

Line Items

Authors of Accounting Education Study Reflect on Current State of Education, Professional Satisfaction

Two years ago, the American Accounting Association (AAA) published a landmark study called *Accounting Education: Charting the Course through a Perilous Future*, researched and written by W. Steve Albrecht, Ph.D., CPA, CIA, CFE, of Brigham Young University, and Robert J. Sack, CPA, a professor emeritus at the University of Virginia. The accounting education study was sponsored by the Institute of Management Accountants, the American Institute of Certified Public Accountants, the AAA and what was then the Big 5 accounting firms.

In the Journal's Spring 2002 issue, Robert Bloom, Ph.D., wrote that "Albrecht and Sack paint a gloomy picture of state of accounting education today, providing evidence to show that recent changes in accounting education have not been satisfactory. The authors point to significantly decreasing student enrollments in accounting programs nationwide. Beyond that, they observe that accounting practitioners and educators are so disenchanting with their profession that they would major in another discipline if they had the opportunity to restart their careers from scratch. The authors do not just criticize the deplorable status of accounting education, but also recommend specific changes for its survival."

Since the report was issued, the accounting profession has witnessed the problems with Arthur Andersen and the tarnishing of profession's credibility in several corporate scandals.

The Journal recently caught up with Albrecht and Sack and asked them how the profession has responded to their findings and what still needs to be done to improve both the education of accountants and the profession's reputation.

Journal: Two years after the publication of your landmark study *Accounting Education: Charting the Course through a Perilous Future*, can you tell us what the overall reaction has been to your findings that the accounting profession could be in peril if changes to accounting education are not made?

Steve Albrecht: Among professionals, the findings have been universally positive. Accounting professionals I have spoken to have agreed that the kinds of changes we recommended are badly needed and right

on target. (See page 59 of the *Accounting Education* report for detailed recommendations.) With educators, the reception has been more mixed. Many educators have had similarly positive reactions and some have made tremendous changes in their curricula. Others, however, believe that the problems of attracting the best and brightest students into accounting is a function of the salaries being offered by the CPA firms. They said that if the firms would increase salaries, more of the best students would choose accounting as a major. Many of these faculty are more concerned about their research agendas—and probably rightly so since research is rewarded more in academia than is good teaching and curricular efforts—than they are in making changes to curriculum. I personally believe that the accounting scandals hitting the news will help to motivate change in accounting education.

Robert Sack: I believe the reaction has been positive. In all of the speeches I have given in the two years after the report was released, most everyone has agreed that our report correctly identified the problem, and many schools have taken significant steps. Miami of Ohio, my alma mater, reported last year that in response to the challenge they have (1) changed the intro course so that it has a user focus rather than a preparer focus and (2) they have moved much of the technical material into a separate course. They have also (3) added cases and other unstructured assignments to their program, and have (4) introduced research skills into the senior courses. Other schools have reported similar changes.

SA: If you think about it, for years the way we have taught accounting is to use a textbook, lecture about the chapters and assign the problems at the end of the chapters. When the students couldn't work the problems, they looked for a similar example in the text and "copied" the answer, albeit with different numbers. What we really have been doing using this teaching method is teaching students how to copy. It's not surprising that when they find themselves performing audits, they do what we have taught them how to do—they copy last year's working papers. I'm sure it is not this bad at many schools, but there is far too much of this kind of teaching going on.

J: In light of the recent scandals involving Enron, WorldCom and Tyco and when considering your findings two years ago, what do you think has to be done to get the accounting profession back on track?

