifth year is an “extension of undergraduate education,” and it argues that the 150-h requirement might be partially met through either additional practice or continuing professional education alternatives.

Attributes of Innovative 150-h Programs

The innovative programs [Frecka and Nichols](#) discuss incorporate some of the suggestions [Albrecht and Sack](#) make to improve 150-h programs. They find the following unique attributes in four different programs (2004, p. 184):

1. A highly integrative business core with a heavy emphasis on experiential learning and consulting field projects.
2. A focus on broad business understanding “accomplished through a required four-course business core sequence offered in the first semester.”
3. “A focus on developing a depth of knowledge in a related discipline, such as finance.”
4. A lock-step, 10-course core program designed to be efficiently delivered.

[Frecka and Nichols](#) also contend (2004, p. 186) “programs can be made more relevant by incorporating various forms of workplace learning.”

Nikolai (2001, pp. 99–102) also suggests attributes schools should use in a 150-h program. Specifically, he recommends lock-step courses (2001, p. 100), because schools can offer them less frequently, thereby conserving faculty resources. He suggests eight-week classes, because they allow more flexibility in course offerings (2001, p. 100). Finally, in order to eliminate (2001, p. 100) “silos within accounting, topics that transcend functional areas can be taught in combined courses, perhaps using a team approach.” This latter can draw resources for interdisciplinary business courses from several business school departments. We believe a properly designed and taught consulting concentration addresses many of the criticisms and can incorporate several of the innovative attributes mentioned above.

Why Consider the MBA Alternative?

Evidence indicates students choose varied paths to achieve the 150-h requirement. Donelan and Philipich (2002, p. 114) surveyed 494 CPA exam candidates from five different states. Of these, 48% took additional undergraduate hours to meet the 150-h requirement, 34% completed MA degrees, and 18% completed MBA or other graduate degrees. Candidates who worked for Big Five firms were more likely to have earned graduate degrees; 53% completed an MA and 19% completed an MBA or other graduate degree (Donelan & Philipich, 2001, p. 68). Thus, Donelan and Philipich find the MBA alternative is least popular in terms of what students *actually do* to attain their 150 h. However, Bierstaker, Howe, and Seol (2004, p. 218) find that, despite what they actually earn, 62% of 247 accounting majors indicate they would have *preferred* earning an MBA degree to fulfill their 150 h.

To determine the relative value each educational alternative offers employers, Renner and Tanner (2001, p. 133) survey AICPA and IMA members in eight states having a 150-h educational requirement. They find a master in tax is rated as the top choice by AICPA members, while a second undergraduate major in management information systems is rated very highly by both IMA and AICPA members. An MBA is the second choice of private industry respondents, and an MA is the third choice for all respondents (2001, p. 13). Bierstaker et al. (2004, p. 219) draw this conclusion:

Based on the views of students and practitioners, an MBA may be the most desirable outcome for meeting the enhanced education requirement, but based on the actual actions of accounting students, the MA appears to be the preferred option. Students may tend to choose the MA, despite their avowed preference for the MBA, because the MBA often requires more courses and time to complete. However, Miller (2003) suggests that

the supply of MA students has far outstripped the demand. Thus, to the extent that schools can create a “fast-track” MBA option for accounting majors in their fifth year, it may be desirable for both students and employers.

As funding for higher education stagnates, we suggest an additional reason for folding the 150-h requirement into an MBA program is that deans typically support MBA programs, but expect accounting departments to fund their MA programs.

USING AN MBA CONSULTING CONCENTRATION TO DEVELOP CORE COMPETENCIES IN STUDENTS

In the process of designing our 150-h program, our accounting faculty concluded, due to severe cutbacks in state support of higher education, that we lacked the necessary resources to either offer new undergraduate accounting courses or to develop an MA. We also agreed that schools should use the additional hours to further develop the skills set forth in the AICPA Core Competency Framework (AICPA, 1999). We ultimately decided that sponsoring the development of an interdisciplinary management consulting concentration in the MBA program offered the best means to achieve this objective. Our advisory board agreed, believing a consulting concentration could better prepare students for entering the professional business environment than additional undergraduate courses.

AICPA Core Competency Framework

The AICPA Framework defines the following distinct skills sets entry-level accountants need to be successful in the accounting profession (AICPA(c)):

1. *Functional competencies*: technical skills closely related to the ongoing professional activities of accountants.
2. *Personal competencies*: individual attributes and attitudes that create professionalism and leadership.
3. *Broad business perspective competencies*: individual understanding of internal and external business environments and how these environments interact to determine organizational success.

The Framework emphasizes a skills-based curriculum, rather than a knowledge-based curriculum, because the body of accounting knowledge

and the profession continue to change (AICPA(d)). Table 1 lists the competencies. It also presents a self-assessment by the faculty,¹ along with an evaluation by the students, identifying the degree to which the competencies are developed in our consulting concentration.

As evidenced by our assessment, we believe an MBA consulting concentration offers an excellent vehicle for developing many of the competencies. For example, students learn consulting skills, such as client development, project management, team leadership, and effective communication. They actually practice professional behavior, solve difficult business problems, and employ technology effectively.

Frecka and Nichols (2004, p. 183) find most accounting programs cover: (1) the functional competencies related to decision modeling, measurement,

Table 1. AICPA Core Competencies and an Analysis of Their Coverage in the Consulting Concentration.

AICPA Core Competency	Degree to Which Competency is Taught and Practiced in the Consulting Curriculum
<i>Functional Competencies</i>	
Decision modeling	High
Risk analysis	Moderate
Measurement	Moderate
Reporting	High
Research	Moderate
Leverage technology for functional competencies	Moderate
<i>Personal Competencies</i>	
Professional demeanor	High
Problem solving and decision making	High
Interaction	High
Leadership	High
Communication	High
Project management	High
Leverage technology for personal competencies	High
<i>Broad Business Perspective Competencies</i>	
Strategic/critical thinking	High
Industry/sector perspective	High
International/global perspective	Low
Resource management	High
Legal/regulatory perspective	Low
Marketing/client focus	High
Leverage technology for perspective competencies	High

reporting, and research; (2) the personal competencies related to problem solving, decision making, and teamwork; and (3) the broad business competencies related to strategic thinking, industry and global perspectives, resource management, and legal perspectives. However, they find less coverage of: (1) the functional competency related to risk analysis and control; (2) the personal competencies related to objectivity, honesty, and ethics, the development of leadership, and project management; and (3) the broad business competency related to the marketing/client focus function. They are unsure about the extent to which leveraging of technology occurs, even though they find many programs offer information systems and technology courses, and students use computerized databases.

We found a consulting concentration can develop many of the competencies Frecka and Nichols find receive less emphasis, particularly the personal competencies of objectivity, ethics, development of leadership, and project management, and the broad business competency related to marketing/client focus. Students also leverage technology when they perform work on their consulting engagement.

Our Consulting Curriculum

At Central Michigan University, an MBA concentration comprises four courses, and MBA courses meet once a week for 4h over an eight-week period. Any MBA student may elect the consulting concentration as their required concentration on the MBA degree.²

Our consulting curriculum is a four-course sequence taken over two semesters in a cohort fashion beginning in the fall term. Like Nikolai, we found this approach conserves faculty resources and allows more flexibility in course offerings. Throughout the four-course sequence, students also complete the required MBA capstone project by undertaking an actual consulting engagement. It commences during the second course and runs for seven months. This approach provides students with a more in-depth experience than is typically offered in a one-semester stand-alone consulting course. Consistent with a unique attribute identified by Frecka and Nichols, this design places a heavy emphasis on experiential learning and consulting field projects.

Table 2 presents the knowledge, skills, and abilities we determined students should possess when they enter the consulting profession. We developed this list using the knowledge we gained from our consulting

Table 2. Requisite Knowledge, Skills, and Abilities for Students in the Management Consulting Concentration.

Requisite Knowledge

- Financial and accounting systems
- Marketing principles and systems
- Organization theory and structure
- Behavioral processes in organizations
- Human resource management processes
- Organizational strategy and policy processes
- Information technology processes
- Organizational change principles
- Research methods and designs
- Group behavior processes
- Professional ethics in the consulting profession

Requisite Skills

- Oral communication
- Quantitative measurement techniques
- Qualitative measurement techniques
- Team leadership
- Group and team facilitation
- Individual and group interviewing
- Analysis and documentation of business processes
- Project planning and project management
- Technology for communication and problem-solving

Requisite Abilities

- Clear and grammatically correct writing
 - Professional appearance and demeanor
 - Prepare and conduct presentations
 - Design and deliver training programs
-

training and our practice engagement (which we discuss later). We also extensively used the AICPA competency framework in establishing this list.

Table 3 outlines the description and learning objectives of each course in the consulting curriculum. We included the first course, organizational development, because the team concluded our students possessed insufficient knowledge in this area. Depending on a school’s MBA business core, this course may not be necessary.

Our consulting concentration focuses on the skills-based curriculum encouraged by the AICPA Framework. For example, some of the specific consulting skills students learn include practice development, project management, and team management. They learn various change management theories and strategies, and they apply these theories and skills in their

Table 3. Descriptions and Selected Learning Objectives of the Courses in the Management Consulting Concentration.

First Course: Organization Change Management (2 credits)

Description: Introduces students to models of organizations and strategies to change their behavior, as well as interviewing techniques and team facilitation and leadership

Learning Objectives:

- Understand the symptoms, problems, and causes of organization ineffectiveness
- Analyze the relative effectiveness of the major approaches to intervention in an organization for the purpose of changing its culture, climate, and internal social and technical processes
- Understand methods that may motivate employees toward high performance through the manipulation of individual, group, and organization structural and behavioral processes

Second Course: Consulting Practices (2 credits)

Description: Introduces consulting techniques such as project management, engagement letters, client interaction, and technology, as well as SEAM and how its processes govern the planning of the students' engagements

Learning Objectives:

- Assess the needs of a consulting client and determine the type of consulting engagement needed
- Apply appropriate professional standards to consulting engagements
- Understand how to build and maintain relationships with clients
- Design and plan a consulting engagement using project management tools
- Apply appropriate skills to lead and participate in an effective team
- Understand the legal and ethical environment of consulting engagements

Third Course: Consulting Methodologies – Diagnosis (2 credits)

Description: Discusses quantitative and qualitative measurement techniques, the use of surveys and content analysis of interview data, and the use of SEAM diagnosis techniques

Learning Objectives:

- Conduct effective interviews with different employee groups in a client organization
- Perform content analysis of interview data and identify major dysfunctions within the organization
- Calculate the costs of organizational dysfunctions based on qualitative and quantitative data
- Use diagnostic tools in identifying and assessing organizational and behavioral problems in organizations

Fourth Course: Consulting Methodologies – Implementation (2 credits)

Description: Discusses implementation strategies, measures used to assess intervention effectiveness, and the tools used to effect change within organizations

Learning Objectives:

- Design an appropriate intervention strategy for the organization's situation
- Observe and develop strategies for building collaborative inter-group relations within the organization
- Articulate and document learning from the intervention process for the purpose of performing action research
- Align organization policies, procedures, and systems for more effective change implementation
- Develop performance measurements

Complementary Course: Consulting Engagement Practicum (4 credits)

Description: Required MBA capstone project

Learning Objectives:

- Form and operate an effective consulting team, including the specification of team norms, team roles, and work protocols
 - Conduct an effective consulting engagement and present the results to the client
-

hands-on consulting engagement. The aim is to educate and train students to perform as well-rounded consultants capable of identifying and addressing a wide range of business problems. To function effectively in these engagements, students develop the same skills used by professional accountants. For example, students:

1. Prepare an engagement letter after a series of meetings with management to discuss concerns and issues.
2. Perform objective data collection through various techniques, including interviewing management and employees.
3. Identify and assess the client's business processes and operations.
4. Diagnose the company, including estimating the hidden costs resulting from dysfunctional business processes and operations.
5. Develop, with management, potential solutions to the dysfunctions to redesign how the company operates.
6. Work with employees and management to implement the proposed solutions, typically in a team environment.
7. Assist management in developing appropriate performance measures to assess whether the solutions were successful.

Table 4 sets forth a set of project milestones we established to ensure students complete their consulting engagement by the end of the program. The syllabi for the second, third, and fourth courses require that student teams report their milestone progress every two weeks. They also evaluate what has gone well and not so well on their projects to date, and appraise how they are performing in regard to team interaction, leadership, communication, planning, and client management.

CHALLENGES IN DEVELOPING AND IMPLEMENTING AN MBA MANAGEMENT CONSULTING CONCENTRATION

While an MBA consulting concentration serves to develop a more rounded accounting professional, developing and running an effective interdisciplinary MBA concentration can present significant challenges, including:

1. Finding appropriate faculty.
2. Identifying and learning an effective consulting philosophy and methodology.
3. Developing a consulting curriculum.

Table 4. Student Consulting Engagement Milestones by Course.

First Course: Organization Change Management

- Establish team membership for engagement teams
- Create and document team norms and communication protocols
- Designate team leader, scribe, and technology specialist

Second Course: Consulting Practices

- Research client's history and competitive environment
- Initial client interviews
- Initial problem definition
- Initial design of engagement
- Prepare first draft of engagement letter
- Prepare work breakdown structure for engagement

Third Course: Consulting Methodologies – Diagnosis

- Establish task reporting protocols for the team and client
- Prepare engagement GANTT chart and identify critical path
- Establish organization of work papers
- Prepare final engagement letter
- Prepare Mirror Effect
- Determine client's dysfunctions
- Prepare hidden cost analysis
- Prepare Experts' Opinion

Fourth Course: Consulting Methodologies – Implementation

- Design an appropriate implementation strategy using Priority Action Plans
 - Evaluate skills and resources of client to accomplish implementation strategy
 - Develop measurement procedures and strategic piloting indicators for assessing engagement effectiveness
 - Prepare written report of findings for client
 - Make formal presentation of engagement results to client, faculty, and class
 - Complete work papers
-

4. Finding clients.
5. Developing administrative procedures to run the program.

Since other programs may face similar implementation challenges, we discuss how we handled each one.

Finding Faculty

First, schools must select faculty who can both develop and teach the concentration. Our dean, in collaboration with an accounting faculty member, formed an interdisciplinary team made up of three tenured faculty from a range of functional areas including marketing, strategic management, and human resources, along with a second accountant, chosen largely because of the role the concentration would play in meeting the 150-h requirement. The dean selected faculty with the understanding that most would teach courses within the curriculum and supervise student consulting engagements. He charged us with learning a new consulting methodology and developing the concentration in two years, funding the initiative with a grant of \$40,000 to pay for training and curriculum development.

Identifying a Consulting Philosophy

Early in the development process, faculty must agree on a primary consulting methodology to emphasize in the concentration. Our team members had each done consulting, but the focus of their past engagements was client satisfaction with the deliverables of their projects. This focus concerned outcomes, not consulting processes and consulting skills. We found our experience, while useful, did not directly lend itself to consulting methodologies and competencies that the program should teach. Therefore, we undertook formal training in consulting techniques in order to learn effective methods of consulting.

At that time (2000), no consulting programs existed in American universities. Many schools had stand-alone courses in consulting, but none offered a major in the field (Adams & Zanzi, 2001). (This is still largely true. Adams and Zanzi (2004a, 2004b) surveyed all 412 AACSB-accredited MBA programs in the U.S. and found only 20 consulting concentrations.)

While no consulting programs existed in the U.S., one university in France, the University of Lyon 2, had been offering advanced degrees in

consulting for 25 years. The Socio-Economic Institute of Firms and Organizations (l'Institut de Socio-Economic des Entreprises et des Organisations, or ISEOR), an institute of the university, administered the consulting program. (ISEOR transferred from the University of Lyon 2 to the University of Lyon 3 in 2004.) After ascertaining the academic rigor and comprehensiveness of the ISEOR approach, the dean agreed to have the team trained in the ISEOR methodology over a series of three intensive workshops spread over five months.

SEAM Consulting Methodology

ISEOR calls its consulting approach the Socio-Economic Approach to Management (SEAM). The focus is on effective change management (Savall, Zardet, Bonnet, & Moore, 2001, p. 108). SEAM uses a series of ordered diagnostic and change techniques (Savall, 2003, pp. 33–48; Boje & Rosile, 2003, pp. 21–32). Table 5 outlines the four major phases of a SEAM consulting engagement.

SEAM represents a comprehensive consulting methodology that could be applied in a variety of consulting engagements. It works equally well in an engagement focused on organization development or an engagement focused on improving business processes. The SEAM methodology also requires students learn a wide range of skills, and of particular interest to the accountants on the team, it covers virtually all the AICPA core competencies. As part of our training, the team also performed a consulting engagement using SEAM, in part to see how well the methodology worked in practice in a U.S. company. This process enabled us to develop a series of protocols focused on team behavior, client interaction, behavior at the client site, and engagement documentation that could be used on any SEAM engagement.

Curriculum Development

Faculty who develop a consulting concentration face the challenge of finding available teaching materials. We found many texts and casebooks for the organization development class, but very little material for the other three courses. One academic consulting text was available at the time (Bagranoff, Bryant, & Hunton, 2002), and it provided adequate coverage for many of the topics in the second course. However, no suitable texts existed for the

Table 5. The Key Phases of the Socio-Economic Approach to Management (SEAM) Methodology.

Phase 1: Socio-Economic Diagnosis

This phase utilizes a *mirror effect* through which senior management is provided summary data collected from interviews at all levels of the organization (i.e., from top/middle/lower management and nonsupervisory employees). The mirror effect describes the organization through the eyes of employees at all levels *without* any evaluative commentary by the consultant, providing objective information that prevents managers from denying problems exist. (This step, to organizational development theorists, represents the “unfreezing” part of Kurt Lewin’s (1951) unfreezing–change–refreezing paradigm.) Also as part of the diagnostic phase, the consultant estimates the hidden costs associated with many of the identified dysfunctions (e.g., employee turnover, use of production space for inventory storage), quantifying them in terms of their total dollar cost to the organization. The estimates are presented to management.

Phase 2: Experts’ Opinion

Based on the diagnosis and hidden costs, the consultant next describes dysfunctional areas that *may be targeted* for improvement. This document is called the *Experts’ Opinion*, and it begins the “change” component of Lewin’s model. This phase brings formal recognition to the problems and difficulties facing the organization.

Phase 3: Priority Action Plans (PAPs)

Management is next asked to consider the experts’ opinion, the mirror effect data, and the hidden costs in order to prioritize the dysfunctions. With the assistance of the consultant, project teams are formed to address selected problems. Normally a member of top management is assigned to each team to ensure coordination. Each employee team is directed by management to develop a *Priority Action Plan*, which lists the dysfunctions assigned to the team and specifies the change strategies the team has developed to address the problems. Teams also coordinate the details of PAP implementations, including actions and schedules, and specify the performance targets for the new processes. Managerial directives do *not* plan or initiate the changes; rather, teams of managers and employees develop, initiate, and coordinate all change efforts, so the focus of the change effort is on utilizing the organization’s own resources to change.

Phase 4: Assessment of Results

In the final phase, the organization assesses the outcomes of the performance measures set by the teams in their respective PAPs. This process aims to measure the effectiveness of the change initiatives. The consultant normally assists by ensuring performance measurements are objective. The consultant aims to have the organization consider not only the immediate results of the change effort, but also the effects on long-term performance. If the assessment is accepted, the new processes receive formal ratification by management, making the changes permanent (“refreezing” the organization in Lewin’s terms).

diagnosis and implementation courses. In addition, we found no published cases exemplifying the measurement and data analysis problems encountered on consulting engagements. Our solution was to develop some required materials using a summer grant and to adopt a team-teaching approach to the courses to lessen the workload of developing the remaining materials.

Finding Clients

Finding appropriate clients is another significant ongoing challenge for a consulting concentration. We find an appropriate client is one which has a business issue of sufficient depth to challenge a four- or five-person team for seven months, and both welcomes and tolerates MBA student teams in training. We learned a fee needs to be charged for each engagement (for our clients, \$5,000) to ensure all parties (faculty, students, client) take the engagement seriously. However, a fee can pose a significant impediment for programs similar to ours that are located in a predominantly rural area where businesses are at best mid-sized companies.

To identify and secure clients, we approach companies having longstanding relationships with our business school and companies that have hired our graduates. We also use the dean's and our own personal contacts to find companies. We make presentations at local business meetings and approach organizations on campus in need of business consulting services. We find these efforts provide satisfactory clients.

Administration

Rather than being housed in one department, our concentration is multi-disciplinary. We found creating and administering an interdisciplinary program, within a business school dominated by silo-oriented departments, to be complex. To overcome this challenge, a university grant enabled us to set up a consulting institute in the College of Business administered by a director. We find institute designation provides the necessary organizational framework to create an interdisciplinary program, and funding for release time for a director allows one individual to coordinate and oversee development and administrative tasks.

One of the most difficult concepts for our business school administrators to accept was the team-teaching approach. They were unsure how to give credit for a team-taught course, and they also had concerns about the

precedent any team-teaching policy might set. At the same time, however, they realized team-teaching presented a model for other curriculum development initiatives. Our dean decided to facilitate team-teaching by allowing consulting faculty to “buy” their way out of a course that they were scheduled to teach, for the cost of an instructor to teach their sophomore-level course. Funds obtained from our grants and client engagement fees subsidized these buy-outs.

THE EXPERIENCE OF THE FIRST TWO YEARS

Student Experience

The major stakeholders in the consulting concentration are the students, the faculty, and the clients. Trade-offs our students face arise because of the cohort design of our concentration, coupled with the lengthy consulting engagement. We find this model results in a real *esprit de corps* among the students, with students taking a keen interest in the progress of their engagement as well as their fellow students’ engagements, providing a unique learning environment that simulates working in a consulting firm for eight months. However, their trade-off is that prior to the fall semester, they must commit to completing the series of courses without a break in their schedule. Some find the commitment burdensome, primarily because of outside work responsibilities. A number of students interested in taking the concentration chose not to enroll because of this commitment. This situation resulted in smaller class sizes than we desired, with 17 students enrolled the first year, and 14 students enrolled the second year. All students completed the program. Administrators are satisfied with these numbers, but we believe class sizes closer to 20 students are optimal.

Students possessing an undergraduate major in accounting constituted about 20% of our students. Most of them used the MBA and the consulting concentration to fulfill their 150-h requirement. We had expected a few more accountants. We found nontraditional accounting majors elected the consulting concentration, but traditional majors chose to take more accounting courses to complete their 150 h. These students said they felt more accounting and finance courses would help them pass the CPA exam. Our conclusion is that traditional majors will have to be convinced about the value of developing the skills contained in the AICPA Framework. Although the consulting concentration offers accounting students the opportunity to learn and apply management skills needed to perform

successfully on the job, accounting majors seem to see their immediate challenge as passing the CPA exam.

Faculty Experience

Developing the consulting concentration has been a rewarding experience for us. We blended our training and experiences to make a new area of study for business students, and we found a new area of research. However, our trade-off is we added a new “prep” to our teaching loads. Although team-teaching reduced this burden, it came with some additional problems. We found team-teaching enhances students’ learning of interdisciplinary skills and concepts, but it works most effectively when faculty from different disciplines teach topics together in the classroom, with each professor adding his or her particular perspective to the topic. The difficulty with this teaching format is that faculty must be willing to give up substantial control of the classroom to another faculty member. If our experience is any guide, tolerance and appreciation of other faculty’s teaching styles are things that may not come easily.

To improve the teaching experience, we found that a tight assignment of topic responsibilities is needed. In addition, since both teaching faculty are in the classroom at all times, we found it necessary to put one individual in charge of the schedule of each class. Finally, we found it important to divide the instruction of each class between the two faculty members, so that the teaching load is truly shared.

Client Experience

Most engagements have gone well. Two faculty members supervise each engagement, but students are responsible for planning and conducting the engagements and presenting their results to the client. We have learned two lessons. First, because one project did a poor job of documenting the value of the deliverables to the client, leading that client to doubt the value of the effort, we learned student projects must carefully document each engagement’s value to the client.

We also learned faculty must assist students in identifying the appropriate breadth and depth of their engagement. When students realize they have seven months to complete their engagement, they often believe they can accomplish more than they are really able to. Therefore, faculty must closely

study the scope of the engagements and be ready to scale back on the students' promised deliverables.

CONCLUSION

We have found a consulting concentration within an MBA represents a very effective way to develop the AICPA core competencies and allow accounting students to achieve their 150 h. Students not only receive in-depth instruction in most of the competencies, they also practice them in a lengthy consulting engagement. Moreover, consulting courses address the competencies as a package of skills, and students must use them in tandem to complete their courses. We believe the holistic nature of this approach is more effective than presenting the competencies in a set of possibly unrelated, lecture-oriented courses.

Developing such a concentration is expensive, but the cost is borne primarily at the college level, not by the department. Can accounting faculty convince their colleges to start graduate consulting programs? We think so. Consulting programs teach competencies that will be useful in the future careers of any graduate student. In addition, because no one academic department has the skill set to teach all the competencies, consulting programs bring together faculty from a number of disciplines, helping colleges break down silos, a historic area of concern in business education. Consulting programs benefit the students, the faculty, and graduate business education. We believe that deans and graduate faculties will consider this a convincing argument for adding a consulting concentration to the MBA curriculum.

NOTES

1. To assist educators in integrating the skills-based competencies into their curriculum, the AICPA has provided an online resource at the Educational Competency Assessment (ECA) site, found at <http://www.aicpa-eca.org/>. This site provides information and tools to help educators evaluate the degree to which their courses and/or programs cover the core competencies, and offers guidance in assessing student performance. One specific tool that is available, the "Evaluating Competency Coverage (ECC) Organizer," guides educators (AICPA(e)) "through the process of gathering, analyzing, and using information to determine the degree to which the AICPA's Core Competencies are covered in courses and in programs."

2. Michigan is one of five states that allows candidates to sit for the CPA exam with a bachelor's degree containing an accounting major and requires 150 h to be granted a license to practice. Our undergraduate majors in accounting and

accounting information systems comply with the accountancy law in Michigan. With the exception of very small public accounting firms, the public accounting employers hire graduates in Michigan having at or very near 150 h at the time of employment.

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THE IMPACT OF CULTURAL DIFFERENCES ON WESTERN ACCOUNTING EDUCATORS IN CHINA

Leroy F. Christ and James Stuck

ABSTRACT

Since the end of the Cultural Revolution, China has focused on restructuring its economy, with the expansion of private enterprises, cooperatives, and joint ventures. To meet the information needs of the changing economy, China has been adopting international and Western standards of accounting. With Chinese accounting systems evolving, a demand has also emerged for Western accounting professors to teach in China. This paper addresses cultural issues that Westerners may face while teaching in the People's Republic of China. Specifically, we introduce the Hofstede model of cultural differences and use it to highlight key differences between the cultures of China and the United States. We also identify and discuss implications for teaching in China.

Accounting in China has a lengthy history, with the Chinese word for accountancy dating back to the 23rd century B.C. (Winkle, Huss, & Tang, 1992, p. 180). Over the years, Chinese approaches to accounting have

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undergone significant changes, with several distinct eras apparent. Prior to 1911, single-entry accounting records were adequate for what was primarily a feudalistic society. The 1911 revolution brought the introduction of Western ideas to China, and accounting began to develop along the same lines (Chan & Rotenberg, 1999, p. 38).

The development of Western-style accounting halted with the formation of the People's Republic of China in 1949. The focus of accounting shifted and became heavily influenced by the Soviet Union. With a centralized planned economy, accounting information needs were for very disaggregated, often industry-focused, data. A fund-based reporting system highlighting the use of state funds and production quota information dominated during this era. In the late 1950s, China abolished accounting ledgers and journals and a concept of "accounting without books" was instituted (Chan & Rotenberg, 1999, pp. 38–39).

With the end of Chairman Mao's legacy in 1976, the Chinese made a concerted effort to embrace technology and information transfer and training. Since the Cultural Revolution, there has been an emphasis on restructuring the Chinese economy, with the expansion of private enterprises, cooperatives, and joint ventures. Accounting information needs for an economy of market socialism are quite different from those needed for the former planned economy. The focus moved from accounting for sources and uses of funds to one of performance and profitability.

To meet these needs, China began adopting more international and Western standards of accounting. In the 1980s, the Chinese Ministry of Finance issued accounting standards that included application of the matching, consistency, historical cost, and revenue concepts and preparation of Western-style financial statements. Initially, the Chinese developed such standards for joint-venture enterprises, but have now expanded the standards to include all Chinese enterprises (Yunwei, 1997, pp. 221–223). With each new statement issued by the Ministry of Finance, Chinese accounting is coming closer to international standards in general and Western standards in particular.

With these changes, there has been an increasing demand for Western accounting professors to teach in China. The purpose of this paper is to address cultural issues that Westerners teaching in the People's Republic of China may face. The next two sections of the paper summarize general trends in accounting education in China and the United States, respectively. We then introduce the Hofstede model of national cultural differences and identify specific issues that may arise because of differing cultural backgrounds of the Western professor and Chinese students. We use examples of

actual teaching and training situations experienced by the authors and other Westerners in China to illustrate how understanding cultural differences may lead to more effective accounting education in that country. A discussion and conclusion section ends the paper.

TRENDS IN ACCOUNTING EDUCATION IN CHINA

The Soviet system heavily influenced Chinese accounting in the 1950s. Similarly, a Soviet accounting education approach developed, with highly specialized institutes training managers of the time. Specialization was common among accounting programs and the focus was on memorizing industry-specific rules (Yunwei, 1997, pp. 219–220). During the “accounting without books” period, many universities and colleges were closed (Chan & Rotenberg, 1999, p. 39).

With the move to a more market economy in the 1970s, the need for a new set of skills for accountants emerged. Accountants needed to deal with different ownership structures across different industries, necessitating a move from the highly specialized education of the past. During the period from 1978 to 1985, enrollments in finance and economics programs increased 35% per year, with the largest increase in accounting and auditing specialties (Chan & Rotenberg, 1999, p. 45).

Increased enrollments and changing accounting systems have put great demands on Chinese accounting education. The State Education Commission has tried to facilitate the changes by working with key universities to reform accounting education. Through these and other efforts, the Chinese have identified deficiencies in traditional Chinese pedagogy. Specifically, they deem traditional Chinese teaching methods as too passive and not adequate for developing the skills needed in today’s economy. Traditional education methods focus too much on detailed rules and not enough on judgment and analysis (Chan & Rotenberg, 1999, p. 46).

In a survey of 101 accounting professors and 63 accounting professionals in China, Wu and Tong (2004, pp. 212–216) found that those surveyed felt students were weak in skills such as leadership, teamwork, decision making, and adaptability. Survey respondents also felt the accounting pedagogy was in need of fundamental changes. They thought that teaching methods were mainly one-way instruction by teachers, communication skills were not stressed, and there was too much emphasis on lecture, memorization, and calculation of solutions.

