

# Exploring How Accounting Practitioners Actively Engage in the Learning Process

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## ABSTRACT

*This paper discusses various ways that the active involvement of accounting practitioners in the student learning process helped achieve AACSB accreditation for the University of Southern Indiana's (USI) accounting program. As members of the Accounting Circle, an advisory group, accounting practitioners participated in several programs to enhance the learning experiences of accounting students.*

*The Accountants in the Classroom Program, for example, explored how accounting professionals can positively influence the students' perceptions of a typical accountant and, at the same time, provide attractive, accurate information about the variety of career opportunities available for an accounting graduate. In this program, Circle members visited the managerial accounting classes three times throughout the semester to share their practical experiences and to interact with the students. Other ongoing collaborations with the Circle members included their involvement in internship and co-operative education programs, the Rotary Club Mentoring Program, the University's Honors Program, and a student chapter of Toastmasters International. Circle members were also actively involved in developing and promoting accounting curriculum changes at USI.*

## INTRODUCTION

In 1997 the undergraduate and graduate business programs of the College of Business at the University of Southern Indiana (USI) were accredited by AACSB International — The Association to Advance Collegiate Schools of Business (AACSB). This accomplishment was the culmination of more than five years of concentrated efforts by various constituencies — students, faculty, administration, and the business community — to ensure that the programs met or exceeded the AACSB's standards.

To continue its pursuit of excellence in accounting, USI's Department of Accounting and Business Law (Accounting Department) immediately made a commitment to apply for separate AACSB accreditation of its undergraduate and graduate accounting programs. Following a five-year period to complete the Pre-Candidacy, Candidacy, and Self-Evaluation processes, USI's accounting programs received AACSB accreditation in 2003. A key factor in achieving AACSB accreditation for the College of Business was the active support and participation of its Board of Advisors, an advisory group constituted of area senior executive leaders that included a number of accounting practitioners. Mirroring that successful model, the Accounting Department quickly formed its own advisory group, the Accounting Circle (Circle), to assist in the accounting accreditation process. In fact, because the early Circle leadership was composed of local accounting practitioners with previous experience on the Board of Advisors, there was continuity with the College of Business's objectives and certainty about the new Circle's role.

The Accounting Circle is now composed of about twenty senior accounting executives from various local and regional businesses and professional services firms. The Circle has been highly active in supporting accreditation efforts and in establishing a number of innovative programs in collaboration with the accounting faculty.

## Program Background

The number of students entering the accounting program at USI has declined over the past several years. Colleges and universities nationwide have experienced a similar downward trend in their enrollments in the accounting major. According to a study conducted by the AICPA, the number of students enrolled in accounting programs decreased from 192,000 in 1995-1996 to 148,000 in 1998-1999, a 23 percent decline (Albrecht and Sack, 2000).

Studying the literature, moreover, accounting educators may conclude the odds are stacked against them. Consider this quote from W. Steve Albrecht and Robert J. Sack (2000): "While we have been long-time supporters of accounting education, if we were creating a new business school today, we would not have separate undergraduate or graduate accounting programs. At least, we would not have accounting programs that are structured as they are today" (p. 1). Albrecht and Sack believe accounting education is plagued with serious problems that, if left alone, will lead to the demise of accounting education. In their study of accounting education, they identified the following facts: 1) the number and quality of accounting students is declining rapidly nationwide; 2)

practicing accountants and accounting educators would choose a different major if they had it to do over again; and 3) accounting leaders and practicing accountants believe accounting education is outdated, broken, and in need of significant modification (Albrecht and Sack, 2000). With these facts in mind, the USI Accounting Department faculty and the Accounting Circle decided to attack the problem.

### Issues Surrounding the Accounting Program

As a starting point, the faculty and Circle members organized a retreat to consider the Albrecht and Sack (2000) monograph. Based on collective time series data, the number of students entering the accounting program at USI was declining. Also, students viewed accounting as less than an interesting or exciting field of study, and they often perceived it as a solitary job crunching numbers. Most important, many students failed to understand the range of career opportunities in accounting. All of these reactions seemed in accordance with the Albrecht and Sack (2000) findings. Consequently, one of the first initiatives of the Circle was to re-emphasize and enhance the existing accounting partnership programs, and the accounting faculty began a curriculum revision they had proposed to the Circle as a result of the Albrecht and Sack (2000) monograph. This paper describes a number of those collaborations and a coinciding external initiative.

### ACCOUNTANTS IN THE CLASSROOM PROGRAM

All College of Business students are required to take financial accounting (Accounting 201) and managerial accounting (Accounting 202), and most students are undecided about a major when taking these two courses. Because students are a captive audience early in their academic lives, the faculty and Circle members concluded the students' decisions on an academic major can be favorably influenced by having business representatives from public accounting and private industry visit with students in the classrooms.

