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Akihiro Katsura  
*University of Arkansas, Fayetteville*

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**The Alignment between the Accounting Education at College and the Profession in Public Accounting**

**by**

**Akihiro Katsura**

**Advisor: Ms. Carole Shook**

**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of Science in Business Administration in Accounting.**

**Sam M. Walton College of Business  
University of Arkansas  
Fayetteville, Arkansas**

**May 11, 2012**

## **Introduction**

“The academic curricula of most accounting programs do little to address the needs of the profession.” states Mary-Jo Kranacher, the Editor-in-Chief of The CPA Journal (2006). The accounting education is often criticized for not covering relevant skills and knowledge to jobs in the accounting field. The profession is always changing and it is getting more difficult for the education to keep up with the changes because the speed of changes seems getting more rapid each second. Business environments including transactions at companies are getting more complex, technologies are replacing many accounting activities, and low-skilled accounting jobs are getting outsourced. Lakshmi U. Tatikonda, a professor of accounting at University of Wisconsin Oshkosh states that “As technology replaces common accounting activities, the only way to stop the outsourcing of jobs to overseas countries and to keep high-paying accounting jobs in the United States is for accountants to perform high-value-adding activities such as process improvements. Unfortunately, the emphasis of current accounting education is inconsistent with the knowledge and skills of a high-value-added employee.” (2004).

The field of accounting can be further divided into three fields – private industry, government and non-profit, and public. The accounting field for private industry usually includes the jobs which keep the books, analyze costs of companies, calculate and analyze taxes as well as the internal audit positions, that for government and non-profit consists of the positions in the government which regulate the private businesses in addition to the roles that are similar to the field in private industry for the governmental functions or non-profit organizations, and the field of public accounting includes the accounting firms which provide independent external audit, tax and advisory services. This thesis examines the alignment between the college accounting education and the profession in public accounting from multiple of perspectives – college students majoring in Accounting, accounting faculty members and professionals in public accounting.

## **Motivation of the Paper**

My research topic originally caught my attention during my junior year in college when I was working as an intern at PricewaterhouseCoopers LLP (PwC) and KPMG LLP (KPMG), two of the “Big4” multinational accounting firms. I worked with team members who were more experienced in the profession than I was most of the time, thus I had many chances to ask them about things which I could do during my last year at college to prepare for my career as a professional in the public accounting. Almost all of the answers I received were the things which would not be usually done in accounting classes such as to go out and network with as many professionals and fellow students as possible, become more competent in Microsoft Office or keep up with current news and events in each of the industries. They said that any of the professionals in the field learned most of the things they needed to perform their job after they started their careers. Their answers began making me wonder if there was anything I could do in classes which would better prepare for my career in the profession.

For college students, classes are believed to be the most important parts of their lives in school. They put so much time and effort to perform the best they can in classes. At college, it seems that the Grade Point Averages (GPAs) are often emphasized the most. In many cases, ranks in honor rolls, eligibilities to the honors societies and even distributions of scholarships or grants are decided by the students’ GPAs. Most of the large firms also filter student candidates

for positions by using the applicants' GPAs. However a Senior Associate at PwC who cooperated in my research thinks that GPAs are just a tool to make the initial cut to reduce a large pool of applicants to those who qualify for the second-round interview for the positions and often would not be used as the primary factor for the final decision of hiring. She said that "Students' GPAs are mainly used to see their dedication. They simply show if the students deserve the job. Not necessary that the higher the students' GPAs are, the more things they have that they excel at or the more successful they will be as professionals, but they at least could be used as a proof of their motivation for the positions for which they are applying. They are just there to earn the right to get considered for the job. As long as they meet a certain level, it does not matter much after the first cut." The firms are aware that it is nearly impossible for students to prepare themselves for the profession perfectly while they are in school. The college education, however, is not inexpensive and takes so much time to be completed, thus what students study and experience while they are in college should be extremely useful for students' future careers, especially for technical fields such as accounting. I expect this project to provide insight into what schools and accounting students, especially those who desire to go work in the field of public accounting, could do to help the students get themselves ready for the career after college.

### **Previous Studies and this Research Paper**

A number of research reports have examined the effectiveness of the accounting education. Albrecht and Sack (2000) provided a quite negative assessment of accounting education. The authors stated that the number of students majoring in accounting was down and the students were not pleased with the education they were getting, and that many professionals in the accounting field view that the accounting education model was not up-to-date. The Bedford Committee (1986) also commented that university accounting programs had not been keeping up with the changes which were happening in the business environment. Therefore the academic side could not meet the demand of the market. The Bedford Committee (1986) stated that the curriculum should include the non-technical skills as well as the technical accounting skills. The study by Arthur Andersen & Co. et al. (1989) suggested that skills in communication, interpersonal and intellectual, and knowledge in accounting, auditing, business and organizational were needed in public accounting.

A more recent study by AICPA provided evidence that many college students' interest was in accounting careers again. Its figures indicate that between 2000 and 2001, 152,885 students were enrolled in accounting program. However, the enrollment increased to 212,834 students during the period from 2007 to 2008 (AICPA, 2009). Also the BusinessWeek's (2009) survey of the best places to launch a career indicates the popularity of the field of accounting. This survey had been completed annually since 2006, and for all the years which the survey was completed, the "Big 4" accounting firms took all the top four spots. The shift in the enrollments in college accounting programs and the ranking put out by BusinessWeek clearly show that the college students' interest in accounting careers has gotten stronger today as compared to the late 1980's-2000.

The main concerns in the report by Arthur Andersen & Co. et al. (1989) were about the quality and quantity of students who were majoring in Accounting. The report called to re-build the accounting educational process entirely. The firms provided grants to support the

development of new curricula at selected leading schools so that other schools could follow after the leading schools completed the creation of the new curricula.

