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Exploring The Gap in Accounting Education: A Study for Call to Action

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Abstract:

In today's global market, a change is seen everywhere of more focused system which gives accurate and contemporary results. Accounting education is not untouched with this condition. But, from the view point of accounting practitioner and students, there is a gap generated in the current era between the accounting syllabus and real world requirements because of this changeover. Accounting education is now at crossroads. Number of qualitative students electing accounting subject in their course is decreasing rapidly. Students do not perceive an accounting degree to be as valuable as it used to be or as valuable as other business degrees. Accounting education, as currently structured is outdated, broken and needs to be modified significantly. These are some issues which tried to raise in this paper. This paper especially concentrates to identify gap in accounting education. For this purpose a survey has been made to 50 students of four renowned universities of Rajasthan. The implications of the results are that accounting academics cannot ignore the teaching of traditional accounting techniques and may need to increase the coverage of the issues involved in implementing contemporary management accounting techniques. Taken together these points indicate a need for major changes in our perception, policy and practice of our accounting education performance. For creating an appropriate measure to this study, SWOT Analysis has been done. It shows wide range of career with high salary, familiarity with business world, etc. as strengths, lack of qualitative educator, lack of updated syllabus and irregularity of students in classes as weakness, strong career chances, skilled for business world, familiarity with new technology as opportunities and continuously changing era of accounting, backward looking perception for accounting, less rewarding than other professions are threats of accounting education. Finally, this paper effort to bridging the gap between challenges and solutions of accounting education with its real world requirement and make it more relevant.

Keywords: Accounting education, SWOT Analysis, traditional accounting

1. Introduction

Education is not so much that one knows but it is important that what one becomes, as Swami Vivekananda said. Preparation of students for their future role is become now a challenge not only for academia but also for practitioners. A common body of knowledge is require to develop a multi tasking people as well as skilled practitioners and academics, especially in consideration of recent graduates. And when the issue is for global market of knowledge, the accounting education is at crossroad because of the increasing complexity of global business with high powered computing technology requiring for a better accounting profession. As the new accounting techniques develop and existing keep apart, more attention focuses on what should form part of a common body of knowledge for accounting education. Ultimately the responsibility of updated knowledge is on our universities and colleges with the roots of graduate student's perception. As we entered 21st century, we face the uncertainty of changes that makes our transformation from the industrial age to information age. In this period, we face tremendous opportunities in accounting education but at the same time there are some unreached goals. To open the layers of challenges and opportunities in accounting education, this study has been made with identifying the gap between accounting syllabus and real world accounting requirement. Does our colleges and universities adequately preparing accounting students for the real world? Does the course contain of different universities more directly target the skill set needed for the competitive exam or ICAI exam? Is there any gap between accounting syllabus and real world accounting requirement? To answer the above question four renowned universities of Rajasthan have been selected on judgmental basis and 50 students or practitioners of each university has been selected on random basis to conduct a survey by questionnaire method to ascertain the views of accounting practitioners on the contents of accounting courses and the skills and competencies of recent graduates.

The results show that accounting practitioners or students placed an emphasis on contemporary techniques. They were in agreement on the skills and characteristics required of recent graduates. An interesting finding was the emergence of negative comments on the arrogance of new graduates and an increased need for graduates to be updating of accounting syllabus. These two aspects were not a feature of previous studies.

The implications of the results are that accounting academics cannot ignore the teaching of traditional accounting techniques and may need to increase the coverage of the issues involved in implementing contemporary management accounting techniques. Taken together these points indicate a need for major changes in our perception, policy and practice of our accounting education performance.

