

Professional Experience of Faculty in the Accounting Classroom

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ABSTRACT

This article discusses professional experience of faculty as an added value factor in the education of business accounting majors. Ideas are presented on how to incorporate faculty professional experience into course instruction to enhance the accounting curriculum. Certainly, the predominant and appropriate focus of most accounting coursework is teaching theory and application of accounting concepts and rules. It is important to keep in mind however, most accounting students have the goal to get a job (and have a successful career) in a professional organization typically a CPA firm. Therefore, if students can be provided real world practice insights on succeeding in their accounting career that would be valuable for soon to be accounting alumni.

Keywords: accounting education, faculty professional experience, classroom/program tools, student career success

INTRODUCTION

A general background would be helpful to better understand the current faculty environment for many college accounting programs. For the schools of business which have Association to Advance Collegiate Schools of Business International (AACSB) accreditation (“highest standard of achievement for business schools internationally for less than 5% of 13,000 business programs” AACSB, 2013), there are various requirements the school (including the accounting program) must meet to attain and maintain accreditation. One critical requirement for AACSB accreditation is to maintain a scholarly academic (SA) faculty. In particular, for the AACSB business accreditation 2013 standard, “Normally, at least 90 percent of faculty resources are Scholarly Academics (SA), Practice Academics (PA), Scholarly Practitioners (SP), or Instructional Practitioners (IP). Normally, at least 40 percent of faculty resources are Scholarly Academics (SA). And at least 60 percent of faculty resources are Scholarly Academics (SA), Practice Academics (PA), or Scholarly Practitioners (SP).” (AACSB, 2017). AACSB standards are quite complex and the insights provided here is an overview of relevant issues.

Some have found the 2013 standards more friendly to practitioners e.g. with IP category, however the 40% SA requirement looms for accreditation (Krom et al 2014; see also Abdelsamad et al 2015). Another take - “...defined high visibility as attending professional meetings and having research articles accepted for publication rather than quality teaching or students’ career success after graduation.” (Taylor, et al, 2009). The AACSB standards also requires faculty to have professional interactions to support educational objectives (Arlinghaus, 2002). SA status generally requires a Ph.D. in business typically with no professional experience requirement. This article will focus on the subset of accounting faculty as part of the total business faculty.

Often the Ph.D. accounting faculty member (usually in a tenure track position) has significant academic research credentials but with little if any professional or public accounting experience. The standard indicates, the other 60% (or less) of the faculty should be professionally qualified (e.g. PA, IP, SP), which implies a professional experience component. So it would suggest, an accredited AACSB business school or accounting program, should have a combination of academics (SA – Ph.D.s) and professionally experienced faculty (PA, SP or IP hereafter sometimes collectively referred to as PQ).

If in fact the accounting majors are receiving proper well-rounded course instruction on the various accounting concepts and rules, what else is really needed for the accounting major/graduate to succeed in their accounting career? The key part of that question is “to succeed in their accounting career.” Assuming part of an accounting program’s mission is to have *successful* accounting graduates, then arguably, there are other educational aspects that should be considered for students. An important foundation to this article is understanding that accounting is considered a “profession” (in U.S., based on coordinated roles of government with state licensing of CPA’s and professional organizations like AICPA and FASB; Lee, 1995). Therefore accounting education is ...”*professional education*...encompassing three broad spheres of professional preparation: technical knowledge, practice skills, and, of critical importance, normative purpose and professional identity.” (Wilkerson, 2010). An important issue explored here is whether it is optimal to have the professional experience factor reside primarily if not solely with the PQ faculty and their course instruction versus having professional experience cross also into the SA faculty and their coursework for fuller integration. Also, “professional experience in the classroom” as used here implies that the

professional experience factor is actually used or integrated in classroom instruction by faculty. In other words, just because the instructor has professional experience in their background does not in and of itself really provide an enhancement to students unless the insights of professional experience are integrated into course instruction. This article discusses some current potential opportunities and provides insights as to how the faculty professional experience component can be enhanced to add value to students' accounting education. By way of personal disclosure, I, the author, spent many years in public accounting practice and industry before entering academia.