A decade later of the report by Arthur Andersen & Co. et al. (1989), Albrecht and Sack (2000) claimed that the change made was not enough and the distance between the education and the profession had not gotten closer but rather gotten further. They stated that it came out that way because of changes in technology, globalization, and concentration of market power and schools had not kept up with the changes. Albrecht and Sack (2000) suggested that the fundamental accounting technical skills should be taught quickly and efficiently, with an emphasis on concepts instead of memorization. Wallace (2001), however, was against Albrecht and Sack (2000) and argued that before students get into the complicated analysis or decision making, they need to memorize certain fundamental materials. The discussion over a better curriculum for the accounting programs is still in progress up to this day.

Right after the accounting profession got hit by a series of accounting scandals in the early 2000's, PwC commissioned Dr. Clifton F. Conrad and Ms. Kim Rapp, non-accounting educators from the University of Wisconsin, to study the accounting curricula at nine leading accounting programs (New York University, Howard University, University of Florida, University of Texas-Austin, University of Illinois at Urbana-Champaign, Notre Dame University, University of Southern California and Brigham Young University) and performances of professionals at the firm, and presented the results in *Educating for Public Trust* (2003). Some of the important conclusions among many findings presented are as follows: First, throughout the curricula the value of quality, integrity, transparency, and accountability need to be better integrated if integrated at all. Second, in the accounting curricula at even these nine leading schools, transformational changes need to be made with a re-prioritization on assisting new students understand what being a professional means, putting more emphasis on higher level interpersonal and communication skills as well as problem solving skills in the "gray" is often hindered by various factors, including a lack of understanding of the complex business environments. Third, the critical first accounting course needs to be widened to help students understand the environment of professional practice in a broad sense. Fourth, schools and professional (firm) educators have to work together to align the accounting education and the profession better. Fifth, more continuous individual and collaborative learning should be emphasized. And at last, it argued that "equivalent alternatives" for meeting the 150-hour requirements to sit for the Uniform Certified Public Accountant (CPA) Examination or be certified as a CPA should be allowed for those who hold a bachelor's degree. Those alternatives could include substituting additional practice, one more year than currently required for example, for the rest of the hours of college education after a bachelor's degree, or recognizing continuing professional education as another viable alternative.

Finally, the Advisory Committee on the Auditing Profession appointed by the U.S. Department of the Treasury recognized needs for the modifications of the accounting education in the Final Report of the Advisory Committee on the Auditing Profession to the U.S. Department of Treasury (2008). First, teaching materials need to reflect real world changes in the business environment more rapidly. Second, the accrediting agencies such as the Association to Advance Collegiate Schools of Business and the Association of Collegiate Business Schools and Programs should require schools to build into accounting curricula current market developments. Third, educational institutions need to put effort in improving the representation and retention of

minorities in the accounting programs. Fourth, educational institutions need to ensure a sufficiently robust supply of qualified and experienced accounting faculty to meet demand for the future and help prepare new entrants to the profession to perform high quality audits. Fifth, universities should place a high value on professional sabbaticals for purposes of promotion and tenure as they do for research and scholarly publication so that it will be easier for educational institutions to engage in a two-fold strategy with audit firms, corporations, federal and state regulators, and others to encourage cross-sabbaticals and eliminate financial or career disincentives for participating in such experiences. Sixth, educational institutions need to create a variety of tangible and sufficiently attractive incentives that will motivate institutions in the private sector to fund both accounting faculty and faculty research, to provide practice materials for academic research and for participation of professionals in behavioral and field study projects, and encourage practicing accountants or auditors to pursue careers as academically and professionally qualified faculty. And finally, the Committee encouraged the AICPA and the American Accounting Association (AAA) to form a commission jointly to provide a timely study of the possible future structure of higher education for the accounting profession, including the potential role of a postgraduate professional school model to enhance the quality and sustainability of a robust accounting and auditing profession.

My research study differs from prior research in that it examines the issues of alignment between the accounting education and the profession from three different perspectives – students, faculty members and professionals. In particular, it will focus on the accounting education at the Sam M. Walton College of Business, the University of Arkansas – Fayetteville. My primary research methods were a survey and interviews. I conducted a survey among undergraduate and graduate students who were majoring in Accounting at the Walton College and interviewed faculty members in the Department of Accounting at the Walton College as well as professionals from PwC and KPMG. The result of the survey conducted among the students would be compared against the findings from the interviews with faculty members and professionals. Results which are consistent and inconsistent among interests of students’, faculty members’ and professionals’ in the accounting education will be presented. Additionally, limitations or constrains the faculty members are facing to answer the demands from the profession and students are also presented.

## **Methodologies and Data**

### **1. Sample Selection**

The survey was available during the spring semester of 2012 to any students who were of junior and senior standing in the undergraduate accounting programs (Bachelor of Science in Business Administration and Bachelor of Science in International Business) as well as those who were in the Master of Accountancy (MAcc) program at the Walton College. Answers of total 61 students were collected. Among the participants, 10 students (16%) were of junior standing, 33 students (54%) were of senior standing, and 18 students (30%) were MAcc students. In terms of the gender distribution, 36 students (59%) were male and 25 students (41%) were female. Table 1 and 2 below show the demographic data of the students participated in the survey.

For the interviews, I met with three faculty members from the Accounting Department at the Walton College in person and asked the same set of questions based on their experiences in curriculum development. Also I phone interviewed five professionals, three from PwC and two from KPMG based on their professional experiences. Their positions were a partner, senior manager, manager, senior associate and associate.

The appendixes in the end of the paper include the questions asked to the students, faculty members and professionals. All the participants of both the survey and the interviews were allowed to remain anonymous.