The development of the Chinese market economy has created an enormous demand for Chinese accountants. A decade ago, the Chinese government indicated a demand for 300,000 accountants by 2000 and one million by 2020 (Griffin, 1996, p. 57). The demand for that initial 300,000 accountants still exists today (Wild, 2005, p. 1). The burgeoning requirement for accountants generates a demand for all levels of accounting education: undergraduate, graduate (MBA and Masters of Accounting), and executive education. Moreover, the move toward Western accounting standards, along with a perceived need for a change in Chinese accounting pedagogy, is fueling a demand for Western-style accounting education (Association to Advance Collegiate Schools of Business [AACSB], 1998, p. 1). Developments in U.S. accounting education help explain why U.S. accounting faculty is in demand to teach or lecture in China.

TRENDS IN ACCOUNTING EDUCATION IN THE UNITED STATES

For many years, accounting educators in the United States have been responding to calls for changes in the content and delivery of accounting curricula. The Accounting Education Change Commission (AECC) and others concluded that to succeed in the accounting profession, students must develop skills sets that include abilities such as communication, teamwork, critical thinking, and problem solving. Further, in Position Statement Number One, the AECC (1990, p. 5) stated that to develop the desired capabilities, “Students must be active participants in the learning process, not passive recipients of information. They should identify and solve unstructured problems that require use of multiple information sources. Learning by doing should be emphasized. Working in groups should be encouraged.”

Published research, as well as anecdotal stories, indicates that accounting faculty increasingly use cooperative and active learning approaches. Rebele et al. (1998a, pp. 1–51, 1998b, pp. 179–245), Apostolou, Watson, Hassell, and Webber (2001, pp. 1–61), and Watson, Apostolou, Hassell, and Webber (2003, pp. 267–325) review published research on accounting education from 1991 to 2002 collectively. These review articles cite numerous publications reporting efforts to implement the recommendations of the AECC and others. Rebele et al. (1998a, p. 42) note, “These studies suggest that alternative modes of instruction and course delivery can have a positive

influence on student outcomes. Moreover, there appear to be very few negative effects on student outcomes when alternative modes of instruction and course delivery are used.”

The proportion of accounting educators who have changed from a primarily lecture-based teaching approach to active learning approaches is unknown. However, for more than 15 years, extensive published material and discussion from a variety of sources have encouraged such approaches. For purposes of this paper, active learning will be defined as “any activity that substantially involves students with course content through talking and listening, writing, reading, and reflecting” (Meyers & Jones, 1993, p. 13).

Examples of active learning approaches include the following. The professor presents minimal class lectures with an expectation that the basic “transfer of knowledge” occurs outside the classroom. Class time is primarily for discussion and interaction and students are encouraged to question and challenge the professor. The professor assumes the role of a facilitator in the students’ learning process, challenging and encouraging them to defend their answers. Classes include the assignment of unstructured case and research problems that require going beyond the basic text material to apply concepts to unique situations. Group or team assignments are regular class components, encouraging the development of teamwork, communication, and leadership skills. Communication in a variety of formats is a key course component, with students preparing oral presentations and written analyses.

Such active learning techniques are consistent with suggested pedagogical changes in Chinese accounting education (Wu & Tong, 2004, p. 214). However, U.S. faculty who take advantage of opportunities to teach in China may find that cultural differences impede the success of such approaches.

THE HOFSTEDE CULTURAL MODEL

Geert Hofstede, the “father of cross-cultural databases,” conducted the first major study relating national culture to values in the workplace (Trompenaars & Hampden-Turner, 1998, p. XIX). His study compared the attitudes and values held by 116,000 employees of IBM in 50 countries and three regions (Mead, 1998, p. 34). Hofstede used five dimensions to plot the cultural characteristics and their relative differences. The different positions of countries on these dimensions reveal how their comparative systems of cultural values lead to different approaches in teaching and

learning styles (Hofstede, 2001, p. 451). We define below Hofstede's five dimensions (Adler, 2002, p. 52).

- Power Distance: extent to which less powerful members of organizations accept an unequal distribution of power.
- Individualism/Collectivism: degree to which people in a country prefer to act as individuals or members of a group.
- Uncertainty Avoidance: extent to which people in a society feel threatened by ambiguity and therefore try to avoid ambiguous situations by providing greater certainty and predictability.
- Masculinity/Femininity: contrasts societies focused more narrowly on career success with those more broadly emphasizing quality of life.
- Confucian Dynamism: measures employees' devotion to work ethic and their respect for tradition.

Table 1 presents the scores for the United States and China on each of the five dimensions (Hofstede, 2005, p. 22). Each individual score represents the national cultural value for that specific country. Scores are relative in that they are neither positive nor negative in themselves, but help to identify how close or far apart different countries' national cultures are on that particular dimension.

Our study primarily discusses Power Distance and Individualism/Collectivism, as these dimensions constitute the majority of cross-cultural conflicts in the Chinese–Western educational settings. Table 1 illustrates that the U.S.–China scores for the dimensions of Uncertainty Avoidance and Masculinity/Femininity are close together and as a result do not lead to significant cross-culture differences. We did not use these two dimensions in this study.

There is a large difference in the scores of the United States and China on the Confucian Dynamism dimension. This dimension is different from the other four in that it primarily documents the differences in historical perceptions between Asian and non-Asian countries. We added the

Table 1. Scores in the Hofstede Dimensional Model.

Dimensions	United States	China
Power Distance	40	80
Individualism/Collectivism	91	15
Uncertainty Avoidance	46	40
Masculinity/Femininity	62	55
Confucian Dynamism	29	118

Confucian Dynamism dimension to the model after the first four dimensions in order to document the Asian sense of time that was not captured in the original data. The Chinese, as do other Asian countries, have a long-term orientation which differs from the short-term orientation of non-Asian countries. Most of the implications of cross-cultural differences in the Confucian Dynamism dimension do not apply to the educational setting. We capture the educational implications that do exist in our discussion of the other dimensions. We discuss this point further after a detailed discussion of the Power Distance and Individualism/Collectivism dimensions.

CULTURAL IMPLICATION FOR U.S. PROFESSORS TEACHING IN CHINA

The Power Distance or Authority Dimension

The first national culture dimension is Power Distance which deals with authority or the degree of inequality among people that the population of that country accepts as normal. For purposes of this paper, we refer to “High Power Distance” as “High Authority” and “Low Power Distance” as “Low Authority.”

In a High Authority country like China, people tend to accept differences in power, or inequality, more willingly and therefore have more hierarchical tendencies. In a Low Authority country such as the United States, people do not accept differences in power as willingly and have more egalitarian tendencies (Hofstede, 2005, p. 46).

One of the reasons China has a high score in the Power Distance dimension is because 4,000 years of political centralization has led to a tradition of obedience to authority. For example, Chinese history uses the names of dynasties to refer to periods in history, which illustrates the degree of emphasis and importance the Chinese place on the centralized leadership of China. Chinese culture has nurtured the idea that authoritarian behavior is essential in order to maintain the stability of social systems. Many Chinese rulers adopted Confucianism, with its more authoritarian approach to society, as a strategic tool to achieve social stability and civil justice (Wong & Leung, 2001, p. 81).

According to traditional Confucian views, the stability of society in China rests on unequal relationships between people in a hierarchical social structure. Much of China’s culture reflects Confucian thought and places much

importance on the hierarchy and harmony of social groups. The significance of a strongly hierarchical social structure comes from the idea that a harmonized society occurs when every person knows and stays in their proper position. Therefore, while treating people differently according to their social status is contrary to most Western ideals, it has been an effective means of maintaining harmony and balance in China for thousands of years.

One major difference between Western and Chinese interaction is the notion of communication. There is no single word in Chinese that translates into the term for communication. Communication in China serves to maintain existing relationships, to reinforce role and status differences, and to maintain a level of harmony within the group (Gao & Ting-Toomey, 1998, p. 63).

Chinese students, due to the high Power Distance score, are accustomed to a hierarchical structure in the classroom and faculty with a very autocratic teaching style. Therefore, the communication patterns of Chinese students tend to be based on their lower status roles which cause them to exhibit stronger behavior in terms of obedience and respect toward the instructor. Western professors, on the other hand, often try to create an informal, egalitarian environment in the classroom with a more democratic style of teaching. Therefore, if a Western professor applying active learning approaches wants students to challenge and question the professor, Chinese students will find such behavior disrespectful. The idea that the professor is a facilitator of learning is inconsistent with the traditional autocratic hierarchical approach.

One significant form of interaction in a High Authority relationship is top-down communication. In the traditional Chinese culture, the ideal instructor is a paternalistic figure, much like a kind and wise father, who in the end “always knows best.” The communication process begins and remains with the professor throughout the duration of the instruction. Students want their professors to tell them what to do, and Chinese professors commonly lecture completely out of the book. A deeply embedded cultural and historical emphasis on examinations as a prerequisite for promotion reinforces this educational structure. The traditional response of Chinese students is to concentrate on memorizing course material – without questions, argument, or responses about what they have read.

Western professors who want students to study the material outside the classroom and engage in active discussion and questioning during class time may find Chinese students reluctant to participate. Furthermore, professors who assign unstructured cases may find students uncomfortable with the

approach since it goes against a custom of memorization. Similarly, challenging the student to develop and defend solutions that go beyond the text is contrary to a focus on memorization, so the student may resist.

Western professors teach from the book as well, but coming from a more egalitarian, Low Authority culture, they expect more two-way communication. Western professors often expect to share the learning process with students, entering into dialogue, questioning, and exhibiting other interactive responses during class. Chinese students are not comfortable with this idea of being an equal part of the learning process or in taking the initiative in a co-learning situation. They are more accustomed to being passive recipients of a professor's top-down, one-way communication style that can frustrate many Western professors. For example, a Western professor may suggest in a generalized sort of manner that the students need to complete a certain task, only to discover that they do not complete the assignment because the students are confused and feel they did not receive a specific, clear command to do something.

In High Authority societies, an unequal distribution of authority or power is more acceptable and even expected at the university level. Because they are lower status individuals, professors and other superiors sometimes treat Chinese students in a way that a Westerner would consider unnecessarily rude. Yet the students appear, outwardly at least, to accept this rough treatment. Over the development of the relationship, students may acquire a strong sense of loyalty to the professor along with dependence for advice and wisdom. Chinese students tend to be dependent on their more powerful professors, and expect the professor to protect them and take responsibility for their academic careers and welfare (Hofstede, 2001, p. 107). What often surprises Western educators is that in exchange for the student's extreme loyalty, the student expects the professor to reciprocate with an almost godfather-like role, sometimes taking on extra non-curricular responsibilities for the student's personal life and private welfare.

Western professors in China find a tremendous respect and obedience associated with their position. However, the students give that respect and obedience to the position itself rather than, as in the West, to the individual person or the individual's personal leadership characteristics. In today's changing China, students give respect formally to higher status individuals as a type of cultural ritual, yet at the same time those students often do not really feel or internalize that respect (Hofstede & Hofstede, 2005, p. 46).

In a High Authority country like China, seating is always hierarchical. In a seminar or workshop situation, Chinese entering the room sit according to seniority, with the most senior person or leader at the head. The leader of

Table 2. Teaching Implications: Hofstede Power Distance Dimension.

United States (Score = 40)	China (Score = 80)
More egalitarian classroom	More hierarchical classroom
More democratic teaching style	More autocratic teaching style
Side-by-side communication	Top-down communication
Achieved teacher status	Acquired teacher status
Active learning challenges	
Basic “transfer of knowledge” occurs outside of classroom with class time devoted to discussion	
Professor as facilitator of student learning	
Students challenged in class to defend their answers	
Students encouraged to question and challenge the professor	
Unstructured problem-solving emphasized	
Focus on communication skills	

the session must greet senior participants first. Ranking Chinese will tend to sit either in the middle or at the head of the table.

Table 2 summarizes the key differences in the traditional learning environments of the United States and China, due to the Power Distance dimension, along with a listing of active learning approaches that are challenging to implement in the traditional Chinese classroom.

The Individualism/Collectivism Dimension

The Individualism/Collectivism dimension is the single most important of the five dimensions for Westerners educating Chinese because it is the dimension that best explains differences in East–West communication styles (Hu & Grove, 1999, pp. 5–8). Cross-cultural consultants working with Americans involved in Asia agree that most differences relate to this dimension.

The extreme scores of this dimension illustrate the separation between Chinese and American cultures. The U.S. is more individualistic than any other country in the world, while only four countries in the databank (all in South America) are more collectivistic than the Chinese culture. The differences between the two scores is a dramatic indication of why this dimension reflects a majority of the potential cross-cultural conflicts between Chinese and Westerners in accounting education.

We define Individualism as the degree to which people in a country prefer to act as individuals rather than as members of groups. Individualism exists when people define themselves primarily as separate individuals and make their main commitments to themselves. It implies loosely knit social networks in which people focus primarily on taking care of themselves and their immediate families (Adler, 2002, p. 53).

The opposite of Individualism is Collectivism, so Collectivism pertains to societies where individuals early in life integrate into very strong, cohesive groups. Throughout a person's life, the group serves to provide protection, for which the person in return exhibits strong loyalty to the group (Hofstede, 2005, p. 76). Collectivistic societies form tight social networks in which people strongly distinguish between their own group and other groups. They also tend to hold more common goals and objectives than the Individualist goals that focus primarily on self-interest.

In collectivistic societies such as China, a child learns to respect the group to which he or she belongs, usually the family, and to differentiate between in-group members and out-group members (that is, all others outside of the family, regional ethnic group, locale, etc.). When these children grow up, they remain members of their in-group and expect the in-group to protect them when they are in need. In return, they give a tremendous degree of loyalty to their in-group.

As one of the world's oldest civilizations, the Chinese economy has been based on agriculture, and therefore their culture is tied to the land. One of the fundamental reasons for China's unusually high collectivism is the emphasis on group relationships that have been historically necessary to manually plant, raise, and harvest communal crops. As a result of their surroundings, the Chinese experienced periods of intense social contact. Maintaining harmony with the environment and the family has extended to many facets of the Chinese society.

Face or *mianzi*, the regard in which one is held by others or the light in which one appears, is vitally important to the Chinese student. Causing someone to lose face, publicly or in front of his or her classmates (through criticizing, failing to treat with respect, or other potentially insulting behavior) results in a loss of cooperation and even, in extreme occasions, with subtle retaliation against the professor months after the original action transpired. When a Western educator causes a Chinese student to lose face, the professor not only damages the Chinese person's reputation but his or her own as well. Consequently, active learning approaches such as questioning and challenging students during class or oral presentations may result in the loss of face.

The Chinese have a saying: “Westerners are very superficial – they believe what you say.” The highly collectivistic culture of the Chinese leads them to communicate in a very different manner than the highly individualistic Western accounting professor. The Chinese will send and receive messages based as much on the indirect context of the message (which includes such factors as their relationship to the messenger, status, and sensitivity to harmony of the group) as on the actual, direct content of the message itself.

The primary reason for the Chinese form of indirect communication is the collectivistic emphasis on the harmony of the group and maintaining the individual’s public face. When the Chinese communicate in a more indirect manner, using the more subtle context of the message to communicate rather than using direct words, there is less chance of breaking group harmony or causing someone to lose face.

An example of saving face is the Chinese propensity to rarely utter the word “no.” They only hint at difficulties, with just the slightest acknowledgement that they have a negative viewpoint or response to the issue at hand. Some of the collectivistic ways of saying “no” are silence, counter questions, tangential responses, exiting or leaving, delaying answers, making excuses, or criticizing the question itself. Because of this propensity, American professors in China should ask open-ended questions rather than the yes-or-no questions that are common in the West. Yes-or-no questions are too direct and put pressure on the Chinese student to say “yes” in order to maintain group harmony and not make the American lose face.

Face is not only something the Chinese can lose, but they also can save it or give it to others. Doing something to enhance a student’s prestige, such as lauding and complimenting him or her in front of the rest of the group, is an example. Such actions carry a great deal of weight among Chinese, particularly when they come from a Western educator. Receiving a complement in public is pleasant for all human beings; however, in a collectivistic cultural setting it can be much more important than it would be in an individualistic society.

One of the major challenges for a Western educator in China is the issue of feedback. It is difficult to get Chinese students to tell the professor when they do not understand the material. Historically, this issue comes from the Confucian concept of education – a process based on memorizing endless books and then taking examinations over the contents. This method of learning creates a more passive Chinese student with an incredible mastery and discipline for the memorization process, but without the depth of application, internalization, or in-class dialogue. Consequently, professors who try to be a facilitator of the students’ learning will find it difficult to

generate the interactive discussion necessary to gauge the students' progress. Similarly, expecting students to apply concepts to new and different situations is challenging because the student will be reluctant to communicate difficulties.

There is an interesting example from the corporate training world of how a Western firm was able to overcome this feedback barrier. The Shanghai Foxboro Company Ltd., a Massachusetts-based manufacturer of precision instruments, had tremendous difficulty in the beginning with its training in China because of miscommunication due to a lack of participant interaction. To make sure the Chinese were grasping every step of their training, the organizers of the session instituted a formal feedback process. At the end of each day, teachers and students wrote summaries of what they had covered in class that day. The teachers and a management committee reviewed the summaries at the end of the week to determine if the instructors were communicating effectively (Keck, 1985, p. 37).

In a collectivistic culture, the significance of relationships supersedes that of individual tasks. The Chinese word *guanxi* refers to the concept of drawing on interpersonal connections and relationships in order to secure a continued exchange of favors (Luo, 2000, p. 16). In collectivist societies, people often view themselves as interdependent with their social surroundings, as opposed to independent and separate from the people around them. While it is common for Westerners' behavior to be dependent on their personality and unique internal characteristics, Chinese behavior is dependent on the role or relationship they have with the person with whom they are communicating. Because of this relationship-centered communication style, *guanxi* has become an integral part of the Chinese life. Western professors often assign group projects. While this approach at first may seem consistent with a collectivistic culture, the particular makeup of the groups used may deter effective communication within the group.

Since the more collectivistic Chinese do not care for bluntness or public conflict, they tend to be most comfortable when there is a certain level of harmony in the classroom. *What* a Western educator says to them (content-based or direct communication) often matters less than *how* it is said (context-based or indirect communication). Long-term personal and professional relationships are much more highly valued in Chinese accounting education than in the Western accounting education paradigm.

Table 3 summarizes the key differences in the traditional learning environments of the United States and China, due to the Individualism/Collectivism Dimension, along with a listing of active learning approaches that are challenging to implement in the traditional Chinese classroom.

Table 3. Teaching Implications: Hofstede Individualism/Collectivism Dimension.

United States (Score = 91)	China (Score = 15)
Direct communication	Indirect communication
High or required feedback	Low or subtle feedback
Task oriented	Relationship oriented
More content-based	More context-based
Active learning challenges	
Professor as facilitator of student learning	
Students challenged in class to defend their answers	
Focus on applying learned concepts to new situations	
Student presentations	
Group projects	
Focus on communication skills	

The Confucian Dynamism Dimension

The Confucian Dynamism dimension is included in the Hofstede Cultural Model primarily to capture different cultures' views of time. Cultures that fall on the high end of this dimension express a dynamic orientation toward the future with an emphasis on perseverance and thrift. Cultures on the other extreme exhibit a more static orientation toward the past and the present. The Confucian Dynamism name for the dimension refers to Confucius's teachings in these areas. Because of the emphasis on the time element of the dimension, Hofstede refers to it as the "long- versus short-term orientation dimension" (Hofstede & Hofstede, 2005, pp. 209–210).

High Confucian Dynamism cultures consider the most important events in life as those yet to come. They place a high priority on thrift, saving, investing, and do not consider leisure time important. On the other hand, low Confucian Dynamism cultures typically consider that life's most important events are from the past or present and do not place as high a value on saving and investment (Hofstede, 2001, p. 360). These attitude differences are not likely to have a direct impact on classroom interactions.

Due to different long-term versus short-term orientations, high Confucian Dynamism cultures are more likely to stress persistence and perseverance whereas low Confucian Dynamism cultures prefer quick results. This characteristic can influence the classroom environment. Chinese students are used to a hierarchical classroom with an autocratic teaching style (Table 2);

they expect indirect communication and subtle feedback (Table 3). The Chinese culture's focus on persistence and perseverance is consistent with this type of environment and supports the Chinese acceptance of the traditional Chinese classroom approach. Professors from the United States, a low Confucian Dynamism culture, are used to an interactive classroom with more immediate feedback. Therefore, the characteristics of the Confucian Dynamism dimension that influence the educational setting simply reinforce the discussion presented earlier.

ADDRESSING CULTURAL DIFFERENCES: EXAMPLES

The following anecdotes relay experiences of Western educators in China at all levels – undergraduate, graduate, and executive training. We present them as illustrations of how explicitly recognizing cultural differences can lead to creative and acceptable approaches to crossing cultural barriers.

During his first Chinese teaching assignment, a Western accounting professor realized he was “getting a response, but not getting an answer” when his students wanted to say “no” or “I don’t know” in classroom discussions. To improve the quality of class interaction, he learned effective question-asking techniques such as asking open-ended questions, asking more than one question about the same topic, asking the same question in different ways, and asking the same question at different times during the class period.

This same professor now pulls his Chinese students into a feedback mode by introducing them early on to the concepts of transactional analysis, explaining the need to move communication patterns from a parent–child to an adult–adult basis. He stresses how enjoyable interactive learning is when it is a two-way process, with everyone learning from each other. He also designs his examinations in such a way that they involve analysis rather than memorization. The fact that this change was carefully introduced, explained, and reinforced by the professor allowed the students to gradually adapt to different communication patterns.

Another Western accounting professor pushes his Chinese class into a feedback mode by simply saying, “If you do not raise your hand and regularly ask questions, I will fail you in this course” (a very hierarchical, culturally appropriate tactic). He keeps a record of how many times each student interacts with the class and finds that his system helps the students to become quickly accustomed to open discussions.

One accounting consultant who regularly trains in China finds it particularly important to understand where each participant “ranks” socially and professionally in relation to each other. He then identifies the higher-ranking participants and works with them *individually* to get them to feel comfortable so they will ask questions or clarify points in class. Once these higher-ranking participants start providing feedback in the class, he finds that frequently others will follow their lead. This example utilizes the importance of building solid relationships before beginning any important task.

Another Western accounting educator makes intelligent use of intermediaries, an indirect form of communication widely used in highly collectivistic cultures. She brings another Western or Chinese teacher into the class and uses that person as the focus for class discussion by directing comments and soliciting interaction from him or her. This same creative educator also arranged ahead of time with one or two of the class clowns that they would raise their hands at prearranged points in her lecture and say, “Professor, I don’t understand this concept.” When the word got out what she was doing, the other students enjoyed the humor of the situation and shortly followed suit with their own open involvement in the class.

During corporate training, one of the authors discovered how to overcome an almost total lack of cooperation from Chinese participants through restructuring the room. By dividing participants into teams and having each team choose a leader, he discovered that lively discussions were carried on within each team. In addition, the team leaders would raise questions and discuss issues openly with both the professor and rest of the group.

CULTURAL ISSUES OUTSIDE THE CLASSROOM

Western educators teaching in China will find that the same cultural issues will apply in settings outside the classroom. The following examples illustrate situations that might occur.

In China’s High Authority culture, the non-Chinese educator must often treat superiors and subordinates differently within the hierarchy. The Western professor can be blind-sided by not taking differences in age, seniority, and status as seriously as the Chinese do. For example, when eating in the university cafeteria, in a restaurant, or in a home, no one else should begin until the most senior person has begun to eat and drink, which illustrates the Chinese tradition of considering their respective role within the group before taking any action. Behaving in a proper manner requires that each person knows what is appropriate for his or her role and how to

behave in the most respectful way possible. As a person in a lower status role, one must always find ways in which to show respect to those in higher status roles.

Age is one of the most common sources of seniority and status. Students and faculty show a great deal of respect to those older than 50 years of age, even if the older individual is not actively participating in a class or meeting. If the senior individual does not speak English and the Western educator is communicating through interpreters, he or she should look at and address the senior person regularly.

An example of saving face can occur in a Chinese university's faculty lounge or break room. Western educators are used to sharing among themselves which teaching methodologies work or do not work. Their Chinese colleagues generally will not discuss methods or pedagogy in the group because they might lose face if a teaching methodology failed.

Western educators need to recognize that when they are attending a lengthy social itinerary of formal banquets, personal visits, and tours, relationships often will be more important than tasks. Once the Chinese establish a relationship, it can positively affect professional and personal interactions for years in the future.

A final important cross-cultural aspect for working effectively in a collectivistic culture is the use of intermediaries to overcome difficulties and conflicting situations. Since the Chinese do not care for public confrontation and hold group harmony at a premium, the use of intermediaries is a very common practice. The Chinese consider the use of intermediaries as the ultimate form of indirect communication. For example, previously if you wanted a visa to enter China you could not just go to the consulate and request one. The only way to obtain a visa was to have someone in the Chinese government, or someone with status, provide you with a letter in support of your application for a visa. You need the intervention of a third party with influence to act on your behalf to allow you to accomplish your objectives, in this case the obtaining of a visa. Western educators may discover that the more they use intermediaries in China the more successful they will be in overcoming obstacles and accomplishing their goals.

DISCUSSION AND CONCLUSION

China's new economy has created a demand for accountants, a corresponding need for accounting education at all levels, and a shortage of

trained educators to meet the needs. To facilitate the process, Western accounting professors are in demand for their experience and expertise. In some cases, Chinese universities directly hire Western faculty; in other instances, Chinese and U.S. universities form joint ventures (Anonymous, 2005, p. 15).

On the one hand, universities bring Western educators to China because of their knowledge of Western accounting and their experience in cultivating skills such as problem solving, communication, and teamwork. On the other hand, Western classroom approaches are often challenging to implement in China. This paper contributes to the accounting education literature by addressing the cultural issues Western accounting professors face when teaching in China. Specifically, we introduce the work of Hofstede as a framework for developing an effective cross-cultural teaching style.

Using Hofstede's model, we identify two cultural dimensions as reasons that Chinese students may not adapt readily to the active learning style American professors use in U.S. classes. The first is the Power Distance dimension and the fact that China is a High Authority, hierarchical society in which lower status students are the passive recipients of one-way communication from higher status teachers or professors. Secondly, China is a collectivistic culture in which questions or challenges may cause a loss of face or can appear too direct and confrontational, risking the harmony of the group. Recognizing these factors, Western professors may find creative approaches to work within the culture and still develop the skills demanded by China's new economy.

As a limitation, we note that the Hofstede research indicates which orientation *most* members of a cultural group are likely to adopt in routine situations. The model maps out central tendencies, since national cultural values are concerned with collective behaviors and are not hard-and-fast predictions that will apply in all individual cases. The model is a foundation and starting point in understanding culture value differences in a teaching environment.

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INTEGRATING PROFESSIONALISM IN THE BUSINESS SCHOOL CURRICULUM: THE DEVELOPMENT OF A COURSE EXAMINING IMPLICATIONS OF THE FINANCIAL REPORTING CRISIS ON THE PROFESSIONALISM AND ETHICAL FRAMEWORK OF CORPORATE CONTROLLERSHIP AND FINANCIAL OFFICERS

Joseph M. Langmead and Ali M. Sedaghat

ABSTRACT

We designed a new elective course to evaluate the recent and continuing financial reporting crisis and consider its more lasting implications, including key elements of the Sarbanes–Oxley Act of 2002 (“SOX”). The course covers the international scope of the problems, corporate governance, fraud, internal control, and selected accounting implications,

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especially international convergence. We have presented the course twice (in Fall 2004 and Fall 2005) within the MBA and MSF (Master of Science – Finance) programs and have since been adapting it for undergraduate use as well. An overriding course objective is to investigate the new skills, professionalism, and related ethical discernment needed by corporate managers in the controllership and finance functions. This objective harmonizes well with our institutional and academic values and the mission of our business school, which are influenced by the Jesuit educational tradition. The accounting and finance departments collaborated in the development of the course. While the article focuses on course design and development considerations, it includes considerable information about course content, particularly in the appendices.

BACKGROUND

The Crisis

As the last business cycle moved into a recessionary stage, exacerbated by overcapacity in some sectors, a substantial stock market pull-back and the shock of 9/11, stories of problems at individual companies began to emerge which were clearly more severe and complex than those of earlier cycles. As the crisis unfolded, one record-setting bankruptcy (Enron) was followed closely by a new record-breaker (WorldCom). Major companies were imploding along with a major accounting firm, and the causes were more complex and troubling than those of earlier periods. The list of areas of dysfunction expanded rapidly to include not just management fraud, but also inadequate corporate governance, ineffective auditing, insufficient controls and risk management disciplines, inadequacies in the accounting model, conflicted relationships with investment firms, attorneys and auditors, ineffective analysis by both investment firms and rating agencies, and inadequate regulatory oversight. What became even more breathtaking was that many of these same problems were occurring in non-US-based companies as well: Royal Ahold, Nortel, Shell, Parmalat, and other foreign companies were exhibiting similar dynamics of dysfunction. Overlaying all the bad news was the undeniable evidence of an ethical crisis and a decline in the values inherent in professionalism. Among these are not only those attributes associated with the ideals of the profession of management in its broad terms, but also the values imbedded in the accounting, auditing, and

legal professions, which interrelate so importantly with organizational management and public accountability. The most important characteristics of professionalism – expertise, objectivity, integrity, and responsibility to the profession and public – all seem to have suffered severe lapse, fueled by various forms of conflict of interest as well as outright self-interest.

The Sarbanes–Oxley Act of 2002 (SOX) and its effects on other law and regulation impose much new material and many new requirements for all of the “actors” in the corporate and investment worlds. The immediate reach is public companies, both domestic and foreign, whose securities trade in US public markets, but many foreign initiatives are rapidly making the real impact truly global. SOX has spawned a number of other reforms indirectly. State-level initiatives include consideration of similar new requirements for private companies and a number of state and federal actions seek to extend new disciplines to not-for-profit organizations (e.g. California’s [Nonprofit Integrity Act, 2004](#)).

Arguably, every part of the business curriculum is affected by these developments and the resultant new demands. Many philosophical and practical questions arise in the context of the mission and objectives of the particular educational institution. Practical considerations about the impact on the learning goals and content of each program, department, discipline, and course ultimately require reflection along with questions as to the need for new courses. In the case of the latter, there are the important issues of resources, both financial and professional.