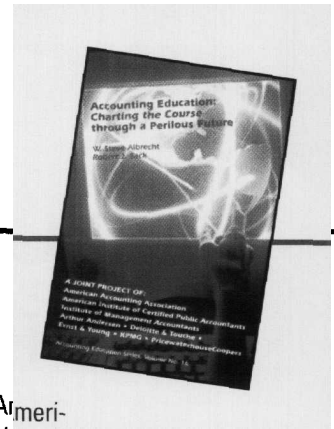
SA: My opinion is that for the past few years, the best students have gone where the money was—in consulting and finance, and not in accounting. Firms were using auditing as a loss leader to get inside of firms to sell more lucrative services. These scandals will cause CPA firms to focus more on the audit, including charging more than has been the case in the past. Higher audit fees will allow for higher salaries and more, better students will be attracted. Whether these scandals will do anything to change accounting education is yet to be seen. There is a lot of teaching about the actual scandals taking place but whether these scandals will help educators understand that we are part of the problem remains to be seen.

RS: We must remember a mantra we chanted some years back—it has been lost as we focused on technology and market-based research. We must repeat to ourselves that "Accounting can't and shouldn't be taught as an amoral science."

J: Most of the respondents to your survey stated that they would not choose the accounting profession if they could start their careers over again. What do you suggest can be done to improve job satisfaction for accountants?

SA: Right now, there is a lot of bad press about accountants. However, there may be a silver lining to this bad press is that "any news—no matter how bad—may be good news." I have heard anecdotal evidence that some problems are increasing in number because it is "sexy" and "dangerous" to be an accountant these days. I'm convinced that more government intervention will not help increase job satisfaction. As auditors have to focus more and more on auditing and less and less on other, more exciting services, I'm not sure that job satisfaction will go up. Your question is a good one—I just don't have a great answer.

RS: It will be very hard to achieve that goal. One of the problems demonstrated by Enron, I believe, is that the audit has become viewed as a means to an end, and not an end itself. Mr. (Paul) Volker, former Federal Reserve chairman, said recently, in a speech at Kellogg, "We have to get companies to be



willing to pay for the risk involved in an audit, and then maybe we can attract the best people and focus them on the job they have to do." That's my recollection of what he said. On the industry/government side, we have to help people get beyond a compliance mind-set and help them become information providers for management. By the way, there is no reason why that change in outlook should compromise the integrity of an internal accountant—in fact it should heighten the need to tell it like it is.

J: Our publication focuses on the government accounting profession. What challenges do you see for educating government accountants?

SA: The problem with governmental accounting work is the perception that it's dull and boring. Our monograph respondents did not think too highly of governmental accounting work. Anything you can do to enhance the image—I'm sure the actual work is fine—can

only help. I personally believe that there are outstanding opportunities for accountants in the governmental sector; I just don't think my view is a widely held perception.

RS: The problems accountants in industry face appears to be facing governmental accounts squared. Governmental accounting has a bad reputation because of its focus on fund accounting and its emphasis on legal compliance. That compliance work needs to be done, but it won't be attractive to bright students who have other, more interesting alternatives. To attract bright people—I believe—the governmental agencies will have to find a way to challenge them with opportunities to manage-with-information. A little PR wouldn't hurt either.

J: Please feel free to add any thoughts or insights you wish to share.

SA: The only other comment I have is that this is an interesting and difficult time to be an accountant and even an accounting educator.

Accountants have gone from being among the most respected professionals in America to having about as much respect as used car dealers and members of Congress. It will take a lot of hard work by both the profession and by educators to earn back the respect we deserve. Unfortunately, we live in a society where entire firms can be ruined by the actions of a few and the esteem of an entire profession can be ruined by a small number of egregious acts of greed and compromise.

To find out more about the study, go to the AAA website at <http://accounting.rutgers.edu/raw/aaa/> and click on Publications. ■

Interview edited by Marie S. Force



EDUCATION

Get the knowledge *you need to succeed*



GAIN PROFESSIONAL CONFIDENCE WITH THE CGFM TRAINING SERIES:

- Governmental Environment
- Governmental Accounting, Financial Reporting and Budgeting
- Governmental Financial Management and Control

For more information or to register, call Management Concepts at (703) 790-9595 or visit the web site at

www.managementconcepts.com

Sponsored by AGA and Management Concepts