**Table 1:** Gender distribution of the survey participants

	Response	%
Male	36	59%
Female	25	41%
Total	61	100%

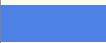



**Table 2:** Class standings of the survey participants

	Response	%
Junior	10	16%
Senior	33	54%
M.Acc	18	30%
Total	61	100%

## 2. Result of the Research

One of the interesting results received was that 40 out of 61, about 65% of students participated in the survey answered that they would like to start their career in public accounting as it could be referred in Table 3 below. The result shows that this research paper is relevant to the majority of the students in the accounting programs at the Walton College.

**Table 3:** Professions the survey participants hope to start their career with

		Response	%
Industry		15	25%
Public Accounting		40	65%
Governmental		1	2%
Other (Please specify)		5	8%
Total		61	100%

Other – Industry Sales, Finance, Tax Law, University Professor and Dentist

This result is surprising as the research result by Nouri et al (2005) reveals that many students have the perception that public accounting has lower job security and involves more travel and overtime.

Table 4 below shows the result of the question which asked the students who participated in the survey if they had any idea of the tasks performed in the field of public accounting. Since more than 75% of the participants have at least some idea, it suggests that many of the students are expecting to start their career in public accounting with some knowledge about the field.

Table 4: The survey participants’ level of knowledge about the tasks performed in the field of public accounting

		Response	%
A very good idea		8	13%
Some idea		39	64%
Neutral		4	6%
Little idea		7	11%
No idea		3	5%
Total		61	100%

Table 5: The survey participants’ answers to the question “Do you think the Accounting Department at the Sam M. Walton College of Business is providing enough information about what careers you can pursue with an accounting degree?”

		Response	%
Strongly agree		13	22%
Agree		26	43%
Neutral		9	14%
Disagree		12	19%
Strongly Disagree		1	2%
Total		61	100%

Table 5 shows that 65% of the participants think that the Accounting Department at the Walton College is providing enough information about what careers the students can pursue with an accounting degree.

Table 6 below shows that 69% of the participants believe that the Walton College as a whole and/or its career center is/are providing enough information about what careers they can pursue with their accounting degree.

As seen in these two tables, quite a few students believe that the Accounting Department, Walton College and its career center are providing enough information for the career options



they can pursue with an accounting degree. It indicates that the College and the Department are doing a good job on communicating this information to the students. The students who answered “disagree” or “strongly disagree” to these two questions might want to seek more information by visiting the faculty members in the Department or the Career Center more frequently.

Table 6: The survey participants’ answers to the question “Do you think the Walton College and/or its Career Center are/is providing enough information about what careers you can pursue with an accounting degree?”
















		Response	%
Strongly agree		10	17%
Agree		32	52%
Neutral		9	15%
Disagree		8	13%
Strongly disagree		2	3%
Total		61	100%

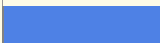








Table 7 below shows that students believe that classes, in which technical skills are mainly taught such as intermediate accounting and audit, are more valuable for them. It is true that they are what considered “essential” for accountants according to the professionals from KPMG and PwC that were interviewed. However one of the faculty members interviewed explained that the dollar value technical skills (hard skills) provides is significantly lower than that provided by soft skills such as communication skills, public speaking skills or interpersonal skills since almost everybody can perform hard skills once they acquire them. The faculty member agreed to the opinions of the professionals that students must obtain the technical skills to be considered for a position at a firm. The faculty member said that when people are in a lower position such as associates, technical skills are needed most of the time. As they move up in an organization, the skills which they would be in need become “softer.” The comments by the faculty member can explain the survey result very well. Students are usually those who have never had working experience in the accounting field or even if they have, the roles they played were most likely to be an entry-level position. The comments explain the result of Table 8 as well. 20 out of 61 students (33%) who participated in the survey believed that the accounting technical skills are the most important skills they should learn in school before they work in the field of public accounting. In fact this choice received the most votes. The result may also partly be explained by the undergraduate curriculum in place. Table 7 shows all the accounting classes that are offered regularly at the Walton College, and when we take a glance at the classes which are offered in the undergraduate accounting programs (2000-4000 level), there is no class which

Table 7: The survey participants’ choice of the most valuable accounting class

		Response	%
ACCT 2013: Accounting Principles		5	8%
ACCT 3533: Accounting Technology		2	3%
ACCT 3613: Managerial Uses of Accounting Information		7	12%
ACCT 3723: Intermediate Accounting I		14	23%
ACCT 3753: Intermediate Accounting II		10	16%
ACCT 3843: Fundamentals of Taxation		1	2%
ACCT 4003H: Accounting Colloquium		0	0%
ACCT 4973: Product, Project and Service Costing		3	5%
ACCT 4963: Audit and Assurance Services		11	18%
ACCT 5413: Advanced Financial Accounting		2	3%
ACCT 5433: Fraud Prevention and Detection		0	0%
ACCT 5953: Audit Standards		6	10%
ACCT 5873: Advanced Taxation		0	0%
ACCT 5463: Financial Statement Analysis		0	0%
ACCT 5443: Asset Management		0	0%
ACCT 5883: Individual Tax Planning		0	0%
ACCT 5523: Advanced Accounting Information		0	0%
ACCT 5223 Accounting for Supply Chain & Retail Organizations		0	0%
ACCT 549V: Special Topics in Accounting		0	0%
Have not had any accounting class yet		0	0%

Others (Please specify)		0	0%
Total		61	100%

**Table 8:** The most important thing the survey participants think the students should learn in school before they go to work in the field of public accounting

		Response	%
Accounting technical skills		20	33%
Writing skills		3	5%
Reading skills		0	0%
Public speaking skills		3	5%
Researching skills		2	3%
Inter-personal skills		11	18%
Networking skills		5	8%
Computer skills		5	8%
Ethics and professionalism		10	16%
Others (please specify)		2	3%
Total		61	100%

Other – Real accounting duties, No plan to go into public accounting.

seems to include the development of softer skills except ACCT 4003H: Accounting Colloquium. The faculty member previously mentioned did not deny the fact that in the undergraduate accounting programs there is no class which students could take unless they are in the honors program. On the other hand, the same professor suggested that in the MAcc program, students work on more project based assignments which provide them more opportunities to work as groups and more opportunities to give presentations. Those assignments would be more useful for students to build the soft skills than those completed in the undergraduate programs.