PREVIOUS RESEARCH

The academic research has looked at the issue of professional experience in the context of academically qualified accounting faculty publication requirements and shortages (Arlinghaus, 2008, Boyle et al., 2011 – see also ACAP 2008; Plumlee et al., 2006; Ruff et al. 2009; Trapnell et al., 2009). Another article (Geary et al., 2010) analyzes a more direct approach in dealing with faculty shortages via a Partner Teaches Program (PTP) with a public accounting firm that had joined with faculty in classroom instruction; student evaluation results showed an added value of PTP instructors' practical experience as quite high. See also, Schneider et al 2012, which analyses the use of non-tenure-track (NTT) positions and related issues in dealing with Ph.D. shortage in accounting education. In recognition of the chronic shortage of Ph.D.s in accounting education, the AACSB has taken action through certain training initiatives with professionals seeking college teaching jobs (e.g. AACSB Bridge program). Note professional and practical experience is used interchangeably in this context.

In another article (Boyle et al., 2011), accounting practitioners' perception of academia was surveyed, with some interesting insights. One Ph.D. candidate surveyed, a CPA practitioner, reflects the general divergence of opinion between academia and accounting practitioners on the value of accounting practice experience for instructors, saying:

“The world of academia does not place much value on professional experience and teaching...my CPA and practice credentials do not count for anything in this environment [*Ph.D. program*]. It can be frustrating to start your career over again from scratch. I do not know why the system is built this way, but our students and profession should demand change.” [*added*]

The results of the article's survey of accounting practitioners (includes accountants, mostly CPAs, working in public accounting or industry, with a mean experience of 14 years) shows that they believe the most important credential of an accounting professor to be an effective teacher is having significant accounting experience (at least 7.7 years of practical experience) by 29% and being a CPA, 28%. Only 6% of the group said being a Ph.D. was important (note: percentages used as an estimate of total comments by the survey group). In a companion article by Boyle et al. (2013), they found from a survey of Institute of Management Accountants (IMA) members, that practitioners would provide moderately high value to new non-traditional doctoral accounting programs (to address shortage of qualified accounting faculty). Also in Noland et al. (2013), non-traditional doctoral alternatives to the traditional Ph.D. route are explored for accounting practitioners considering academia. Lee (1995) adds to this discussion by tracing the “professionalization” of accountancy (e.g. CPA licensed status) and its effect on accounting education and standards (e.g. AICPA), including the progression of accounting education from part-time practitioner teachers to a “profession of full-time teachers and researchers.”

Mounce (et al., 2004) found based on an empirical analysis of accounting students' perceptions, that accounting professors with relevant practical experience were perceived of significantly higher quality than professors without such experience (although about in the middle of importance of the various faculty attributes students rated). I am sure many accounting professors would dispute that student evaluations universally support those findings (e.g. with some Ph.D.s faculty getting higher evaluation scores than professionally experienced faculty). In Johnson (2014), one finding was “Participants in this study perceived faculty members with practical work experience to be more helpful and influential than those with purely academic credentials.” Interestingly, participants made clear and consistent distinctions between the qualifications of faculty members and their degree of influence on their career success.” A question arises as to whether it can be shown empirically that accounting graduates are indeed more successful with greater professional experience influence in their accounting education.

Another article (White et al., 2008) discussed the evolution of the AACSB on increasing the importance of professionally experienced faculty while maintaining its premier global brand versus competition like the Association of Collegiate Business Schools and Programs (ACBSP). To add some broader perspective to this topic,

in another article (Slocombe et al., 2011), a survey of an AACSB university school of business students, found most students gave higher evaluations to professors they liked and who used humor (professional experience of instructors was not a student survey factor).