Loyola and its Approach

The Sellinger School of Business and Management of Loyola College offers both full-time, undergraduate programs and part-time graduate programs. Undergraduate students come from a wide geographic area, while the graduate programs draw students largely from Baltimore–Washington and the surrounding mid-Atlantic area, where many are employed. All degree programs consist of both required and elective courses. For example, the undergraduate accounting program comprises 51 credit hours from the liberal arts core, 39 from the business core, 21 from the accounting courses, and 9 from electives.

Finance and accounting are two of the more popular areas of concentration at both the undergraduate and graduate levels. Graduate programs include an MBA with concentrations in various business disciplines, including finance and accounting, the latter designed for students whose undergraduate

major was not accounting and who wish to qualify for the CPA examination. These latter students have little room for electives. The MBA program also attracts recent accounting undergraduates who are completing a 150-hour requirement to sit for the CPA examination. Their MBA concentration is typically not in accounting since all CPA-examination course requirements are usually met in their undergraduate program and many employers prefer that the additional hours be used for an MBA with a non-accounting concentration. All such MBA students typically have ample flexibility for elective courses, usually four. The graduate school also offers a popular MSF (Master of Science – Finance) program with room for four electives.

In 2004, the business school engaged an Executive in Residence to work with both the accounting and finance departments in matters of joint interest. His background includes substantial corporate finance and accounting advisory experience with a Big Four Accounting firm in both the US and Europe. He has been an adjunct professor in both finance and accounting in Loyola's MBA program and continues to teach as part of the residency. Coincidentally, he is pursuing a doctorate in Theology and has done substantial study in ethics.

The impact on the curriculum of recent corporate reporting and management failures was developing gradually as existing courses adapted to current events. Specific curriculum changes were left to individual departments, and the accounting and finance departments had not yet developed any new courses in response to the crisis and its aftermath.

In an early 2004 meeting, the accounting department Chair and the new Executive in Residence discussed the strategy of a new course to be offered as an elective in the MBA and MSF programs and considered the more significant elements of possible content with emphasis on professionalism and ethics. As more fully described below, the content would clearly be cross disciplinary and the finance department Chair was invited to join the dialogue. Agreement on content and approach emerged quickly. The Dean concurred that development should proceed. The only significant resource consideration was the elevation of the project to a top priority for the Executive in Residence, whose personal enthusiasm for the effort made that commitment a foregone conclusion.

REVIEW OF RELEVANT LITERATURE

Course development in this instance was driven by the convergence of recent events and the institution's sense of an appropriate academic response in

light of its mission and commitment to instilling values, the first of which is *ethical commitment* (Loyola Catalogue, 2005, p. 135); but the process was also influenced by substantial relevant literature, including much scholarly work in recent years about the incorporation of ethics and professionalism in accounting and finance programs. One of the co-authors was the accounting department Chair and served as the principal source of familiarity with this body of knowledge through his regular attendance at academic conferences and routine exposure to relevant journals. The Executive in Residence was relatively more familiar with the accounting profession's approach to similar material and each assisted and complemented the other in reviewing and evaluating the relevant literature.

The most recent financial reporting crisis magnifies issues already evident in earlier traumatic periods, and events of the 1980s led to a fruitful renewal of thought about financial reporting irregularities and related educational implications. Among the threshold studies of this period are the reports of the National Commission on Fraudulent Financial Reporting (Treadway Commission, 1987) and of the Committee on the Future Structure, Content, and Scope of Accounting Education of the American Accounting Association (Bedford Committee, 1986).

Some of the work undertaken and papers written since 1987 examining ethics and professionalism in the classroom also serves to recapitulate the more noteworthy research in the period since those landmark reports. In a 1993 paper, Armstrong, joining the subject of ethics to the notion of professionalism in accounting, describes a course, which uses case studies to facilitate ethical analysis and develop ethical discernment. She also provides key references to related work done elsewhere in the late-1980s immediately following the landmark reports referred to above (1993, pp. 77–92). White's article (2003, pp. 264–265) about student's use of ethical criteria to evaluate earnings management issues also provides a broad survey of related literature covering much of the last decade. In both cases, the authors describe their quest to enlarge ethical sensibility outside the context of an ethics course as such, while providing a convenient window into much of the relevant research and literature. Their work is taken a step further by Mantzke, Carnes, and Tolhurst (2005) who have developed case-based ethical modules usable in various graduate courses in accounting and taxation. These authors generally shun the direct incorporation of theoretical or philosophical ethical material in accounting and business courses in favor of the case-based approach, and certain journals seek case material usable in the accounting and business classroom (e.g. Mintz, 2000, p. 255). Loeb (1998), who continued to teach variations of an accounting ethics course he

first developed in 1990 for undergraduates, similarly emphasizes the process through which students come to ethical observations and judgments themselves as part of an interactive process. He also employs the notion of professionalism as a context for considering the ethics.

In the subject course, the use of cases and related vigorous discussion are foundational, with later lectures and discussions accessing traditional sources of ethical theory and established codes of ethics to provide fuller conceptual and professional background to reinforce earlier conclusions and to facilitate modifications and expansions of earlier observations.

While the course extends its reach to private organizations, the issues it examines come into view primarily in the public company arena, and SOX addresses public companies with the Securities and Exchange Commission (SEC) as its primary instrument of implementation. This fact has implications for the positioning of the course in the curriculum. What [Ketz and Kunitake \(1985, pp. 91–106\)](#) noted two decades ago remains largely valid. Courses with a specifically SEC orientation are harder to justify in the undergraduate curriculum and the number of qualified instructors shrinks in any case. These were among the considerations at work in the case of the subject course as well.

The customary issues of textbook selection are compounded when a course spans such diverse topics as governance, fraud, internal control, and accounting convergence, especially when specific themes such as ethics and professionalism are overlaid. Adding to the cross-disciplinary challenge is the explicit objective of the course to include the latest developments in its key areas of interest. This latter problem has been studied in a recent paper by [Massey and Van Hise \(2003\)](#). Their response was to develop a custom-published text, taking advantage of the opportunity to include some cross-disciplinary material. This solution corresponds to one of the two approaches taken in the subject course, the second being the employment of a selection of current articles and web-based information, which reflected the most recent developments in the topic areas. [Rankine and Stice \(1994\)](#) have written favorably of this latter approach in certain circumstances.

We describe in a later section the materials and literature actually incorporated into the course to support the ethical dimension. Appendix 2 identifies the contents of the customized e-text.

SELECTION OF FOCAL CONTENT AREAS

As the details of each reporting failure unfolded, many of the fundamental mechanisms of management and the financial marketplace were implicated

and discredited: board effectiveness and governance, management integrity, credibility of financial reporting, effectiveness of internal controls, quality of accounting standards, independence of outside auditing, effectiveness of internal auditing, regulatory effectiveness, the credit rating process, the proper roles of investment bankers, investment analysts and legal advisers, effectiveness of executive compensation strategy, and transparency of related-party and insider transactions, to cite the more obvious ones. A common thread of ethical lapse became visible as well. The design of the new course would have to consider all of these areas before defining its focal content areas.

The accounting and finance departments were especially interested in certain key areas of focus: governance, fraud, and the trend toward international convergence of financial reporting standards. These were a set of core subjects deserving priority, particularly as they bear on the performance expectations of the corporate financial officer and controller-ship officer, two positions of special interest to these departments. The ethical dimension of the crisis was especially important and the three chosen content areas, especially governance and fraud, served that priority well.

POSITIONING THE COURSE IN THE CURRICULUM

In all content areas, including the accounting convergence topic, the course adopts a non-technical approach in order to be as broadly accessible as possible. Yet the content areas presume at least some exposure to underlying principles of management, control, and financial reporting. The accounting and finance department Chairs considered the design of the course and its content and concluded that it should be a three-credit elective for both the MBA and MSF programs for students who have completed all foundational requirements and at least three courses from the core requirements of their programs. Both the MBA and MSF programs have room for four elective courses. The scheduling and registration materials included the new course under both the accounting and finance departments. It was entitled *New Challenges in Controllershship and Finance – An International Perspective*. The syllabus for the Fall 2005 presentation appears in Appendix 1. Concurrently, we launched an effort to adapt the course as a cross-disciplinary elective to undergraduate juniors and seniors in the business school, with focus on accounting majors.

DELIVERY TECHNIQUES

Perspective and Context for Treating Content Areas

Alongside the strategic questions of course content is that of perspective from which to examine the focus areas of content. One may approach the recent crisis and its aftermath effectively through the eyes of the corporate director, the chief executive officer, the stockholder, the auditor, or others. The course adopts the common perspective of the controller and financial officer as the most instructive and useful frame of reference. The particular lens is that of professionalism and ethics.

What may not be receiving adequate consideration in the burgeoning body of literature ensuing from the crisis is the pivotal role of the corporate control officers and the financial officers who are their close colleagues in the typical corporate structure. The controllers and chief financial officers are certainly implicated in virtually every major recent reporting failure and their roles bear special consideration in assessing the ensuing reforms. In several of the failures, management's override of controls subverted the control system. The phenomenon is so common as to be recognizable not only in many recent cases but also in much of the earlier history of reporting failures. Usually, the controller or financial officer becomes the fulcrum of a developing breach of ethics and procedure, since the control function over financial reporting is located there as a specific area of responsibility and since no override of controls can occur without the knowledge and cooperation of the chief controllership and related financial officers. If control and ethics regarding financial reporting are to improve in any new and meaningful way, then the professionalism and ethical consciousness of these key managers must develop such that the principles and values of complete and accurate financial reporting represent important ends in themselves, independent of the quarterly pressures from above or elsewhere.

The context for the course is that of a modern, international business. The explicit reach of many SEC and NYSE regulations (e.g., [NYSE Listed Company Manual, sec. 303A](#)), old and new, to non-US participants in the US securities markets is only the most obvious indicator that no marketplace crisis permits evaluation solely in US terms, even though US lawmakers and regulators have only limited authority to make new rules for non-US organizations. A number of the more recent accounting and reporting failures have been associated with non-US companies (e.g. Royal Dutch Shell, Nortel, Parmalat), which have had some US operations

and/or stakeholders. At least two other non-US companies experiencing such problems (Royal Ahold and Allied Irish Banks) have associated their problems with their operations in the mid-Atlantic region of the US where Loyola's MBA students are largely employed. It is plainly appropriate to recognize explicitly the international scope of the recent crisis, even when focusing on the larger US-based cases (e.g. Enron, WorldCom).

A further reason to approach the content of the course in the context of an international organization is the historical difficulty experienced by such organizations in implementing uniform systems of accountability across borders. The *Foreign Corrupt Practices Act of 1977*, and the events that triggered it, is just one marker in the long history of difficulties experienced by many multi-jurisdictional organizations in seeking to define common values, ethics, and internal controls around the world.

The course seeks to analyze both the recent crisis and subsequent developments in the context of the international organization and the larger public company is the necessary starting point. But the impact of recent events on smaller, privately owned companies, in fact even not-for-profit entities, is also considered relevant for some discussion in the course since many students work or will be working in those environments which have also been affected.

Maintaining Realism and Practicality

To maintain realism and practicality, we employed two other delivery techniques: the exploration of actual recent cases of reporting failures as a foundational stage early in the course and the invitation of experienced guest lecturers for several of the content areas where corporate practices already have begun changing significantly.

Summaries and analyses of many of the more recent financial reporting failures are accessible both in journals and case study resources; therefore the identification of quality materials and assignment of readings and cases for the representative failures is straightforward. Students can read and analyze major cases, drawing out the important factors evidencing organizational dysfunction, mismanagement, fraud, and other conditions indicative of breach or erosion of integrity and ethics. As students identify such factors and distill their thoughts about them, they can consider the relationships to the various statutory and regulatory responses proposed to address them. Actual cases keep class discussion grounded in reality, in

terms of both what can go wrong and the practicality of what may be suggested as remedies. This approach also serves to reduce potential discomfort felt by students with limited accounting background learning alongside other students with more such background.

We invited a diverse group of guest lecturers from business and other organizations to enhance realism and practicality. Examples are a member of a number of public company boards, a corporate controller, a prominent internal audit executive, an attorney, and a veteran SEC staffer. In addition to speaking about the impact of recent developments on their own responsibilities, the guest lecturers address how they see those developments affecting the roles and responsibilities of controllers and financial officers as well as how practical and ethical considerations influence them.

COURSE MATERIALS AND USES OF EXISTING LITERATURE TO SUPPORT THE ETHICAL DIMENSION

The course anchors itself in recent cases of failure and highlights the ethical implications in the main subject areas. However, since students in the MBA and MSF programs have varying previous exposures to the subject areas, including ethics, the selection of course materials has been influenced by the need to provide access to some existing literature in the three primary content areas and in ethics in particular.

Course materials come from a variety of electronic and print sources. While no single existing textbook can support the diversity of course content, relevant chapters from several existing texts comprise the e-text used in the course (contents listed in Appendix 2). In addition, the course employs other books, e.g. G.P. Lander's (2004) *What is Sarbanes-Oxley?* and McLean and Elkind's (2003) *The Smartest Guys in the Room*, and scores of articles and other web-based materials, particularly those which reflect the most recent status of the subjects and issues of the course. The instructor makes a final selection of these on a weekly basis in line with the topics to be discussed the following week. All such materials are available to students through the electronic resources of the college's library and computer network.

Four chapters of the customized e-text and a variety of other required readings directly support the focus on ethics and professionalism. The most relevant of these appear in Table 1.

Table 1. Required Readings Related to Ethics and Professionalism.***In customized e-text:***

- Colley, J. L., Doyle, J. L., Logan, G. and Stettinius, W. (2004). How Directors Get into Trouble. In: *Corporate Governance: The McGraw-Hill Executive MBA Series*. McGraw-Hill, Ch. 11.
- Desjardins, J. R. (2003a). Ethical Theory and Business. In: *An Introduction to Business Ethics*. McGraw-Hill, Ch. 2.
- Desjardins, J. R. (2003b). International Business and Globalization. In: *An Introduction to Business Ethics*. McGraw-Hill, Ch. 11.
- Werhane, P. (2004). *A Note on Five Traditional Theories of Moral Reasoning*. Technical Note: Darden Graduate School of Business Administration. McGraw-Hill.

From business/other journals:

- Kaiser, S. (2002). The Collapse of Enron: A Business Ethics Perspective. *Multinational Monitor*. (January/February).
- Maher, K. (2004). Global Companies Face Reality of Instituting Ethics Programs. *Wall Street Journal*. (November 9).

From professional organizations/societies:

- Financial Executives International: Code of Ethics (<http://www.fe.org/about/ethics.cfm>)
- Institute of Management Accountants: Code of Ethics (<http://www.imanet.org/ima/sec.asp?TRACKID=&CID=191&DID=323>)
- Institute of Internal Auditors: Code of Ethics (http://www.theiia.org/index.cfm?doc_id=604)
- American Institute of CPA's: Code of Professional Conduct (<https://aicpa.org/about/code/index.html>)

From corporate websites:

- Citigroup: Code of Conduct (<http://www.citigroup.com/citigroup/corporategovernance/codeconduct.htm>)
- GE: Integrity Policy (<http://www.ge.com/en/citizenship/compliance/spirit/index.htm>)

The scope of these materials and lecture content is outlined in Table 2.

A fuller view of the course is available in the appendices. Appendix 1 contains the syllabus, Appendix 2 contains the table of contents of the full customized e-text, and Appendix 3 provides an outline of the course with highlights of the ethical material.

CONSULTATION DURING DEVELOPMENT

The accounting department maintains a number of connections with the business community as does the business school as a whole, providing opportunities for interaction during the development of new curriculum. The Accounting Advisory Board was especially useful for this course. They

Table 2. Outline of Lecture Approach to Ethics and Professionalism Content.

Ethics as a category of reflection in the Western tradition
– Greco-Roman influences
– Judaeo-Christian influences
– “Natural law”
– Post-Enlightenment models
• Deontological and teleological models
• The distinctive influence of Utilitarianism
Integrity – the individual as a person, fully and adequately considered
Management as an activity of persons
– Person vis-à-vis the business entity
– Person vis-à-vis the role played in the organization
Justice – relationships of persons
– Commutative – relationship to fairness and equity
– Distributive – relationship to social responsibility
Fiduciary responsibility – duty and accountability
– Directors
– Officers
Intersection of ethics and concepts within SOX
– Integrity
– Independence
– Objectivity
– Accountability
– Transparency
– Competence
– Control
Key concepts in selected professional codes of ethics
– Institute of Management Accountants
– Institute of Internal Auditors
– Financial Executives International
– American Institute of CPA’s
Review of selected corporate codes of ethics
Cross-border complexities of corporate codes of ethics
– Cultural differences
– Historical differences
– Globalization
– Outsourcing

created part of the momentum to develop the course and their review had a real effect on the design and delivery techniques.

Informal consultations with key members of other departments in the business school, especially the law and social responsibility department where there is an explicit ethics curriculum, was also helpful.

DELIVERY, ASSESSMENT, AND REVISION

Course development was well advanced by Summer 2004, and we included the course as a late addition to the Fall 2004 semester offerings. Without benefit of its inclusion in the usual registration information materials, the course attracted 14 students, both MBA and MSF candidates, several of whom were completing their degree requirements in that term. The syllabus and related topical outline present the course content in detail (see Appendices 1 and 3). We scheduled the course again in Fall 2005 and again it attracted 14 students. Both sets of student evaluations are summarized below.

Distributed lecture and discussion notes supported each weekly class and reinforced the key objectives and perspectives of the materials. While the course was a new one, there were numerous points at which the student could ascertain whether the course was meeting its stated objectives, identified plainly in the syllabus (Appendix 1) and periodically repeated in the lecture notes.

Each weekly class has its own character, identified not only by its unique content, but also by the fact that each student served as discussion leader of the readings for one class. This approach worked even for classes with guest lecturers since classes were 2 1/2 h in length. Discussion of the readings occupied about half of each class with interactive lecture the other half. As reflected on the syllabus (Appendix 1), class participation formed a substantial part of the grading for the course. Each student also wrote a term paper on a relevant topic of particular interest to the student and approved by the instructor. Table 3 identifies particularly noteworthy topics.

In order to enhance the student's ability to assess progress throughout the course, in the Fall 2005 presentation of the course each student turned in each week a single page of notes summarizing the most important points

Table 3. Selected Term Paper Topics.

Corporate Governance Best Practices
Impact of Sarbanes–Oxley Act on Private Companies
A Proposed Risk Management Program
Shareholders' Ability to Influence Corporate Governance
Analysis of a Specific Fraud – Allied Irish Banks and Allfirst
Analysis of the Recent Disney Corp. Shareholder Litigation Against Directors
Correlating Governance with Shareholder Value
A CFO's Perspective on Fraud
REFCO – Corporate Fraud Persists

from the week's readings. The professor graded and returned the notes the following week.

Course evaluations for both the 2004 and 2005 presentations of the course were uniformly positive and included a variety of supplemental expressions of praise, including:

"Very relevant to workplace..."

"...very relevant to my industry."

"The guest speakers were great."

"Professor had a great deal of experience...which he drew upon throughout the course."

"[Professor] was perfect for the course."

"This was my final MSF class. It worked out that I did save the best for last."

In their responses to the preprinted course evaluation questions, covering both the conduct and the content of the course, students in both the Fall 2004 and Fall 2005 presentations either "agreed" or, more often, "strongly agreed" that the course was well-designed, well-presented, and met its objectives.

The nature of the course both requires and lends itself to at least an annual updating of the course materials.

CONCLUSION

Our success with this course demonstrates that accounting and business education can be responsive to significant changes in the environment and that students appreciate a course such as this, with its emphasis on professionalism and ethics. This new course represents an academic response, drawing on cumulative momentum building in the accounting and finance departments of the business school since the current crisis began to unfold. With the more significant requirements of SOX coming to maturity in 2004 and 2005, the course design taps the steady flow of new developments through currently published materials and the most recent experiences of its guest lecturers, while anchoring its three basic content areas in the wider body of relevant literature and experience. We developed the content areas in light of recent cases of dysfunction, and the dimension of professional and ethical lapse emerges quickly and remains a common thread as the course explores new ways to discern and speak about the importance and implications of professionalism in the controllership and finance functions of the modern global business.

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- General Electric Company. Integrity Policy (<http://www.ge.com/en/citizenship/compliance/spirit/index.htm>)
- Institute of Internal Auditors. Code of Ethics (http://www.theiia.org/index.cfm?doc_id=604)
- Institute of Management Accountants. Code of Ethics (<http://www.imaanet.org/ima/sec.asp?TRACKID=&CID=191&DID=323>)
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APPENDIX 1. COURSE SYLLABUS: FALL 2005

New Challenges in Controllership and Finance: An International Perspective

GB 825.61/867.61: Fall 2005

Syllabus

Loyola College in Maryland – Sellinger School of Business and Management

The Graduate Center – Timonium Campus – Mondays – Sept. 12 to Dec. 19 – 6:30 to 9:00 pm

Credits: 3

Prerequisites: GB703 and two other 700-level courses

Instructor: Joseph M. Langmead, Executive in Residence
jmlangmead@loyola.edu

Available on-site before and after each class by appointment.

Course Description

The course examines a series of the most significant recent developments challenging financial managers and controllers in a global environment. The background to recent domestic and foreign financial reporting, control, and business failures will be considered followed by a more detailed review of

several recent cases. Both domestic and international dimensions will be identified in the cases and related to the legislative and regulatory actions, which have resulted. The nature and implications of new requirements, especially those of the Sarbanes–Oxley Act, will next be considered with emphasis on the impact on the corporate controller and financial officer of a modern global organization. New governance and internal control requirements, along with the new emphasis on fraud detection and corporate ethics will be discussed in some detail with related international implications. Newly accelerated initiatives to converge international and US financial accounting and reporting requirements will also be evaluated. Considerations applicable to all businesses and not-for-profit entities will be included. Guest lecturers from businesses and regulatory bodies will be invited to provide the latest practical perspectives. The specific content is redesigned periodically to respond to the most current issues.

Course Learning Objectives

Students will develop an informed appreciation and understanding of:

- Background and characteristics of several major recent financial reporting, control, and business failures, both domestic and international.
- Key provisions of recent statutory/regulatory initiatives, especially the [Sarbanes-Oxley Act of 2002](#).
- New dimensions in the relationships of financial managers/controllers with the board of directors and its key committees.
- New demands for excellence in internal control systems, especially features affecting the quality and integrity of financial reporting globally.
- Challenges in assuring high-quality control systems across borders.
- Heightened demand for effective systems to deter and detect fraud throughout the global organization.
- Expanded emphasis on developing and embracing sound ethics and corporate conduct policies with effective enforcement across the global organization.
- Fast-track initiatives to internationalize financial accounting and reporting standards and areas of difference with current US accounting principles.

Text

A tailored e-text will be used and should be available by the first day of class. It will contain cases and text chapters from a variety of published sources, selected for particular relevance to the objectives of this course.

Other Materials

A variety of articles and other materials have been extracted from published sources available through the Loyola–Notre Dame Library. Convenience copies will be posted to the *Blackboard* website for the course.

Other Requirements

Access to internet websites, including Loyola’s *Blackboard*, and e-mail. The *Blackboard* website for the course will contain certain course materials and information, including copies of lecture outlines and other handouts and background on the instructor.

Conduct of Classes

Classes will be conducted as combined lecture/discussion with substantial class interaction. Lectures and discussions will not necessarily be comprehensive so that a thorough reading and comprehension of the assigned reading materials is essential both for maximum value from the course and to enrich class discussions. When guest lecturers are present, a question/answer format will be used. Class attendance is also essential and absence/lateness is expected to be rare and requires preapproval. There will be a short break each class at approximately the mid-point.

Grading

Course grade is based on the following:

Class participation	25%
Leading a topic for discussion	25%
Homework – one-page submissions	25%
Term paper	25%

Calendar of Classes/Topics

-
1. Sep 12 Introductory
 2. Sep 19 Recent cases I
 3. Sep 26 Recent cases II
 4. Oct 3 Governance I
 5. Oct 10 Law and regulation I
 6. Oct 17 Law and regulation II*
 7. Oct 24 Ethics and conduct*

(Continued)

-
8. Oct 31 Globalization
 9. Nov 7 Risk management/internal control
 10. Nov 14 Accounting, reporting, disclosure
 11. Nov 21 Auditing – internal/external*
 12. Nov 28 Governance II*
 13. Dec 5 International convergence
 14. Dec 12 The new financial manager/controller*
 15. Dec 19 Synthesis
-

*Probable dates for guest lecturers

APPENDIX 2. CUSTOMIZED E-TEXT: TABLE OF CONTENTS

McGraw-Hill Primis E-text, 2004 for – New Challenges in Controllorship and Finance: An International Perspective

Colley, J. L., Doyle, J. L., Logan, G., and Stettinius, W. (2004). *Corporate Governance*. New York: McGraw-Hill.

Front Matter

Preface to text

1. Capitalism, Free Enterprise, and the Corporation

Text chapter

2. The Legal Obligations of Directors

Text chapter

7. CEO Compensation

Text chapter

8. The Board-Management Relationship

Text chapter

11. How Directors Get into Trouble

Text chapter

12. Not-for-Profit Organizations: The Differences

Text chapter

13. Final Thoughts

Text chapter

Desjardins, J. R. (2003). *An Introduction to Business Ethics*. New York: McGraw-Hill.

APPENDIX 2. (Continued)

- 3. Ethical Theory and Business
 - Text chapter
- 11. International Business and Globalization
 - Text chapter
- Harrington, S. E. and Niehaus, G. (2004). *Risk Management and Insurance*, 2nd Ed. New York: McGraw-Hill.
 - 27. Enterprise Risk Management: A Case Study
 - Text chapter
- Harvard Business School Ethics Cases*, 2004.
 - Accounting Fraud at WorldCom
 - Case
- Thompson, Jr., A. A., Gamble, J. E., Strickland, A. J. (2004). *Strategy: Winning in the Marketplace*. New York: McGraw-Hill.
 - The Collapse of Enron
 - Case
- Harvard Business School Organizational Behavior Cases*, 2003
 - Broken Trust: Role of Professionals in the Enron Debacle
 - Case
- Darden Graduate School of Business Administration – University of Virginia*, 2004.
 - A Note On Five Traditional Theories Of Moral Reasoning
 - Technical Note

APPENDIX 3. COURSE OUTLINE WITH HIGHLIGHTING OF PROFESSIONALISM AND ETHICAL CONTENT

- 1. Sep 12 Introductory
 - Personal introductions
 - Review of syllabus
 - Review of key concepts pervading whole course
 - Professionalism
 - Integrity
 - Accountability
 - Transparency
 - Control

APPENDIX 3. (Continued)

2. Sep 19 Recent cases I – 2 US-based companies
 - Enron/WorldCom
 - Governance/fraud/control/accounting dimensions
 - Professional/ethical dimensions
3. Sep 26 Recent cases II – Non-US-based companies
 - Allied Irish Banks – massive trading losses at Allfirst
 - Royal Ahold – accounting fraud at US Foodservice, other “foreign” sites
 - Parmalat – Italian and Latin American issues
 - Shell – Dutch approach to SEC rules regarding oil/gas reserves
 - Implications:
 - Commonality with US-based cases
 - Differences
 - Cross-border issues
 - Cross-cultural dimension
 - Professional/ethical dimensions
4. Oct 3 Governance I
 - First set of governance implications from cases
 - Boards of directors
 - US legal and behavioral tradition
 - Non-US traditions
 - Concept of fiduciary
 - Duty of care
 - Duty of loyalty
 - CEO role and responsibilities
 - Compensation issues – certain distortive effects
 - Board chairmanship vs. CEO
 - Ethics aspects of compensation
5. Oct 10 Law & regulation I
 - Sarbanes-Oxley Act
 - Provisions for US public companies
 - Provisions for non-US companies which file with SEC
 - Relationship to cases
 - Imbedded notions of accountability/transparency/control
 - Imbedded notions of professionalism/ethics
 - Similar reform initiatives in other countries
6. Oct 17 Law & regulation II
 - New York Stock Exchange and NASD rules – new
 - Provisions for listed US companies

APPENDIX 3. (*Continued*)

- Provisions for listed non-US companies
- Similar trends outside US
- Imbedded notions of conflict of interest/independence/competence
- Implications for non-profits
- 7. Oct 24 Ethics and conduct
 - Background materials in Ethics/Business Ethics
 - Traditional sources/theories of ethics
 - Business ethics – issues and approaches
 - Ethics/Conduct provisions of recent law/regulation
 - New Ethics/Conduct codes published by multinational companies
 - Selected recent website revisions by multinational companies
 - Difficulties with uniform ethics codes in selected countries
- 8. Oct 31 Globalization
 - Meanings of term in contemporary business and political discourse
 - Ethical and public policy considerations
 - Impact on accounting/auditing/controls/governance/fraud
- 9. Nov 7 Risk management/internal control
 - Internal control and as defined by Sarbanes-Oxley
 - Internal control per COSO
 - In context of enterprise risk management
 - Issues for multi-nationals
 - Issues re domestic and cross-border acquisitions
 - Related systems to enforce codes of conduct/ethics
 - Special problems of management override
- 10. Nov 14 Accounting, reporting, disclosure
 - Codes of ethics – IMA, FEI
 - Perceived deficiencies in Accounting model
 - Non-US Accounting models
 - International Accounting convergence
 - International Accounting Standards Board
 - FASB and SEC priority for international convergence
- 11. Nov 21 Auditing – internal/external
 - Codes of ethics – IIA, AICPA
 - International Auditing and Assurance Standards Board
 - IFAC and its global agenda
 - Relationship to fraud
 - PCAOB and jurisdiction re foreign auditors

APPENDIX 3. (Continued)

- 12. Nov 28 Governance II
 - Second set of governance implications from cases and subsequent developments
 - Institutional investor activism re governance/ratings thereof
 - US-based companies
 - Non-US companies
 - Demand for fiduciary effectiveness/integrity/competence
 - Demand for transparency/accountability/control
 - Selected independent sources of governance ratings
 - Multi-national alliances for rating corporate governance
 - Effects on behaviors of board audit/other committees
 - For all public companies
 - Special concerns for multi-nationals
 - Observable effects on non-profits
- 13. Dec 5 International convergence
 - Review of major developments in Accounting convergence
 - IOSCO and international disclosure convergence
 - IFAC and international auditing and internal control convergence
 - Trends in governance outside US
- 14. Dec 12 The new financial manager/controller
 - New relationships
 - Board of directors
 - CEO
 - Codes of Ethics already formulated
 - AICPA
 - IIA
 - IMA
 - FEI
 - New challenges for the multi-national organization
 - Required uniformity vs. inherent diversity
 - Special case of acquisitions
- 15. Dec 19 Synthesis

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THE KEY FEATURES OF ACCOUNTING INTERNSHIP PROGRAMS

Roberta J. Cable and Patricia Healy

ABSTRACT

This research provides an update of the characteristics found in accounting internship programs. We selected and surveyed administrators of AACSB-accredited accounting programs. We collected information on the key characteristics and features of accounting internship programs and categorized the degree of commitment or involvement by the colleges and universities. We concluded that accounting internship programs are popular and have many of the same features. Approximately 90% of the schools in our study incorporated accounting internship programs into their curriculum. The results should provide assistance to accounting administrators who wish to implement or evaluate their own programs.

