

Careers in Accounting: Perceptions of the Next Generation of Business Professionals

Ronald P. Guidry

University of Louisiana at Monroe 700 University Avenue Monroe, LA 71209
(318) 342-1112 (318) 342-1191
guidry@ulm.edu

Michelle McEacharn

University of Louisiana at Monroe 700 University Avenue Monroe, LA 71209
(318) 342-1112 (318) 342-1191
mceacharn@ulm.edu

Ronald L. Berry

University of Louisiana at Monroe 700 University Avenue Monroe, LA 71209
(318) 342-1100 (318) 342-1101
ciberry@ulm.edu

ABSTRACT

The purpose of this study was to investigate the perceptions of the next generation of business professionals regarding careers in the accounting industry and to provide ancillary evidence towards the decline in accounting degrees conferred. Students at a regional university were surveyed to assess their perceptions about the image of accounting. Specifically, students were asked about their perceptions of careers in accounting, the background skills required for employment in the accounting industry, their perception of existing accounting professionals, and the need for business professionals to understand accounting. Results of the study provide useful implications for marketing collegiate accounting programs and recruiting students to the accounting industry.

INTRODUCTION

The future growth and success of industries is highly dependent upon the availability of a well-trained work force interested in pursuing careers in that industry. For this reason, identifying the perceptions of potential employees for a particular industry is extremely important, especially in areas that have seen declines in recent years, such as accounting.

While accounting is something most people are familiar with, few students are aware of the wide range of career opportunities available in the field. Many are exposed to accounting when their parents file their income taxes or by media coverage of a business event that makes mention of a certified public accountant (CPA). Students are generally not aware of potential opportunities in accounting outside the realm of public accounting before they enter college.

In recent years, there has been a decline in the number of accounting degrees conferred. Prior research has documented that the implementation of the 150-hour rule and non-competitive compensation are a part of the decline (Albrecht and Sack 2000, Boone and Coe 2002 and Bierstaker, et al. 2004). As academicians it is important that we understand the concrete factors that attract students to accounting (150-hour rule and compensation), but also the attitudes and perceptions that students have regarding accounting. One facet of this study is to provide ancillary information to the documented decline in accounting degrees conferred; another is to identify those perceptions that the every changing student population have regarding accounting.

In order to adequately promote the purported benefits of the 150-hour degree requirements, the accounting profession and academia should have a thorough understanding of students' perceptions of what attracts the best and brightest students to the accounting field. In 2000, the American Institute of Certified Public Accountants (AICPA) required its new membership applicants to have at least 150-hours college credit. Most U.S. CPA licensing jurisdictions followed suit and forced the same requirement to be eligible to "sit" for the CPA exam. Since the wide spread adoption of the 150-hour rule accounting graduates have been declining. Albrecht and Sack (2000) allege that the decline in graduates is attributable to the implementation of the 150-hour rule. Boone and Coe (2002) offer empirical evidence that approximately 38 percent of the decline in accounting degrees conferred can be attributable to the implementation of the 150-rule, which leaves 62 percent of the decline unexplained. Bierstaker, et al (2004) address the issue of noncompetitive compensation as a reason for the decline in accounting graduates and find that students feel they will not be compensated for the additional education that is required. Another aspect of accounting that receives media attention is the image that accountants project. At present the industry suffers from an image problem which is due in part to the stereo-typed personality that accountants have (Coate, et al. 2003 and Trebesh 2004) as well as the negative press received from the Enron and MCI WorldComm accounting scandals. If a prevailing negative image of the accounting industry holds true for college students, it is reasonable to expect that college students' decisions to elect accounting careers would be negatively influenced. It follows that a student's decision to choose accounting as a major, minor or concentration would be similarly biased.

The field of decision sciences is well defined as an area of academia that focuses on decision-making and the various tools and methodologies used in the process. Accounting is a traditional college major that fits under the rubric of decision sciences, but as the population of current students attitudes and perceptions change it is important that we understand what motivates students to select their majors.

