



THE IMPACT OF Certifications ON ACCOUNTING EDUCATION

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The employment of accountants and auditors is expected to grow through the year 2016, according to the 2008-2009 *Occupational Outlook Handbook* from the U.S. Department of Labor. Corporate governance reforms, an increasingly global business environment, and rapidly changing technologies are fueling a need for accounting and finance professionals with advanced skills and up-to-date knowledge. These factors have heightened the demand for individuals who have demonstrated their accounting expertise and commitment through certification or licensure. According to the *Handbook*, “The best job prospects will be for accountants and auditors who have a college degree or any certification...”

Certification provides a distinct advantage in the job market. In a survey by Robert Half International (RHI), a large majority of CFOs said that earning a certification is valuable for an accounting professional's career advancement. A certification helps an individual stand out in the crowded marketplace, and it also signals to employers that a job candidate has the requisite skills needed to perform a specific job. The RHI survey found that certain credentials are particularly desirable to employers, including the Certified Management Accountant (CMA®), Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Certified Information Systems Auditor (CISA) designations.

There are also financial benefits to earning a certification. The Institute of Management Accountants (IMA®) 19th Annual Salary Survey (*Strategic Finance*, June 2008)

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found that IMA members who have a certification receive a higher average salary and average total compensation than those who don't have a certification. On top of that, the differences in compensation continue to grow throughout an individual's career.

For most practicing accountants, business education involves four to five years of rigorous coursework culminating in an accounting degree. Most college accounting programs focus on developing students' technical, oral, written, and interpersonal communication skills as well as providing exposure to organizational skills and technology. But many accountants find that their degree alone is insufficient for achieving their career goals, so they choose to obtain a certification to help them move closer to their goals.

ACCOUNTING CERTIFICATIONS AND EDUCATION

Because the accounting certifications that are particularly desirable to employers require at least a bachelor's degree in accounting or a related field, it stands to reason that

accounting educators consider these certifications when designing accounting degree programs. According to AACSB International (Association to Advance Collegiate Schools of Business), the accounting curriculum stems from the roles assumed by accountants in society, and an accounting program should incorporate appropriate learning activities to ensure it meets the goals set for the program derived from the input of key stakeholders. The underlying learning objectives related to certifications provides input from key stakeholders that accounting educators should consider when choosing the learning goals on which their accounting curriculum will focus. Thus, we surveyed the department chairs identified in *Hasselback's 2006-2007 Accounting Faculty Directory* in order to answer the following questions:

- ◆ Which certifications relate to accounting education?
- ◆ What impact do certifications currently have on accounting education?
- ◆ How can certifications be used to improve accounting education?

We sent 830 surveys and received 358 responses, a response rate of 43%. The results are displayed in Table 1.

Which certifications relate to accounting education?

The list of certifications available to accountants is extensive. In its *Guide to Certifications*, RHI identified 42 certifications for accounting, finance, and operations management. Our survey results indicate that schools of more than 5% of the respondents promote the CMA, CPA, CIA, CISA, and CFE certifications to students, with the CMA and CPA promoted by the majority of schools.

Each particular certification also generally appears to be promoted to the same extent that faculty members possess the certification. For example, 97% of the respondents' schools have faculty members who are CPAs, and 94% of the curricula promote the certification. Likewise, faculty members in 64% of the schools hold the CMA, while 61% of programs promote it.

What impact do certifications currently have on accounting education?

While several certifications relate to accounting education, the CPA and CMA are most dominant in terms of being promoted and considered in curriculum design. The relationship between the extent the CPA is promoted and the extent it is considered in curriculum design appears consistent—94% of the curricula promote the certification, and it is considered in the design of 89%. It appears, however, that the CMA should be considered

more heavily in curriculum design than is currently the case. The relationship between the extent the CMA is promoted and the extent it is considered in curriculum design is inconsistent: While 61% of curricula promote the CMA certification, it is considered in curriculum development at only 39% of the schools (see Table 2). That suggests a portion of schools are promoting the CMA to their students as a worthwhile option to pursue but aren't fully teaching the skills and expertise that the certification embodies.

This inconsistency may be indicative of an existing trend. In "A Career-Neutral Accounting Curriculum" (*Strategic Finance*, January 2007), Dan Deines and Erick Valentine report that most accounting curricula appear to have a bias toward public accounting, and the results of our survey are consistent with that assertion. Though the CPA was the major certification associated with the accounting profession for many years, that is no longer the case. As the RHI report demonstrates, there are other certifications that are particularly desirable to employers, and these also need to be considered in the design of accounting curricula.

How can certifications be used to improve accounting education?

Certifications provide students with several opportunities. They allow students to focus on—and demonstrate competency in—specific areas of interest. They also help students identify professional associations and individuals who work in those specialized areas, providing additional opportunities for networking, education, and jobs.