It is also instructive to review the Pathway Commission report (2012) which was a major comprehensive collaborative study effort of the American Accounting Association (AAA) and the American Institute of Certified Public Accountants (AICPA): considered by many academics as the premier academic and professional accounting organizations respectively. The study's focus was the future of accounting education and to make recommendations for improvement. One of the significant (and the first) recommendations of the report centered on better coordination and collaboration of accounting academia and practicing professionals stated as: "Integrate professionally oriented faculty more fully into significant aspects of accounting education, programs, and research." Black (2012) reviewed the history of accounting education analysis prior to the Pathway Commission report. The article indicates that academic and practitioner convergence has been a long-term accounting education aspiration and in part states:

"The overall objective of the Accounting Education Change Commission (AECC 1990) was to foster changes in the academic preparation of accountants with the goal of improving their capabilities for successful professional careers in practice..." "However, among the recommendations of the AAA Committee on Masters Programs in Accounting [circa 1970] was a clear statement that the CPA certificate (with practical experience) should be considered necessary for those teaching courses more directly related to public accounting (Boyd et al. 1970), and a recognition that the CPA certificate as well as responsible business and accounting experience enhanced the qualifications of accounting educators." [added]

Wilkerson Jr. (2010), an accounting professor, discusses an even higher responsibility that accounting educators have over and above the business school academy. He suggests that accounting as a profession (like medicine or law) must provide an educational formula that includes practice-based scholarship, "professional identity" teaching and a series of apprenticeships (like medicine or nursing with clinical experience learning). McGee (1986) adds, "The accounting profession is the only profession that has the (research-oriented) Ph.D. as the terminal degree rather than a practice-oriented doctorate. This situation does not serve the practitioner or the client." McGee suggests further "Specific recommendations: 1. Take accounting education out of the hands of business educators (AACSB) and place it into the custody of the accounting profession, as is done with legal, medical and other professional programs." (McGee, 1986). The practical realities for an accredited program are the required emphasis on time-consuming (peer reviewed) research leading to publications – this has been found to reduce available time for professional activities (Arlinghaus, 2008).

SUGGESTIONS FOR PROFESSIONAL EXPERIENCE INTEGRATION

The above research generally supports the premise of this article, which is that professional accounting experience of faculty can enhance the value of the accounting majors' education. In other words, the above research found that the key stakeholders: accounting practitioners (employers who hire accounting majors), accounting academia (education providers) and accounting students (the customers) generally agree that practical or professional experience of faculty provides an enhancement of an accounting education.

Before going further, to be clear this article is not intended to be critical of any business school's accreditation, accounting program or components: Ph.D.s, professionally experienced faculty and the AACSB and equivalent accreditation standards – are all important components of an excellent overall accounting program. Granted there are less demanding alternatives (e.g. other types of accreditation) for business schools that do not have AACSB accreditation. But keep in mind there is clear support for the AACSB standard as being the premier accreditation for accounting programs. Krom et al (2014) states: many accounting firms recruit at AACSB-accredited schools (see same for corporate recruiters (Miles et al 2015); also that according to *U.S. News* or *Bloomberg Businessweek*, the most prestigious accounting programs are AACSB-accredited. In Hunt (2015) he refers to research that showed that for AACSB-accredited schools, there are higher CPA exam pass rates and passing the CPA exam with fewer attempts.

Each accounting program typically has a variety of different features (e.g. use of PQ faculty, discipline-based SA research) likely adapted over the years to provide its students a competitive accounting education. This article's goal is to offer some thoughts on how a school of business or accounting program could perhaps enhance the

effectiveness of their program with some new faculty approaches or techniques to help develop the practical accounting experience of their accounting students in preparation for their accounting careers.

It is probably appropriate here to attempt to define just what is professional or practical experience of faculty. Working in a professional accounting environment (in public accounting or industry) encompasses several different educational aspects: how to apply accounting concepts and rules to unique real world client scenarios; how to understand and apply new concepts often more advanced than college level coursework, on an efficient and timely budgeted basis (and progressively supervising other staff) and using interpersonal skills in dealing with peers, supervisors and clients (all different for each client assignment). Perhaps the most valuable aspect of professional experience is perfecting one's accounting and business skills through practice and working with successful professionals, with the goal of becoming a successful career accounting professional.