Students, however, do not exhibit their interest in applying for the MAcc program if they do not have to or if there were any easier choices. Based on Table 9, almost half of the survey participants indicated that they want the Accounting Department to offer the classes that would let them meet the CPA educational requirement while they are in the undergraduate programs, perhaps by having another major in addition to Accounting or taking extra classes to reach the 150-hour requirements. All of the professionals who participated in the interviews said that a master’s degree or any extra accounting or business classes students take would be certainly helpful, yet not a necessity. They claimed that the first-year associate with a master’s degree and those with a bachelor’s degree are not treated much differently. Some said that those who with a master’s degree get a starting salary which is about \$1,000 higher yearly than those who with a bachelor’s degree, while others disagreed and claimed that the new associates with just a

**Table 9: The survey participants’ opinions on what the Accounting Department can do to assist the students to better prepare them for the careers in accounting**



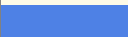


		Response	%
More information about jobs in the field		11	18%
More networking opportunities with professionals in the field		8	13%
Classes that would let you be “CPA ready” while you are in the undergraduate programs		29	48%
Various concentrations within the accounting programs (such as General Accounting, Auditing, Tax)		13	21%
others (please specify)		0	0%
Total		61	100%

bachelor’s degree had got offered the same starting salary as the associates with a master’s in accountancy or business administration who started at the same time. One of the professionals who did not get a master’s degree, but instead had dual majors for her bachelor’s degrees, stated that she did not feel like she missed anything by not studying in a master’s program. Another professional, who happened to be an audit partner, stated that he strongly believed that a master’s degree is not needed to be successful in public accounting. He said that he does not have any certification which related to accounting except his CPA License. He said he had a bachelor’s degree in Economics. Since he is a partner, there is little doubt that he has been successful in the field. Considering the price of the graduate-level education and the time they need to spend for the program, meeting the educational requirements for the CPA License and a starting salary of additional \$1,000 a year might not be attractive enough to encourage students to apply for the program if they could secure a position at a firm while they are in the undergraduate programs. But since the firms do recognize how helpful extra accounting or business classes are for students, if they could hire students with a master’s degree at an approximately same amount of salary as those with a bachelor’s degree only, it would be more beneficial for the firms. Thus if the students could not obtain a position at a firm with their bachelor’s degree, then a master’s degree could increase a possibility for the students to get a job.






If the students in the accounting programs would like to develop the soft skills without going to graduate school, by looking at the current curriculum it seems that they need to do so outside the accounting classes. Multiple of professionals of KPMG and PwC who were interviewed stated that one of the reasons, among others, for which firms look at extra-curricular

activities students have participated in or the work experiences they have had when they apply for job positions at the firms is to see if students are building the soft skills they need in the future or at least trying to do so because the firms have realized that just the classes would not be enough for students to accomplish building those skills. Another reason that the firms think the activities outside the classes are important for students is that by taking part in the activities, having a regular load of classes and making decent grades in them all at the same time, they will be able to build the time-management skill.

**Table 10:** The answers collected from the survey for the question “Do you think the Accounting Department emphasizes the importance of leadership experiences you get outside the classes enough?”

		Response	%
Strongly agree		4	7%
Agree		26	43%
Neutral		17	28%
Disagree		12	20%
Strongly Disagree		2	3%
Total		61	100%






**Table 11:** The answers collected from the survey for the question “Do you think the Walton College and/or its Career Center emphasize(s) the importance of leadership experiences you get outside the classes enough?”

		Response	%
Strongly Agree		12	20%
Agree		32	52%
Neutral		9	15%
Disagree		7	11%
Strongly Disagree		1	2%
Total		61	100%

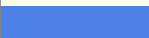




Based on the data on Table 10, thirty-one participants, which are more than half of them, did not choose “Strongly agree” or “Agree” to the question which asked if the Accounting Department emphasized the importance of leadership experiences they got outside the classes enough. Comparing with the answers received on Table 12, it seems that some students are feeling that the Department is not communicating the importance of the activities outside the classes to the students as much as it is for the job experience such as internships. In fact, all of

the professionals interviewed said that in order to obtain an internship or a full-time position, candidates need to have at least a few good lines they can sell in on their resumes in addition to their GPAs. The professionals also believe that if the work experiences students had are not related to the field of accounting, extra-curricular activities would be more helpful to obtain a position than the work experiences. As it was stated under the “Motivation of the Paper,” the firms generally do not take the GPA into account much after the initial screening of the candidates. Thus, as long as students can keep their GPAs above a certain level, it is probably worth spending time on the extra-curricular activities even if they need to reduce the amount of time they study.

**Table 12:** The answers collected from the survey for the question “Do you think the Accounting Department emphasizes the importance of work experiences you get outside the classes enough?”

		Response	%
Strongly agree		12	20%
Agree		29	48%
Neutral		8	13%
Disagree		10	16%
Strongly Disagree		2	3%
Total		61	100%







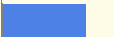



**Table 13:** The answers collected from the survey for the question “Do you think the Walton College and/or Career Center emphasize(s) the importance of work experiences you get outside the classes enough?”