The large quantity of certifications presents a challenge to accounting educators. Incorporating many different certifications into the accounting curricula is a major undertaking that requires the appropriate mix of learning outcomes and the courses with which to deliver the outcomes. Additionally, securing and allocating scarce financial and human resources to deliver the courses and related programs in order to incorporate multiple certifications is a daunting task.

Yet the large number of certifications also creates opportunities for accounting educators. For example, accounting educators can use certifications to develop a niche for their accounting degree programs. Incorporat-

Table 1: Survey Results

Question	CPA	CMA	CIA	CISA	CFE	Other
1. Which certifications does your accounting curriculum currently promote to students?	94%	61%	25%	8%	7%	7%
2. Which certifications does your accounting curriculum currently consider in curriculum design?	89%	39%	13%	5%	2%	5%
3. For which certifications does your school offer review courses?	20%	3%	1%	0%	0%	1%
4. Does your school financially subsidize student involvement in organizations that sponsor certifications, i.e., pay some portion of student dues?	8%	3%	2%	1%	0%	1%
5. Does your school financially subsidize student involvement in gaining certifications, i.e., pay some portion of review course or exam fees?	2%	0%	0%	0%	0%	1%
6. Which certifications do members of your accounting faculty currently have?	97%	64%	29%	9%	6%	20%
7. Does your school plan to modify its accounting curriculum in the future to incorporate any of the certifications?	9%	7%	4%	1%	0%	4%

Table 2: Disparity between the CPA and CMA

Question	CPA	CMA
Which certifications does your accounting curriculum currently promote to students?	94%	61%
Which certifications does your accounting curriculum currently consider in curriculum design?	89%	39%
Difference	5%	22%

ing certifications into a curriculum also provides opportunities for educators and students to connect with practitioners via the various professional associations related to the certifications. In addition to interacting with practitioners at meetings, connecting with professional associations provides access to tools, resources, and information for classroom use.

INCREASING CMA EMPHASIS

While other certifications present opportunities to improve accounting education, it appears that more emphasis needs to be placed on the CMA certification.

There are several reasons:

- ◆ The CMA is the certification most closely aligned with the roles accountants perform in business and industry. As IMA points out, the vast majority of accounting majors will ultimately end up in private or governmental accounting, and, according to the American Institute of Certified Public Accountants (AICPA), over 140,000 CPAs—more than 40% of its membership—practice accounting in business and industry.
- ◆ The CMA has been identified as a certification that is particularly desirable to employers. Incorporating the CMA into the accounting curriculum can help students gain jobs.
- ◆ The majority of accounting programs currently promote the CMA to students, and the majority of accounting faculties currently include individuals who hold the CMA. It appears that accounting programs have taken the initial steps necessary to place a greater emphasis on the CMA certification.
- ◆ IMA has identified learning outcomes related to the CMA that can be considered in curriculum design. The 52-page list of learning outcome statements is available on IMA's website (www.imanet.org/pdf/CMA%20%20LOS.pdf).
- ◆ The CMA certification can be incorporated into a 120-hour curriculum, and students can take the CMA exam while they are still students. This might help schools that are struggling with the 150-hour requirement for the CPA.
- ◆ IMA has many programs designed to support accounting education, including student memberships, student chapters, student case competitions, teaching resources, research opportunities, grant programs, and a variety of mentoring and networking opportunities.
- ◆ Local IMA chapters provide students with access to practicing CMAs. Local chapters are the backbone of IMA. This grassroots approach enables accounting educa-

tors to work with local chapters to bring CMAs and students together.

MEETING BUSINESS NEEDS

Several studies and papers over the years have reported on the need for schools to do a better job in preparing accounting students for the business world. In 1986, the Bedford Report proclaimed, "The minimum objective of accounting education programs should be to prepare students to begin and develop in a wide range of professional accounting careers," while the 2000 report, *Accounting Education: Charting the Course through a Perilous Future*, sponsored by the American Accounting Association, AICPA, IMA, and the Big Four public accounting firms, encouraged educators to rigorously challenge curricula by asking such questions as:

- ◆ Is what we are teaching and the level at which we are covering topics really important in the business world today, or has technology, globalization, or increased competition dictated that we make substantive changes to our curriculum?
- ◆ Are we teaching important concepts in the most efficient and effective way—that is, are we using the most effective pedagogy in our teaching?
- ◆ Are we partnering sufficiently with related and/or needed courses in other disciplines?

Incorporating the learning outcomes related to certifications is a way to ensure that the accounting curricula are providing students with the skills and knowledge they will need in the business world. We aren't suggesting that accounting curricula should focus on the certification examinations. Rather, we believe that accounting curricula should consider the content that the certifications have deemed important to practicing professionals. More specifically, accounting educators need to consider whether they are providing students with the tools and expertise that are particularly desirable to employers. Such an approach will help prepare students for the fast-changing business world they will enter. ■

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