It is clear there is long standing consensus that professional experience and accounting education need to be integrated. Now let's focus the discussion on how accounting programs can supplement practical experience for students based on the current faculty environment. Using a hypothetical accounting program with AACSB business accreditation (therefore with various requirements for example, for SA faculty to publish peer reviewed academic articles), with say 50% Ph.D.s SA faculty and 50% PQ faculty, we will explore some possibilities. This scenario further assumes that both SA and PQ faculty are instructors for the same proportion for teaching accounting coursework. This scenario would further imply that about 50% of the accounting courses do not provide students with practical experience at least from the instructors' background, and 50% do. So how using this hypothetical accounting program scenario, could the accounting education program be enhanced with practical experience? The professional/practical experience of an accounting faculty member (whether tenured professor or instructor) can provide enhanced value factors to the courses they teach in various ways (collectively referred to here as "beyond the textbooks" an expression with varied origins).

Practical or professional accounting experience as used in this article can include a variety of work experiences in accounting. It could include work experience (e.g. accounting, tax) from public accounting (e.g. CPA firms: small sole practitioner to Big 4 firms), industry (e.g. handling bookkeeping for a small business to, working in a controller's department of a Fortune 500 company) or government (e.g. federal, state or local agencies). Types and levels of work experiences for different disciplines of accounting are relevant, in no small part due to the specialization required in our global economy. The major disciplines of public accounting generally are: assurance/auditing, taxation and consulting (e.g. appraisal/valuation, information systems, forensic accounting). There are also numerous specialties within these disciplines, for example for taxation: federal income tax, state and local tax, indirect taxes (e.g. customs, duties), international tax, transfer pricing, employee benefits and estate and gift tax. It is my belief that types and specialties of practical experience are important and should ideally be matched to specific related coursework. For example, a Taxation I course (based on AICPA Model Tax Curriculum with a business entities focus) would be best suited for an instructor who had significant tax experience (e.g. tax manager or higher level) from a national accounting firm (with clients from closely held businesses to Fortune 500 public companies). Because most accounting students will likely start their career in a public accounting firm (but may later work in industry), faculty practical experience would probably be best from the public accounting/CPA sector (or ideally from both CPA firm and industry).

Here are some examples of how accounting faculty with professional experience can provide added value in the classroom:

Give practical explanatory examples (including e.g. challenging client situations or crafted case studies) they have encountered in practice, to students as part of lectures, group discussions, on various accounting concepts and rules. This would help students better recognize these issues in a real world practice environment.

Introduce recent topical technical areas encountered in practical situations into coursework (e.g. new accounting regulatory issues applied to a real world example).

Modify assignments (including clients reactions experienced) to more likely project scenarios they will see in accounting practice (e.g. select more common types of client tax returns, like F1120 – Corporate Income Tax returns versus less popular type entities).

Explain certain successful practice behaviors to apply to their projects (e.g. explain meeting likely time budgets they will be given in practice and reality of being able to bill clients, to complete selected projects likely more generous class time budgets).

Emphasize the importance of self-learning, working independently as well as with peers on teams, etc. which are some key elements of success in accounting practice.

Ethical issues encountered in practice (e.g. AICPA practice standards); provide real world examples.

Role-play with students as CPAs and instructor as client in various scenarios.

Offer practical insights on competitive environment of public accounting or industry (e.g. working with peers from other accounting schools), that could help accounting students succeed in their careers. This is also mutually beneficial for schools to graduate accounting students who do well in their careers – get their CPA certification, get promoted, become partners or executives in industry. Provide honest insights on determining when (and why) it might be best to look for career alternatives outside of public accounting.

To be sure most accounting students want to be able to pass the challenging Uniform CPA exam so coursework should include information that will help them (many textbook now include CPA topic hints). Being a licensed CPA is virtually mandatory in CPA firms. Also for students who will be focusing on industry careers, perhaps the CMA alternative route and exam could similarly be addressed in coursework.