		Response	%
Strongly agree		19	31%
Agree		27	44%
Neutral		8	13%
Disagree		6	10%
Strongly Disagree		1	2%
Total		61	100%

As stated previously, the professionals and the faculty members agree that accounting technical skills are essential for students to acquire before they go work in the field of public accounting. Yet since GPAs do not have to be perfect for students to get hired and most of the classes in the accounting programs are dealing with the technical skills, one could probably see

that firms do not expect the accounting technical skills students acquire in school to be perfect either. One of the professionals interviewed stated that she would rather spend time on helping new associates or interns on accounting related problems than those which involve computer or writing skills. She explained that accountants use Microsoft Office, especially Excel and Word almost every day and also new associates and interns are often assigned to work on writing memos or documentations for tests performed. Those two skills, the computer skills and the writing skills, which the professional mentioned were two of the top three things students thought the Accounting Department was doing poorly on preparing them for their career referring to the result on Table 14 below. The same professional said that people could look up the accounting, audit or tax knowledge in the resources a firm possesses after they receive their firm issued laptop computer. Thus the research skills would be as important as the accounting technical skills for the students to have. The Accounting Department might be able to strengthen students in the program by finding ways to help the students build better writing skills, computer skills and research skills. The skill which received the second most votes was the networking skill.






**Table 14:** The participants’ opinions for what the Accounting Department is doing poorly prepare the students for their career

		Response	%
Accounting technical skills		6	10%
Writing skills		14	23%
Reading skills		3	5%
Public speaking skills		6	10%
Researching skills		5	8%
Inter-personal skills		2	3%
Networking skills		11	18%
Computer skills		9	15%
Ethics and professionalism		2	3%
Others (please specify)		3	5%
Total		61	100%

Other – Preparation for the CPA exam, Failure to recognize various uses of an accounting degree and inform students about all the career possibilities besides public accounting and auditing.

For the discussion over the possible outsourcing of the profession, there were various opinions. From the students’ side, as seen on Table 15 below, the answers of the agreement and the disagreement almost received the same amounts of votes – 38% of the participants strongly agreed or agreed that more of the accounting jobs are getting outsourced, 33% disagreed or strongly disagreed, and 30% of them held the neutral position. The professionals and faculty members had just about the same thoughts. All of them agreed that back in the early 2000’s,

Table 15: The data collected from the question “Do you think the accounting jobs are getting outsourced?”

		Response	%
Strongly agree		5	8%
Agree		18	30%
Neutral		18	30%
Disagree		15	25%
Strongly Disagree		5	8%
Total		61	100%

a number of the organizations, including public accounting firms, did try to outsource parts of their accounting functions as well as many other functions hoping to be more cost effective. Some of them, however, said that recently a lot of the companies have been realizing that their outsourced works have not been as cost efficient as they expected to be. The main reasons for the issue are that the companies have needed to organize all the facilities and their employees at the outsourced sites could not work as efficiently as those in the United States thus they have needed to get trained. A professional told me about her negative experience with outsourced services. She said that a lot of documentation work for the working papers have gotten outsourced, but since she cannot see processes of their work in person, often the working papers do not get completed correctly and associates or interns in the United States have to fix what has been completed incorrectly. In other cases, since those working papers are usually sent through the mail, sometimes it takes more time to receive the documents than is planned. And the most challenging thing about the outsourcing, according to her, is communicating with those who are working at the outsourced sites because they are far away, and there are also language barriers in some cases.

However, two professionals pointed out that although in the short-run the outsourcing might not pay off, they believe that it will in the long-run. They said that there are many things in which the outsourcing can add positive value to the firms. First, since many of the lower value added works, such as putting tick marks on work papers, have been outsourced and more of them are planned to be outsourced in the future, they may not be the jobs for domestic new associates or interns anymore as oppose to the current situation where those have been major components of the work they do. That way the new associates or interns will be able to spend more time working on the higher value added items, for example understanding what the purpose or meaning of each tick mark instead of just putting them on working papers, earlier in their careers than they do today. Second, if the employees at outsourced sites get trained and the facilities continue to operate for a while in the future, companies will get to a point where they will be able to see clearly that they are saving a lot of costs from the outsourcing of the jobs since the



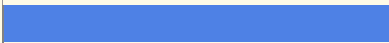

labors, properties, facilities and utilities are not as expensive as they are in the United States. They think that those companies which have been bringing back their outsourced portion of the business already are not giving enough time and expecting too much return in a short time frame.

Some of those who think that more jobs specifically in public accounting will continue to be outsourced in the future believe that the number of the entry level positions in the firm will also decrease, thus it will be more competitive to obtain the positions. One of the faculty members stated that the firms' pyramid might get "skinnier," meaning that there will be the same number of the positions in the organizations above the entry level, but the number of the entry level positions will decrease. At the same time, the issue with that situation is that many people, including those who hold entry level positions, leave public accounting firms to pursue their careers on different jobs. Some of the people interviewed said that they do not think the number of positions would decrease at all because of this reason. If the firms are hoping to decrease the number of the entry level employees to save cost by outsourcing their current tasks, the firms need to find the ways to retain more employees, by increasing the compensation and making the work environment and condition better. The costs to make them all happen could exceed what they save from the outsourcing.

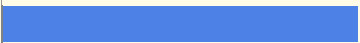

Regardless of effects which the outsourcing would cause on the number of the jobs in public accounting, it is foreseeable that tasks new associates or interns will work on would have higher values and could be more complicated if the outsourcing continues to increase in the field in the near future. The expectations for the students will be higher, and they need to be prepared to work on those tasks when they graduate from school. In order to accomplish this, the Accounting Departments at various educational institutions also need to figure out what needs to be added or changed.

Table 16 and 17 below show that overall, more than 80% of the survey participants indicated that they would major in Accounting if they could redo their college career and approximately the same number of them also answered that they would still attend the Walton College. They highly value the degree they are getting and where they are getting their degree from. Also these two tables show that the students are overall satisfied with the accounting education they are getting at the Walton College.