2. Identifying the ‘GAP’

The accounting curriculum has been the topic of considerable debate over the last 40 years that there is a great need to identify the gap between theory and practice and how to bridge it. Raymond Leong and Marie Kavanagh (2013) propose a work integrated learning framework to develop graduate skills and attributes in an Australian university’s accounting program. According to this framework universities are being placed under increasing pressure to produce employable work graduates to gain business acumen and real world experience by undertaking work integrated learning as part of their learning. Eno L. Inanga and WM Bruce Elaine Evans (2010) explore the gap between academic accounting research and professional practice and tried to bridge this gap. He suggests that there is a great need to come together in of accounting researchers, accounting policy makers and accounting practitioners to work more closely in a similar way that the accounting profession has successfully managed to do. Gary Siegel (2010) in the article ‘The ongoing preparation gap in accounting education’ suggests that there is significant gaps exist between what accounting educators teach and what practicing accountants do. In this article, the author raises provocative questions that they hope will encourage both the academic and business communities to engage in a dialogue about the content and focus of the accounting curriculum. Cable Dawn (2007) explores in the paper ‘Accounting education: the gap between academic study and professional practice’ the changing environment of accounting education over the last fifteen years and describes a program of study developed in response to those changes. The program seeks to bridge the gap between academic study in accounting and a career in professional practice, aiming to deliver work-ready graduates who will assist in meeting the needs of employers and help alleviate the skill shortage in the Australian accounting profession. Schneider (2005) identified the relationship between accounting research and accounting practice. The authors discuss that the problem is not that efforts have not been made to conduct research but rather there is a lack of fundamental flaw in the accounting research process itself.

Albrecht & Sack (2000) compared academics’ and practitioners’ responses for a list of skills and found that they were substantially in agreement. While there is some evidence of adoption of advanced accounting techniques by practitioners, it could be described perhaps more as an ‘evolutionary’ process rather than ‘revolutionary’. The rate of adoption of new or sometimes called advanced, accounting techniques is a major potential cause of a gap between the views of practitioners and academics on what is important in management accounting. Scapens (1999) focus on the “gap between theory and practice” in accounting and criticizes sophisticated mathematical techniques appearing in textbooks as having limited adoption in practice. Practitioners, he argues, must be able to see the relevance and understand the results of academic research. He believes that more academic study must be conducted on accounting in practice in order to be relevant to practitioners.

3. Methodology

To enlighten the issue rising by this paper, a survey has been made. For this purpose, a sample of 200 students have been selected from the four renowned universities of Rajasthan i.e. Maharishi Dayanand Saraswati University, Ajmer, Mohanlal Sukhadia University, Udaipur, Jai Nanayan Vyas University, Jodhpur and Rajasthan University, Jaipur on judgmental basis and 50 students or practitioners of each university has been selected on convenient basis to conduct a survey by questionnaire method to ascertain the views of accounting practitioners or students on the contents of accounting courses and the skills and competencies of recent graduates. The data has been collected through online survey as well as manual filling of questionnaire. The percentage method was used for analyzing the data.

4. Results and Discussion

The primary objective of collegiate business education is to prepare students for personally fruitful and socially useful careers in business and related types of activity (Ralph D. Swick, 1961). The majority of survey focuses on to prepare the students for fruitful careers. This shows that how much students are worry about their careers. But 16% students are disagree with the above objective and they set a new aim for accounting education i.e. to develop a more intelligent sense of related accounting values, to prepare students for advance study and to set mind for conceptually clear way. But here a question arise that have we succeed to achieve these objectives? In the changing dimensions of modern knowledge, it is very difficult to achieve these objectives when accounting education enclose on all sides with lots of challenges.

Global market forces are leading too many of today’s accounting programs into an uncertain future, because of this reason, our nation’s accounting education system doesn’t present a compelling case for dramatically restructuring accounting education (Albrecht W. Steve and Robert J. Sack, 2012). In accordance with the survey made, 100% students are agree that there is an inappropriate balance between accounting syllabus and its practical requirement in the typical under graduate curriculum. Students are not highly inspired with the current teaching pattern. 47% students marked this at average level, 42% at below average and only 11% students are satisfy with teaching pattern of accounting. For the compensation of above dissatisfaction, coaching trend is increasing between the accounting students. They are running in the blind race of coaching trend. More than 2/3 students involved in survey, depend on coaching or tuitions for their accounting training or in a complete manner, finishing the syllabus. But after all that actions, students are not aware about the basic concepts of accounting as their mentality is to pass their degree course only. The survey has been asked to students about some basic terminology used in accounting like Responsibility Accounting, Cost, GST, Activity Based Costing, Dependent variable, Transfer Pricing, Cash flow, Law of Inertia, and Conservatism Concept. The students has very ill-response in this section. Less than 30% students has very clear concept of these terms but the remaining students suppose very confused about these term of basic accounting.