Experiential learning includes class projects, consulting projects, job shadowing, and service learning (such as participating in volunteer tax assistance organizations). According to Burnett (2003, p. 134), internship is one of the learning methods accounting programs most actively promote. She surveyed accounting practitioners about undergraduate accounting education. The

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practitioners overwhelmingly ranked three- to four-month internships as the most effective outside learning activity (2003, p. 132).

Successful internships have many benefits, both for students as potential employees and for employers. McCombs and VanSyckle (1994, p. 21) stated that the principal advantage of internships is that they enhanced and facilitated recruitment efforts. Internships give a no-obligation look at prospective employees. Other benefits include extra help filling employment needs, improving public relations, paying less for interns than for regular employees, and training before hiring (McCombs & VanSyckle, 1994, p. 22). Internship programs, specifically those which lead to permanent employment, have become very popular with the Big Four. For example, the Deloitte recruiting process is coupled with an internship program to attract quality students. Brian Maxwell of Deloitte stated, "Offering internships that are competitive and exciting is one of the best things we can do to recruit good students" (Kason, 2004, p. 42). Internships provide an opportunity for businesses to develop and maintain good relationships with colleges and universities. Crumbley and Sumners (1998, p. 58) stated, "Positive relations with universities provide organizations opportunities to communicate their needs, thus, potentially influencing the educational process." Accounting internships with internal auditing departments have been successful. John Langford of IBM described internship programs as a win-win situation for the company and students. He said, "The company profits from the fresh perspective of some of our universities' best and brightest. The students enjoy the opportunity to put theory into practice" (Crumbley & Sumners, 1998, p. 56). Furthermore, accounting internships can increase worker productivity. According to White and Fuller (2002, p. 39), the enthusiasm and motivation of interns have a direct positive impact on the work environment.

Students also benefit from internship arrangements. The AICPA said, "The objectives of these programs are to help students to: (1) make more informed career choices; (2) apply knowledge and skills that they have been exposed to in class; (3) develop knowledge and skills that are difficult to introduce in a class setting; and perhaps (4) secure permanent employment" (Internships and Experiential Learning, 2004, p. 1). O'Shaughnessy and Naser-Tavakolian (2000, p. 16) found accounting internships improved the subsequent academic performance of undergraduate students. Their findings suggest that the skills, knowledge, and motivation that students gained from their internship experience had a significant positive impact on their performance in subsequent business courses. However, Pasewark, Stawser, and Wilkerson (1989) cautioned that internships did not improve interview

success in obtaining offers of employment. They concluded that students considering a prospective internship should not do so merely to increase their “marketability” for potential jobs (p. 39).

McCombs and VanSyckle (1994, p. 23) surveyed accounting chairpersons as well as accounting practitioners. Although the authors concluded that there were numerous advantages to internship programs, accounting chairpersons voiced some concerns. Their major concerns included scheduling, program administrative time and cost, and monitoring of job quality. Internship programs could fail because the student was not adequately prepared or the position provided little, if any, experiential learning. Therefore, successful internship arrangements are not automatically guaranteed.

Beard (1998) published the results of her 1994 survey of schools offering accounting internship programs. She included questions on the administrative and operational aspects of these programs. She concluded that internship programs are offered by approximately 75% of the respondents. Also, most of these programs are for credit, occur during the junior year, are paid internships, and require the submission of a written report to be completed by the student (p. 515).

Our study found that internship programs have become even more popular than in Beard’s study and are offered by approximately 90% of the respondents. Furthermore, we provide an update of the characteristics found in accounting internship programs. We collected information on the key characteristics and features of accounting internship programs and categorized the degree of commitment or involvement by the colleges and universities.

RESEARCH METHODOLOGY

This research provides an update of the characteristics currently found in accounting internship programs. We collected information on the key characteristics and features of accounting internship programs and categorized the degree of commitment or involvement by the colleges and universities. We studied colleges and universities with AACSB-accredited accounting programs. We selected 50 schools at random.

We conducted telephone interviews with the administrators of these 50 accounting programs. Five out of the 50 (10%) administrators responded that their accounting programs did not offer internship programs. However, in most cases, accounting students could participate in internships offered by other areas of the college or university. We asked administrators about

Table 1. Classification of Surveyed AACSB-Accredited Schools into Characteristics of Internship Programs Based on Key Features.

Characteristic	Percentage
Academic credit	85
Required or voluntary	0
Compensation (paid)	100
Minimum standards established for participation	
(a) Standing	85
(b) GPA	39
Pre-program seminars	29
Duration (whole semester)	63
Grading – assuming there is academic credit (traditional letter)	37

the key characteristics of their internship programs. A summary of their responses is shown in [Table 1](#). Supplemental data are presented in [Table 2](#).

ANALYSIS OF RESULTS

We based our analysis based on the 45 schools that offered internship programs. The first feature was academic credit. Approximately 85% of the accounting programs offered internships for academic credit. Although students earned different numbers of credits for their participation, the most common number of credits earned was three.

In the second key feature, we asked respondents whether they required internships or were they voluntary. All respondents said their internship programs were voluntary. Compensation was the third key feature. All respondents said that employers paid students for their work experiences.

Minimum standards for participation was the next feature. This feature could be based on a specific cumulative grade point average (GPA) or a year of eligibility (such as junior standing, etc.). Approximately 60% of the respondents said they had no minimum GPA requirements. If there was a GPA cutoff, the most common one was 3.0. Junior standing was the most common year of eligibility. Approximately 59% of the respondents said that students had to be in their junior year in order to participate in internship programs.

The next feature related to pre-program seminars or workshops. These seminars could be either optional or required for students to learn about

Table 2. Supplemental Data on Internship Programs Based on Key Features.

Internships offered by accounting department	Yes No	90% 10%
<i>Of the accounting departments offering internships</i>		
Requirement	Required Optional	0% 100%
Paid	Yes No	100% 0%
Academic credit	Yes No	85% 15%
<i>Of the accounting departments offering academic credit</i>		
Number of credits	1 credit	3%
	1 to 4 credits	6%
	1 up to 12 credits	3%
	1 up to 3 credits	6%
	3 credits	63%
	3 or 6 credits	14%
	6 credits	3%
	Information not available	3%
Grades assigned	Grades	37%
	Credit/No credit	6%
	Pass/Fail	40%
	Satisfactory/Unsatisfactory	17%
<i>Of the accounting departments offering internships</i>		
Year of eligibility	Junior	59%
	Senior	17%
	Sophomore	7%
	No requirements	17%
GPA requirements	2.0	7%
	2.5	7%
	2.7	5%
	3.0	12%
	3.2	5%
	3.4	2%
	No requirements	62%
Semesters offered	Spring	22%
	Summer	12%
	Fall	10%
	Anytime throughout the year	56%

Table 2. (Continued)

Work requirements		
Based on semesters/courses	Whole semester	63%
	Part work/Part courses	7%
	Only Part time	9%
	No requirements	21%
Based on number of hours	10 hours per week	10%
	20 hours per week	22%
	40 hours per week	49%
	3 hours per week	2%
	No requirements	17%
Pre-program seminars	Yes	29%
	No	71%

success in the “real world” and common mistakes made during interviews and at work. Faculty or representatives from career services presented these seminars. Approximately 29% of the administrators said their program required students to attend some form of pre-program seminar.

Another feature was the length of the internship. The most common answer, with approximately 63% of the respondents, was an entire semester. We also asked about time requirements. Approximately 49% of the respondents said that the typical internship was for 40 h a week. Approximately 56% of the respondents said they offered internships anytime throughout the year, but the spring semester was the most popular specific academic semester.

Grading was the final feature in this survey. We asked respondents if, assuming there was academic credit, students received traditional letter grades or grades of “pass/fail,” “credit/no credit,” or “satisfactory/unsatisfactory,” instead. The respondents stated that approximately 37% (of the 85%) received traditional letter grades. The remainder received grades such as “pass/fail,” etc.

SUMMARY AND CONCLUSION

Our study examined the key features and found that the degree of involvement with certain features were common to all schools in the sample. For example, all of the internship programs were voluntary. Also, all of the students were compensated for participation in these programs. Moreover, the degree of involvement in several key features was common to a majority

(at least 60%) of the schools surveyed. Most offered academic credit, established minimum standards, and lasted an entire semester. In addition, most did not offer pre-program seminars and did not give traditional letter grades.

This study provides an update of the characteristics of accounting internship programs. The results should provide assistance to accounting administrators who wish to implement or evaluate their own programs. Accounting internship programs continue to be popular. They were incorporated into the curriculum by 90% of the schools in our survey. These programs were similar in many ways. Ultimately, the degree of involvement with the key features should be determined by a school's curriculum, market forces, and resource constraints.

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PERCEPTIONS OF THE PROFESSION: ARE WE SUCCEEDING IN CASTING A WIDER NET?

Georgia P. Saemann, Karen J. Crooker and
Laura Jean Kreissl

ABSTRACT

While the accounting profession has been trying to attract more creative individuals, evidence suggests that traditional perceptions of the profession as precise and structured detract from this effort. The Enron scandal, which brought a new awareness to accounting, may overturn these perceptions. Based on a sample of 1,007 students at 10 universities, the present study examines the creativity of accounting and non-accounting majors, their perceptions of the profession, and the effect of the Enron scandal on students' interest in accounting. The findings confirm earlier evidence that rule-oriented individuals tend to choose accounting majors, indicating that the creativity of students attracted to the profession has not changed markedly. Further, the findings suggest that, although students' traditional views of the profession as structured and precise tend to break down as they move through accounting coursework, the change is marginal. Of greatest interest is the finding that the Enron scandal increased the interest of more creative personalities in the profession as a

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career choice. One potential problem is evidence that students who were more attracted to accounting because of the Enron scandal also were not concerned with the integrity issues raised by the scandal.

In 2002, the accounting profession was in crisis (Nearon, 2002, p. 29). The bankruptcies of Enron, Global Crossing, and WorldCom, along with the demise of Arthur Andersen, were just the “highlights” for the profession that year. Even before these scandals the profession faced staffing challenges. The industry already was confronting a dwindling supply of entry-level labor, as the number and quality of students studying accounting in colleges and universities plummeted (Albrecht & Sack, 2001, pp. 20–22; *Journal of Accountancy*, 2002; Nearon, 2002). To illustrate, the number of accounting degrees, bachelors and masters, awarded for the 1998/1999 school year declined 20% from the 1995/1996 school year, and the number of students enrolled in accounting programs declined 23% during the same time period (Albrecht & Sack, 2001, p. 20). Whether the cause was the 150 hours required to sit for the CPA exam or low starting salaries (relative to other business majors) and lucrative alternatives (Albrecht & Sack, 2001, p. 21; Chou, 1999; Sanders, 2002), the accounting major was no longer attracting the top prospects in the higher education pool.

The 2002 accounting scandals also were expected to impact the attractiveness of accounting as a profession. Bryan-Low (2002, A.1) reports that Professor Charles Mulford contended that the Enron scandal brought a new “hipness to accounting,” and other professors noted that the scandals raised accounting’s visibility and desirability as a career among students (Weidlich, 2002). However, others feared that the scandals would lead to a further decline in the number of students enrolling in an accounting major (Regan, 2002, p. 8; Wei, 2002, B.9.G).

Application and enrollment reports from leading accounting programs reveal increased enrollments.¹ One explanation for the increased enrollments may be reaction to the Enron and other accounting scandals, supporting Mulford’s “hipness” view. But, there are competing explanations for the increased enrollments. Sarbanes–Oxley created scores of new jobs in the industry (Gullapalli, 2004, C.1; McDonald, 2005), and the 150 hour rule may have increased demand for graduate programs. The relationship between accounting careers and the economy also offers an explanation. Kachelmeier (2002, pp. 24–28) observes that the number of accounting positions available and the associated salaries are more resistant to

economic booms and busts than other professions, and Weidlich (2002) notes that this resistance is attractive to some students.

What might the recent increased enrollments mean for the profession? Since 1983, the accounting profession has voiced concern over the lack of creativity of its members (AAA, 1983). This attention to creativity is predicated on the change in public accounting services from a traditional audit and tax base to include more consulting and management advisory services (Emerson, 1993). Such “services are more innovative-intensive than standard-intensive” (AAA, 1983, pp. 173–174) and as such place different demands on accounting professionals. Certainly, the evidence provided from tests of personality traits indicates that creative young people are not drawn to study business or accounting. Instead, the profession historically has attracted more rule-oriented individuals (Booth & Winzar, 1993, p. 112; Saemann & Crooker, 1999).

Perception of the profession is one factor that affects the self-selection of students into and away from accounting. Myers and McCaulley (1985) point out that students self-select into or out of certain majors based on preconceived ideas. Further, research indicates that college students choose specific majors that they see as compatible with their particular personal styles (Gul, 1986, pp. 207–208; Myers & McCaulley, 1985, p. 118). Consequently, stereotypes of the accounting profession as dull, boring, and routine number crunching send students who see themselves as creative scurrying to liberal arts, medicine, law, education, and even engineering programs (Carr, de la Garza, & Vorster, 2002; Myers, McCaulley, Quenk, & Hammer, 1998, p. 294; Myers & McCaulley, 1985, p. 110).

The present study discusses existing evidence about the typical characteristics of the creative individual and provides evidence in response to the following questions:

1. ***Are accounting programs today attracting students with greater creativity as sought by the profession?*** To answer this question, we make two comparisons. First, we compare results from prior studies on the creativity of accounting majors relative to the general college population; this approach allows us to look back over more than 20 years. We also compare results from our study with those reported by Saemann and Crooker (1999). Although the latter comparison covers a shorter period of time (6 years), it is more specific in that it is between accounting and other business majors. Further, efforts to recruit more creative individuals have been strongest in the past 6 years; so this is when we most likely would see changes. A finding of little change in creativity, especially in the past

6 years, will suggest that pre-college recruiting efforts to draw more creative individuals have not been successful in the short term.

2. ***Does experience in accounting courses shape student perceptions of the profession?*** We examine this question by measuring student perceptions of the profession at the completion of individual courses. A finding that student perceptions do not change as they complete accounting classes, would suggest the students' views are so embedded that education cannot sway them, that the classwork is not providing sufficient evidence to change views, or that the classwork confirms views already held by students.
3. ***How did more creative students in accounting classes react to the Enron scandal?*** Compared with their less creative peers, were the more creative students more or less interested in the profession as a result? The effect of the Enron scandal on student interest in the profession, given individual creativity, will indicate more clearly how scandals like this are likely to affect future recruiting in accounting. Could this exposure draw more creative personalities to the profession as suggested by Bryan-Low (2002, A.1) in *The Wall Street Journal* or will it only deter rule-oriented individuals who would otherwise have become accountants (Wei, 2002; Wheeler, 2001)?

PRIOR RESEARCH

Research on personality traits in the careers literature is dominated by Holland's (1985) RIASEC (realistic, investigative, artistic, social, conventional, and enterprising) model of career preferences (Betz, Fitzgerald, & Hill, 1989, p. 33; Hall, 2002, p. 61). According to Holland (1985, p. 40), accounting is a conventional occupation best suited to careful, conforming, conscientious, efficient, inflexible, methodical, obedient, orderly, persistent, practical, unimaginative people. Research on the personalities of accounting students and professionals in the accounting literature has not relied on Holland's model, but has instead identified Holland's traits in other typologies, including the Meyers-Briggs Type Indicator (MBTI) (Myers et al., 1998, p. 311).

Carl Jung's (1923) theory of psychological types provided the foundation for the MBTI, a tool frequently used to study accountants. The MBTI assesses four dichotomous dimensions of an individual's personality: extraversion-introversion, sensing-intuition, thinking-feeling, and judging-perceiving. The sensing-intuition dimension captures an individual's tendency toward creativity (Houtz et al., 2003), which is the focus of the present study.

As the nomenclature implies, sensors use sight, hearing, smell, taste, and touch to gather the facts of a situation. They “tend to focus on the immediate experience and often develop characteristics associated with this awareness such as ... realism, acute powers of observation, memory for details, and practicality” (Myers & McCaulley, 1985, p. 12). Sensors are characterized by stability and thoroughness. Like Holland’s (1985, p. 40) conventionals, they prefer routine, precise tasks with clear standards and procedures (Myers et al., 1998, p. 311).

At the opposing end of the dimension, intuitives use instinct to learn, reaching beyond the senses. They tend to understand reality through abstractions and brainstorming. Intuitives are the ones who tend to be creative, imaginative, and adaptable (Carne & Kirton, 1982, pp. 32–33; Houtz et al., 2003). They like developing new methodologies in their work. The advantages of a more creative personality include a stronger ability to solve problems (Carne & Kirton, 1982, p. 32) and to think critically (Gadzella & Penland, 1995; Murphy, 2000), seemingly positive traits for an accountant. Yurtsever (1998, p. 752), however, identifies a relationship of questionable value to the profession, a significant positive relationship between ethical relativism and creativity ($r = 0.18, p < 0.03$). According to Forsyth (1980), highly relativistic individuals believe the morality of an action depends on the circumstances. They do not believe in moral absolutes. Such absolutes “seem to contradict the independent value judgment, thoughts, and actions of a creative person” (Yurtsever, 1998, p. 752).

Drawing on the work of Yurtsever, we hypothesize (H1) that the Enron scandal will draw the interest of more creative personalities and deter less creative (more rule-oriented) personalities, as Holland (1985, p. 40) would predict. Our tests are based on three measures of interest: general (in the “profession”), career, and accounting classes.

Personality Types in Accounting

The American Accounting Association (Shute, 1979) and major public accounting firms (Perspectives, 1989) have argued that success in the profession requires an ability to reason abstractly and to solve unstructured problems, both strengths of intuitives. However, the nature of the work in accounting and auditing also requires attention to rules, details, and organization, which makes the profession particularly appropriate for sensors.

The evidence from previous studies on personality types that are successful in accounting are contradictory. Several studies show that

sensors are still disproportionately represented in accounting (Descouzis, 1989; Geary & Rooney, 1993; Smith, 1999). Moreover, students enrolled in accounting majors reveal stronger preferences for sensing than intuition (Booth & Winzar, 1993),² and sensors tend to perform better, overall, in accounting coursework (Nourayi & Cherry, 1993), an affinity which may explain why intuitives tend to drop out of the accounting major (Larabee, 1994, pp. 37–41). However, a more recent study by Schloemer and Schloemer (1997, p. 33) reports that intuitives are found at higher levels in accounting firms.

Saemann and Crooker (1999) shifted the focus from MBTI to a straightforward examination of creativity in accountants, since creativity and its correlates include traits highly desired by the accounting profession. These traits include a stronger ability to solve problems (Carne & Kirton, 1982, p. 32) and to think critically (Gadzella & Penland, 1995; Murphy, 2000). Using Gough's (1979, p. 1401) Creative Personality Scale, Saemann and Crooker (1999, p. 9) confirm MBTI findings that accounting tends to attract students who are less creative than the general college population. Further, their study shows that less creative personality types among business majors tend to choose accounting over other areas of business upon completion of an introductory accounting principles course.

The present study extends the investigation of accounting students' creativity in comparison to their college peers to 2002, 6 years after Saemann and Crooker's examination. We explore a broad sample of students enrolled in accounting classes from introductory to upper level accounting.

Perceptions of the Accounting Profession

Accounting professionals are concerned about what they see as a gap between public perceptions and day-to-day realities of what accountants do (*Journal of Accountancy*, 2002). Of particular concern are student misperceptions with the variety of responsibilities and opportunities the profession affords. Making matters worse is a perception of accounting as a necessary evil dealing with money, numbers, math, and taxes – a dirty job that someone has to do (Albrecht & Sack, 2001, p. 22). “The misconceptions surrounding accountants and the work they do are harmful primarily because the misinformation discourages would-be candidates from entering the profession. Even more alarming is the possibility that the misinformation attracts the wrong candidates” (Albrecht & Sack, p. 22).

Saemann and Crooker (1999) developed an instrument to measure perceptions of the accounting profession (PAPI) and tested it with a university student population in a longitudinal study. The PAPI instrument includes 36 pairs of adjectives describing four aspects of the profession: "structure," "precision," "solitary," and "interest." Overall, Saemann and Crooker (1999) found that student views were consistent with the stereotype of accounting as structured, precise, and solitary. However, as a group, students were neutral on their interest in the profession. Although perceptions of structure and solitariness declined significantly upon completion of an introductory accounting course, student interest in the accounting profession, which was initially neutral, did not increase. The findings also indicated that perceptions of precision were the key to discouraging more creative personalities, as measured by Gough's (1979, p. 1401) Creative Personality Scale, from choosing an accounting major. Importantly, student perceptions of precision in the profession did not change based on experience in the accounting course.

The present study extends Saemann and Crooker (1999), hypothesizing (H2) that students' perceptions of accounting change with completion of accounting coursework. This hypothesis is based on a very basic presumption that education informs and, accordingly, changes students' views.

Summary

Prior research on personality types shows that the accounting profession attracts individuals with a preference for sensing in solving problems. Further, sensors tend to succeed in the profession, at least as defined by movement through the ranks in public accounting. Efforts to change stereotypes about accountants have had little effect, perhaps because sensors are, in fact, more suitable for a profession that requires explicit order, systematic manipulation of data, and attention to extensive rules and principles. Nevertheless, elements of an intuitive personality are clearly compatible with those aspects of accounting practice that involve complex and ill-defined problems, circumstances where intuitives are more likely to excel.

The recent development of an instrument to measure perceptions of structure and precision in the accounting profession provides another tool to understand what draws individuals to accounting. Existing evidence suggests that perceived precision in the profession dissuades more intuitive personalities from majoring in accounting.

The present study extends prior research in three ways. We measure and compare the creativity of accounting students relative to their peers in

accounting classes taken in 2002. We also explore students' perceptions of the profession as they progress through classes beyond introductory financial accounting. Finally, we examine the effect of the Enron scandal on interest in the profession, especially as related to students' creativity.

METHODOLOGY

Research Design

To obtain data for the present study, we asked instructors at universities nationwide to administer a student survey in their classes at the end of the Spring 2002 semester. At this time, there was much discussion in the business press about the Enron audit failure. Fig. 1 shows how pervasive coverage was of the Enron scandal in the business press when the data were collected, as indicated by the peak in February 2002.

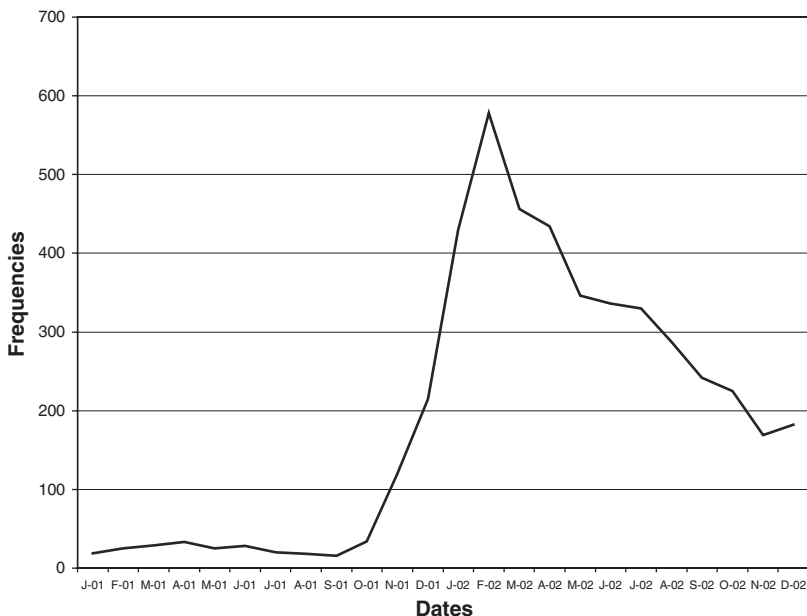


Fig. 1. Frequency of Enron Citations for 2001 and 2002. *Source of Data:* ProQuest ABI/Inform Global database, which covers business, finance and economics in journals, company profiles, and *The Wall Street Journal*.

To assure anonymity for subjects, we asked instructors to distribute the surveys in class and direct a student volunteer to gather the completed surveys (perhaps during the following class period), stuff them in self-addressed, stamped envelopes, and mail them directly to us. Most instructors did not grant points for completing the instrument although at least two awarded a very small number of extra-credit points (i.e., 2 on a 1,000-point scale). We provided a separate sheet for students to sign and submit directly to the instructor for class credit.

Students at undergraduate and graduate levels completed the survey. They were enrolled in introductory, intermediate, and advanced accounting courses covering financial, managerial, tax, accounting information systems, and auditing. Instructors monitored the collection of surveys and reported that almost 100% of the students receiving the surveys submitted them to us for analysis; accordingly, we did not conduct response bias tests.

Subjects

Twenty-four instructors from 10 universities in the midwestern and eastern United States (listed in [Table 1](#)) participated in the study, providing surveys from 1,007 students. The number of students per class ranged from 17 to 300 with an average of 80 and standard deviation of 70. [Table 1](#) reports personal data for the subjects. A little more than half of the students were women and 79% were Caucasian. The average age for students was 24 but the median was 21. The majority of respondents were business majors with approximately 44% of all subjects planning on an accounting major; only 2.4% were non-business. The high percentage (44%) of accounting majors in our total sample is reasonable given that 47% of our respondents were enrolled in upper division courses, which averaged 81% accounting majors. One percent of the students were freshmen, 18% sophomores, 36% juniors, 30% seniors, and 15% were graduate or special students. Special students included individuals who were allowed to take classes before formal admission to the graduate program either because they had not applied on a timely basis or because they did not meet admission requirements.

Measurement Instruments

Creative Personality Scale

A widely used measure of creativity is [Gough's \(1979, p. 1401\)](#) Creative Personality Scale (CPS) ([Cummings & Oldham, 1997](#)). Gough developed the

Table 1. Description of Sample.

Number of usable surveys	1,007 from 10 universities ^a			
Proportion of women	52%			
Race	79% Caucasian, 7% African American, 3% Hispanic American, 1% Native American, 8% Asian, 2% other or missing			
Average age	24 (median 21)			
Proportion of acctg majors	44%			
Academic status	1% freshmen, 18% sophomores, 36% juniors, 30% seniors, 12% graduate students, 3% other			
<hr/>				
Enrolled Course	Major		Total	Grand Total
	Acctg	Other		
<hr/>				
Introductory courses				
Financial accounting	24	86	110	535
Managerial accounting	36	389	425	(53%)
	60	475	535	
	(11%) ^b	(89%)		
Upper level courses				
Financial accounting	87	26	113	
Managerial accounting	92	36	128	472
Other (tax, audit, systems, ...)	204	27	231	(47%)
	383	89	472	1007
	(81%) ^b	(19%)		
Total	443	564		
Mean Gough Creativity Index ^c (std. deviation)	2.94 (3.34)	3.62 (3.38)		
High score	11	18		
Low score	-6	-7		
Mean GCI reported by Saemann and Crooker (1999) (std. deviation) ^d	2.84 (3.54)	4.12 (3.56)		
High score	10	12		
Low score	-6	-4		
Number of subjects	55	141		

^aParticipating universities include: University of Baltimore, Boston College, Iowa State University, Marietta College, Northern Illinois University, Wayne State University, University of Wisconsin – Eau Claire, LaCrosse, Milwaukee, Parkside.

^bAccounting majors represent 11% of the students enrolled in introductory courses and 81% in upper level courses.

^cA higher score indicates greater creativity. The highest possible score is 18 and the lowest is -12. The *t*-test comparing accounting and non-accounting majors in the present study (3.17) is significant at $p < 0.01$.

^dThe *t*-test comparing accounting and non-accounting majors (3.17) in the Saemann and Crooker (1999, pp. 1–22) study (2.27) is significant at $p < 0.05$.

CPS instrument based on studies of architects, scientists, and students in psychology and engineering. CPS includes 30 adjectives from which respondents select the most self-descriptive. Some of the adjectives describing a generally creative personality include: insightful, inventive, original, reflective, and unconventional. Adjectives describing a less creative personality include items such as: conventional, honest, suspicious, and conservative. Possible scores range from -12 (least creative) to $+18$ (most creative). Based on a study of almost 2,000 college students, Gough (1979) reports a mean CPS score of 4.40. The CPS (Appendix A) was preferable for our purpose, to the longer, more time-consuming MBTI and the CPS was sufficiently reliable for our analyses.

Using Cronbach's Alpha, we found a reliability of 0.73 for the CPS instrument, which is similar to Oldham and Cummings (1996, p. 616), who report a reliability of 0.70. In a smaller sample study of less than 300 subjects, Saemann and Crooker (1999, p. 6) also report reliability of 0.60 and 0.62 from their pre- and post-surveys. Further, Saemann and Crooker found a test/retest correlation of 0.70, indicating consistency in students' scores.

Perceptions of the Accounting Profession

To measure student perceptions of the accounting profession, we used the instrument (PAPI) created by Saemann and Crooker (1999). PAPI (Appendix B) requires that respondents use a 5-point scale to report strength of perception toward two opposing descriptions of the profession. For the purpose of the present study, we included each of the 36 adjective pairings in the instrument, reverse coding approximately half of them on a random basis. As discussed in the following section, we used principal components analysis to identify four factors that were similar to Saemann and Crooker's: structure, precision, solitude, and interest of the profession.

Although we utilize the same four factors as Saemann and Crooker, the adjective pairings included in each factor differ based on our principal components analysis. Our factor pairings appear in Table 2 with results from Cronbach's Alpha test of internal consistency. The reliability scores, which range from 0.62 to 0.87, are sufficient for analysis based on findings from Nunnally and Bernstein (1994).

Factor #1, *STRUCTURE*, captures the perceived degree of uniformity or structure in the accounting profession, versus innovation. Accordingly, this factor includes adjective pairings such as standard operating procedure/new solutions, routine/unpredictable, logic/imagination. The 16 pairings that loaded on *STRUCTURE* depict the openness and variety associated with structure versus flexibility.

Table 2. Perceptions of the Accounting Profession Instrument Adjective Pairings and Principal Component Factors (with Cronbach's Alpha Test of Reliability)^a.