Table 16: The survey participants' answers to the question "If you could redo your college career, would you still major in Accounting?"

		Response	%
Yes		52	85%
No		9	15%
Total		61	100%

**Table 17:** The data collected from the question “If you could redo your college career, would you still attend the Sam M. Walton College of Business?”

		Response	%
Yes		50	82%
No		11	18%
Total		61	100%

### 3. From professionals and faculty members

In addition to the questions that were asked to students in the survey, there were some other important topics discussed with the professionals and faculty members. At first from the professionals’ side, those who cooperated with my research all agreed that they would want the students to be ready mentally as well as technically and do not want to see the students complaining about what the firms are doing for them. Students should be ready for long hours, frequent travel and continuation of learning even after they are out of school. They said that at first the new employees or interns need to perform well for the firms, and then the firms would start investing in them more. The situations would never be the other way around. Also a few of them pointed out that the new associates or interns often fail to prepare themselves for work and act as if they are still in college after they start at the firm.

The professionals also talked about the most valuable classes which colleges could offer. One of them said that a class which teaches principal based accounting. The professional explained it by using an example of students dealing with the sales account. Most of the students can perform journal entries of the account, but a lot of them do not understand what constitutes the sales. Another professional suggested that classes which make the students go through mini-audit and mini-tax cases and perform the procedures they actually would do in public accounting from the beginning of an engagement to its end would be extremely valuable. Since there are faculty members or Ph.D. students who have experiences in public accounting, it might be possible to implement such assignments in classes. Another professional stated that classes which would train students to handle a huge amount of data would be very beneficial. He said that new associates and interns often struggle with organizing huge data or a large amount of work and information, dealing with a long to-do list and behaving in a professional manner when they work with clients. He also stated that if possible, schools should implement assignments which would enhance students’ thinking more. They do need to memorize many things, but at the same time they should try to think what makes sense and what does not while working on those memorizations, and ask faculty members, their classmates or friends when they come up with any questions to clear them up. The faculty members might want to emphasize the importance of “thinking” repeatedly from early time while students are in the programs.

Topics which expose domestic students to international experiences are important but also missing from college accounting education, according to multiple faculty members and professionals. Today, most of the companies and firms conduct business internationally. They might not have any of their branches or subsidiaries in a foreign country, but they might sell or purchase products, materials, or services to or from customers or vendors which are in other countries than their own. The demand for the people who have gone through many experiences related to international matters and have good understanding of the world beyond the domestic issues is bigger than ever. The accounting programs should not get behind this trend. One faculty member specifically said that the accounting curriculum at the Walton College does not expose the students in the program to the international topics enough.

The faculty members and professionals agreed that accounting programs need to find a way to teach issues which do not have right or wrong answers. They called them problems in the “gray area.” Every accountant faces such problems all the time, but schools have not found a good method to teach them. Two faculty members stated that in the MAcc program there are a few classes which are designed to teach that kind of problems, but they have not found a good fit to put them in the undergraduate programs yet.

#### **4. Challenges faculty members are facing**

As seen above, there are a number of things that students, professionals and faculty members are aware that are missing and would like to implement in the accounting programs. However the programs are designed in a way they are because the accounting faculty members face various challenges and have not been able to find a way to fill everything which is missing in the programs yet. Some faculty members talked to me about the challenges they deal with. First, there are rules around the number of hours they can include in an undergraduate program at universities. One faculty member told me that the State of Arkansas is pushing the Walton College to decrease credit hours which its undergraduate programs require students to complete for a degree even today. The Accounting Department is not an exception, and it is having a hard time to meet the demand by the professional world and the students within the limited hours which could be allocated to accounting courses. There are many things to cover even only for the accounting technical skills, and without good foundation of those skills, it is difficult for people to understand topics in the “gray area” and acquire “value-added” skills. Also the students who major in accounting already have so much work to deal with outside the classroom and the faculty member does not think that the instructors can assign them more than what they currently do. Thus the students need to do extra work by themselves if they want to make themselves better prepared for their careers. The faculty member added that the situation would be the same after the students graduate from school and start their career. If public accountants want to know about their clients or the industries to which the clients belong more than they do at work, they need to do extra reading or something appropriate by using the times when they are not working.

The resources the school can provide are limited as well. One faculty member said that it has been challenging for the Accounting Department to keep up with the speed of all the changes. There is not a way for books to be updated for every change which happens all the time, and the Department does not have technological facilities which could provide all the students with the most updated information. In this faculty member's opinion, students who want to excel would do more than they are provided in classes. The faculty members are doing what they can to teach the materials which are most updated.

Also the size and location of the institution is creating some limitations. A faculty member stated that the student body size of the accounting programs at the Walton College is not large enough to provide the concentrations such as Management Accounting, Auditing and Taxation. Instead, students in the both undergraduate and graduate programs have options to take various advanced courses include in the areas of management accounting, audit, tax and many others as their electives. Those courses are all designed for the students in the MAcc program, but the students in the undergraduate programs are often allowed to take the courses with permission by the instructors of the courses. The faculty member said that it was totally up to the students what courses they take for their electives. The students, however, should be aware that what classes would help them the most for their success in the future, and the advisers at the College are meant to assist the students on selecting the classes. Another faculty member mentioned that the location was also creating the limitation. For example, considering the location of the University, there are not as many opportunities for the students to be hired by the accounting function in the governmental field or working with the governmental accounting, especially compared to the Washington, D.C. area. Naturally the demand by the students for the governmental accounting is not usually high either. The Department might offer a class of the accounting for governmental/nonprofit organizations in some semesters, but it would not make much sense to offer a concentration in that area of accounting even if there are a few students who would like to go into that field.