The focus of this study was to investigate the perceptions about accounting of college students at a university that currently has an accounting program. The survey was designed to investigate the supposition that there may be a lack of understanding the perceptions that attract accounting students and thus an inherent bias against careers in accounting.

SURVEY METHODOLOGY

To investigate the image of the accounting profession, business students at a regional university were surveyed. Surveys were administered to a broad range of classes to ensure a representation

from many business disciplines. Both accounting and non-accounting majors participated. Since a convenience sample was used, results may not be generalizable to the entire population. However, the results should be useful in beginning the analysis of student perceptions about the accounting industry.

Prior to administering the survey instrument, a pre-test was conducted with twenty students and colleagues following the approach suggested by Dillman (2000). According to Dillman, a four-step process should be used to adequately pretest an instrument. First, the instrument should be reviewed by knowledgeable people to ensure content validity. Second, interviews should be conducted to ensure face validity and several other aspects such as the appropriateness of the total survey package. Third, a small pilot test should be conducted followed by a final check of the revised instrument. During this process, analysis of the results and interviews with the participants led to several changes that improved the overall validity of the instrument.

SURVEY INSTRUMENT

The survey instrument consisted of two sections. Section one contained demographic questions such as major, classification, age, and gender. Students were also asked about their awareness of career opportunities in accounting and business before entering college. Another important set of questions asked were whether they knew about the accounting major before entering college, before they selected their major, and before filling out the survey. Section two contained twenty-one questions related to the current image of the accounting profession. Respondents were asked to answer the questions using a five point Likert scale with responses ranging from "strongly disagree" to "strongly agree." A similar instrument was used to assess the image of the computer information systems profession (Berry, et al. 2000) and the insurance profession (Holman, et al. 2003).

The image questions are related to perceptions regarding: careers in accounting (hours of work, career burnout potential, promotion potential, rate of salary increase, job security); the background necessary for an accounting professional (math skills, general business knowledge, interpersonal skills); existing accounting professionals (respect, activity in the community, professionalism, ethical behavior) and; a general need for business professionals to understand accounting. Many questions asked respondents to compare accounting careers with other careers. For example, respondents were asked to respond to the following statements: "Accounting salaries increase faster than most other business salaries" and "Accounting professionals suffer career burnout more than other business professionals." A complete list of the image questions can be found in Table 2. The selection of the items for the categories was made using previous literature and professional judgment.

DEMOGRAPHICS OF RESPONDENTS

A total of 118 respondents completed the survey instrument (Table 1 – Panels A – D). Of the respondents, the majors represented the most included accounting (50%), Computer Information Systems (9.3%), General Business (5.9%), Economics and Finance (4.2%), Management (8.5%), Marketing (8.5%), and Other Non-business (13.6%). In regards to classification, 22.9% of the respondents were freshmen, 18.6% were sophomores, 26.3% were juniors, and 30.5% were

seniors. Graduate students and non-degree seeking students accounted for 1.7% of the sample. Seventy-five percent of the respondents were in the age range 17 – 23, 20.3% were in the age range of 24 -35, and 4.3% were over the age of 35. Females made up 58.5% of the respondents while 41.5% were males. Twenty-five percent of the respondents indicated they have family members that work in the industry.

Fifty-four percent of the respondents indicated they knew about career opportunities in accounting before they entered college. Seventy-one percent indicated they knew about the accounting major before selecting their major. Eighty-one percent indicated they knew about business career opportunities before entering college. Ninety percent of the respondents knew about the accounting major before filling out the survey.

Panel A - Major

Major	Number	%
Accounting	59	50.0%
Computer Information Systems	11	9.3%
General Business Majors	7	5.9%
Economics and Finance	5	4.2%
Management	10	8.5%
Marketing	10	8.5%
Other Non-business	<u>16</u>	<u>13.6%</u>
Total	<u>118</u>	<u>100.0%</u>

Panel B - Classification

Classification	Number	%
Freshmen	27	22.9%
Sophomore	22	18.6%
Junior	31	26.3%
Seniors	36	30.5%
Graduate/NonDegree Seeking students	<u>2</u>	<u>1.7%</u>
Total	<u>118</u>	<u>100.0%</u>