Factor #1 – Structure (Cronbach's $\alpha = 0.87$)	
Cut and dry ^b	Creative solutions
Structured ^b	Flexible
Stable	Dynamic
Repetition	Variety
Standard operating procedures ^a	New solutions
Compliance ^b	Innovation
Planned	Spontaneous
Routine ^b	Unpredictable
Uniform standards ^b	Alternative views
Recordkeeping	Decision making
Inflexible ^b	Adaptable
Established rules ^b	New ideas
Conformity	Originality
Facts	Intuition
Logic ^b	Imagination
Fixed	Changing
Factor #2 – Precision (Cronbach's $\alpha = 0.73$)	
Certainty	Ambiguity
Practical ^b	Theoretical
Concrete	Abstract
Thorough ^b	Superficial
Accurate ^b	Imprecise
Factor #3 – Solitariness (Cronbach's $\alpha = 0.62$)	
Solitary ^b	Interaction with others
Number crunching ^b	People-oriented
Factor #4 – Dull (Cronbach's $\alpha = 0.86$)	
Boring ^b	Interesting
Dull ^b	Exciting
Monotonous ^b	Fascinating

^aA higher score indicates a more traditional view of accounting (i.e., closeness to the adjective in the left-hand column).

^bThis adjective pairing was included in same factor for Saemann and Crooker (1999, pp. 1–22).

Factor #2, *PRECISION*, includes five adjective pairings: certainty/ambiguity, practical/theoretical, concrete/abstract, thorough/superficial, and accurate/imprecise. As the listing suggests, perceptions of theory and abstractness are linked closely to the notion of imprecision.

Factor #3, *SOLITARY*, includes only two adjective pairings, number crunching/people-oriented and solitary/interaction with others. The introvert/extrovert pairing included in Saemann and Crooker's factor did not load effectively in our analysis but the coefficient alpha of 0.62 is actually very high given that only two items are included according to Lord and Novick (1968).

Finally, our Factor #4, *DULL*, corresponds to the *INTEREST* factor in Saemann and Crooker (1999). It captures how interesting the profession is to the respondents. The three adjective pairings included for DULL include interesting/boring, exciting/dull, and fascinating/monotonous. We used the negative term, dull, to maintain consistency in our factor titles. Each title connotes the more traditional view of accounting.

Enron Scandal

Finally, we drafted two sets of questions about the Enron scandal (see Appendix C). Given the pervasive coverage of the Enron scandal in the business press when we administered the survey (see Fig. 1), we asked students if they were aware of the scandal and, if so, where they got their information. The second set of questions covered the impact of the scandal on students' perceptions of the profession and their desire to major in accounting or take more classes on the subject.

We could not use Cronbach's Alpha to assess the reliability of the questions regarding the Enron scandal because the questions did not cover a single construct. Instead, we informally examined some of the responses for internal consistency, focusing on the second set of questions related to the impact of the scandal on student perceptions. This examination revealed some inconsistencies but they were not pervasive; generally, the responses appeared reasonable.

An inconsistency in responses related to 83 survey respondents who indicated that the Enron scandal had not significantly changed their views of the accounting profession but also reported changes in their perceptions of integrity and/or their interest in accounting. One explanation for this inconsistency may be that the students weren't as careful as they could have been in completing the survey. It also may be that these students did not feel strongly about their perceptions. We included these 83 students in the 567 students reporting changes in perceptions; the results are not notably different without them.

In total, 212 students checked more than one item in response to the question about how the Enron scandal changed their perceptions.

Respondents who indicated knowledge of the scandal checked an average of 2.75 items in the second set of questions, which included seven items. We found only three cases where the responses were inconsistent – the students indicated that the Enron scandal both increased and decreased their interest in the profession. We excluded these surveys from our analyses.

Data Analysis Techniques

Research Question 1

As discussed in “Prior Research,” prior studies show a long-standing gap between the creativity of accounting majors and the general population of college students as measured by MBTI’s sensor/intuition dimension (e.g., Myers & McCaulley, 1985, p. 110). Saemann and Crooker (1999) provide the first published study comparing accounting and other business majors. The present study uses results from Saemann and Crooker (1999) to determine if the creativity of accounting majors relative to non-accounting majors differs between 1996, the date of Saemann and Crooker’s study and 2002, the date of the present study. We computed descriptive statistics for our subjects (see Table 1) and ran *t*-tests on Gough’s CPS scores for four comparisons: The first two comparisons are between the creativity of our 2002 students and Saemann and Crooker’s 1996 students, with separate comparisons for accounting and non-accounting majors. The second two comparisons are between accounting and non-accounting majors in our study and between the same two groups in Saemann and Crooker’s study. Since most of the students in the study were business majors, we are less likely to find differences between accounting and non-accounting majors than if the population included more non-business majors.

Research Question 2

To identify differences in perceptions of the accounting profession as students complete accounting coursework, we perform a series of *t*-tests for each of the four principal component factors: STRUCTURE, PRECISE, SOLITARY, and DULL. We classified the courses as (1) introductory financial accounting, (2) introductory managerial, (3) upper level financial, (4) upper level managerial, and (5) graduate level and advanced non-financial/managerial courses including auditing, tax, and information systems. We made pairwise comparisons between each of the course classifications with separate comparisons for accounting and non-accounting majors to avoid confounding the results due to different populations. The

non-directional hypothesis (H2) is that students' perceptions change based on the courses they have most recently completed.

Research Question 3

To assess the relationship between student creativity and the effects of the Enron scandal on students' interest in the accounting profession (research question 3), we used the following logistic regression analyses:

$$\text{Enron effect on interest (interest)} = \text{fn}(\text{CPS, major, gender, course})$$

We examined three alternative measures of *interest* (see Appendix C) as follows:

- The accounting profession seems more interesting than I thought.
- I am more interested in pursuing a career in accounting than I was.
- I am less interested in pursuing a career in accounting than I was.

For each analysis, *interest* is coded 1 if the student responded to the item and 0 if the student did not check the response. Although the measure of creativity was the variable of primary interest in the regression, we include major, course, and gender as other explanatory variables.

Applying the concept of career identity (Arthur, Hall, & Lawrence, 1989, p. 12), we hypothesize a positive relationship between *major* and *interest*. Having declared an accounting major, students begin identifying with the profession. London and Stumpf (1986, p. 35) note that identity "can be influenced by job opportunities and the career information available" The influence of accountants and the impact of accounting on the economy brought into focus by the Enron scandal (Gullapalli, 2004, C.1) may be expected to make the profession more interesting to majors who have already begun to see themselves as accountants and to contemplate performing the associated roles (Arthur et al., 1989, p. 12).

The inclusion of *course* is consistent with Hypothesis 2 that students' perceptions change based on the courses they have most recently completed. As before, we hypothesize a significant effect for the variable *course*, but no directional relationship.

Women make up 57% of accounting graduates, 54% of new hires in public accounting, and 30% of the AICPA's membership (Vigilante, 2005, p. 76). Given their growing numbers, women accountants are attracting the interest of researchers seeking to identify similarities with (e.g., Radtke, 2000) or differences from their male counterparts (e.g., Cohen, Pant, & Sharp, 1998; Davidson & Dalby, 1994; Dodd-McCue & Wright, 1996).

Consequently, we include gender in our regression as a control variable to capture any effect it may have in this situation.

RESULTS

Overall Creativity of Accounting Students

The results from our study do not reveal a change in the creativity of accounting majors over the 6-year period ending in 2002. The average CPS (creativity) score for the 443 stated accounting majors in the present study was 2.94 with a standard deviation of 3.34, as reported in Table 1. Results from *t*-tests indicate that these findings are not significantly different from the 2.84 average (3.54 standard deviation) reported by Saemann and Crooker (1999, p. 14) for accounting majors. We also find no significant change for non-accounting majors in the two studies.

A comparison between accounting and non-accounting majors further indicates that the creativity gap remains statistically significant. The 2.94 average for accounting majors in the present study was significantly lower ($p < 0.01$) than the 3.62 reported for the 564 non-accounting majors, consistent with Saemann and Crooker's (1999, p. 14) findings that accounting majors were significantly less creative ($p < 0.05$) with CPS scores of 2.84 versus 4.12 for non-accounting majors.

The 6-year comparison period for which data were available for the present study is a relatively short one, and it may be that longer-term comparisons from future studies will reveal changes. However, the findings from our study suggest that efforts to draw more creative personalities to accounting have not yet had a discernable effect.

Differences in Perceptions of the Accounting Profession

We hypothesized (H2) that perceptions of the accounting profession will change as students learn more about the subject. To avoid a potential confound of accounting versus non-accounting majors, we examine average perception scores at the completion of courses separately for each group. When interpreting the results, we conclude that, since students completed the survey at the end of each course, a difference in PAPI scores between two accounting courses suggests that experience gained in the course just completed influenced perceptions. Recall that a higher score on the one-to-five PAPI scale

indicates a more traditional view of accounting. We also compared creativity scores for students enrolled in each class to identify differences that may confound the results but found no significant differences.

As shown in Table 3, perceptions of non-accounting majors differed very little across the accounting courses. The only significant difference was for students completing an upper level managerial accounting course who viewed the profession as being much less solitary than their peers completing

Table 3. Comparisons of Gough’s Creativity Index and Perception Factor Scores Based on Course Enrollment.

	(a) Introductory Financial	(b) Introductory Managerial	(c) Upper Financial	(d) Upper Managerial	(e) Other
<i>Panel A: Non-accounting majors</i>					
No. of respondents	86	389	26	36	27
Creativity Index	3.66	3.66	3.92	2.94	3.67
Structured	3.73	3.71	3.69	3.67	3.70
Precise	3.79	3.81	3.81	3.89	3.67
Solitary	3.45	3.53 ^{a,**}	3.50	3.17 ^{b,**}	3.19
Dull	3.42	3.50	3.31	3.42	3.37
<i>Panel B: Accounting majors</i>					
No. of respondents	24	36	87	92	204
Creativity Index	2.70	2.83	3.15	2.92	2.91
Structured	3.70 ^{a,*b,*c,*d,**}	3.42 ^{c,*}	3.45 ^{c,*}	3.45 ^{c,*}	3.38 ^{c,*}
Precise	4.09 ^{a,*c,**d,***}	3.89 ^{d,*}	3.71 ^{c,**}	3.78 ^{c,*}	3.68 ^{b,*c,***}
Solitary	2.91	2.83	3.08 ^{a,**d,***}	2.77 ^{c,**}	2.75 ^{c,***}
Dull	2.30 ^{a,*d,**}	2.31 ^{a,*d,**}	2.47 ^{d,*}	2.63 ^{b,*c,*}	2.67 ^{b,**c,*c,***}

Notes: The scale for perception factors is from 1 to 5. A score that is above 3 indicates a bias toward the traditional view of accounting as structured, precise, solitary, and dull. For the creativity index, a higher score indicates greater creativity. Items in the index that define a less creative personality are coded -1 and items associated with greater creativity are coded +1.

Statistically significant at

*** $p < 0.01$,

** $p < 0.05$,

* $p < 0.10$.

^aSignificantly different from Upper Managerial.

^bSignificantly different from Introductory Managerial.

^cSignificantly different from Upper Financial.

^dSignificantly different from Other (including audit, systems, tax).

^eSignificantly different from Introductory Financial.

an introductory managerial accounting. In contrast, when looking at accounting majors, we found numerous differences in PAPI scores across the courses. A discussion of each factor follows.

Saemann and Crooker (1999, p. 8) report significant changes in students' perceptions of structure in the accounting profession from the beginning to the end of the introductory accounting course. The present study shows an analogous change in perceptions for students enrolled in accounting courses they typically take after the introductory course. These findings suggest that students' traditional perceptions are moderated; students view accounting as less structured with experience in each of a broad spectrum of accounting courses.

Regardless of the classes completed, students more strongly associated precision with the profession than any other characteristic. Further, the traditional perception of precision did not breakdown as consistently as other perceptions. In comparisons with introductory financial accounting, we found lower scores for precision upon completion of each of the upper division classes suggesting that less traditional views were taking hold. One explanation for the change in perceptions on precision may be the more complex concepts covered in upper division classes, together with the introduction of theoretical concepts, and the recognition of ambiguity in accounting.

In the present study, students' views of accounting as solitary tended to be less traditional than their views on structure or precision. Students tended to view the profession as slightly more people-oriented than solitary, and this perception is consistent, except for students completing upper level financial accounting. Here, we find the more traditional solitary view with statistically significant differences between students in the upper level financial and other upper division courses ($p < 0.05$ and $p < 0.01$). One explanation for these differences is that the upper level financial accounting courses focus less on the business environment itself than do upper level managerial, systems, and auditing courses.

Most of the differences in majors' perceptions of accounting suggested changes toward a less traditional view. However, on the DULL factor, we found that accounting majors were less interested in the profession upon completion of upper level managerial and other accounting courses. Although it is important to note that the numbers on the dull factor are never bad (above 3), the trend suggests that experience in upper level non-financial courses makes the profession look less interesting than previously perceived. An explanation for the finding is that accounting majors, who are low on the creativity scale, are discouraged by the intuitiveness and limited structure in upper level non-financial courses.

Reactions to the Enron Scandal

As reported in Table 4, Panel A, only 3% of the students responding to the survey indicated a total lack of awareness regarding the Enron scandal. Further, most of the students (79% of the “aware” students) cited more than one information source for learning about Enron. On average, students checked 2.75 sources. Eighty-seven percent of the students reported that they got information from the media (i.e., newspaper, TV, and radio), and 64% learned something about the scandal in the class in which the survey was administered. Fifty percent indicated the topic had been covered in other college classes, and 44% had talked about it with friends and other students.

Table 4. Summary of Student Responses to Questions on Enron Scandal (Note that Students could Check Multiple Responses).

Panel A: How Students Learned About the Enron Scandal (See Appendix C, Part I)

Total number of survey respondents	1,007 ^a
Did not indicate knowledge of scandal	33 (3%)
In class where survey was administered	641 (64%)
Other college classes (checked item 2 or 3) ^b	503 (50%)
Newspaper, TV, radio, etc.	876 (87%)
Friends and other (checked item 5, 6, or 7) ^c	445 (44%)

Panel B: How the Enron Scandal Changed Student Perceptions of the Accounting Profession (see Appendix C, Part II)

Students who expressed knowledge of the scandal and a change in perceptions of accounting, concern with integrity in the profession, increased interest in accounting (item 3, 5, 6, or 7) ^d	974
Decreased interest in accounting	508 (52%)
	267 (27%)
	288 (30%)
	57 (6%)

Note: 212 students checked more than one item so the detailed counts do not sum to the totals reported.

^a768 of the respondents checked more than one source of information.

^b451 Students had learned about the Enron scandal in business classes other than the class where the survey was administered and 161 students had learned about Enron in non-business classes.

^c374 students had learned about the Enron scandal from discussions with friends, 211 with other students, and 51 with other people.

^dStudents were identified as expressing “increased interest in accounting” if they cited increased interest in any of the following:

- item 3 – the accounting “profession” (135).
- item 5 – an accounting career (106).
- item 6 – the accounting class in which they were currently enrolled (84).
- item 7 – taking accounting classes in the future (28).

Overall, only 508 (52%) of the 974 students who indicated an awareness of the Enron scandal (aware students) reported that it changed their perceptions of the accounting profession (Table 4, Panel B). Overall, the findings from the present study suggest that the Enron scandal increased interest in accounting; 57 students (6% of the 974 aware students) reported decreased interest in an accounting career while 106 (11%) reported increased interest. Further, another 182 students indicated that the accounting profession and accounting classes seemed more interesting after the Enron scandal than before.

To examine the relationship between student creativity and the effects of the Enron scandal on students' interest in accounting, we used the following logistic regression analyses which include major, gender, and course as control variables:

$$\text{Enron effect on interest} = \text{fn}(\text{CPS}, \text{major}, \text{gender}, \text{course})$$

We performed separate analyses on responses to the following statements in the survey (see Appendix C):

- The accounting profession seems more interesting than I thought.
- I am more interested in pursuing a career in accounting than I was.
- I am less interested in pursuing a career in accounting than I was.

For each analysis, we coded *Enron effect on interest* as 1 if the student responded to the item and 0 if the student did not check the response.

As presented in Table 5, results from the regression analyses on interest in the profession indicate that, as posited (H1), students who exhibited higher creativity (CPS) were more likely to express increased interest in the profession ($p < 0.05$) and in pursuing a career in accounting ($p < 0.10$) in response to the scandal. No relationship was evident on CPS for students who indicated a lower level of interest in accounting. Neither gender nor course explained changes in students' interest in accounting but students who expressed greater (less) interest in accounting were more (less) likely to declare themselves accounting majors. Given that the survey was administered when the scandal was at its peak, we cannot determine the number of students in the study, who, in the long run, changed to accounting from other majors because of the scandal.

Only 27% of the students indicated that Enron had raised a question in their minds about integrity in the profession (Table 4), a surprisingly low number given the negative press associated with the scandal. To better understand their reaction to the scandal, we examined the relationship between students' responses to the question of integrity and their interest in an

Table 5. Logistic Regression on the Effect of Enron on Interest in the Accounting Profession (Wald Statistic Shown in Parentheses).

	Effect of Enron ^a		
	Increased interest in accounting	Increased interest in an accounting career	Decreased interest in an accounting career
Overall Chi-square	38.09***	42.58***	15.02*
Gough's CPS	0.06 (4.65**)	0.06 (3.50*)	-0.05 (1.69)
<i>Control variables</i>			
Course ^b	n/a (7.95)	n/a (2.92)	n/a (7.65)
1	0.92 (0.17)	0.53 (0.02)	0.08 (0.00)
2	0.09 (0.00)	0.28 (0.01)	0.24 (0.00)
3	0.46 (0.04)	0.83 (0.05)	0.74 (0.04)
4	0.23 (0.01)	0.69 (0.03)	0.98 (0.07)
5	0.56 (0.06)	0.43 (0.01)	1.34 (0.13)
Major ^c	0.81 (8.74***)	1.15 (13.41***)	-1.38 (12.44***)
Gender ^d	-0.27 (2.04)	-0.10 (0.22)	-0.08 (0.08)

Statistically significant at

*** $p < 0.01$,

** $p < 0.05$,

* $p < 0.10$.

^aSample size is 974 (the analysis included only those students who indicated knowledge of scandal).

^bCourse was coded as a categorical variable (0 = introductory financial [the point of comparison], 1 = introductory managerial, 2 = upper financial, 3 = upper managerial, 4 = other).

^cAccounting majors coded 1; non-majors 0.

^dWomen coded 1; men 0.

Table 6. Relationship Between Interest in the Profession and Concern with Integrity.

Interest in Profession	Concerned with Integrity		Total
	No	Yes	
Less interested ^a	28 (50%)	29 (50%)	57
More interested ^b	79 (75%)	27 (25%)	106

Part II: How has the Enron/Arthur Andersen scandal changed your perceptions of the accounting profession? Chi-square = 10.6084 ($p < 0.01$).

^aI am *less* interested in pursuing a career in accounting than I was.

^bI am *more* interested in pursuing a career in accounting than I was.

accounting career. Results from this comparison, reported in Table 6, indicate that students were more likely (75%) to express increased interest in an accounting career in the aftermath of the scandal if they were not concerned with perceptions regarding integrity in the profession.

In contrast, only 25% of the students who were more interested in the career were concerned with integrity. The chi-square test (10.61) was significant at $p < 0.01$.

CONCLUSION

The results from this study suggest that, relative to other college majors, there has been no change in the creativity of accounting students over the 6-year period between 1999 and 2005. Moreover, results from prior research indicate that the relationship between accounting and business majors and other college majors is long-standing; accounting majors, especially, have demonstrated significantly lower creativity than other college majors for almost 20 years. The lack of change in the past 6 years is striking given recent efforts by the profession to better educate young people about the dynamics of accounting. Of course, the effects of these new recruiting efforts may yet to be seen, suggesting that studies of future students may find changes in the creativity of accounting majors.

In a prior study, Saemann and Crooker (1999) showed that experience in the very first accounting course (principles of accounting) changed students' perceptions of the profession to a more dynamic and people-oriented view. However, Saemann and Crooker also report that the perception of precision was the key factor in discouraging creative personalities from pursuing an accounting major, and this perception did not change for students in the principles course. Evidence from the present study suggests that students' perceptions of the profession differ based on the courses they have completed. Students' more traditional views, demonstrated at the beginning of the introductory accounting course, tend to break down with the completion of accounting classes. Importantly, this trend, while more slow to be demonstrated, also holds for perceptions of precision.

The differences in perceptions of students completing the accounting courses in this study are generally significant only for accounting majors. One explanation for the different reactions would be that the two groups have different experiences and/or different reactions to their experiences. Accounting majors may have greater exposure to recruiting efforts from the profession, interaction with professors, and participation in extracurricular accounting activities, any of which could shape their perceptions of accounting. Likewise, accounting majors are more interested in the

profession and, therefore, may be more open to new information. Saemann and Crooker (1999, pp. 10–13) found that students are more interested in the profession when they hold less traditional views suggesting, for our study, that students whose views have remained stable or become more traditional are less likely to declare an accounting major.

The changes in perceptions found in the present study are important because they show that the perceptions of students were changed through education and it is important for accounting majors to understand the professional environment they are entering before they face it. However, the changes we find in perceptions of the profession are probably coming too late to work in attracting the more creative individuals the profession seeks and the changes are evident only for accounting majors. Accordingly, it is not surprising that we do not find that the creativity of accounting majors enrolled in upper division courses is any more creative than those enrolled in the introductory courses.

Finally, the findings on students' reactions to the Enron scandal indicate that it increased interest in the profession and in pursuing an accounting career. This finding is consistent with recent evidence of an influx of students choosing an accounting major (Gullapalli, 2004). The results from our study go beyond the mere increase in numbers, showing that the Enron scandal increased the interest of the more creative students the profession seeks. Students' reactions to the Enron scandal, as reported in this paper, suggest a method for attracting more students, including those with greater creativity. In marketing efforts and in the classroom, especially the introductory classes where students are in a better position to change majors without penalty, we need to focus more on the subjectivity of accounting and discuss cases where companies have manipulated financial reporting. Demonstrating the ambiguity of accounting numbers, highlighting the deficiencies of the current accounting model, and showing students the issues that remain to be resolved by their generation (e.g., to figure out how to measure and report "intellectual" assets and capital), may go a long way in drawing more creative individuals to the profession.

In our efforts to change students' views of accounting, however, the profession needs to carefully consider the findings from this study and prior general research (Yurtsever, 1998, p. 752), which show that more creative individuals are less concerned with the issues of integrity associated with Enron. Clearly, there is a trade-off in drawing a more creative population to the accounting profession. Moreover, results from prior research suggest that, even if more creative individuals are drawn to the accounting major, they may not be successful in the profession.

NOTES

1. The latest statistics from the AICPA show a 17% increase in accounting program enrollments between 2000 and 2003 (McDonald, 2005, p. 13), with specific universities reporting even more dramatic growth. For example, the University of Texas reported that the number of student applications doubled between 2001 and 2002 and increased another 50% in 2003 (Fowler, 2004, p. 1). Similarly, Florida International University reported a 43% increase between 2000 and 2003, and the University of Michigan reported a 76% increase in the number of accounting masters students over a 3-year period (Gullapalli, 2004, C.1).

2. Booth and Winzar (1993) found that 30% of accounting students were intuitives. This is less than the percentage of intuitives in the general college population (Myers & McCaulley, 1985).

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APPENDIX A. CREATIVE PERSONALITY SCALE

What follows are adjectives that may be used to describe people. Consider each term and check those which you honestly feel best describe you.

<input type="checkbox"/>	Clever	<input type="checkbox"/>	Capable	<input type="checkbox"/>	Cautious ^a
<input type="checkbox"/>	Commonplace ^a	<input type="checkbox"/>	Confident	<input type="checkbox"/>	Conservative ^a
<input type="checkbox"/>	Conventional ^a	<input type="checkbox"/>	Dissatisfied ^a	<input type="checkbox"/>	Egotistical
<input type="checkbox"/>	Honest ^a	<input type="checkbox"/>	Humorous	<input type="checkbox"/>	Individualistic
<input type="checkbox"/>	Informal	<input type="checkbox"/>	Insightful	<input type="checkbox"/>	Intelligent
<input type="checkbox"/>	Inventive	<input type="checkbox"/>	Mannerly ^a	<input type="checkbox"/>	Narrow interests ^a
<input type="checkbox"/>	Original	<input type="checkbox"/>	Pompous ^a	<input type="checkbox"/>	Reflective
<input type="checkbox"/>	Resourceful	<input type="checkbox"/>	Self-confident	<input type="checkbox"/>	Sexy
<input type="checkbox"/>	Sincere ^a	<input type="checkbox"/>	Snobbish	<input type="checkbox"/>	Submissive ^a
<input type="checkbox"/>	Suspicious ^a	<input type="checkbox"/>	Unconventional	<input type="checkbox"/>	Wide interests

^aDenotes items that define a less creative personality (coded -1). All other items are associated with creativity (coded +1).

APPENDIX B. PERSPECTIVES OF ACCOUNTING PROFESSION INSTRUMENT

What follow are pairs of words. Think of them as opposites. Consider each pair and select the term which you feel best describes the *accounting profession*. Use the 5-point scale between the terms to express the strength of your opinion in that particular direction.

Cut and dry	1	2	3	4	5	Creative solutions
Boring	1	2	3	4	5	Interesting
Flexible	1	2	3	4	5	Structured
Dynamic	1	2	3	4	5	Stable
Conceptual	1	2	3	4	5	Analytical
Certainty	1	2	3	4	5	Ambiguity
Practical	1	2	3	4	5	Theoretical
Abstract	1	2	3	4	5	Concrete
Thorough	1	2	3	4	5	Superficial
Accurate	1	2	3	4	5	Imprecise
Novelty	1	2	3	4	5	Methodical
Prestigious	1	2	3	4	5	Ordinary

APPENDIX B. (Continued)

Repetition	1	2	3	4	5	Variety
Challenging	1	2	3	4	5	Easy
Solitary	1	2	3	4	5	Interaction with others
New solutions	1	2	3	4	5	Standard operating procedures
Innovation	1	2	3	4	5	Compliance
Planned	1	2	3	4	5	Spontaneous
Tedious	1	2	3	4	5	Absorbing
Effectiveness	1	2	3	4	5	Efficiency
Routine	1	2	3	4	5	Unpredictable
Alternative views	1	2	3	4	5	Uniform standards
Record keeping	1	2	3	4	5	Decision making
Adaptable	1	2	3	4	5	Inflexible
New ideas	1	2	3	4	5	Established rules
Exciting	1	2	3	4	5	Dull
Conformity	1	2	3	4	5	Originality
Extrovert	1	2	3	4	5	Introvert
Intuition	1	2	3	4	5	Facts
People-oriented	1	2	3	4	5	Number crunching
Monotonous	1	2	3	4	5	Fascinating
Imagination	1	2	3	4	5	Logic
Details	1	2	3	4	5	Overview
Changing	1	2	3	4	5	Fixed
Benefits society	1	2	3	4	5	Profit-driven
Verbal	1	2	3	4	5	Mathematical

APPENDIX C. QUESTIONS ON ENRON SCANDAL

Part I: *If you are aware of the Enron/Arthur Andersen scandal*, please check the appropriate responses to the following questions (you may check more than one response for each question):

How have you learned about the Enron/Arthur Andersen scandal?

- 1) The professor in this class
- 2) Other business classes
- 3) Other college classes
- 4) Newspapers, TV, radio, magazines, the web
- 5) Friends and/or family

APPENDIX C. (Continued)

- _____ 6) Other students
- _____ 7) Other (please describe):

Part II: How has the Enron/Arthur Andersen scandal changed your perceptions of the accounting profession?

- _____ 1) It didn't significantly change my perceptions
- _____ 2) There is less integrity in the profession than I thought
- _____ 3) The accounting profession seems more interesting than I thought
- _____ 4) I am *less* interested in pursuing a career in accounting than I was
- _____ 5) I am *more* interested in pursuing a career in accounting than I was
- _____ 6) Although I do not want to pursue a career in accounting, I was more interested in this accounting class
- _____ 7) Although I do not want to pursue a career in accounting, I plan to take more accounting classes than I would have otherwise

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INTEGRATING CORPORATE SOCIAL RESPONSIBILITY INTO THE ACCOUNTING CURRICULUM

Dorothy Feldmann, Robert Koulish,
Karen K. Osterheld and Jay C. Thibodeau

ABSTRACT

This paper describes a course that provides students with an opportunity to develop an understanding and appreciation of the academic, theoretical, and practical issues related to a for-profit organization's responsibility to society. In addition, the course's secondary learning objectives explicitly include improving students' understanding of the personal skills needed to be successful as a professional. In so doing, the course answers the call to integrate the recommendations of the CPA Vision Project into the undergraduate accounting curriculum.

The course combines various pedagogies to accomplish its goals. Specifically, it comprises (1) a one-week externship experience in a firm including a skills training session facilitated primarily by accounting professionals; (2) an academic component with required readings and classroom discussions led by faculty experts in the corporate social responsibility field; and (3) a service-learning project. The course combines an active field-based learning environment with the traditional academic setting to create a rich educational experience for students. This

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paper presents a detailed description of the course and evidence indicating that it accomplishes its goals.

Corporations are increasingly concerned with how the public perceives their actions. Managers “from all parts of American business are increasingly seeing social responsibility as a strategic imperative” (Grow, Hamm, & Lee, 2005, pp. 76–77). As a result, recruiters are interested in hiring employees who understand corporate social responsibility (Alsop, 2005, p. 6). The AACSB Report on Ethics Education asserts that it is essential for business students “to understand the symbiotic relationship between business and society, especially in terms of the moral dimensions of the power placed in the hands of owners and managers” (AACSB, 2004, p. 10). The report challenges business schools to “encourage students to develop a deep understanding of the myriad challenges surrounding corporate responsibility” (AACSB, 2004, p. 9). Accounting educators should take this mandate into consideration when designing the accounting curriculum.

Accounting education has many other learning objectives to consider. For example, the *CPA Vision Project* highlighted the need for accounting education to address the personal skills and competencies that are needed to be successful as a business professional, such as communication skills, professional interaction, leadership, and project management.¹ These skills are crucial for accounting professionals to sustain a “competitive and differential advantage in the marketplace” (AICPA, 1999, p. 12). Business educators have been criticized for failing to adequately develop these skills (AACSB, 2002, p. 19). Thus, a secondary objective of the course is to help impart these personal skills and competencies to students.

Overall, this paper describes a course that exposes students to the academic, theoretical, and practical issues related to a for-profit organization’s responsibility to society. The course employs various pedagogies to achieve its primary learning objective, which is to give students a deeper understanding and appreciation of corporate social responsibility (CSR). To engage students in this topic, we use a combination of classroom instruction, a service-learning project and a one-week externship experience where students are able to “job shadow” business professionals in a corporate setting. While performing these activities, students also are able to practice a number of the personal skills and competencies discussed previously. Thus, the course leverages the unique pedagogical approach to help students hone the personal skills and competencies needed to be a successful business professional. However, it is important to stress that we designed the course first and foremost to increase students’ knowledge of CSR.