## **Conclusion**

My research paper examined and put together perspectives of students who are in accounting programs at the Walton College, faculty members in the Accounting Department at the Walton College, and professionals from PwC and KPMG. The Accounting Department has been facing a dilemma where the faculty members are aware of the missing parts in the programs, but yet limitations exist to make the best programs they imagine. Firstly, it is difficult for the education to keep up with the speed of changes in the business world. Secondly, there are only limited time and resources available both for the faculty members and the students in the programs. And thirdly, a successful way to teach soft skills such as writing, reading, public speaking, researching, inter-personal and networking skills as well as how to deal with problems in the "gray area" where a right or wrong answer does not exist has not established yet. Thus the students who would like to prepare themselves for the skills that professionals want students to acquire before they get out of college should participate in extra-curricular activities and have

accounting-related work experiences so that they can actually build the soft skills and learn to solve problems which do not have an answer that is straight forward in addition to the technical skills.

In the current situation, one of the things which the Accounting Department might want to do to help the students in its programs is to help them recognize the skills really needed when they move up the positions in the accounting professions in the future. Although the Department is doing a good job on teaching the accounting technical skills according to the research, the degrees the students get at the University of Arkansas should help them to be successful during their entire career as an accountant. From the result of the survey, the students in the accounting programs at the Walton College are currently valuing the accounting technical skills much higher than the soft skills. However, through the interviews with the professionals and the faculty members, it was found that the soft skills are as important as the accounting technical skills. The technical skills will help the students obtain a position at a firm, but to move up in an organization the soft skills will be also needed. The Accounting Department might want to put more effort on communicating the importance of both the accounting technical skills and the soft skills to the students in its programs as early as possible in their college careers so that the students can take the actions based on the advice from the Department. The Department should not only help the students obtain a position at a firm but also assist them to have successful careers for a long period after they get their accounting degrees at the University of Arkansas.

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## Appendix 1

Survey Questions to Students (Choices for answers are in parentheses)

- 1) Are you an Accounting major? (Yes, No)
- 2) What is your classification? (Junior, Senior, MAcc)
- 3) What is your gender? (Male, Female)
- 4) What profession do you want to start your career with? (Industry, Public Accounting, Governmental, Other (Please specify))
- 5) Do you think the Accounting Department at the Sam M. Walton College of Business is providing enough information about what careers you can pursue with an accounting degree? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 6) Do you think the Walton College and/or Career Center are/is providing enough information about what careers you can pursue with an accounting degree? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 7) What accounting classes have you taken so far? Please select all that apply. (ACCT 2013: Accounting Principles, ACCT 3533:Accounting Technology, ACCT 3613:Managerial Uses of Accounting Information, ACCT 3723:Intermediate Accounting I, ACCT 3753: Intermediate Accounting II, ACCT 3843:Fundamentals of Taxation, ACCT 4673:Product, Project and Service Costing, ACCT 4963: Audit and Assurance Services, ACCT 5413:Advanced Financial Accounting, ACCT 5433:Fraud Prevention and Detection, ACCT 5953:Auditing Standards, ACCT 5873:Advanced Taxation, ACCT 5463:Financial Statement Analysis, ACCT 5443:Asset Management, ACCT 5883:Individual Tax Planning, ACCT 5523:Advanced Accounting Information, ACCT 5223:Accounting for Supply Chain & Retail Organizations, ACCT 549V:Special Topics in Accounting, Other (Please specify))
- 8) Among the classes you have taken, which one was the most valuable? Please choose one. (ACCT 2013:Accounting Principles, ACCT 3533:Accounting Technology, ACCT 3613:Managerial Uses of Accounting Information, ACCT 3723:Intermediate Accounting I, ACCT 3753: Intermediate Accounting II, ACCT 3843:Fundamentals of Taxation, ACCT 4673:Product, Project and Service Costing, ACCT 4963: Audit and Assurance Services, ACCT 5413:Advanced Financial Accounting, ACCT 5433:Fraud Prevention and Detection, ACCT 5953:Auditing Standards, ACCT 5873:Advanced Taxation, ACCT 5463:Financial Statement Analysis, ACCT 5443:Asset Management, ACCT 5883:Individual Tax Planning, ACCT 5523:Advanced Accounting Information, ACCT 5223:Accounting for Supply Chain & Retail Organizations, ACCT 549V:Special Topics in Accounting, Other (Please specify))
- 9) Are you planning on becoming a CPA? (Yes, No)
- 10) Have you had any accounting internship? (Yes, No)

- 11) If yes, did you have any idea of actual tasks you were going to perform for your job before your internship? (You had – a very good idea, some idea, neutral, little idea, no idea)
- 12) What is the Accounting Department doing well to prepare you for your career? Please select one. (Educating – Accounting technical skills, Writing skills, Reading skills, Public speaking skills, Researching skills, Inter-personal skills, Networking skills, Computer skills, Ethics and Professionalism, Other(Please specify))
- 13) What is the Accounting Department doing poorly to prepare you for your career? (Educating – Accounting technical skills, Writing skills, Reading skills, Public speaking skills, Researching skills, Inter-personal skills, Networking skills, Computer skills, Ethics and Professionalism, Other(Please specify))
- 14) Do you have any idea of what you would do in the field of the public accounting? (You have – a very good idea, some idea, neutral, little idea, no idea)
- 15) What do you think the Accounting Department can do to assist you to better prepare for the career in accounting? Please select one. (Provide more information about jobs in the field, Provide more networking opportunities with professionals in the field, Provide classes that would let you be “CPA ready” while you are in the undergraduate programs, Provide various concentrations within the accounting programs (such as General Accounting, Auditing, Tax), Other (Please specify))
- 16) What do you think the most important thing you should learn in school before you go to work in the field of public accounting? Please select one. (Accounting technical skills, Writing skills, Reading skills, Public speaking skills, Researching skills, Inter-personal skills, Networking skills, Computer Skills, Ethics and Professionalism, Other(Please specify))
- 17) Do you think the Accounting Department is covering everything that is important for your accounting career? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 18) If you chose strongly disagree or disagree on the question above, what do you think the Accounting Department is missing? (Accounting technical skills, Writing skills, Reading skills, Public speaking skills, Researching skills, Inter-personal skills, Networking skills, Computer Skills, Ethics and Professionalism, Other(Please specify))
- 19) Do you think the Accounting Department emphasizes the importance of leadership experiences outside the classes enough? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 20) Do you think the Walton College and/or Career Center emphasize(s) the importance of leadership experiences outside the classes enough? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 21) Do you think the Accounting Department emphasizes the importance of work experiences outside the classes enough? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)