Panel C - Age

Age	Number	%
17 – 23	89	75.4%
24 – 35	24	20.3%
Over 35	<u>5</u>	<u>4.3%</u>
Total	<u>118</u>	<u>100.0%</u>

Panel D - Gender

Gender	Number	%
Female	69	58.5%
Male	<u>49</u>	<u>41.5%</u>
Total	<u>118</u>	<u>100.0%</u>

Table 1: Demographics

ACCOUNTING IMAGE

As shown in Table 2, mean responses to the questions related to the image of the accounting profession ranged from a high of 4.20 to a low of 3.14. The item with the highest mean was “Accounting is crucial for a business to remain competitive.” This result is not surprising considering the importance of working with people in all business disciplines. The lowest mean reported was for the item “Accounting professionals work in teams most of the time.” Another interesting mean (3.31) was for the question “Accounting professionals suffer career burnout more than other business professionals.” Students perceive that accountants maintain a certain degree of respect in the community (3.75), while they indicated that the accounting profession is only slightly more respected than other business professionals (3.19). Of interest was the average mean response (3.47) for the question “Accounting professionals are known for their ethical behavior” providing some indication that even after the recent accounting scandals students still are non-decisive about accountants’ ethics. This is an important area for further research.

Question	Overall Mean	Standard Deviation
1 Accounting careers offer more promotion opportunities than most business careers	3.35	0.87
2 Accounting salaries increase faster than most other business salaries	3.30	0.72
3 Accounting starting salaries are higher than most business starting salaries	3.42	0.83
4 The accounting profession is more respected than other business professionals	3.19	0.98
5 Accounting professionals work longer hours than most business employees	3.45	0.92
6 Accounting professionals work in teams most of the time	3.14	0.74
7 Accounting professionals are respected in the community	3.75	0.76
8 Accounting professionals work alone most of the time	3.41	0.83
9 Accounting is crucial for a business to remain competitive	4.20	0.70
10 All business employees should understand the nature of accounting work	4.10	0.74
11 Accounting involves solving business problems	3.87	0.83
12 Before starting college, I knew about career opportunities in accounting	3.50	1.09
13 Before starting college, I knew about career opportunities in business	3.89	0.91
14 Accounting professionals must have a strong background in math	3.85	0.88
15 Accounting professionals must have a strong background in business	4.00	0.72
16 Accounting professionals must have good people skills	3.95	0.80
17 Working conditions for accounting professionals are comfortable	3.49	0.77
18 Accounting professionals suffer career burnout more than other business professionals	3.31	0.82
19 The accounting profession is known for its professionalism	3.75	0.85
20 Accounting professionals are known for their ethical behavior	3.47	0.90
21 The accounting profession provides more job security than other business fields	3.41	0.74

**Table 2: Accounting Image Questions
Mean Values and Standard Deviations**

The accounting image questions were grouped into four general categories: careers in accounting (hours of work, career burnout potential, promotion potential, rate of salary increase, job security); the background necessary for an accounting professional (math skills, general business knowledge, interpersonal skills); existing accounting professionals (respect, activity in the community, professionalism, ethical behavior) and; a general need for business professionals to understand accounting. The general categories were used to identify broad groupings of students' perceptions of the accounting profession that we as academicians could address to recruit and retain accounting students.

As shown by the results in Table 3, the highest reported mean (3.93) was for the item named "background." Students seemed to generally agree that accounting professionals need to have skills in math, general business knowledge, and interpersonal skills.

Category	Mean Value
Background	3.93
A general need	3.70
Existing accounting professionals	3.54
Careers in accounting	3.37

**Table 3: Accounting Image Categories
Mean Values**

Grouping includes questions from Table 2 relating to each category. The related questions, from Table 2 – Accounting Image Questions, for each category are listed with the description

Category	Description
Background	Includes such items as math skills, general business knowledge, interpersonal skills (Questions 14, 15, and 16)
General need	Includes items that relate to the general need for a business professional to understand accounting (Questions 6, 8, 9, 10, 11, 12, 13, and 17)
Existing accounting professionals	Includes such items as respect, activity in the community, professionalism, ethical behavior (Questions 4, 7, 19, and 20)
Careers in accounting	Includes such items as hours of work, career burnout potential, promotion potential, rate of salary increase, job security (Questions 1, 2, 3, 5, 18, and 21)

The second highest mean reported was for the item named "general need." The general need questions provide an indication as to the level of importance that a basic understanding of accounting is for the business professional. The mean of 3.70 (approaching 4.0 which represents "Agree") indicates that respondents believed all business professionals should have a general understanding of accounting.