The primary objective of the "Accountants in the Classroom" program is to encourage students to consider accounting as a major by bringing them into contact with practicing accountants who are excited about their careers and who understand the opportunities available to accounting graduates. The goal of this contact is an increased enrollment of students in the accounting program. All of the practitioners involved in the program are Certified Public Accountants (CPA) and/or Certified Management Accountants (CMA).

The first phase of this program brings two accounting representatives, one from private industry and one from public accounting, for a joint visit to each financial accounting class to discuss the broad range of opportunities in accounting. During the second phase of the program, the accounting practitioners increase their participation, making several visits to each managerial accounting class. The accounting practitioners form a partnership with the managerial accounting classes and engage in various types of activities throughout the semester.

### Financial Accounting

The two accounting practitioners who visit each financial accounting class usually begin their presentation by showing an AICPA videotape (either *Accounting: The One Degree with 360 Degrees of Possibility* or *Takin' Care of Business*) focusing on various career

opportunities in accounting. They then discuss in more detail the broad range of career choices for accounting graduates, specifically recounting their own individual educational and employment histories. Finally, they discuss the relevance of accounting to any career in business. Overall, the practitioners make students aware of the many important and challenging opportunities in the field of accounting and attempt to dispel the "number-crunching" myth.

### Managerial Accounting

The practitioner visits to the managerial accounting classes are more involved than the visits to the financial accounting classes, with participants visiting the classroom at least three times throughout the semester. The classroom visits encourage students to explore various opportunities in accounting through interactive learning with practicing accountants; these sessions are intended to increase the students' interest in and knowledge about the field of accounting. To the fullest extent possible, the classroom interaction is designed to be directly related to the topic currently being covered in the class.

Interactive learning can be accomplished through many different forms of classroom learning. Some examples used in this program follow.

- ▶ The participants assist the students with a real world case in a group study exercise of three to five students. The participants visit with each of the groups and relate the case to activities at their own workplaces.
- ▶ The participants cover the classroom topic for the day using real world examples from their personal experiences. For instance, two practitioners explain job order costing through the use of a construction company client. They involve the students in the discussion by distributing various props to be used in the upcoming discussion. Then, they have the students place these items — representing the materials, labor, and overhead for the job — into some large plastic cups that represent the accounts where these items would be charged. Another set of practitioners discusses the types of decisions required for the daily operation of their businesses, such as whether they should expense or capitalize certain expenditures. The students are able to learn first hand how a decision made by the private accountant can impact the audit by the public accountant.
- ▶ The participants assist the students with a case study in a computer lab. In this case, two practitioners work with the students on a budgeting assignment. The students answer a few questions related to the budgeting process, and then they utilize an Excel application to perform some "what if" analyses for the case.
- ▶ The students are asked beforehand to bring a business article from a newspaper or a business magazine. The students read and report on their business matter. Then the articles are discussed with the visiting accountants, encouraging an exchange of questions and thoughts on the topic.
- ▶ The participants assist the students with a comparison of the job order costing versus process costing methods of assigning product costs. The students are divided into groups of three to five students before the exercise and asked to use the Internet to find company-specific information for any two companies that they think use job order costing and any two companies that they think use process costing. Then, during the classroom visits, the Circle participants assist the students with the analyses of these companies, determining whether

they are companies that utilize job order or process costing. The students prepare a one-page report on their particular company, justifying their choice of process or job order costing, and then report to the group for a brief discussion. Specifically, this part of the exercise adds the elements of interpersonal, written, and presentation communication skills.

In addition to the various forms of interactive learning described above, the practicing accountants are encouraged to invite the students to their places of business for an in-depth exploration of the field of accounting. Furthermore, many of the participants serve as resources for other projects the students are undertaking in their various courses. For example, in the business communications course, the students must conduct several interviews and write a report on a career of their choice. Many of the participants assist the students with their projects by scheduling informational interviews with them. The Accountants in the Classroom program has succeeded in forming a true partnership between the accounting practitioners and the students.

### **ADDITIONAL ACCOUNTING PARTNERSHIPS**

Four additional partnerships are also available: the internship and co-operative education programs, the Rotary Club of Evansville Mentoring Program, the University's Honors Program, and Toastmasters International.

#### **Internship and Co-operative Education Programs**

USI's Career Services and Placement (Career Services) staff works closely with College of Business students, encouraging and facilitating participation in internships and co-operative education (co-op) programs. Career Services employs a full-time coordinator/counselor dedicated to College of Business students. In the last five years, approximately 40 accounting majors per semester have experienced an internship or co-op in a public or private accounting environment. These experiences require practitioners to provide a full educational experience. Students are not to be used as "go-fers" or as clerical assistants except to learn procedures, i.e. files, familiarity with documents, preparation for appropriate activities, and typical activities for the fully-employed accountant.