- 22) Do you think the Walton College and/or Career Center emphasize(s) the importance of work experiences outside the classes enough? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 23) Overall what are you most satisfied about the accounting education you have received from the Sam M. Walton College of Business? (Curriculum, Accounting technical skills taught in classes, Leadership experiences provided in classes, Communication skills taught in classes, Network opportunities provided in classes, Computer skills taught in classes, Ethics and Professionalism taught in classes, Quality of instruction/instructors, Other (Please Specify))
- 24) Overall what are you dissatisfied in regards to the accounting education you have received from Sam M. Walton College of Business? Please select one. (Curriculum, Accounting technical skills taught in classes, leadership experiences provided in classes, Communication skills taught in classes, Network opportunities provided in classes, Computer skills taught in classes, Ethics and Professionalism taught in classes, Quality of instruction/instructors, Other (Please Specify))
- 25) What do you think the top school is in regards to Accounting education?
- 26) Nowadays many jobs are getting outsourced. Do you think that the accounting jobs are getting outsourced as well? (Strongly agree, Agree, Neutral, Disagree, Strongly disagree)
- 27) If you could redo your college career, would you still major in Accounting?
- 28) If you could redo your college career, would you still attend the Sam M. Walton College of Business?

## **Appendix 2**

### Interview Questions to Faculty Members

- 1) Is there anything you think school can do to better prepare students for the field of public accounting?
- 2) There are schools which offer various degrees within their accounting programs (ex. MS in Accounting, MS in Tax, MAcc, MBA in Accounting). Since there are varieties of accounting jobs, do you think that accounting major should also have various concentrations within?
- 3) The profession is changing. Many of the jobs in the field are getting outsourced or automated, thus it is possible that the number of the professionals needed in the field of public accounting will decrease in the future. What adjustments are needed to keep up with that trend? What do you think your school can do to differentiate your students from the competition in the future? Do you think it is school's responsibility to warn students about the possible decrease of the jobs in the field?
- 4) What do you think the most important things students should learn in school are before they go to work in the field of public accounting?
- 5) What does your program do to educate students on ethics or professionalism? (Undergrad level, grad level)

- 6) I understand that technical accounting skills are extremely important and many programs put great emphasis on them. However in the field of public accounting, the communication skills in reading and writing, public speaking skills, researching skills, interpersonal skills, networking skills and computer skills are also needed. What does your program do to help the students build these skills? (Undergrad level, grad level)
- 7) Do you think anything important is missing from your program to be successful in the field of public accounting? (Undergrad level, grad level)
- 8) Do you think many of the students' needs and wants for their career preparations which could not be provided in classes for some reasons such as constraints of time or resources should be covered by the students voluntarily outside of classes through extracurricular activities or jobs/internships?
- 9) What do you think the top university is in regards to Accounting education?

### **Appendix 3**

#### Interview Questions to Professionals

- 1) Do you think universities/colleges are doing a good/poor job of educating students in the accounting programs? Is there anything specific that the schools are doing a good/poor job on?
- 2) When you started your career, did you feel that you did not know what you were expected to do at work even though you studied accounting for multiple years in school?
- 3) What are new hires who just graduate from universities/colleges lacking when they come to work at the firm? At what do they excel?
- 4) What do you want universities/colleges to do better to educate the students in the accounting programs? What do you think they can do to make that happen?
- 5) As many of the jobs in the field are getting outsourced or automated, do you think the number of the professionals needed in the field will decrease in the future? If you do, then do you expect that the competition for a position in the US will be keener?
- 6) What abilities/skills do you especially want the students to have before they come to work at the firm?
- 7) Is the degree of professionalism and ethics among the new graduates from accounting programs high? Low? High enough for the career in public accounting?
- 8) Do you think that new graduates have a realistic expectation about working hours in public accounting?
- 9) What is the most valuable course can be offered at school to prepare the students for their careers in public accounting?
- 10) Do you think that a master's degree is necessary to be successful in the field of public accounting or any accounting fields? Does your firm treat new hires with a bachelor's degree and a master's degree differently in any way?
- 11) I believe that many accounting programs emphasize their education on the accounting technical skills. Do you think any other things, such as communicating skills in reading

and writing, public speaking skills, researching skills, computer skills, interpersonal skills and networking skills for example, are lacking among the new graduates from the programs?

- 12) Students' GPAs are widely used to filter the candidates for a position. Do you think this is because the GPAs show the students' true skills or they are one of the most useful tools to cut many candidates? Are there differences of GPAs among the students who have passed the filtering (i.e. higher GPAs are better or they do not matter after that filtering process.)
- 13) What do you think the most important/useful things students should learn in school before they go to work in the field of public accounting?
- 14) How important are students' leadership experiences outside the classes while they are in school?
- 15) How important are students' work experiences while they are in school?
- 16) Overall, what are you generally satisfied/dissatisfied with new graduates?
- 17) What do you think the top university is in regards to Accounting education?