The image of existing accounting professionals is somewhat disappointing. The mean response of 3.54 is below the range needed for agreement. In essence, the mean indicates respondents most likely do not know much about the profession or the professionals in the field. Questions in this category included: Accounting professionals are as respected as other business professionals, Accounting professionals are active in the business community, Accounting

professionals are known for their professionalism, and Accounting professionals are known for their ethical behavior. The lowest mean (3.37) reported was for the category “careers in accounting.” This category included questions such as: Accounting salaries increase faster than most other business salaries, Accounting professionals have more job security than other business professionals, and Accounting professionals work longer hours than other business professionals. Most likely it is important to look at the individual means for the items in this group as opposed to discussing the items as a group.

The accounting industry is made up of many different jobs and one aggregate measure of jobs within the industry is problematic. The responses to this survey indicate potential staffing problems for the industry as those who will be their future employees have less than glowing perceptions accounting careers. More research in this area should be conducted.

CONCLUSIONS

Barrese, et al. (1998) find educating students about risk and insurance has a positive impact on student’s attitudes towards insurance. Similarly, accounting academicians should follow suit. Coate, et al. (2003) suggest university accounting recruiters should start the education process of dispelling the traditional accounting stereo-type as earlier as juniors in high school. The findings of this study indicate a lack of knowledge about accounting as a major and as a profession suggest that accounting academicians should improve on educating potential students about the accounting industry. Taking steps to market a pre-education campaign or adapting quicker to the composition of the student population would be a positive steps in building the size and longevity of accounting programs in the U.S. and Canada. Other new and creative ways, including distance learning to market accounting as careers and as a major should be researched, developed and delivered.

A caveat must be added here: academics in accounting and related fields should be prudent when marketing accounting as a major and as a career. They should be careful to ensure that they can deliver on promises made to or expectations set for their students. For example, additional research should be conducted to facilitate high placement rates of accounting majors into accounting careers. One of the best tools academics can use to market accounting as a major, minor, concentration or as a profession is a history of successful hires from their program. Or, for new programs, successful college /university alumnus and/or dynamic industry speakers can be used. The better academics are at assessing and developing programs that meet those needs, the more fruitful such programs will be.

LIMITATIONS AND FUTURE RESEARCH

The limitations of this paper provide for many research opportunities in the future. First, the survey instrument should be tested for reliability and validity. This step can be completed when a large enough sample size is used in future studies. Significant effort was made to improve the face and content validity of the instrument during this study. However, statistical tests should be made to adequately assess the construct validity and reliability of the individual items used in the study.

An important question worth studying in the future is the perceptions of students who have already chosen accounting as a major. The results might be different than the ones reported for this study. Additionally, questions could be asked to determine the major factors that influenced their choice to pursue a degree in accounting. Students could be asked to respond to a question such as: I was influence to major in accounting by: 1) family, 2) friends, 3) faculty, etc. Students would respond using a Likert scale similar to the one used in this study. Additional items could include, for example, high salary expectations, pleasant work environment, career advancement, and family working in the industry. Berry, et al. (2000) conducted a similar survey to determine why students chose to major in computer information systems.

Also, the influence of demographic variables should be investigated in future studies. For example, researchers should investigate whether or not differences in perceptions exist between different age groups, majors, genders, college classification, or ethnicity.

Future studies should include a larger sample size and representation from more than one school. This improvement will enhance the generalizability of the results and will provide useful information to industry professionals and accounting educators for their efforts to improve the image of the accounting professional and recruit the next generation of accounting professionals.

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