As part of the service-learning project, our students teach high school students about CSR, thus reinforcing their own comprehension of the topic. In addition, the service activity itself allows students to learn about the values associated with CSR since they are making a contribution to the local community as volunteers in the public schools. Importantly, service-learning is a recognized method of developing students' personal competencies (Rama, Ravenscroft, Wolcott, & Zlotkowski, 2000; Still & Clayton, 2004; Tschopp, 2004). In sum, we have found that the combination of the externship experience, the service-learning project, and the seminar style classes has been successful in achieving the course's learning objectives.

The remainder of the paper is organized as follows. We begin with a description of the course, followed by evidence indicating that the course meets its objectives and satisfies its constituencies, and conclude with a discussion of implementation issues.

DESCRIPTION OF THE COURSE

Overall, this course requires students to engage in academic discourse on corporate social responsibility, interact with numerous business professionals, and develop and participate in a service-learning project. These activities occur during a traditional semester except for a one-week externship experience that takes place during the week prior to the start of the fall semester.

Students earn a total of four-credit hours for the course but we divide the credits into two components: three-credit hours for the academic piece and one-credit for the service-learning piece. We link the academic content and the service-learning activities, thus students must register and complete both pieces in the same semester. However, the instructor assigns a grade to the one-credit S-L component and a separate grade to the three-credit component. [Table 1](#) provides a list of the course's learning objectives and [Table 2](#) provides an overview of the course activities and assignments. In [Table 2](#) we show how we weight the different deliverables to calculate the student's final grade. Note that the service-learning activities are an integral part of both the three-credit and the one-credit components of the course, but the instructor uses different aspects of them to determine the grade for each piece. In [Table 3](#), we map each portion of the course to the objectives that it supports.

Although we developed the course primarily for accounting students, the learning objectives of the course are also relevant for other business majors. Therefore, we currently run the course as an interdisciplinary offering. The

Table 1. Course Learning Objectives.

Knowledge-based

- Understand the theoretical and practical issues of CSR.
- Study the social responsibility agendas of for-profit companies.
- Evaluate the consistency of a company's stated CSR mission relative to its actions.

Skills-based

- Recognize the importance of the personal skills and competencies needed to be a successful business professional.
- Practice and hone these skills while implementing a service-learning project.
- Effectively communicate with professionals from different types of organizations.

Attitudes and values

- Develop an appreciation of the social and ethical responsibilities of profit-motivated organizations.
 - Evaluate the motivation behind a company's stated CSR mission.
 - Recognize the role that individual business professionals can play to inspire CSR and to foster ethical business decision-making.
 - Develop a sense of personal responsibility regarding CSR.
-

course is a business elective and is open to students in any major who are in the college's honors program. Students in the honors program represent approximately the top 10% of each entering class. We limit the course to honors students to increase the likelihood that only serious and dedicated students participate in the course. However, non-honors students who have demonstrated excellent academic performance are allowed to enroll with special permission. To date, accounting students have comprised the majority of students in the class.

Students in the class have completed the first two years of the business program, which includes introductions to general business, business law, and organizational behavior as well as financial and managerial accounting. Some are concurrently enrolled in their junior-level business core course, which combines finance, operations management, and marketing.

The course first ran as a small pilot in 2000 with the support of KPMG and Junior Achievement. The course is now a permanent offering opened to as many as 16 students per year, and we have offered it once per year in the fall semester since 2000. We keep class size small, 16 students at most, in part to assure that we can obtain externships and service-learning locations for all enrolled students. Additionally, the small class size is appropriate for the high level of interaction required during the class sessions. Having fewer students allows the facilitator to engage students in discussion and provides a basis to assess preparedness. Student demand for the course has been steady but not excessive. The average class size has been 14 students.

Table 2. Course Activities and Assignments.

	Professional Skills Seminar and Externship (Individual)	Academic Component (Individual)	Service-Learning Project (Group Activity)	Service-Learning Project (Group Activity)
	Three-credit component of the course			One-credit component of the course
Primary activity	Attend workshop Shadow professionals Interview employee(s) about CSR	Readings Class discussion of readings	Create detailed lesson plans Teach high school students about CSR Teach how to write a business plan Presentation to the class	
Assignments and evaluation	Complete experience (5%) Reflection paper (10%)	Class participation (20%) Final research paper (25%)	Project plan & presentation (20%) Final presentation (20%)	Service-learning reflections; high school teacher evaluation; team evaluation
Total grade	15%	45%	40%	100%
Meetings	One session for 5 h 4-5 days at 8 h/day	5 classes 3 h each	10 sessions (minimum) 1 h each	

Table 3. Learning Objectives Addressed in Each Component of the Course.

Learning Objectives	Professional Skills Seminar and Externship Component	Academic Component	Service-Learning Component
Knowledge based	Interview a professional about CSR at his/her firm	Learn about CSR through readings, discussion and a research paper.	Teach high school students about CSR, using an exercise featuring a business plan for a hypothetical company.
Skills based	Discuss and practice all skills at the professional skills seminar. Observe the professional demeanor, interaction, and communication skills while on the externship.	Problem solving, communication, and decision making skills are practiced and honed while completing assigned readings, participating in class discussion, and completing the assigned reflection papers and research paper.	Practice personal competencies, especially project management, leadership, and professional interaction while completing the service-learning project.
Attitudes and values	Develop a better understanding of the importance of the personal skills and competencies that are needed to be a successful business professional at the professional skills seminar.	Analyze the company's motivation and desired ends related to their CSR efforts. This will help develop their viewpoint related to CSR in a for-profit organization.	Develop an appreciation of CSR responsibilities of corporations as they help high school students. Students can take pride in "giving back" to the high school students.

The Externship

Students in the course return to campus one week prior to the start of classes in the fall semester. During that week they attend a professional skills training session and then work at one of our corporate sponsors (the externship experience). Employee volunteers from our corporate sponsors help design and teach the professional skills seminar each year. This session establishes the expectation of how students should conduct themselves during their one-week externship and their service-learning project.

We target firms that recruit our students to serve as host companies for the externship. They tend to view the program as a means to strengthen ties with the school and to introduce themselves to our students. All of the local Big Four CPA firms serve as participating sites along with a regional public accounting firm. Sponsors from a variety of other industries also have been well represented. Insurance companies, retail firms, a mutual funds company, manufacturers, a technology company, a law firm, and a marketing firm have served as hosts. Usually each company hosts one or two students per year; therefore, we need between 8 and 10 sites to run the course. In assigning placements, the instructor asks students if they have a preference for a particular type of externship experience. The instructor tries to match student interest to the externship assignment; however, that is not always possible. We notify students during the summer via e-mail of the company that will serve as his/her externship site.

During the externship, students interview at least one employee about the social responsibility programs that exist at the host company. The host company helps identify an appropriate employee or employees for the student to interview. Of course, students should be able to get some information about the CSR activities from any employee at the host company; however, we encourage companies to direct them to knowledgeable individuals, as they should be able to provide a more complete overview of the firm's programs in CSR. Typically these employees are involved in the community service program for their firm. Through these interviews students learn about the organization's social responsibility objectives and how well the company integrates these objectives with the company's mission.

The externship also provides significant time for students to shadow professionals. Students pay particular attention to the personal skills and competencies that are being applied by the professionals that they encounter during the externship. We introduced students to these personal skills and competencies during the professional skills seminar and students read the competency definitions in the AICPA Core Competency Framework

for Entry into the Accounting Profession (www.aicpa.org/edu/core-comp.htm) prior to the externship. The framework provides them with a template to identify skills on which to focus during their observation of professionals.

After the externship, students must reflect on the use of the personal skills and competencies and then prepare a paper that describes their experiences and identifies activities that they observed that helped to demonstrate the use of personal skills by the business professionals. A description of this reflection paper (and all other course deliverables) appears in Appendix A.

Students must complete the professional skills seminar and the externship in full (approximately 30 h). The grading for the externship is on a pass/fail basis and comprises 5% of the course grade. The instructor assigns the reflection paper a numerical grade based on the depth of coverage, completeness, clarity, and grammar. This assignment comprises 10% of the final course grade.

The Academic Component

We conduct the academic component of the course in a traditional classroom setting. Students read academic articles and/or book chapters before each session. We invite experts in the CSR area to facilitate discussions about the theoretical and practical implications of corporate social responsibility. These experts often recommend readings that relate to their specialty, providing students with adequate background material for the topic being discussed² (examples of the assigned readings appear in Appendix B). Experts come from both academic and corporate settings. Faculty members who specialize in ethics and corporate social responsibility have volunteered to serve as guest facilitators. They hold positions in our institution's philosophy and management departments and in our Center for Business Ethics. We also recruit practitioners who work in the CSR field for major corporations. They can discuss how CSR initiatives really work in industry.³

Since many of the sessions have guest speakers and class size is small, the instructor is able to take detailed notes on the quality of each student's participation. She assigns grades on a scale of 0–3 for each session. She gives a 0 for no meaningful contribution and a 3 for significant contributions. For students to earn a "3" for class participation, they must make insightful connections among concepts or contribute thought provoking comments to the discussion. It is highly unlikely that a student will be able to make such meaningful contributions without having completed the assigned readings. Scores of 1 or 2 are assigned for contributions that demonstrate intermediate

levels of preparation and/or conceptual understanding. Students can request the status of their participation grade at anytime. The instructor combines the scores for all the academic sessions to assess the student's level of participation throughout the semester. This evaluation comprises 20% of the final grade.

An individual research paper on CSR is another significant element of the academic portion of the course (see Appendix A). This paper counts as 25% toward the final grade. Note that we do not use exams or quizzes to evaluate students in this course. We believe that the level of class participation and the quality of written work and oral presentations are more appropriate measures of whether students have achieved the learning objectives of the course.

Service-Learning Project

During the fall semester, students plan and complete a service-learning project in teams of four to six members. Our college's service-learning center helped us make the initial contact with the high school teachers who participate in the class. In addition, experienced service-learning specialists provided mentoring for the instructor of the course at the outset, which was very helpful. We urge instructors without experience in service-learning to seek out such a mentor if possible.

The student teams work with local high school students for about 1 h per week for 10 weeks. The student teams teach the high school students about the process of preparing a business plan for a hypothetical for-profit company that is planning to add a community service department to its organization. As part of this process, our students are teaching the high school students about CSR.

Before going into the high school, student teams prepare and defend a work plan for how they intend to implement the service-learning project. The plan includes presenting a lesson plan for each session with the high school students. The instructor grades this project plan based on the level of the students' preparedness and the completeness of the lesson plans; it counts 20% toward the student's final grade.

By spending 10 weeks working with the high school students, the student teams gain first hand knowledge of what it means to work together, interact with others, teach a class, and devise a plan to implement and manage a project. See Appendix A for a thorough description of the service-learning requirements and the grading criteria used to evaluate the S-L component of the course.

It is important to understand how the service-learning activity fits into the overall goals of the course. First, students are able to practice and hone the professional skills imparted during the skills training session and the externship experience. In addition, students are able to use the knowledge that they gain from the academic component of the course to design and teach the corporate social responsibility content of the service-learning activity. Also, they must draw upon knowledge gained from prerequisite courses in general business and accounting to help the high school students create a business plan. Thus, the service-learning activity requires students to put professional skills and academic concepts together in a productive and practical manner.

Each student team does a final presentation about their service-learning project during the last academic session of the course. Corporate sponsors send representatives to observe these final team presentations. The instructor assigns a grade based on the quality of the presentation (did it include all required elements and was it well thought out). This evaluation comprises 20% of each student's final course grade.

OUTCOMES OF THE COURSE

We believe that this course has been an excellent addition to the elective offerings at our college. We also believe that we have satisfied the needs of our students, the corporate hosts, and the service-learning participants. We have imparted a sense of corporate social responsibility to the students and secondarily were able to help students understand the importance of personal skills and competencies in their career as a business professional. Support for each of these assertions appears below.

Results of Student Questionnaires

Each enrolled student completes a questionnaire at the conclusion of the course. We collect these comments at the end of the semester as part of the course evaluation procedures. To date we have offered the course six times; however, we did not administer the questionnaire in the first year and have not yet analyzed data from the most recent offering. Therefore, the 51 respondents are from years 2001 through 2004. Responses are anonymous, and the instructor does not have access to them until after he/she submits final grades. Students respond to a series of questions based on a scale of 1

(strongly agree) to 5 (strongly disagree). Overall, our results provide indirect evidence that the course is successful in imparting knowledge about our primary learning objective, CSR. Our results also provide indirect evidence that the course is successful in imparting knowledge about the personal skills and competencies, an important secondary objective of the course. A summary of the results, which appears in [Table 4](#), is now presented.

Imparting a Sense of Corporate Social Responsibility

The primary learning objective of the course is to impart knowledge about CSR. The results for Questions no. 8 through 11 in [Table 4](#) demonstrate that students believed that the class improved their understanding and appreciation for a corporation's responsibility to society. All of the students strongly agreed or agreed that the class improved their appreciation for a corporation's responsibility to society in Question no. 8. Responses to questions about their understanding of a corporation's responsibility to society (100%), their understanding of how to initiate and implement a community service project (90%), and their appreciation of a business professional's role in the community, including ethical responsibilities (98%), are also strong. Again, we believe that the responses provide indirect support for our approach.

Imparting the Personal Competency Dimensions

The secondary learning objective of the course is to impart knowledge about the personal skills and competencies needed to be a successful business professional. Students believed that the class improved their understanding of most of the personal competency dimensions. Responses to Questions no. 1–6, which relate to the first six competencies, indicate that students believe that the class improved their understanding of why these professional skills are important in their professional career. Only the use of technology, Question no. 7, was rated low. This result is not surprising given that none of the course activities used advanced technology. The responses to the first seven questions suggest that this course is successful at imparting knowledge about the first six dimensions of personal competency.

Satisfaction with the Course Elements

We believe that student satisfaction with the course provides some evidence of its success and can be useful in indicating areas that should be improved. As shown in the response to Question no. 17, 98% of the students rated the course as either excellent or good. However, when asked about specific assignments student responses show more variation.

Table 4. Student Feedback Questionnaire ($N = 51$).

	Percentage of Responses					Mean	Std Dev
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
1. The class improved my understanding of why professional demeanor is important in my professional career.	49	47	2	2	0	1.55	0.64
2. The class improved my understanding of why the ability to solve problems and make decisions is important in my professional career.	39	43	18	0	0	1.7	0.73
3. The class improved my understanding of why interaction with other professionals is important in my professional career.	67	29	4	0	0	1.32	0.56
4. The class improved my understanding of why leadership skills are important in my professional career.	59	31	10	0	0	1.53	0.67
5. The class improved my understanding of why communication skills are important in my professional career.	67	27	6	0	0	1.36	0.60
6. The class improved my understanding of why the ability to manage projects is important in my professional career.	61	29	8	2	0	1.51	0.73
7. The class improved my understanding of why taking full advantage of technology is important in my professional career.	14	37	45	4	0	2.38	0.78

8. The class improved my appreciation for a corporation's responsibility to society.	80	20	0	0	0	1.28	0.40
9. The class improved my understanding about a corporation's responsibility to society.	86	14	0	0	0	1.15	0.35
10. The class improved my understanding of how to initiate and implement a community service project.	49	41	8	0	2	1.61	0.80
11. The class improved my appreciation of a business professional's role in the community, including ethical responsibilities.	78	20	2	0	0	1.26	0.47
12. The level of difficulty of the reflection assignment was appropriate.	31	53	12	4	0	1.8	0.77
13. The level of difficulty of the final project was appropriate.	22	48	18	8	4	2.22	1.01
14. The reflection assignment was clear and helpful to my learning in the class.	31	41	12	14	2	2.13	1.08
15. The course readings were helpful to my learning in the class.	12	37	45	4	2	2.38	1.01
16. The final project was clear and helpful to my learning in the class.	32	32	24	10	2	2.18	1.06
	Excellent (1)	Good (2)	Satisfactory (3)	Unsatisfactory (4)	Poor (5)	Mean	Std Dev
17. What is your overall rating of the course?	72	26	0	2	0	1.32	0.59

Questions no. 12 through 16 ask students about specific assignments. Students responded that they strongly agreed or agreed that the difficulty of the reflection papers (84%) and the final project (70%) was appropriate. Many indicated that they believed the reflection papers (72%), course readings (49%), and the final project (64%) were helpful to their learning. While these results remain positive overall, they do highlight areas of potential student dissatisfaction. Student satisfaction scores were lowest for class readings and the final course research project.

We believe that some student's frustration is due to the lack of structure that is inherent in a seminar-style class. For example, the instructor assigns readings to provide students with the necessary background to participate in a class discussion. Facilitators do not go over the particulars of assigned readings unless students raise questions. Class discussions build on the readings rather than review and explain them. Many students have not encountered this approach in other classes and they do not always make the connection between the readings and the class topic. While we do not want to change this aspect of the course, we plan to explain to students in more detail how the readings fit into the course objectives and to better integrate the course textbook into these discussions.

The final course project is another area where students are uncomfortable with the lack of structured direction. The final project has students gather and present evidence that they believe supports or refutes claims made by a company in its CSR mission statement. Students must determine what evidence they need and how to present it in a professional research report. Unfortunately, the due date of the project is at the very end of the semester. Students who wait to begin the project can become overwhelmed at this time of the year. In the future we plan to have some deliverables related to the project due earlier in the semester.

Open-Ended Feedback Collected from Each Constituency

Qualitative evidence, in the form of participant comments, indicates that each constituency involved in the course (i.e., students, for-profit organizations, and high schools) has been satisfied with the outcome. We collect written comments from students each time we offer the course (as part of the questionnaires discussed above), and we informally collect information from sponsors and high school teachers. Typically each group has expressed satisfaction with the experience. In fact, we have had very few negative comments about the course.

Students' open-ended comments are consistent with their responses to the structured questionnaire. Students report that they gained an appreciation for the issues related to a for-profit organization's responsibility to society and gained insight into their career opportunities. For example, one student stated that the course "opened my eyes to how corporations give back to the community and the benefits they get from doing so." Another indicated that the externship provided a "Great chance to ... meet potential employers and to build communication skills." They report changes in their attitudes. One student noted that he is "looking forward to pursuing community service in my place of employment after graduation. This course has enlightened me on how much agents for change are needed." The effect of the service-learning activity was mentioned as well. One student commented, that working with high school students, "taught me many things about myself, as well as about how to work successfully in groups, how to make lesson plans, how to really plan ahead" and another stated that it gave him "an opportunity to work on my communication skills as well as presentation and organizational skills."

Students provide suggestions about which aspects of the course need improvement. Again, their comments are consistent with the results from the structured questions. Students would like to know more about the externship week before it begins. We have a pre-session in May for all enrolled students to acquaint them with the course requirements; however, students still do not feel comfortable. Perhaps receiving written reminders in the summer will help put their minds at ease. Students find the reflection exercises repetitive. We continue to work on this issue by better defining each reflection, but our success has been limited. The most common criticism of the academic portion of the course relates to the readings. Students would like the readings better integrated into the class sessions. Other concerns usually relate to a specific speaker, and we try to address these types of concerns in future semesters.

Feedback from the for-profit organizations indicates that the primary benefit for them is the opportunity to identify high-quality students for potential future employment. Through the program, sponsors can expose honors students to their organizational culture, work ethic, and personnel. The service-learning participants, namely the high school teachers, believe the experience is highly beneficial to their students. In particular, they have mentioned that their students develop communication skills and ethical awareness through engaging with the college students. The same teachers have participated every year, which further suggests that they are satisfied with the program.

CONCLUSIONS AND IMPLEMENTATION ISSUES

Overall, our personal experience with the course has been very positive and extremely gratifying. It is rewarding to see students acquire an important foundation of professional skills and learn how to apply them in a real-life business and community service context. In addition, it is encouraging to see students acquire a better appreciation of the social and ethical responsibilities of profit-motivated organizations. We feel that this course enables students to look at an aspect of the corporate world that is not stressed in other business courses. We hope that the course might prompt some students to one day take on social responsibility initiatives as part of their professional careers. We believe that the course has substantial potential as a course for interested colleges and universities. The authors would be pleased to share the course syllabus and assignment guidelines with all interested colleagues.

There are limitations to our work. For example, during the externship, students must interview at least one employee about the social responsibility programs that exist at the host company. The host company helps to identify an appropriate employee or employees for the student to interview. It is possible that the host company could prompt the designated employee about the CSR efforts. However, since the designated employees typically have been involved in the community service program for their company, we believe that the interviewees have faithfully represented their company's CSR efforts.

There are three other important limitations. First, this course has primarily been offered with honors students. Thus, it is not clear how the rest of the student population would respond to the extraordinary demands of this course. Second, we have had the same professor, our internship director, teaching the course since its inception. It is not clear whether a professor without significant professional contacts would be effective teaching this course. And third, the evidence gathered about the course is indirect. More direct evidence of student learning would have allowed for stronger conclusions to be drawn about the effectiveness of the course.

Finally, colleges and universities interested in adopting this course should consider the implementation issues we have summarized in [Table 5](#). The partnerships forged with area high schools, corporate sponsors, and the service-learning community required some time to develop, but the powerful educational experience that results is well worth the effort.

Table 5. Implementation Issues.

Activity	Issues Encountered and Lessons Learned
Professional skills seminar	<p>Make sure volunteers are aware of the seminar’s objectives. The instructor needs to meet with the sponsors each year to plan the agenda for the seminar. It should also be held in a sponsor’s office.</p>
Externship	<p>An accounting internship coordinator is a valuable resource for obtaining corporate hosts (our course instructor is the internship coordinator).</p> <p>Recruit hosts early. We begin as soon as the fall semester ends. Most have agreed to participate multiple years. Accounting firms and alumni have been very loyal sponsors.</p> <p>Have a back-up host available if possible. Occasionally a sponsor withdraws on short notice.</p> <p>Plan the timing of the externship carefully. The last week in August does not conflict with summer school, fall classes, or the accounting firms’ busy season.</p> <p>Consider housing and transporting issues during the externship. We use available dormitory space as it is within commuting distance of all our sponsors. Geographic diversity could be a problem.</p>
Academic class meetings	<p>Select the instructor. Our internship coordinator is the instructor and we bring in experts in CSR.</p> <p>Identify faculty and speakers from industry to be the guest facilitators. Begin this process early.</p> <p>Work with speakers to select appropriate readings. Make sure students can access readings without violating copyright laws.</p> <p>Instruct guest speakers to prepare for an interactive seminar-style class. They should not lecture.</p>
Reflection exercises	<p>Encourage speakers to relate the reading to the discussion.</p> <p>Designing and leading discussion of reflection exercises can be challenging for those new to the approach. Get guidance from faculty with experience, especially when designing the assignments. Provide students with very specific issues on which to focus in their reflections.</p> <p>Decide how you will evaluate ahead of time and tell students. For example, will you penalize students for poor grammar or will you focus entirely on the content.</p> <p>We use multiple short reflections throughout the service-learning project. While students find this repetitive, their reflection papers improve with practice and feedback.</p>
Service-learning component	<p>Find a location. We have help from our service-learning center. Note that we have collaborated with the same high school teachers for five consecutive years.</p>

Table 5. (Continued)

Activity	Issues Encountered and Lessons Learned
Research project	<p>High school teachers provide the instructor with written feedback on the student teams, which determines part of the students' grade for the service-learning credit.</p> <p>Students rate other members of their team, which is considered when grading this component.</p> <p>Have the paper due prior to the end of the semester if possible; at least collect preliminary pieces of the project early.</p> <p>Students are preoccupied with final S-L presentations at the end of the semester.</p>
Grading	<p>Small class size makes grading class participation manageable and meaningful. In a larger class it might be necessary to use written exams to evaluate students.</p> <p>The average course grade earned was A– during the four years included in the analysis. For a course with all honors students, this is not uncommon. However, some might be concerned about grade inflation.</p>

NOTES

1. For a complete discussion of the personal competencies, see Barsky et al. (2003). When designing the course we used the *CPA Vision Project (AICPA 2000)* as our guide to identify the skill set for our course objectives. Appendix C provides a complete list of the personal skills and competencies identified by the AICPA. Many other excellent sources provide guidance on the skills needed in the accounting profession. See Moncada and Sanders (1999) as an example of skills sought by recruiters of accounting students.

2. The Aspen Institute website <www.aspeninstitute.org> provides interesting materials relating to CSR. Another recommended site for material on CSR is <www.business-ethics.com/annual.html>. The authors thank an anonymous reviewer for these suggestions. Please note that this course is an interdisciplinary offering at our institution, therefore its focus is not specifically related to the accounting profession and CSR. Therefore, our assigned readings come from the ethics and CSR literature rather than the accounting literature. More selections from accounting journals would be appropriate for schools offering a similar course as part of their accounting program.

3. Examples of practitioners that have served as guest speakers include a former Senior Vice President, Chief Legal Officer and Corporate Compliance Officer of an electric utility; a former Senior Vice President of Community Relations and Sponsorships at a financial institution; Head of the Community Relations Department at a retail firm; Public Service Manager and Head of the Community Service Department at a law firm; and Senior Vice President of a travel company and Chairperson of its foundation. We recruit these speakers from our host companies and from contacts associated with our Center for Business Ethics.

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APPENDIX A. COURSE ASSIGNMENTS

Reflection Papers

Externship Reflection Paper

We ask students to prepare a six to eight page paper reflecting on their externship experience. The students are instructed to include an overview of their experience, including what they learned and how they grew as a result of the externship. They are also instructed to provide a description of how they applied the competencies gained during the Professional Skills Seminar and examples (best practices) of the competencies they observed. They must report on the interview about CSR by describing the host company's community service efforts and mission, along with stating their personal opinion on why the company engages in community service. The students draw conclusions about how well the CSR mission and service efforts are

integrated into the corporate culture. We tell them to integrate material from their text, *Common Interest Common Good*, and encourage them to use other research sources to enhance the depth of their analysis.

The externship reflection paper is assigned a numerical grade based on its depth of analysis, completeness, clarity, and grammar. Our experience is that the students do a very thorough job completing these reflection papers.

Service-Learning Reflection Papers

In the first years of offering this course, we provided minimal direction about what to include in the reflection papers. As we progressed, more detailed guidelines have been provided.

After each teaching session, students write a short reflection addressing the following questions: What went well during the class? What did not go as well as you expected and how can you improve upon this for the next class? What has surprised you the most about your teaching experience to date? Do you believe that you're adding value to the students' classroom experience? If yes, provide support. If not, why not? What are you learning about the value of service as a result of your experience in the high school classroom? These short reflections are evaluated for depth of insight and completeness and assigned a grade of check-plus, check, check-minus, or zero. Students tend to perform better on later reflections than on earlier ones, indicating that they use the instructor's feedback to improve their ability to self-reflect. We have found that the quality of students' reflection papers has improved since our expectations have been clarified.

Service-Learning Project

In teams of four to six, our students teach in a high school business class for approximately 10 weeks. The team's mission is to teach the class how to prepare a business plan for a corporation that is contemplating establishing a community service department. With the team's guidance, the high school students complete a business plan for this subsidiary and try to convince a fictitious board of directors that they should fund the business plan. The team helps the high school students understand the advantages of sponsoring community service initiatives so they can better persuade the "board" to approve the expenditures. The "board" comprises the course instructor and two to three representatives from the companies that hosted externs. The "board" provides feedback to the high school students, but there is no grade for the presentation. At the end of the semester, each team presents the results of their service-learning experience to the class. We invite representatives of the host companies to attend this session and provide feedback to

our students. However, the grades for the presentation are assigned by the course instructor.

RESEARCH PROJECT

This project comprises a significant portion of the student's final grade (25%). Students should use knowledge and readings from the class sessions and conduct a significant amount of outside research. Students select a company from a short list that we provide (or they can find a company that meets specified criteria) and conduct research about its CSR policies and business practices. They assess how well their company's CSR mission is integrated with its CSR activities and identify activities the company engages in to support its CSR mission. They consider how the CSR mission fits with its efforts at "image enhancement."

The students critically examine activities that may be inconsistent with the company's CSR mission (an example might be unfair labor practices). They report on the initial corporate responses to challenges or protests about its practices and track how these responses evolve over time, identifying possible factors responsible for changes in corporate responses.

In the conclusion, the students assume the role of a board member for the company that is coping with activities contradictory to its CSR mission. The students propose actions for the company to take, explain the factors that influence their thinking, addressing both short-term and long-term strategies in this analysis. They justify these proposed actions in terms of all involved stakeholders and justify that these actions are ethical.

APPENDIX B. SAMPLE COURSE READINGS

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APPENDIX C. CORE COMPETENCY FRAMEWORK FOR ACCOUNTING PROFESSIONALS PERSONAL COMPETENCIES (AICPA, 2000)

Competency Dimension	Descriptions of Competency Dimension (Barsky, Massey, & Thibodeau, 2003)
Professional demeanor	Demonstrate objectivity and integrity; continuously improve skills and knowledge
Problem solving and decision making	Use good insight and judgment and innovative and creative thinking to effectively solve problems and make decisions
Interaction	Able to work productively with a diversity of individuals

APPENDIX C. (Continued)

Leadership	Able to influence, inspire, and motivate individuals and groups to achieve results
Communication	Able to listen, speak, and write in order to meaningfully exchange information
Project management	Able to manage assets and technical resources in order to complete projects
Leverage technology	Stay abreast of changes in technology to enhance the development and application of other personal competencies

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USING WRITING ASSIGNMENTS TO INFORM STUDENTS OF CAREER OPTIONS IN ACCOUNTING

Rick L. Crosser and Doug Laufer

ABSTRACT

This article discusses incorporating career option advisement into communications assignments within an introductory accounting course while helping to enhance the critical thinking and other skills that employers demand. The literature contains information about accounting career knowledge assignments and assignments to enhance students' communication, critical thinking, and social skills. However, absent in the accounting education literature is information about how to incorporate an accounting major recruitment and advisement focus using writing assignments. This article describes an example of a project assignment that instructors can easily adopt.

“When you tell people that you are getting a degree in accounting, they give you that blank stare for a few moments before they respond with, ‘Oh, ...are you sure you want to do that?’ What they imagine in their mind is a monk in a cold damp cave. He is wrapped in a hooded habit tied with a rope at the waist. The light from the candle on his desk flickers in the dark. Diligently, the monk dips his quill pen in the inkwell, puts pen to paper, and posts numbers in a large ...”