The Career Services Coordinator makes on-site visits to ensure both the employers and students are meeting expectations. Students prepare a list of goals in conjunction with their employer and the Career Services Coordinator. The Coordinator monitors their progress in attaining their goals, and the students write a final report on their internship or co-op experience which they submit to an accounting faculty advisor, thus providing another oversight opportunity.

#### **Rotary Club of Evansville Mentoring Program**

The Rotary Club of Evansville Mentoring Program pairs selected students with local professionals. This program allows students and mentors to design their activities to meet the students' learning objectives. Common activities include job-shadowing, networking, attending professional or civic meetings, critiquing résumés, providing career advice, participating in the mentor's volunteer activities, and exchanging life experiences. Although the program officially lasts from October through April, many mentors and their students continue in informal mentoring relationships for

longer periods of time, particularly if the students pursue careers in the Southern Indiana area.

#### **Honors Program**

The Honors Program at USI offers expanded academic opportunities and practical experiences for students who earn and maintain a certain level of academic achievement. Participation in the Honors Program requires students to have an SAT score of 1200 or above or an ACT score of 27 or above. Any student with a 3.25 grade point average (GPA) or above and at least 15 semester hours can apply for the program. To graduate with honors, students must complete 21 hours of honors credit with an A or B grade and complete the remaining undergraduate work with a cumulative GPA of at least 3.25.

Since 2002 the USI Accounting Department has offered an honors component for the managerial accounting course each spring semester, and the Accounting Circle members have been instrumental in providing practical experiences for the honors students. The honors students collaborate with the professor and a Circle member to design an honors component for the course. The honors students must complete all the requirements of the course and fulfill the requirements of the honors component. Most recently, the honors students worked with a local CPA firm to gain some practical experience with financial statement analysis and interpretation.

That semester's honors experiential learning project began with a tour of the firm and an overview of the project. The honors students were each assigned a client of the firm for which they created a package of financial ratios, utilizing one of the firm's software packages. The students were then required to interpret the results of the analysis and to prepare both a management recommendations letter and PowerPoint presentation which they then presented to the firm. The project required the students to work closely with one of the vice presidents of the firm and with other accounting professionals. It also enabled the students to gain valuable experience with financial statement analysis and interpretation and to enhance their communication skills.

#### **Toastmasters International**

The Albrecht and Sack (2000) monograph reported that recent accounting graduates entering the workforce were often criticized for a lack of appropriate oral communication skills. Several Circle members were or had been active in the local chapters of Toastmasters International, and they were convinced that their participation had made them not only better speakers but also more confident in business-related social situations. These Circle members were determined to make these same opportunities available to USI's accounting students.

Members of the accounting faculty and the Circle made joint presentations to the Accounting Club and to individual accounting classes to make the students aware of the possibility of forming a student chapter of Toastmasters International. The initial response from the students was very positive, and the students were soon engaged in making formal application to form a Toastmasters chapter on campus. Within a few months, the charter members of the Screaming Eagles Toastmasters International Club were inducted into the organization.

One unique aspect of the on-campus Toastmasters program demonstrates conclusively the commitment of the Circle. Toastmasters International uses a formal dues structure with a

required financial commitment that would stretch the budget of most college students. To ensure that every interested student had the opportunity to participate, the Circle members personally agreed to cover the dues of every accounting student who joined Toastmasters. Representatives from the Circle participate in the on-campus Toastmasters Club meetings to interact with the accounting students on a personal level and to express their high regard for this organization.

Thanks to the continuing support of the Circle and a deeply committed faculty advisor, the Screaming Eagles Toastmasters International Club has met every week of the school year for the past five years. Club membership averages 20 students each semester, and several members have become active in external Toastmasters chapters after graduation. One international student even went back to his native Russia and started a chapter there!

### **THE INDIANA CPA SOCIETY CASE STUDY COMPETITION**

Another ongoing activity, the Indiana CPA Society Case Study Competition, has enabled accounting practitioners to engage in the learning process and share their expertise with a team of accounting students. Each year the 32 Indiana colleges and universities with accounting programs are invited to participate in the Indiana CPA Society Case Study Competition. Four different USI students and a faculty advisor have participated in this competition as a case study team every year since it began in 2001. The case study competition is designed to challenge the students with a practical project, requiring them to utilize their knowledge, research abilities, technical skills, communication skills, and judgment in satisfying the requirements of the case.