5. Recognition of Current Curriculum and Its Future

The content of and methods of delivering individual courses in accounting programs have changed in recent years. Nevertheless, the primary focus of the accounting curriculum, at least at the undergraduate level, is not much different today from what it was

10, 20, or even 40 years ago. The majority of core undergraduate accounting courses focuses on topics that academics assume students need to work in public accounting and that are necessary or useful for passing the CA exam. Is this focus appropriate in a world where students must have at least 150 hours of college work to begin the CA certification process and the majority of students who exit with only a three-year degree will work inside organizations rather than in public accounting? Regardless of where students begin their accounting careers, most of them wind up working in a corporate setting. In 2008, the U.S. Bureau of Labor Statistics reported that more than 75% of accounting professionals work inside organizations and that the remaining work in professional service practice or public accounting. It is critical for schools to provide the appropriate skill sets to help these students function effectively in these internal positions (Gary Siegel, 2010). As the development of accounting has generated a sizeable body of knowledge with traditional topics combined with recent advancements, this creates challenges in designing the curriculum (Brewer, 2000). Some, however, predict an impending crisis in management accounting and the potential that it may not survive in its present form (Chua & Baxter, 2000; Maher, 2000). Birnberg (2010) argues that traditional topics such as budgeting will always form part of an accounting course. He believes that while new topics such as ABC are included, traditional topics will continue to be prominent. The biggest criticism, particularly from the Indian perspective, is that the accounting curriculum has failed to remain relevant to practitioners. Advances in technology, an increase in the complexity of modern business, and academia's inability to keep up with the pace of change are cited as the main causes of this failure to remain relevant.

The students, in the survey, gave rise to considerable reflection and comment as to what the future of accounting practice and education would hold. Dyer (1999) believed that technology is having an increasing impact on management accounting as the focus moves from data gathering to interpretation. Accounting education, he argues, will move away from technical content and shift towards non-traditional areas such as creative thinking skills, and oral and written communication skills. This shift from data gathering to analyzing data has led to the term 'business partner' being used to describe the function of management accountants (Maskall & Baggaley, 2000). This will require a change in the focus of education for accountants from a calculation based to a more interpretative approach.

The accounting profession worldwide has come under close scrutiny in the last decade as a result of a series of high profile corporate failures changing technology and globalization of the world economy. These change drivers have reduced the cost of information and increased the level of competition among organizations. This has resulted in a need for quicker and more decisive action by management, an emergence of new companies or industries and a requirement for new professional services and skills (Albrecht and Sack, 2000). As skills and characteristics identified according to the survey, in an accounting graduate must have problem solving skills, microcomputer skills, speaking skills, listening skills, reading skills, thinking skills, writing skills, social skills, management skills, marketing skills, and quantitative skills as well as characteristics is confident to face competition, intellectual and ethical to serve society, assertive to be impartial, motivated and has pleasant personality with professional attitude to be separate in a sheep group of other professional courses students. He/She must have common sense with leadership quality and professional appearance to get their dreams true as accounting professionals.

6. Swot Analysis

The AICPA has conducted a supply and demand study of numbers of students in accounting departments and the numbers of offers made by potential employers. The current year "supply" numbers from the college graduate students are just now in, and they certainly paint a frightening picture (Albrecht and Sack, 2000). The underlying SWOT Analysis shows the Strength, Weakness, Opportunity and Threats in accounting education.

6.1. Strength

- Wide range of career
- Paying higher starting salary
- Predictable entry into the larger business world.
- Familiarity with the current terminology of market.
- Increasing job demands especially for accounting students.
- Work closer with key professors.
- Wide scope of research

6.2. Weaknes

- Lack of qualitative students as their basic school knowledge is weak.
- Lack of good accounting educators.
- Current teaching pattern in accounting education.
- No job guarantee like other professional courses.
- Lack of research aptitude in students
- Irregularity of students in classes.
- Lack of updated syllabus.
- Lack of technical accounting and computer skills

6.3. Opportunity

- Strong career opportunities like cost estimators, financial analysts, loan officers, budget analysts personal financial advisers, tax examiners etc. are available in this field.
- Accounting graduate student more directly target the skill set needed for the competitive examination or certified management accountant and certified internal auditor exams.
- Opportunities exist for academics to study how new technology interacts with established management accounting concepts, such as ERP and supply chains.
- New accounting techniques for better accounting results.
- A growing number of educational institutions are including a practical project into their degree programs to give students business exposure. Other avenues exist for institutions to give students real world exposure and these include case studies, site visits and guest lectures.