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As the introduction intimates, individuals as a whole do not know about available accounting career tracks and the range of activities accounting positions offer. Students choosing a non-accounting career path viewed the accounting profession as dull and boring (Ahmed, Alam, & Alam, 1997, p. 333). People desirous of interesting careers are looking elsewhere (Arlinghaus & Cashell, 2001, p. 27).

For accountants, a hiring boom is occurring (Bennett, 2005, p. B9), and the number of students majoring in accounting is approaching the peak numbers of the mid-1990s. For example, PricewaterhouseCoopers reports that their firm's hiring increased 45% in 2004 from two years earlier. For 2005, they expected another 20% growth in hiring (Gullapalli, 2005, p. R6).

After many years of declining enrollments, departments and schools of accounting see increases in their enrollments (Gullapalli, 2004, p. C1). For the four-year period 2000–2004, enrollments are up 19% (AICPA, 2005b, p. 1). Accounting programs anticipate enrollments will continue to increase for the near future (AICPA, 2005b, p. 17). However, the number of accounting graduates is not keeping pace with the needs of the accounting profession.

Although the Job Outlook 2005 Survey (AICPA, 2005a, p. F2) reports that accounting is now the number one major on college campuses, the profession still needs to recruit the best and the brightest students. Students may select the accounting major because of the new sexiness brought on by the Enron and WorldCom scandals, etc., and job availability. However, as a whole it is likely that they do not understand the breadth of options available (AICPA, 2003).

The literature describes a limited number of activities to increase students' awareness of accounting career options. Sergenian and Pant (1998, p. 429) discuss incorporating writing assignments about accounting careers. They used Intermediate Accounting II, and the focus was to help students prepare for the job search process while enhancing student capabilities in the non-technical aspects of the accounting profession. The AICPA has initiated campaigns to attract high school and early college students to the accounting profession. The focus is on the availability of diverse opportunities for accounting graduates (AICPA, 2003). John Carroll University (Weinstein & Schuele, 2003, pp. 39–44), the University of Northern Colorado, and Metropolitan State College of Denver (Crosser & Laufer, 1999, pp. 80–89) established mentoring programs. Their programs matched practicing professionals with accounting majors to consult and advise them about career opportunities. Absent in the accounting literature is a presentation of how

to incorporate a learning activity with a focus on accounting career options into a principles course.

We describe a program we established that embedded a career advisement and recruiting effort in the principles of accounting course. It addresses the continuing need for career advisement, advising and recruiting efforts, and uses writing assignments that achieve multiple academic objectives.

THE COURSE

We chose to incorporate our effort in the principles course. The Accounting Education Change Commission (AECC) strongly supports this effort. In Position Statement No. 1, the AECC suggests that faculty should communicate knowledge about accounting careers to their students (AECC, 1990). Issues Statement No. 4 provides that students should obtain information about career opportunities and the job search (AECC, 1993a). Also, AECC Issues Statement No. 5 includes guidance and advising as characteristics of effective teaching. It provides that an effective teacher advises in matters relating to exploration of potential careers and job placement (AECC, 1993b). Thus, educational efforts should include information about accounting career options and incorporate an emphasis on advisement into accounting courses. Programs should not discount these aspects of teaching.

If we are to recruit and advise the best and the brightest students, we need an appropriate forum for doing so. The first course in accounting is ideal for this endeavor; all business majors must take accounting principles. Also, the accounting principles instructor appears very influential for students' choices of major. Mauldin, Crain, and Mounce (2000, p. 145) report these instructors have the most significant role in influencing decisions to major in accounting and recommend the focus of recruiting efforts should be on the first accounting course.

To accomplish the ultimate goal of meeting the hiring needs of the accounting profession, a restructuring of the first course in accounting may be necessary. Cohen and Hanno (1993, p. 235) state, "It appears that initial efforts at restructuring the accounting curriculum should be aimed at the foundation courses. Such efforts may increase the appeal of accounting as a major and as a career to quality students who might instead have chosen some other business major."

*Writing Process*¹

Using the writing process as a learning pedagogy enhances knowledge and organizational skills. It makes knowledge and thought more personal and helps establish an ownership of ideas (Emig, 1977, p. 123). Accordingly, writing assignments offer a positive approach to integrating accounting career options into introductory accounting courses.

The process students go through to complete a writing assignment or term paper does not replicate the writing process of an accountant or other business professional. That is, almost all students relate to the night-before-due-date approach to completing writing assignments. For example, students receive an assignment, do some research on the topic, prepare a draft, and hand it in. Rarely is feedback received or revisions completed. Therefore, we designed our written assignments to create an environment that captures the elements of the traditional writing process of professionals. The traditional professional writing process has several well-defined steps (Fulwiler, 1988, p. 63): (1) creation of an environment for ideas, (2) consultation of resources, (3) outline, rough notes, and time to think, (4) completion of a first draft, (5) rereading and feedback from others, (6) revision(s), and (7) completion.

The writing assignments incorporate these steps to achieve the goal of introducing students to the writing process. Fig. 1 is an example of a flow chart of the writing process relating to the assignment at hand. Students receive a copy of this flow chart with their assignments.

During the class meeting when we make assignments and provide explanations, we reserve the last few minutes of that day's class time for small-group discussion. The groups provide a forum for exchange of ideas. The group discussions provide students with a setting where they can assist each other in determining the appropriate topic, form, and style of the communication. These determinants may vary depending upon the audience we assign to each student. Also, the opportunity to exchange thoughts and ideas helps the students to develop interpersonal communication skills.

We give the students sufficient time to consult resources, make some rough notes, think about the problem, and write a first draft. Two weeks later, students exchange first drafts for the purpose of reading, reviewing, and commenting on each other's papers. Typically, a student reviews the papers of one classmate. At times we have had two classmates review one other classmates' papers to give the writer multiple reviews and the reviewers more exposure to other classmates' work. Multiple reviews should enhance the learning of assigned topics and writing skills by both reviewers and writers.

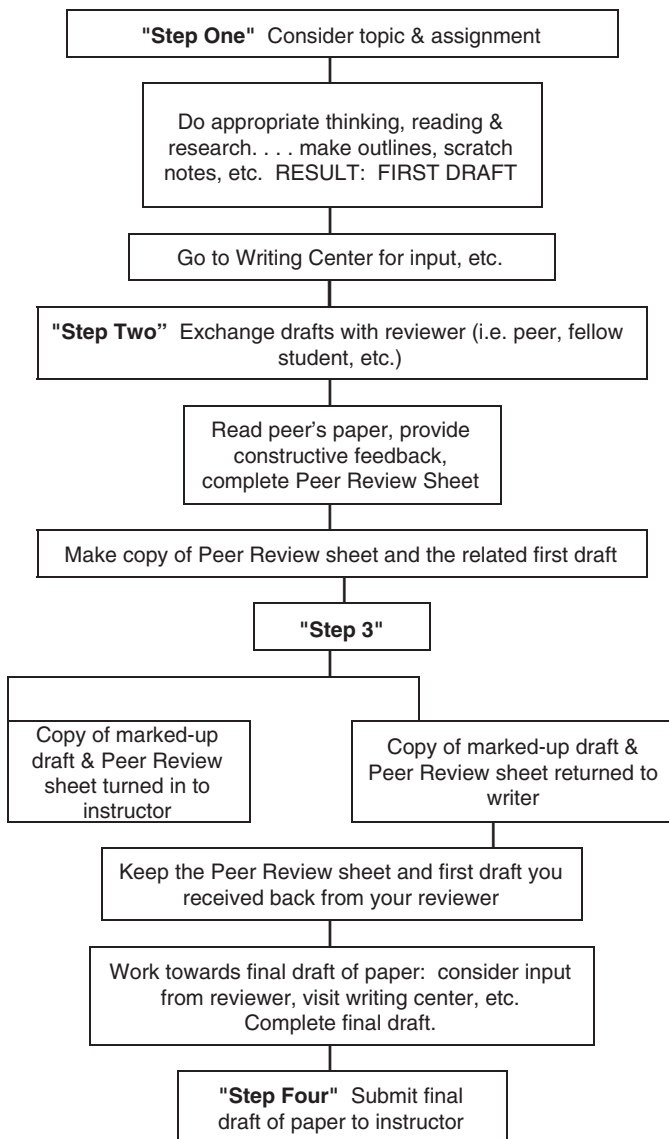


Fig. 1. Write-to-Communicate Assignment Flow Chart.

To facilitate this process, students complete a peer review. Fig. 2 provides a sample of a peer review document that can assist students when reviewing a peer's writing assignment.

To simulate the professional writing process and improve the quality of the written communication, we decided to include a peer review in the writing-assignment procedures. The peer review provides students with a source of feedback. O'Donnell, Larson, Dansereau, and Rocklin (1986, p. 209) demonstrated that students working together on communication assignments outperformed individual students working alone. The effects of cooperation and editing on writing performance brought about higher communication assignment scores.

Use of the peer review sheets directs attention to the common weaknesses of written communication. The specific focus of the peer review sheet is as follows: (1) audience or primary reader, (2) organization and development, (3) style and mechanics, (4) content related to the assignment, and (5) timeliness and cooperation.

We tell students completing the peer review sheet to focus on the paper's purpose first. If the purpose is unclear to them, the reviewers must ask their peers to address and solve before the reviewers move on to content, organization, and development. Due to this approach, multiple reviews may be necessary to address deficiencies in students' written communication skills. Hirsch and Collins (1988, p. 30) found that the primary deficiency was students' inability to organize a paper logically so that the purpose is easily identifiable. Also, students commonly failed to include pertinent and necessary information.

The peer review sheet is the critical instrument in enabling the accounting instructor to indirectly provide guidance in the development of communication skills as the student moves through the writing process. As Ingram and Frazier (1980, p. 54) noted, accounting instructors cannot devote appreciable effort to developing the communication skills of their students. Accordingly, the peer review sheet can serve in that capacity without requiring significant additional instructor time after the initial instrument design.

One or two class meetings after students receive the papers to review, students return reviewed papers along with the completed review form(s). Once again, we set aside the final few minutes of class time for students to discuss their papers. However, we have observed students discussing the papers before class begins, staying late, or making arrangements to meet at another time. With feedback in hand, the student can revise the communication and complete the assignment.

Reviewer's Name:

Author's Name:

Audience:

Title:

Directions: Consider the following questions thoughtfully as you evaluate the draft you are reviewing. Mark the draft where you think it needs revising. Feel free to show the author possible ways to improve the paper's style, clarity, grammar, organization, or content.

You will be evaluated on the thoughtfulness and helpfulness of your responses.

		RATING				
		Def*				Def*
		Yes	Yes	N/A	No	No
I.	Reader Analysis					
a.	Will the reader be able to understand this document?	1	2	3	4	5
b.	Is the document written in an appropriate style and tone for the audience?	1	2	3	4	5
II.	Organization					
a.	Does introduction identify subject and purpose of document?	1	2	3	4	5
b.	Does organization of thought follow logically?	1	2	3	4	5
c.	Is the conclusion (if necessary) consistent with the body of the paper?	1	2	3	4	5
III.	Style					
a.	Is the document as concise as possible?	1	2	3	4	5
b.	Are the ideas presented with precision and clarity?	1	2	3	4	5
c.	Are the ideas explained concretely?	1	2	3	4	5
d.	Does any part of the paper contain too much detail?	1	2	3	4	5
IV.	Accounting Content					
a.	Have all relevant accounting issues been identified and addressed?	1	2	3	4	5
b.	Is the accounting content correct and complete?	1	2	3	4	5
V.	Timeliness					
a.	Deadlines met	1	2	3	4	5
b.	Cooperation	1	2	3	4	5

(*Def = Definitely)

Briefly explain any low ratings. If paper has significant problems in a particular section (i.e. predominately low rating) then do not review the other section(s). Instead summarize the problems with the section in question.

Fig. 2. Writing Assignment Peer Review Sheet.

After a week or so of revising papers based on peer reviews, students submit papers for grading. We use this time to reinforce the breadth of career options available to accounting students. Since the instructor knows the topics of all students prior to assignment submissions due to the peer review process, a selected debriefing can occur. We ask a few pre-selected students to make short presentations to the class.

Writing Assignment

To attain the ultimate goal of career knowledge enhancement, we created what we call a “Careers Day” class session. Prior to the session students must read some textbook material and a number of handouts related to careers, e.g., AICPA, IMA, and State Board of Accountancy sources.

The class meeting begins with a “free write for five minutes.” Students list as many different career areas and jobs that they think are available in accounting. After 5 min, we ask students to offer samples of what they have written, and we write them on the blackboard and place the responses into categories (e.g., government, industry, education, and public accounting). We also try to identify various job opportunities for each category. We frequently need to help fill in gaps that can occur from the student discussions.

Once we are satisfied with the listing, we ask the students about the attributes of the various jobs (e.g., pay, hours, overtime pay, benefits) or possible certifications (CPA, CMA, CFE, CFA, CISA, etc.). At the conclusion of this part of “Careers Day,” students receive the writing/research assignment. Fig. 3 provides an example of the format of the assignment.

We explain the assignment and emphasize the importance of understanding one’s audience in written communications. The writing-assignment instructions in Fig. 3 help the students identify the topic, the background, and the audience of the communication. The content of the instructions make the assignments more realistic in nature. Ingram and Frazier (1980, p. 24) stress that written assignments should be “real-life like” as opposed to an artificial classroom task. Teachers can expose students to styles of communication that they are likely to experience in their careers (e.g., interoffice memos, client correspondence, or research memoranda). The Fig. 3 assignment is to write a letter from a professional’s viewpoint to a student who has little understanding of the accounting profession.

Identifying the audience provides greater clarity of purpose in the assignment. It allows the student to determine the appropriate tone of the paper and sets parameters for the use and explanation of technical language. By writing to an audience other than the instructor, students begin to see

ACC 2010: Principles of Accounting I

Due: at the beginning of class time on Tuesday, February 28, 2006

The Scene: You are a student in a principles of accounting course. Your next door neighbor is a high school senior and is wondering what to major in when she gets to college next fall. Since she knows you are enrolled in the principles of accounting course, she asks you for information about a career in accounting.

So, your task is to consider a career opportunity in the accounting profession. Research that career opportunity. This activity can consist of library work, the internet, or an interview with one or more professionals in the line of work you would like to explore.

Choose only one line of work for your assignment. Your class mates in the principles of accounting class will be exploring many different accounting opportunities. Therefore, you will have a multitude of alternatives to present to your neighbor.

- Required:**
1. Determine an accounting career to research, and complete the necessary research to sufficiently understand what the selected career alternative is all about.
 2. Write a formal letter to your neighbor addressing your knowledge concerning the accounting career opportunity you researched. Be thorough in your explanations. However, remember who your audience is when writing the correspondence.

<u>Dates:</u>	<u>Step:</u>	<u>Procedures:</u>
2/02-14	Step #1	During class time, discuss ideas with class mates, make notes, consider impact of audience on form and style of correspondence. Begin work on the assignment and develop a draft copy by 2/14.
2/14-21	Step #2	Trade paper (and keep copy), for purposes of peer reviewing on 2/14. You will need to select a reviewer with whom to exchange papers. Review your colleague's paper and complete the Peer Review Sheet by 2/21.
2/21	Step #3	Return papers (marked up) and Peer Review Sheet. Submit copies of the paper you reviewed and Peer Review Sheet to instructor.
2/21-28	Step #4	Edit your paper based on Peer Reviewer's comments. Submit final letter to your instructor for grading on 2/28. You may wish to visit the Writing Center for assistance from their tutors prior to submitting your paper for grading. During class time on 2/28, selected students will make brief presentations of the topics they researched. Be prepared.

Please note: Making use of the reviewers at the college writing center will provide a bonus of five points to your score.

Fig. 3. Writing Assignment: Careers in Accounting.

INSTRUCTOR GRADING SHEET

Criteria	Excellent	Good	Acceptable	Below average	Unacceptable
Design & Appearance					
Introduction					
Paper organization					
Flow of thought & Clarity of presentation					
Summary/Conclusion					
Analysis correct					
Analysis complete					
Level of complexity					
References/Cites					
Mechanics & Word usage					

• **Format**

Is the document design appropriate? (e.g. headings, layout spacing, margins) Is the appearance eye pleasing? Reasonable quality printer and paper utilized?

• **Paper Structure**

Does the first paragraph identify the subject of the paper? Appropriate closing/summary paragraph? Is the paper clear and concise? Does paper have smooth flow or are topics presented in choppy style? Is the tone and word choice appropriate for the audience? Is the organization and flow of thought logical and easy to follow?

• **Technical Content**

Are the appropriate authorities utilized and correctly applied to the issue(s)? Is there support for conclusions? Is analysis appropriate and complete? Are sources and references cited?

• **Mechanics**

Are words used properly? Does the paper contain grammar, spelling or punctuation errors? Is the paper free of mechanical and typographical errors? Are reference cites included and proper?

GRADING:

- If all areas rated excellent than score = 100
- If average rating is good than score = 85
- If average rating is acceptable than score = 75
- If average rating is below average than score = 65
- If average rating is unacceptable than score = 50 or less

Points earned on assignment _____

Less: Penalty points (late, high sticking, etc.) (_____)

Plus: Writing center bonus (if applicable) _____

Score on paper

Fig. 4. Instructor Grading Sheet.

that effective communication is audience dependent. Also, the students begin to observe that the responsibility for communication rests with the writer, not the audience.

The simulated, real-life nature of the assignment can further enhance the relationship of the assignment to the topics we cover in the course. We integrate the writing assignments with the material we assign and provide a vehicle to learn and master the subject. Accordingly, students are writing to learn and learning to write simultaneously. The assignment provides a greater incentive to take the written assignment more seriously because it gets to the heart of what the principles course is about.

Grading

To help provide the student with an incentive to work on developing communication skills, the written assignments must receive meaningful consideration in determination of the overall grade in the course. Consequently, this assignment’s score constitutes 12.5% of the total points in the course.

<u>MARK</u>	<u>MEANING</u>
√	fine, great, on point, etc.
*	Better than fine, great, on point, etc.
AWK	Awkward
AWK – S	Awkward sentence
AWK – F	Awkward flow
IC	Complete
IC – T	Complete thought
IC - S	Incomplete sentence
NC	Not clear
NN	Not necessary
NA	Not applicable or no such animal
WC	Word choice
W	Wordy or wording
I/F	Informal/folksy/jargon
SS	Sentence structure
—	Capitalization/No capitalization
Sp	Spelling
RO	Run-on sentence
Frag	Sentence fragment
Redun	Redundant
¶	Paragraph
#	Line spacing – double vs. single spacing
?	Not clear, no clue, confused
§	Section

Fig. 5. The Grading Legend: A Guide to All Those Funny Marks on Your Paper.

Several factors mitigate the impact of the grading task. First, the writing assignment procedures, which included a directed audience and a peer review, should improve the overall general quality of the students' papers. A focused, well-written, organized paper takes less time to read. Second, the use of a grading checklist like the one shown in Fig. 4 can streamline and standardize a normally time-consuming task. As Scofield and Combes (1993, p. 78) reported, it provides feedback to students, reduces grading time because check marks and indicators are used similar to those provided in Fig. 5, and justifies the scoring. Further, we give students copies of the grading checklist when we distribute the assignments to help reinforce the focus of the processes.

We allocate points to both the written assignments and to the peer reviews. By allocating class time and grade points to the writing assignments, instructors can motivate students to take this facet of the course seriously. Students will devote an increased percentage of their time to developing writing skills. Within the structure presented here, the additional time invested by the student will far exceed the additional time demands on the instructor.

SUMMARY

Accounting programs need more students to produce sufficient numbers of graduates who possess solid accounting knowledge, strong communication and analytical skills, and capabilities employers demand. Accordingly, accounting programs should place more emphasis on career alternatives and recruitment while providing opportunities for students to enhance the demanded critical skills.

This article discussed how we integrate written assignments into an existing accounting principles course. Goals include the creation of an atmosphere that enhances the writing process and contributes to high-quality communications while providing students the opportunity to learn more about the accounting profession and career options. Our assignments help meet those goals.

The ultimate goal is to recruit more accounting majors by dispelling misinformation and negative perceptions of careers and options available. Although anecdotal information from students indicates we are making progress toward the recruitment goal, we do not have definitive answers as yet. Obtaining those outcome assessments should be the next step in the information gathering process.

We hope that our experiences will be of value to other accounting and business educators. Information about this particular advisement and

recruitment endeavor and structure of the written assignments should facilitate greater use of this approach in the classroom without excessively increasing an instructor's workload.

NOTE

1. A number of universities have developed programs frequently referred to as "Writing Across the Curriculum." Our course would fit well into such a program. Readers might examine some of the following articles for background and rationale for WAC: Ashbaugh, Johnstone, and Warfield (2002); Catanach and Rhoades (1997); Garner (1994); Laufer and Crosser (1990, pp. 83–88); Scofield and Combes (1993); Stocks, Stoddard, and Waters (1992) Stocks et al. (1992); and Stout and DaCrema (2005).

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USING A SYSTEMS METHODOLOGY TO IMPLEMENT AN ASSURANCE OF LEARNING PROCESS

Jane E. Campbell and Mary C. Hill

ABSTRACT

Stories about lack of student learning have led to calls for more academic accountability. Governments and accrediting bodies have called upon institutions of higher learning to design assurance of learning (AOL) processes. The Department of Accounting at Kennesaw State University has had an assessment program for over 12 years. Several universities have described existing assessment programs (see, for example, Stivers, G., Campbell, J., & Hermanson, H. (2000). An assessment program for accounting: Design, implementation and reflection. Issues in Accounting Education, 15(4), 553–581; Davis, K., Green, S., Heppard, K., Jennings, W., & Lowe, J. (2004). Accounting Program Assessment at the United States Air Force Academy, Department of Management. In: T. Calderon, B. Green & M. Harkness (Eds), Best Practices in Accounting Program Assessment (pp. 99–114). Sarasota, FL: American Accounting Association; Weinstein, G. (2004). Accounting Program Assessment at John Carroll University. In: T. Calderon, B. Green & M. Harkness (Eds), Best Practices in Accounting Program Assessment (pp. 139–148). Sarasota, FL: American Accounting Association;

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Ainsworth, P., & Webster, S. (2004). Accounting Program Assessment at the University of Wyoming. In: T. Calderon, B. Green & M. Harkness (Eds), Best Practices in Accounting Program Assessment (pp. 157–161). Sarasota, FL: American Accounting Association. While the previous articles provide useful and interesting details of various AOL approaches, the descriptions do not provide guidance on how to develop an effective AOL process efficiently. The purpose of this paper is to provide guidance to other institutions about developing an AOL process. Based on our years of experience, we recommend that AOL processes be implemented using a structured systems methodology. Practitioners use these methods in business settings for process improvement and for new process implementation. We believe they transfer well to the AOL process.

For many years, faculty used a passing course grade or graduation from a program as evidence that a student had learned the requisite material. This method proved inadequate as the media published stories about students who graduated from high school without being able to read, or about college students who could not obtain jobs, or if they did obtain jobs did not perform well. Because of these stories, governments became interested in seeing “proof” that learning took place. At the primary level, the ultimate example of these calls for educational proof is the federal “[No Child Left Behind](#)” Act (2001).

At the college and university level, the calls for proof of student learning and academic accountability have not yet resulted in specific government regulation. Instead, governments and accrediting bodies are expecting academic institutions to develop their own processes that show proof of student learning and a commitment to program improvement. We refer to these processes as assurance of learning (AOL).

Accrediting bodies have made proof of student learning one of the key factors for institutional accreditation. Accreditation is important to academic institutions as an indicator of academic quality and prestige. Accrediting bodies have tried to avoid a “one-size fits all” approach to proving student learning by leaving the specific measurement methods and types of proof up to individual institutions. Most accrediting bodies have only two specific “requirements”. First, they specify that learning outcomes be aligned with the institution’s mission. Second, they specify that ongoing processes to improve student learning be in place and that these processes result in tangible evidence of the improvement.¹

Given such open-ended instruction by accrediting bodies and a lack of previous experience developing processes, implementing an institutional AOL process is not easy. The purpose of this paper is to present a structured methodology to develop an AOL process. The Department of Accounting at Kennesaw State University began a departmental assessment program over 12 years ago. We have struggled to develop a useful process. We made several mistakes and believe that others can learn from them. Given the benefit of hindsight, we believe using a systems development methodology to implement an AOL process would allow others to avoid problems similar to those we encountered. The first section of this paper describes the history of our assessment program. The second section discusses a general methodology for systems development. We describe what is involved in this methodology (which we are trying to use now) and apply it to the AOL process.

KSU BACKGROUND

Kennesaw State University (KSU) is the third largest state university in the University System of Georgia. KSU has approximately 18,000 students enrolled in more than 55 academic programs. Effective teaching and learning are central institutional priorities. The University is composed of six colleges, with the Coles College of Business graduating the largest proportion of students (4 out of every 10). KSU is fully accredited by the Southern Association of Colleges and Schools (SACS), and the Coles College of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB International) (Kennesaw State University, 2007).

The Department of Accounting resides in the Coles College of Business and graduates approximately 90 undergraduate and 10 graduate students each year. The Department offers a BBA with a major in Accounting and the Master of Accounting (MAcc) degree, both AACSB accredited. The Department of Accounting at KSU also houses the College of Business' Business Information Systems Management (BISM) and Business Law (BLAW) courses. As with the University, effective teaching and learning are central departmental priorities.

History of Assessment in the Department of Accounting

The Department of Accounting at KSU became involved in program assessment in the early 1990s. Continuous improvement is a goal of our

faculty. Individually, we seek to improve our own courses, and together we seek to improve our programs. A major purpose of an assessment program is to provide information that aids in the continuous improvement process. But continuous improvement is also important for the assessment program itself. Over time, our assessment process has changed because of our experiences and external forces. We have tried two different major strategies:

1. “Global” measures, such as standardized exams and surveys, which provide general feedback.
2. Assessment tasks that are natural activities of individual courses.

In addition, within the second strategy, we have changed the components of our assessment process three different times. The following sections describe our approaches in more detail.

Strategy #1

In the early 1990s, our department set up an ad hoc, volunteer committee to develop and administer an assessment program. The committee’s first step was to specify learning outcomes consistent with the departmental mission. We selected the six capabilities identified by the leading accounting firms as necessary for the practice of accounting ([Big Eight Accounting Firms, 1989](#)). We planned not only to measure our students’ performances for these capabilities, but also to gather data on student characteristics. Thus, we intended to measure both our “inputs” and our “outputs”. We expected that “better” students (e.g., higher SAT scores) would perform better on most learning objectives, so we felt that having such information would help us interpret our assessment results. [Gainen and Locatelli \(1995, p. 60\)](#) supported the inclusion of these types of measures in a program assessment plan.

The next steps were to identify assessment methods for the learning outcomes and to implement the assessments. We wanted standardized tests and measures to address as many outcomes as possible because we perceived them to be objective measures providing external validity. We had been using internally developed surveys of our students, graduates, and employers irregularly for several years. [Table 1](#) summarizes our initial assessment plan. We scheduled the various assessments to repeat every one to three years.

Our first strategy had three significant problems:

1. Difficulty using the results for improvement
2. Faculty concerns about test validity
3. Difficulty administering the assessments

Table 1. Initial Assessment Approach.

Capabilities/Learning Objectives	Objective Measurement	Subjective Measurement
Student characteristics	<ul style="list-style-type: none"> • SAT/ACT • GPA • Accounting Aptitude Test 	
Communication skills	<ul style="list-style-type: none"> • College Base Academic Subjects Examination 	<ul style="list-style-type: none"> • Employer survey • Student survey
Intellectual skills	<ul style="list-style-type: none"> • College Base Academic Subjects Examination • Watson–Glaser critical thinking appraisal for managers and professionals 	<ul style="list-style-type: none"> • Employer survey • Student survey
Interpersonal skills		<ul style="list-style-type: none"> • Employer survey • Student survey
General knowledge	<ul style="list-style-type: none"> • College Base Academic Subjects Examination 	
Organizational and business knowledge		<ul style="list-style-type: none"> • Employer survey • Student survey
Accounting knowledge	<ul style="list-style-type: none"> • Achievement test for accounting graduates • CPA exam scores 	<ul style="list-style-type: none"> • Employer survey • Student survey

Our first major problem was that we could not connect the global results of the standardized tests to specific aspects of our program and courses. For example, if the score on the College Base Academic Subjects Examination or intellectual skills was too low, in which course(s) did we need to make changes? Further, even if we decided a course should be changed, the tests provided little to no guidance on exactly what should be done in an individual course to improve the global results.

A second major problem was that some faculty did not believe the tests were assessing the right things. For example, more than one faculty member believed that several questions in the auditing portion of the Achievement Test for Accounting Graduates focused on unimportant issues. Therefore, if our students had “bad” scores on the test, the importance of that result was questionable in their minds.

We also had a significant implementation problem. The tests took longer to complete than our regular class periods, so we could not give them during a regular class meeting. Scheduling a test outside a regular class meeting meant that the test had to be voluntary, as some students were bound to

have time conflicts. Since the test was voluntary, it could not count in the course grade, which engendered problems with motivation.

After grappling with these problems in our initial approach, we decided to change our assessment strategy. We decided it was critical to use measures that gave us more specific course level feedback.

Strategy #2

At about the same time that we decided we needed assessment measures connected to specific courses, the American Institute of Certified Public Accountants (AICPA) published “The Competency Framework for Entry into the Accounting Profession” ([The American Institute of Public Accountants, 2007](#)). This document specified 20 competencies. In addition, the AICPA intended to provide sample strategies and classroom techniques that directly addressed the development of the competencies, and tools to evaluate how effectively individual courses or entire accounting programs addressed the competencies. We felt using the AICPA’s materials would provide us with externally valid measures that we could implement at the course level.

Strategy #2 – Iteration #1. Our high hopes for quick progress under strategy #2 using AICPA materials were soon dashed. The AICPA had not yet developed the assessment tools and were well behind their target release date. We wanted to continue assessment, so we decided to attempt to create our own assessment tool. We selected one of the AICPA’s competencies (problem solving and decision making) to assess. We struggled to develop an accounting problem for this competency that we could use for three assessments: (1) at the end of the financial principles course; (2) at the end of the first intermediate financial accounting course (which was our only required intermediate financial course at the time); and (3) in a required course near the end of the program. We expected that student performance on the instrument would improve as they progressed through our program. We performed a trial run and realized the instrument was unworkable due to high inter-grader variability. We experienced extensive disagreement when the assessment committee members compared their evaluations on the instrument and expected this variability to be even more severe if a variety of course instructors graded the instrument independently. Thus, although we thought we were moving in the right direction to add assessments that we could administer in specific classes, we had not found a workable approach despite our considerable effort.