The case study competition begins with the Indiana CPA Society (INCPAS) e-mailing the case study to the faculty advisor. The team of four undergraduate students must then research the problem, prepare a report, and submit the written case electronically within a 10-day time frame. The written case must address all the requirements outlined in the case study and include a two- to five-page executive summary. Then, a team of four to five judges, who are all practicing accountants, evaluates the case study submissions and selects six finalists for oral presentations. The case study finalists make a 15-20 minute oral presentation of their findings and recommendations, followed by a 10-minute question and answer session. The oral presentations are held at the INCPAS's office in Indianapolis, and the awards are presented at the INCPAS's annual CPA Celebration.

In order to fulfill the requirements of the case, the students contact several accounting professionals to gain valuable information from the practitioners' expertise. They use this information, along with extensive research from a variety of other sources, to satisfy the requirements of the case. For example, the 2004 case required the students to analyze the effects of Section 404 of the Sarbanes-Oxley Act on firm quality, culture, and client relationships. The students had limited knowledge in this area, so they contacted several public accounting firms and corporations to interview partners, chief financial officers, and analysts with expertise in this area. These accounting practitioners provided personal information, supporting documentation, and moral support to the students. In the most recent case study competition (2004), the USI case study team received the 1<sup>st</sup> place award. The case study competition is possible only because accounting professionals assist with the development of the case study, act as

judges for the competition, and provide valuable information to the student teams.

### **CURRICULUM REVISIONS**

The Albrecht and Sack (2000) monograph was particularly critical of the accounting education model, declaring that "most of the education models we use are 'broken' or in desperate need of repair" (p. 43). USI's accounting faculty and the Circle came together in a series of informational meetings and a half-day retreat to examine the current accounting program and to suggest changes for the future. Using Albrecht and Sack's (2000) recommendations as thought-provoking discussion points, the faculty, with the Circle's concurrence, decided to make three major changes to the accounting curriculum.

First, the faculty decided to abandon the traditional "preparer" model and adopt instead the "user" approach in the introductory accounting courses. All College of Business students were required to take the two introductory accounting courses, but more than 80% of them were not majoring in accounting and thus required minimal exposure to a level of detail that included traditional debits, credits, and journal entries. With the "user" approach, these students could focus on how to use the information in financial statements to make better decisions rather than focusing on the mechanics of preparing financial statements. Those students majoring in accounting were required to take a new one-hour course in the accounting cycle and the mechanics of making journal entries, thus using up one of the seven hours of business electives in the then existing accounting curriculum.

Second, the faculty removed three courses (nine credit hours) from the mandatory 30-hour accounting curriculum required of all accounting majors. The courses removed included the second intermediate theory course, the advanced accounting course, and an upper level accounting elective. Using these nine hours plus three of the remaining hours of business electives, the accounting faculty then created a choice of three 12-hour "tracks" within the accounting major: (1) finance, (2) information systems, and (3) managerial accounting. This approach was designed to broaden the focus of accounting majors and to prepare them to become full-range financial services professionals, rather than just financial scorekeepers.

Finally and most significantly, the faculty created a Master of Science in Accountancy (MSA) program to give the students a meaningful degree option to consider while accumulating the additional hours necessary to meet the 150-hour requirement to sit for the CPA Exam. This 30-hour degree program was composed of twelve hours of newly-created graduate accounting courses — seminars in financial accounting, income taxes, accounting information systems, and advanced auditing — and eighteen hours from the existing Master of Science in Business Administration (MBA) program — a three-hour seminar in managerial accounting, a three-hour business law course, a three-hour finance course, and nine hours of MBA elective courses.

### **CONCLUSION**

This paper discussed various ways that the active involvement of accounting practitioners in the student learning process helped achieve AACSB accreditation for one university's accounting program. As members of the Accounting Circle, an advisory group, the practitioners participated in several programs to enhance the learning experiences of accounting students.

The Accountants in the Classroom Program, for example, explored how accounting professionals can positively influence the students' perceptions of a typical accountant and, at the same time, provide attractive, accurate information about the variety of career opportunities available for an accounting graduate. In this program, Circle members visited the managerial accounting classes three times throughout the semester to share their practical experiences and to interact with the students.

Other ongoing collaborations with the Circle members included their involvement in internship and co-operative education programs, the Rotary Club Mentoring Program, the University's Honors Program, and a student chapter of Toastmasters International. Circle members were also actively involved in developing and promoting accounting curriculum changes at USI.

We believe the active engagement of accounting practitioners in the learning process has provided students with a better understanding of the field of accounting and that students' experiences with the practicing accountants will ultimately result in an increase in accounting majors with realistic expectations for success. Future research will attempt to measure empirically the impact these accounting practitioners have made on the learning process.

### REFERENCES

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