6.4. Threats

- Accounting is perceived as less challenging and rewarding than other fields of study.
- Accounting is not perceived as having the growth opportunities that other disciplines have.
- Students do not understand how challenging and rewarding the accounting profession.
- Accounting is perceived as being backward looking, while information systems and finance are perceived as being forward looking.
- Continuously changing global era of accounting.
- Worldwide adoption of standard accounting techniques.

With the new techniques in accounting area, it still requires emphasizing traditional over contemporary techniques. Traditional management accounting techniques are still important to students, and therefore cannot be ignored by academics. Development of new techniques and their teaching is still of importance. Non-adoption of new accounting techniques by practitioners does not necessarily mean that the techniques are irrelevant and inoperable. Co-operation between practitioners and academics would enable both groups to co-ordinate and better understand why the 'gap' exists (Hawkes, Fowler and Tan, 2003). Consequently, equipping students with the requisite knowledge and skills needed for entering the market place that continues to hold higher expectations for accountants will be one of the biggest challenges for accounting programs.

7. Conclusion

This paper concentrates gap exists between accounting education and real world requirement. It tries to raise the issue that what level of synchronization exists between the accounting curriculum and the knowledge needs of accountants who begin their careers in industry and other nonpublic accounting area. This paper enlighten that the accounting preparation provided by the accounting curriculum, particularly at the undergraduate level, is not appropriate for the accounting careers. This problem also uncovered in SWOT Analysis. The survey also push it ahead that students of accounting education are not satisfy with their current accounting syllabus as well as current teaching pattern. They require a teaching technique ahead of spoon feeding program. There would be expert session, field training, online teaching etc. instead of only having the source of class room teaching. On the other hand, students are also agreeing with four year degree course where three year for conceptual understanding of subject and one year for field training. To improve the teaching pattern, Prof. K. C. peter has suggested training programmers even for college and university lectures. It is generally believed that the dominance of the lecture method is partly responsible for the falling educational standards in our colleges and universities. Therefore, efforts can be made to supplement the lecture method with tutorials, group discussions, and team teaching. Finally, this paper effort to bridging the gap between challenges and solutions of accounting education with its real world requirement and make it more relevant.

8. Appendix

- Questionnaire Regarding Challenges in Accounting Education and its Real World Requirement

NAME OF INFORMANT _____
 UNIVERSITY _____
 CLASS _____

Q. 1: What is the main objective of accounting education for under graduate level?

- () prepare the students for advance study
 () prepare the students for fruitful careers.
 () develop a more intelligent sense of related accounting values.
 () to give conceptual knowledge.

Q. 2: Rank the following challenges of accounting education in order to much dangerous to less dangerous.

- () career orientation
 () accounting educators have accounting degrees, not the field experience
 () decreasing quality of students
 () outdated syllabus

Q. 9: Based on your perceptions please list up to five **STRENGTHS** of recent accounting graduates who have begun their careers in accounting.

1. _____
2. _____
3. _____
4. _____
5. _____

Q. 10: Based on your perceptions, please list up to five **WEAKNESSES** of recent accounting graduates who have begun their careers in management accounting.

1. _____
2. _____
3. _____
4. _____
5. _____

Q. 11: Based on your perceptions please list up to five **OPPORTUNITIES** of recent accounting graduates who have begun their careers in management accounting.

1. _____
2. _____
3. _____
4. _____
5. _____

Q. 12: Based on your perceptions, please list up to five **THREATS** of recent accounting graduates who have begun their careers in management accounting.

1. _____
2. _____
3. _____
4. _____
5. _____

Q. 13: Rank the following suggestions to bridge the gap between accounting syllabus and real world requirements.

- () elimination of class room teaching
- () improving the spoon feeding program
- () expert sessions and tutorials
- () field training with bookish knowledge
- () web based courses
- () partnering arrangements with industry
- () internship/Co-op programs

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