QUESTION #3: HOW DO WE ELIMINATE STRUCTURAL IMPEDIMENTS OR BETTER ALIGN EXISTING SYSTEMS TO ENHANCE EFFECTIVE ACCOUNTING EDUCATION?

PREAMBLE

In evaluating question 3, the task force focused on issues that could enhance the quality and value of accounting education. Many accounting programs and faculty have already made significant commitments to this effort. Dedicated faculty are focusing on meeting the demands for changing technical knowledge and the development of professional skills. The task force recognizes this commitment and presents these recommendations to further those efforts.

Our goals are to identify structural challenges and to make recommendations that foster improvement in the overall quality of accounting education. The following recommendations acknowledge the broad responsibilities outlined in the Pathways Commission's value proposition and address both curriculum and faculty issues, as well as a possible alternative structure.

RECOMMENDATIONS

RECOMMENDATION #1: Within accounting education, create a pre-professional environment that teaches and continuously affirms the broad responsibilities required of professional accountants that are implied in the Pathways Commission's value proposition.
IMPEDIMENT: Lack of coverage and continuous reinforcement in accounting curricula of important fundamental principles and values upon which the accounting profession is built.

DISCUSSION: The value proposition developed by the Pathways Commission implies a high level of professional responsibility in terms of honoring the profession’s social contract, serving the public interest, maintaining a strong ethical foundation, and motivating a desire to continually enhance one’s technical competence. This recommendation suggests that these and other attributes underlying the Pathways Commission’s value proposition be continuously emphasized throughout one’s professional accounting education in addition to coverage in any specific courses. Minimal coverage or coverage in isolation without reinforcement in other segments of the curriculum is not effective.

RECOMMENDATION #2: Better balance accounting education between the mastery of technical content and the development of skills critical for professional success.

IMPEDIMENT: Overemphasis in accounting education on the mastery of technical content vs. the development of key skills required for success in the accounting profession.

DISCUSSION: Success as a professional accountant is dependent on an educational formulation that consists of both the mastery of technical subject matter and the development of critical professional skills. In fact, it is likely that significant improvements will come by addressing these two aspects simultaneously. Accounting education, however, has traditionally emphasized the mastery of technical knowledge over skill development. Important professional skills include, but are not limited to, oral and written communications, negotiation and compromise, technical analysis, and logical reasoning. Recent thinking is that skill development is at least as important, if not more important, than the mastery of technical content. This recommendation calls for a better balancing in accounting education of technical knowledge and professional skill development, perhaps by integrating technical knowledge in the development of important professional skills.
RECOMMENDATION #3: Facilitate the inclusion of professionally qualified faculty into the university structure and the associated reward structure to create a portfolio of faculty that better serves the needs of accounting students and the accounting profession as a whole.

IMPEDIMENT: Failure to capitalize on the benefits of an appropriate mix of different faculty backgrounds.

DISCUSSION: The current structure of most accounting faculties reflects a traditional Arts & Sciences model of deep academic preparation and limited, if any, professional experience. Professional experience is at best a secondary consideration and is often not highly valued. Current accreditation standards provide a framework that allows a broader mix of business and accounting educational and experience backgrounds than is typically employed by universities. Individuals without doctoral qualifications, but with deep practice experience, are often undervalued by universities as reflected by the roles and compensation of practice-based faculty. Professionally qualified faculty often are not fully integrated into the academic life of the institution. This recommendation calls for a portfolio approach to the development and management of accounting faculty built on the relative strengths of both academically and professionally qualified faculty. The goal is to bring to the classroom an appropriate mix of academic and practice backgrounds that are equally valued in the educational process.

RECOMMENDATION #4: Develop and implement an academic and professional structure that motivates accounting faculty to gain broadly-defined practice experience and to retain currency throughout their careers.

IMPEDIMENT: Faculty with little or no direct practice experience and/or do not maintain currency in their fields and the difficulty in resolving both issues.

DISCUSSION: Many of today’s accounting faculty have relatively little professional accounting or business experience. Too often this results in accounting education being delivered as a purely academic subject with little, if any, attention given to the practice context of topics. In
addition, keeping up with the rapidly changing and expanding body of knowledge required of professional accountants is a constant challenge. This recommendation suggests that all accounting educators be challenged and motivated to gain an understanding of accounting practice and to maintain currency throughout their careers. To achieve this goal, the accounting profession would need to facilitate short term practice experiences for faculty. Intentional inclusion of faculty in the practice environment would benefit the professors, the students and the profession.

RECOMMENDATION #5: Consider an alternative educational structure in which students progress for the final year (or other time period) of their formal education into a professional school of accountancy.

IMPEDIMENT: Lack of professional orientation and consistency in the preparation of students for professional careers in accounting.

DISCUSSION: There are many educational pathways students may follow to become professional accountants [e.g., accounting bachelors degree only, accounting bachelors + accounting or other masters degree, non-accounting degree(s) + accounting taken subsequent to earned degree(s)]. While this variety of backgrounds adds diversity to the accounting profession, it results in a lack of consistent education and often a lack of professional orientation and understanding. This recommendation is for the pre-professional education of accountants to end with a common year (or other time period), modeled after a law school, that focuses attention on specific aspects of the accounting profession that are important for successful entry and progression in the profession. A risk of this recommendation is that accounting and business education are separated, resulting in a lack of important business knowledge by professional accountants. Care must be taken in the consideration of this recommendation to insure that students preparing to enter the accounting profession do, in fact, have an adequate business background as part of their accounting preparation.