Strategy #2 – Iteration #2. While we were still struggling with the instrument described above, the AACSB published a draft of its revised accreditation standards that indicated each program should have “learning goals” and specific “learning activities” that schools could measure to assure their goals were being met. We decided to use our original six learning outcomes (see [Table 1](#)) as learning goals. Our next step was then to identify specific learning activities that connected with each of the goals. As part of our discussion, we identified sub-categories for some of our learning “goals” – for example, “written” and “oral” as sub-categories of communication skills. We also added a seventh major learning goal – technology skills. Then, we generated examples of activities we use in our classes that instructors could use to assess whether the students were learning the skills and knowledge we had as our goals. We prepared a table (a “mapping”) of which activities occurred in which classes. At this point, our departmental committee felt we had a workable approach.

Before we could implement this approach, we experienced yet another setback. The College of Business formed a committee to implement a college-wide AOL process. The College committee arrived at six major learning objectives for the BBA program, which they called general student learning objectives (GSLOs). Their GSLOs were primarily developed from the AICPA’s core competency framework. For each major objective, the committee identified a few specific student learning objectives (SSLOs). SSLOs are descriptions of specific knowledge, skills, and attitudes that instructors could measure to see if our students achieved the general learning objectives. The committee wrote the SSLOs in general terms to accommodate the differences among the major fields. The College-level GSLOs and SSLOs appear in [Table 2](#).

Strategy #2 – Iteration #3. The College adopted its learning objectives and required that we use them for our core courses in the BBA program. We also had to develop discipline-specific learning objectives for the undergraduate business major (see [Table 3](#)).

Similarly, a College-level committee developed learning objectives for the MBA program, and we had to use them for our core course in that program. We also had to develop objectives for our independent MAcc program (see [Table 4](#)).

At this point, we could have continued to use our previous learning outcomes (see [Table 1](#)) for accounting accreditation purposes and evaluation of courses other than those involved in the College of Business accreditation. However, using two separate sets of objectives would require extra work and

Table 2. Learning Objectives for the KSU BBA Program.

GSLO		GSLO Description
	SSLO	SSLO description
1.0	Critical Thinking	
	1.1	Identify problems and opportunities
	1.2	Locate and apply appropriate research tools and databases to generate alternative solutions
	1.3	Evaluate data in order to compare and contrast alternatives to reach a defensible solution
2.0	Ethics	
	2.1	Explain the appropriate code of ethics that applies to a discipline in a business situation
	2.2	Analyze and compare resolutions to ethical issues encountered in a business environment
3.0	Interaction	
	3.1	Discuss the importance of working cooperatively with others
	3.2	Work with others in a professional manner
	3.3	Explain the skills necessary to influence, inspire, and motivate individuals and groups to achieve results
	3.4	Effectively communicate information to individuals with diverse backgrounds
4.0	Perspectives	
	4.1	Describe the external forces (e.g., legal/regulatory, economic, global, industry, and customer) applicable to business operations
	4.2	Analyze the impact of external forces on business operations
	4.3	Integrate the impact of external forces in business decisions
5.0	Resource management	
	5.1	Identify relevant resources to produce a product or service
	5.2	Appropriately manage resources based on their recognized availability
6.0	Technology	
	6.1	Identify and operate appropriate computer software for analysis and data presentation
	6.2	Effectively use technology to improve personal productivity

Table 3. Undergraduate Discipline-Specific Objectives for Undergraduate Accounting.

GSLO	GSLO Description	
	SSLO	SSLO description
7.1.0	Discipline specific – accounting	
	7.1.1	Comprehend and explain the components of accounting systems and accounting reports
	7.1.2	Make decisions about how to properly account for an item and/or use accounting information and reports
	7.1.3	Prepare accounting reports using appropriate content, methods, and formats

confusion. Further, since the College committee derived their GSLOs from the AICPA competencies they were outcomes that we considered important to accounting. We concluded that using one set of learning objectives was the appropriate way to proceed.

Because of the change in objectives, we had to repeat the process of mapping our courses to the learning objectives. The Department AOL Committee mapped our undergraduate courses based on the most recent course syllabus, while the faculty teaching MAcc courses mapped their own courses. Our initial mapping was comprehensive; we mapped every SSLO addressed in every course to that course. At this point, we did not identify specific assessment vehicles (e.g., examinations or projects) that instructors would use to measure the objectives, nor did we consider the work or processes involved in collecting the data.

Finally, we were ready to move to the next step: to identify the first round of courses where we would actually determine the specific measurement vehicles we would use and measure performance. When we got to this implementation point, we realized we had problems in our process. First, because we had done an exhaustive mapping of every SSLO addressed in every course, we found that many of the courses had too many SSLOs. Some courses had mapped to 10 or more SSLOs. We found it difficult to get instructors to commit to the workload of grading and reporting for so many SSLOs. To alleviate this problem, we asked our course instructors to select three to five SSLOs that they were willing to measure in their course. This decision resulted in another problem for courses taught by multiple instructors: achieving agreement among instructors regarding which SSLOs were most pertinent to a course. Consequently, before we even started

Table 4. Learning Objectives for the KSU MAcc Program.

GSLO	GSLO Description	
	SSLO	SSLO description
1.0	Critical thinking	
	1.1	Each student can identify accounting and business problems and can use the appropriate research tools to develop decision-relevant information.
	1.2	Each student can develop effective solutions to accounting problems.
2.0	Ethics and control	
	2.1	Each student can recognize ethical weaknesses in accounting situations and can propose effective solutions to those weaknesses.
	2.2	Each student understands how corporate governance, risk management, and internal controls impact ethical behavior.
3.0	Information quality	
	3.1	Each student understands the importance and elements of high quality accounting information.
	3.2	Each student understands the forces that threaten accounting information quality and the mechanisms designed to promote such quality.
4.0	Interaction	
	4.1	Each student can work effectively as part of a team either as a leader or participant and can effectively collaborate and negotiate within the team.
	4.2	Each student can communicate effectively in formats appropriate to the situation and audience.
5.0	Perspective	
	5.1	Each student can analyze current developments and their effect on accounting.
	5.2	Each student can analyze emerging developments and their possible future effect on accounting.
6.0	Technology and systems	
	6.1	Each student understands and can use accounting transaction processing systems to prepare high quality accounting information.
	6.2	Each student can use the appropriate technology to solve business, accounting, or personal, team productivity issues.

Table 5. Example of Data Collected.

Course	Number of Sections	Number of Learning Objectives	Number of Assessments	Percent Meeting Goal
<i>Upper-division undergraduate accounting courses</i>				
Accounting information systems	1	4	4	100
Intermediate accounting 2	2	3	6	67
Auditing and assurance	2	3	6	33
Governmental and not-for-profit accounting	1	4	4	50
<i>Business information systems management course</i>				
Business information systems and communication	3	7	21	86
<i>Graduate accounting course</i>				
Accounting insights for managers ^a	3	3	3	0

^aOne instructor taught all three sections of the course. This instructor analyzed and reported the data for the course rather than by the course section.

picking instruments or collecting data, we were required once again to perform a significant reworking of the mappings of course activities to objectives.

Once we had narrowed down the SSLOs for each course, we identified the measurement vehicles for the SSLOs. We planned to minimize the extra work caused by the AOL process by having instructors use learning activities they already had in the course to assess the learning objectives. At this point, we encountered yet another problem: direct matching of an objective to a measurement instrument. For example, for a written communication assignment, an instructor would need to grade the assignment for the writing performance to assess the communication objective and then for the accounting content to assess the accounting knowledge objective, resulting in two scores for a single assignment.

In spite of the problems, members of the Department AOL Committee volunteered to assess their upper-division undergraduate accounting courses on a test basis. The College of Business also required us to assess one lower division undergraduate BISM course and one graduate accounting/MBA course. Table 5 presents an overview of the results of these assessments.

Some of the problems we encountered during our first round of assessment were:

- Increased instructor workload
- Failures in communication on exactly what data needed to be reported
- Lack of a consistent data collection format
- Determining whether and how to collect and store instruments and performance examples
- Failure to appropriately align SSLOs with major topics in the courses
- Failure to receive data for all courses as planned (an active member of our Department AOL Committee never reported results due to a personal problem)

To summarize, we have had an assessment program for over 12 years. During that time, we have struggled to develop an effective and manageable process that will provide information to improve our program without placing an undue burden on instructors. We describe each of the major problems encountered below.

- First, we had problems with a strategic vision for the AOL process, which led us to have to rework the process and redo work such as the course mappings. We are trying to make our current approach work, but it still has problems as discussed above.
- Second, our first approaches focused only on upper-division undergraduate accounting courses to the exclusion of the principles of accounting courses and the graduate program. We also failed to consider our department's non-accounting courses (BLAW and BISM).
- Third, we encountered several problems with our final selection of learning objectives (SSLOs). We had difficulty matching SSLOs to measurement vehicles and in obtaining instructor agreement on SSLOs for specific courses. We had problems covering all of the SSLOs (21) while limiting courses to measurement of three to five SSLOs. The accounting department's AACSB accreditation team feels we have too many SSLOs, and our department feels that for efficiency we should use the same SSLOs as the College of Business. Finally, some of the original College of Business SSLOs were poorly worded and had to be revised. Others are more applicable to other disciplines, thus as we try to cover the college goals, we struggle to apply these goals in accounting settings. These problems have led to repeated changes in the SSLOs and to the mappings of course activities to SSLOs.

- Fourth, while AOL is an ongoing process, we did not have technology in place for a dynamic iterative process. We did not develop a workable AOL system on the first try; the SSLOs changed, our course mappings changed, and assessment activities changed. In our initial system, we used Microsoft *Word* documents to revise the course mappings, which resulted in conflicting versions of the same document. We started collecting the data before there was a process in place for consistent data formatting, storage, and analysis. Therefore, the ability to handle effectively iterative changes is critical.
- Fifth, deadlines for reporting to college and university representatives, combined with poor communication and planning, have led to rushed work products and problems such as not having technology in place to collect data and collecting inconsistent or unusable data.

A SYSTEMS METHODOLOGY TO IMPLEMENT AN ASSURANCE OF LEARNING PROCESS

Given our experiences and the benefit of hindsight, we believe that universities should develop and implement their AOL process using a systems implementation methodology. Professionals have designed these methodologies specifically as aids to use to implement new processes (Kettinger, Teng, & Guha, 1997, p. 55), and AOL is a new process for many academic entities. We believe this approach is appropriate for the following reasons. First, the AOL process will affect courses and faculty members throughout the university. When administrators implement a process that will involve a large number of faculty members, they need to evaluate that process critically prior to asking faculty members to endorse it with their time and effort. Second, the AOL process also involves gathering and analyzing a large amount of data from many sources. Gathering data from many sources, storing the data, and ensuring consistent formatting for data analysis is a time-consuming process. Third, faculty and administrators will then use AOL data in an iterative process to improve individual courses and overall degree programs. The AOL process must be dynamic enough to support ongoing changes as we learn about our students' performances. That is, administrators must design the process so that instructors can change which goals they are measuring or their measurement instruments or expectations from term to term.

Consultants and computer scientists have used process change methodologies for many years (Kettinger et al., 1997, p. 60). These methodologies break down process change into a series of well-defined and manageable phases. Adapting phases from various methodologies (Kettinger et al., 1997, p. 60), we suggest the following phases to use in implementing an AOL process:

- (1) Obtain top management support
- (2) Define the goal of the process
- (3) Assign a project team
- (4) Plan the project including deadlines and milestones
- (5) Obtain user involvement
- (6) Define specific requirements
- (7) Select appropriate technology
- (8) Implement technology

We will discuss each phase and show its application to the AOL process.

Obtain Top Management Support

Sharma and Yetton (2003, p. 534) found that top management support is a key element in successful systems implementations. Top management support includes management interest in the system, definition of the desirable outcome, support with appropriate resources, and assignment of the project team.

In an AOL implementation, top management support means that deans and department chairs are involved in the AOL process and are willing to make decisions about how to implement the process. They need to support the AOL initiative verbally, including informal support and by scheduling and holding meetings about the AOL process. They must supply funding for new technology as necessary. Top management also assigns and supports the project team, including compensation such as extra pay or course releases for faculty who are significantly involved in designing and implementing the AOL process.

KSU Comments

At KSU, we have had top management support for our AOL processes. Both our Department Chair and the Dean of the College of Business have supported the AOL initiative with time, funding, and team assignments.

Define the Goal of the AOL Process

One of the most important steps in implementing a process is to determine the goal(s) of the process. In the case of AOL, does the academic administration need an AOL process primarily to satisfy accrediting bodies? Are they planning to use the process to improve the structure and content of a degree program? Will administrators use AOL results to evaluate faculty? How does the AOL process fit in with other university evaluation approaches such as course reviews and student course evaluations?

When considering the goal for the new AOL process, administrators must evaluate the strategic capabilities of their institution (Green, Heppard, & Lowe, 2006). Some factors to consider are the mission statement, class sizes, funding, technical resources, faculty time and effort, and faculty unity and willingness to conform. Each of these factors can affect the AOL process. For example, common grading rubrics for written or oral communications will be difficult to compile and use if faculty members are unwilling to conform to a common rubric. Similarly, gathering and storing extensive amounts of data will be difficult without appropriate technical support.

Administrators must evaluate their strategic capabilities in order to determine the type and depth of the AOL process that they are trying to implement. Some administrators may decide that a minimal process simply to satisfy accreditation is best, while others may want to create an extensive process that replaces existing course and faculty evaluation processes. The AACSB does not specify the type of AOL process that is required; thus, AOL processes can range from minimal to extensive.

KSU Comments

Not having a clear goal for the AOL process was one of the most significant problems for our Department AOL Committee. We had two administrators who had conflicting visions of the AOL process. The Accounting Department Chair wanted to approach the AOL process to minimize faculty time and effort and gave that goal to the departmental level committee. The College of Business AOL Committee decided to develop a more extensive and ideal AOL process. Since the College of Business requires us to use their approach for our core College of Business service courses, efficiency dictated that we use the same process for our other department AOL activities. Thus, our final AOL process was more complex and extensive than originally envisioned by the Accounting Department Chair or Department AOL Committee.

Assign a Project Team

The project team is responsible for planning and implementing the process. Project team selection is no different with respect to implementing an AOL process.

KSU Comments

We initially created our Department AOL Committee on a volunteer basis. This approach did not work as all of the volunteers focused on the upper-division undergraduate accounting program. Now the committee chair recruits team members for the committee with specific assessment responsibilities in mind. Team members are responsible for specific course areas. They evaluate the mapping of learning objectives for their assigned courses, and coordinate with instructors of those courses to gather and analyze student performance data. Fig. 1 provides our eventual ideal committee structure. Currently, there are committee members assigned to the BISM, BLAW, graduate, and core course areas.

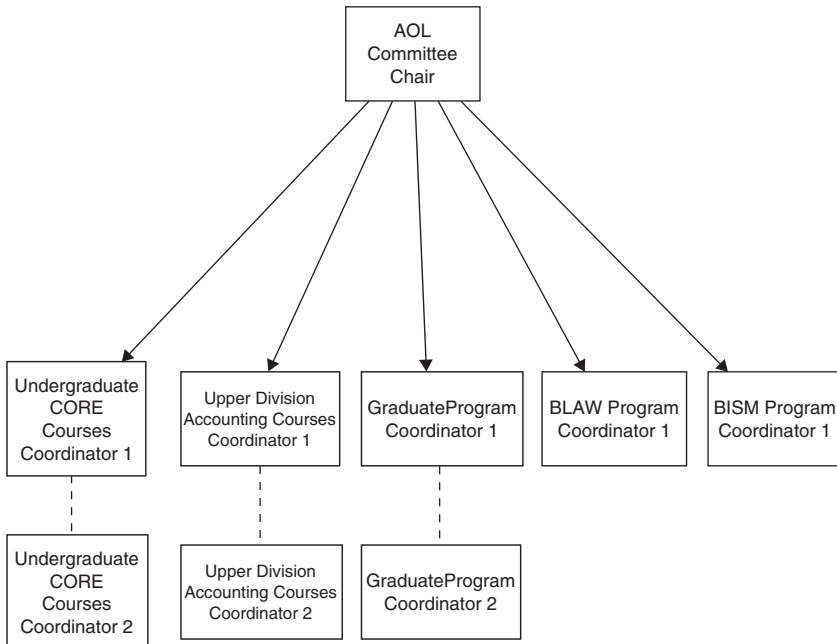


Fig. 1. Organization Chart Accounting Department Ideal AOL Committee.

Plan the Project Including Deadlines and Milestones

Another crucial area for successful process change is project planning. Research has found that better planning equates to more success in process change (Sabherwal, 1999, p. 137).

KSU Comments

Due to accreditation deadlines, we operated in a reactive mode during the most recent iterations of our AOL processes. Our planning processes were weak. Further, we were trying to coordinate with college and university committees. These committees were in the early stages of developing AOL processes, and thus changed their expectations frequently. The College of Business has now developed a timeline for assessment of the core courses provided by our Department and the format to use when reporting the results. We are still developing our departmental project plan for our upper-division courses and the MAcc program.

Obtain User Involvement

Tait and Vessey (1988, p. 92) found that user involvement is critical to successful process implementations. User involvement means consulting users on their needs for the new process, involving them in the design of the process, and communicating to them the objectives, features, and benefits of the new process. User involvement is especially critical, as resistance to change is a common phenomenon in new process implementation.

The AOL process will affect many faculty members. Faculty members will likely be resistant to the AOL process for a variety of reasons (Fogarty, 2004, p. 55). For example, resistance to change is particularly intense when users are comfortable with their current situation and the new process asks them to change what they are doing or increase their workload. Further, faculty members frequently interpret AOL processes as an infringement of academic freedom. Another reason faculty members resist the AOL process is that there is little evidence about the success of these processes. Faculty members, who are trained researchers, want evidence prior to investing effort in AOL. Yet another reason faculty members resist AOL processes is that many believe that administrators are implementing them in order to judge their work, rather than as a program improvement tool or to satisfy accreditation standards. Finally, resistance to change increases as the perceived complexity of the process increases. While members of the AOL

project team might feel it is simple to create grading rubrics, estimate student performance goals, and summarize and analyze student performance data, many faculty members will perceive these as complex tasks.

KSU Comments

Similar to other institutions, we are experiencing faculty resistance to the AOL process. This resistance is stronger from senior faculty and research-oriented faculty. We are attempting to overcome this resistance by using the courses of the AOL committee members and other volunteers for our initial AOL implementation. We hope to refine and simplify the AOL processes based on that experience before we ask more resistant faculty members to implement AOL processes in their classes.

Define Specific Requirements

The requirements definition phase of process implementation involves determining the actual tasks in the process and the data elements that are required. Determining requirements requires a disciplined approach to specifying information needs. Each added task or data element adds complexity to the process, thus process designers must keep tasks and data elements to the minimum possible to fulfill the process goal(s). Systems designers use structured interviews, questionnaires, and direct observation to identify the system requirements (Gelinis & Sutton, 2002, pp. 572–578). The requirements definition includes a description of the tasks, who will perform the tasks, and a precise specification of the data that the process will collect and store. Once the requirements have been determined, the project team should document them and obtain agreement on the requirements from both senior management and the concerned user group.

Requirements definition for the AOL process will depend on the institutional mission. The AACSB states:²

The school must demonstrate what learning occurs for each of the learning goals the school identifies as appropriate for its programs ... Schools are encouraged to choose, create, and innovate learning measures that fit with the goals of the degree programs, pedagogies in use, and the schools' circumstances (AACSB International – The Association to Advance Collegiate Schools of Business, 2007b).

The AACSB suggests three different approaches to AOL measurement (http://www.aacsb.edu/resource_centers/assessment/std-define-goals-approaches.asp). These approaches include: (1) selection; (2) course-embedded measurement; and (3) demonstration through stand-alone testing. Selection means allowing

students into a program based on specific knowledge or skills. Having entrance requirements to the business school is an example of selection. Course-embedded measurement means that programs measure specific skills in specific courses. Stand-alone testing means that the students will have to demonstrate specific skills on an exit exam prior to graduating from the program. Thus, the project team's first step in requirements definition is to select the approach or approaches that meet the institutional mission.

The use of the selection approach creates no particular AOL process problems since all students entering the program have met the requirements. However, if the project team selects course-embedded assessment or stand-alone testing, then they must determine the tasks that they will use to gather the data, analyze the data, and revise courses/programs based on the data. Some of the issues in each area: gather, analyze, and apply data are shown in [Table 6](#). The issues shown in the table highlight the complexity of the AOL tasks and requirements, and why using a structured approach to implement the process is important. Simply obtaining agreement on the requirements can be a difficult and time-consuming process.

KSU Comments

The College of Business' approach to AOL is to use all three approaches identified by the AACSB: a GPA requirement for entrance, course-embedded assessment, and a program assessment in a required capstone course taught by the Department of Management. Within the Department of Accounting, our approach to AOL is to use course-embedded assessment. Our goal for our AOL process is to structure it so that it becomes part of the normal academic process; we hope that reporting student performance on learning objectives eventually becomes as normal as developing a syllabus or reporting grades. Thus, we believe that instructors should report performance data on a vehicle gathered from all students in the course, each time they teach the course. We do not believe instructors should report individual student data, nor will we use sampling by student.

We want faculty to create their own assessment vehicles and grading rubrics (given our faculty composition and course time scheduling, we do not feel it is feasible to use standardized exams or rubrics). We are classifying student performance into three levels: exceeds expectations, meets expectations, and below expectations. We are keeping the data by course section and are planning to keep a copy of each assessment instrument, the grading rubric, and an example of student work at each level (exceeds expectations, meets expectations, and below expectations). We will keep these

Table 6. Issues in Requirements Definition.

Gather Data	Analyze Data	Apply Results (The Feedback Loop)
<ul style="list-style-type: none"> • Frequency of assessment of individual courses/ sections • Use of sampling • Standard formatting of data • Data elements to be gathered (e.g., mean performance, section time, student demographic data, instructor demographic data) • Use of standardized vehicles for a course • Use of standardized grading rubrics • Collection of student performance examples (e.g., paper copies of exams or projects) • Storage of student performance examples (e.g., location, retention time) 	<ul style="list-style-type: none"> • Comparison of student performance across sections taught by different faculty • Comparison of student performance from term to term • Comparison of student performance based on course time slot (traditional daytime versus non-traditional night or weekend) • Comparison of student performance based on student demographics • Comparison of student performance based on faculty demographics 	<ul style="list-style-type: none"> • Whether more than one person (faculty or administrators) will verify (e.g., re-grade) student work • Whether individual faculty, the AOL committee or others will determine the appropriate changes to make in a course • Whether instructors will make changes based on one or multiple assessments (i.e., if results are unacceptable in one course section for one term, is that enough to warrant a change in the course?) • Whether changes to syllabi, teaching methods, or vehicles will be verified by administrators, the AOL committee or others • How to implement changes that affect multiple course sections • How to verify changes to syllabi, teaching methods, or vehicles that affect multiple course sections

copies until the next visit by AACSB, as part of our documentation for accreditation purposes. While we currently are keeping paper copies of many items, we hope eventually to convert to a system of digital copies to save paper and space.

We are not collecting individual student data and thus we cannot analyze across student demographic factors. Also, we are not currently analyzing our data across section factors (such as time of day or day of week) or faculty demographic factors (such as tenure track or gender). Faculty will use AOL results in their regular course revision activities. In addition to individual faculty review, the Department AOL Committee and the College AOL Committee will review AOL results across sections and courses to determine whether students are meeting the learning goals and to determine whether we are continuously improving our programs. These committees

will report their findings to the faculty for decisions about program improvement.

Table 5 presents a summary of the initial data we collected. We concluded from our initial results that we had not defined our assessments very well; our results ranged from one course where all the goals were 100% met to another course where none of the goals were met. At this point, individual instructors are trying to determine how to use the results to modify their individual courses or the course mappings of SSLOs to instruments. Committee members felt, given the variability in the results and our lack of experience with the process, we should not impose any changes without further data.

Select Appropriate Technology

After defining the system's requirements, the project team must select technology to report, store, and analyze data generated by the AOL process. The project team should compare the possible technologies to the requirements and prepare a feasibility analysis. There are different types of feasibility analyses including technical, operational, legal, scheduling, and economic feasibility (Gelinis & Sutton, 2002, p. 549; Romney & Steinbart, 2006, p. 664). The feasibility question that we believe is most challenging in implementing an AOL process is technical feasibility, which involves analyzing what hardware or software to use.

We present five different technological approaches in implementing an AOL process: (1) use basic word processing and spreadsheet software (basically a manual process); (2) build an AOL database; (3) modify the university student management/course registration software; (4) use existing free software such as the AICPA's AOL system; or (5) buy and implement software designed specifically for the AOL process.

The first approach involves simply using software with which the project team and faculty members are already familiar such as Microsoft *Word* and *Excel*. Many universities adopt this approach when they begin implementing an AOL process because it is simple, cheap, and requires no training. However, it is difficult to standardize the data elements that are collected, to organize all of the separate *Word* or *Excel* files that faculty create, and to compile data from various documents to analyze.

The second approach involves using a database package to create an AOL system. Many institutions have a database package available (e.g., Microsoft *Access*). The advantages of this approach are that the institution can

customize the database to the institution's specific AOL data elements and tasks, creating a database requires the designers to think through the data elements, data relationships, and data storage requirements; it is inexpensive and users can treat the database as a prototype system. A prototype system changes as users learn more about their processes (Romney & Steinbart, 2006, pp. 717–720). Thus, as users implement AOL tasks and collect AOL data, the designers (project team members) can modify the database. The disadvantages of a database approach are providing technical support for the database, implementing control procedures for the database, and training users on the database, since many faculty are not familiar with database software.

The third approach would involve customizing the university's course/student management system to accommodate the AOL tasks and data requirements. The university system already contains much of the data required for the AOL process such as student, faculty, and course information and has security built into it. Another advantage is that faculty members are already familiar with the system and using it simplifies the reporting process (e.g., faculty report grades and then report AOL data). The disadvantages of this approach are that it is generally costly and risky to modify a mission critical existing system.

The fourth approach is to use the AICPA's website (<http://www.aicpa-eca.org/>). The advantages of this approach are that the technology is already established, and it is cost effective. The disadvantages are that the AICPA website uses their core competencies (<http://www.aicpa.org/edu/corecomp.htm> goals), thus the specific institution cannot customize the technology to its own requirements. Further, control over the site and the data rests with the AICPA.

A final approach is to purchase and implement a package designed for the AOL process. Manufacturers of educationally oriented software have developed some software products to support the AOL process.³ The advantage of this approach is that professionals are developing the software. The disadvantages are the software may not meet a specific university's requirements; it is costly and it involves implementing a new software package, including training faculty to use it and implementing security.

KSU Comments

When we began our assessment activities years ago, we used only *Word* and *Excel* software (#1) to record and analyze our data. Given the difficulties of managing the various files, in 2004 the Department AOL Committee decided to upgrade to a database approach (#2) using Microsoft *Access*. We

could not use the AICPA's website (#4) as we were not using their core competencies as learning objectives, and we did not have the funds or work force to purchase and implement a package designed for AOL (#5) or to modify the university's student registration system (#3).

However, before we completed the database, the College of Business decided to purchase and implement software to use for the AOL process. Since the College eventually would require us to use their software and we did not want to have two separate AOL processes (college and department), we stopped working on our database. The College of Business software is not yet available, so in the meantime we continue to keep our data in *Word* and *Excel* files.

Implement Technology

Once the project team has selected the technology for the AOL process, they must implement that technology. The steps to implement a system include purchasing and installing software as needed, customizing or writing programs, converting data and loading it into the new system, testing the system, training users to use the system, and providing technical and user documentation.

KSU Comments

We are waiting for the College of Business to provide packaged software for the AOL process.

CONCLUSIONS

The Department of Accounting at KSU has worked on our assessment/AOL process for over 12 years. We have spent considerable time and effort developing our AOL processes, yet we encountered five significant problems that set our process back. Given these problems, we recommend that institutions use a systems methodology to implement the AOL process.

To show the applicability of the systems methodology, we review our significant problems and discuss how we believe the methodology would have helped us avoid each problem that wasted so much time and effort. Our first significant problem was lack of a strategic vision for the AOL process. We encountered conflicting management views on the complexity

of the AOL process and the overall AOL goal. We also had conflicts in the level at which the AOL process would be designed and controlled (department versus college level). We believe using the systems methodology step 2, define the goal of the process, and step 6, define specific requirements, would have alleviated this problem. Management would have defined the goal and the level at which the project was to be controlled. Our second significant problem was that we focused only on upper-division undergraduate accounting courses to the exclusion of the principles of accounting courses and the graduate program. We also failed to consider our department's non-accounting courses (BLAW and BISM). We believe a systems methodology would have alleviated this problem using step 3, assign a project team, and step 4, plan the project including deadlines and milestones. Assigning a project team rather than using a self-selected team would have brought broader coverage to the AOL process, while developing an overall multi-year plan for the AOL process would have highlighted the lack of course coverage. Our third significant problem was our selection of learning objectives (SSLOs). If we had defined our requirements (step 6) clearly and early in the implementation process, we could have avoided the problems with the SSLOs themselves and with matching them to courses and instruments. Our fourth problem was that while AOL is an ongoing process, we did not have technology in place for a dynamic iterative process. If we had used a systems methodology to define requirements (step 6), select technology (step 7), and then implemented that technology (step 8) earlier in our AOL process, we would have saved a lot of time and frustration that resulted from working with *Word* documents and *Excel* spreadsheets. Finally, our fifth problem was rushed work due to poor planning, and adequate project planning (step 4) would obviously have alleviated this problem.

Given our experiences and the benefit of hindsight, we recommend that institutions use a systems methodology to implement the AOL process. Using a structured approach can help other institutions avoid some of the problems we have encountered. For example, recognizing the effect of requirements decisions can make implementing the AOL process move more smoothly and save time. Control and reporting are significant components of the accounting profession. So are control and reporting systems. Accounting departments that are just beginning to implement an AOL process should take advantage of the systems methodology to make the control and reporting process (AOL) as easy and successful as possible.

NOTES

1. For further information about accrediting bodies and their AOL standards see: AACSB International – The Association to Advance Collegiate Schools of Business (2007a, 2007c). The Southern Association of Colleges and Schools (SACS) at <http://www.sacscoc.org/pdf/handbooks/Exhibit%2031.Resource%20Manual.pdf>, or the Middle States Commission on Higher Education at http://www.msche.org/publications/Assessment_Expectations051222081842.pdf

2. We focus on the AACSB in this paper since it is the main accrediting body for business schools.

3. Two vendors that are currently in the process of developing or modifying their educational software to accommodate the AOL process are Nuventive (<http://nuventive.com/home.htm>) and Digital Measures (<http://www.digitalmeasures.com/>).

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