For instructors (i.e. SA - 50% in the hypothetical) that do not have practical accounting experience themselves (or not recent experience), they can consider using these alternative techniques:

Meet with accounting practitioners and talk with them about what are the key factors they look for in recruiting successful staff accountants. Then incorporate this information into course plans. Often school career advisors also have this information.

Use real world case studies or business articles (e.g. Wall Street Journal) to demonstrate course accounting concepts. Bring in guest speakers from accounting firms or industry to talk with students perhaps about their practical experiences with subject matter of the lecture or course; also consider having a practitioner do an “open forum” to allow students to ask a variety of questions.

Co-teaching some courses (or parts thereof) with practitioners (or adjunct faculty).

Some research activity (that faculty will get academic credit) on real world accounting issues including targeted professional journals or current accounting related stories (and use in classroom lectures).

Be involved with a state or national CPA accounting society (e.g. AICPA) to gather new ideas for classroom use.

Become licensed and or certified in accounting (e.g. CPA, CMA).

The accounting department or program in conjunction with the business school can also consider:

First of all, accounting departments should best match an instructor’s professional experience (e.g. tax) and the nature of the coursework (e.g. taxation courses versus management accounting).

Offering public accounting and industry accounting internships by discipline (e.g. tax, assurance) and remind students on necessity for recruiting purposes*.

Offer accounting career services with designated personnel (e.g. to secure many accounting recruiters and job opportunities for students, e.g. CPA firms, industry, government).

Active student accounting organizations (e.g. BAP) to host a variety of career oriented student events and to provide networking opportunities.*

Careful review of how the school (and or accounting program) is meeting the AACSB - SA requirement. Find out if other school’s/AACSB interpretation of standards (e.g. for SA status) could perhaps provide more leverage of instructors with professional experience. Also look to use adjunct instructors with specialized professional experience to enhance the variety of courses offered to students. Further, carefully evaluate if percentage time required for intellectual contribution by faculty could be adjusted so to allow an increased allocation of professional interaction time.

Hiring of non-traditional accounting doctoral graduates typically with years of practitioner experience that could meet AQ standards.

In conjunction with No. 5 and 6, review the policy of the school/accounting program for offering tenure track positions to non-Ph.D.s who could also provide SA status (e.g. DBAs, LLM – tax – with professional experience, JDs) to be competitive with other AACSB schools.

Have an open discussion on teaching among both SA/Ph.D. and PQ professional faculty. Exchange thoughts openly on different teaching techniques used and what has been found to be effective. This type of discussion would hopefully lead to a sharing of ideas, including use of professional experience in the classroom. Perhaps, reviewing some academic articles on professional experience, or practitioner articles or the Pathway Commission report could be used as a tool to stimulate a constructive discussion.

Support faculty with expense reimbursement to participate in practitioner organizations, conferences and continuing education and the pursuit of and cost of professional licensing or certification (e.g. CPA, CMA).

Have regular department faculty meetings with practitioner representatives from CPA firms and industry to discuss current accounting issues and possible practical research topics.

Incentivize faculty by providing credit (e.g. research contributions) for publication in professional/practitioner journals.

You may also want to visit the AAA Pathways discussion page (e.g. tax careers) for other perspectives.

Of course in the real world of managing an accounting program, resources (e.g. time, funds) are limited and many elements are in competition for those resources. This includes in particular, faculty time, which typically must be allocated between teaching, research and school or department service activities. As pointed out in an article (Arlinghaus, 2008), an accounting program's requirement for faculty intellectual contributions will cause less time allocated to professional interactions or practical experience (to be in compliance with AACSB standards). Therefore, each accounting program must determine the best balance of necessary elements to make their program competitive and most effective for their students.

CONCLUSION

Although accredited (e.g. AACSB) schools of business provide a professional experience component for their accounting programs, different approaches are discussed in this article that could enhance faculty professional experience in the classroom, which could provide added benefits to accounting students. This article discusses the mutual aspirations of practitioners and academia on the need to have increased faculty practical experience for future accounting students. Although this article focuses on practical experience for accounting education, these findings could have similar applicability to any professional educational curriculum.

*My school has successfully utilized these and other techniques.

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