

# A COMPARATIVE REVIEW OF THE NEED FOR ACCOUNTING EDUCATION CHANGE IN SELECTED COUNTRIES

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## ABSTRACT

*This chapter reviews the need for accounting education change in selected countries to determine whether commonalities exist. Beginning with the need for accounting education change in the United States and the promotion and acknowledgment of the Accounting Education Change Commission (AECC) initiatives in that country, the chapter proceeds to examine the accounting education reforms in three selected English-speaking countries with developed accounting systems. I find that in these selected countries, the emphasis, like the United States, was also on the nurturing of generic skills as opposed to acquiring just technical knowledge. These countries were leaning toward implementation of changes based on the philosophy of the AECC initiatives, although some were initiated prior to the formation of AECC. Hence, for any accounting education change in developing countries these initiatives are highly*

*recommended as a basis for accounting curriculum development and pedagogical considerations.*

**Keywords:** Accounting education change commission; comparative review; accounting education reform

This chapter examines the need for and implementation of accounting education change in the United States and three selected English-speaking countries to determine if they are experiencing the same need for accounting education change, and if so, what changes have been implemented. If commonalities exist among all these countries in terms of the need and implementation direction, then a specific direction can be identified for developing countries to consider following in their development of a sound university accounting program, both in terms of its curriculum and pedagogy.

For ease of comparison, the discussion for each country will be organized under five headings, namely: (a) Background, (b) Expressed Need for Accounting Education Reform, (c) Reaction from Academics, (d) Implementation of Changes, if Any, and (e) Discussion. Readers of this article will be able to see whether there is a global need for accounting education reform and if there is, the possible direction to take.

## **GLOBAL FORCES FOR CHANGE IN ACCOUNTING EDUCATION**

Before looking at each country, I reviewed the literature that suggests that accounting education change is not confined to any single country. Numerous authors have discussed global forces exerting pressure on accounting education change, including Nelson (1995), Albrecht and Sack (2001), and Mohamed and Lashine (2003). However, none were as comprehensive and thorough on the topic as Karreman (2007).

Karreman (2007), through the combined efforts of a group of authors from the United States, the United Kingdom and the Netherlands, conducted a review of global developments of accounting education over the last decade, involving respondents from 32 professional bodies in 25 countries. The report identified the following global forces: (i) unrelenting competitive pressure; (ii) impact of information and technologies; (iii) globalization of business;

(iv) focus on fair value accounting; (v) demand for new knowledge and skills; and demand for improvements in corporate governance and ethics.

### *Global Assumptions Underlying the Need for Change*

The Karreman report postulated a set of assumptions that can underlie the development and improvement of accounting education globally. These assumptions included that the modern professional accountant needs both broad knowledge and specialized skills and that the future accountant needs training in ethics and objectivity. The assumptions supported the United States' Accounting Education Change Commission (AECC) initiatives (D. Z. Williams, 1993), which will be addressed later in the chapter. Furthermore, of the 14 institutes (12 from English-speaking countries) that reported development or change, the changes focused on seven areas, including case study at final level of assessment, integrative assignments and assessment, soft skills in examinations and ethics. These changes are also covered, to a large extent, in the AECC initiatives.

The description so far from Karreman indicates that there are external forces at play that necessitate the need for change in accounting education and that changes taking place thus far are primarily in English-speaking countries and localities, using the US AECC initiatives as a framework in developing the generic competencies required by the accounting profession. Later on, further evidence is provided from literature review on this matter, using a number of English-speaking countries apart from the United States as examples of change.

## **THE UNITED STATES SCENARIO**

### *Background*

Accounting education in the United States has existed for nearly two centuries, particularly spurred on with the development of industry and trade. College-level accounting courses were first offered in 1883 at the Wharton School, with accounting education being an important segment of higher education four years later. Although there were no clear-cut goals for establishing professional schools of accounting, the introduction of the "certified public accountant" designation in the late 1890s provided the incentive for the widespread development of accounting curriculum in colleges

and universities. This subsequently led to the delivery of undergraduate accounting courses leading to a major in accounting by 1950. In the 1960s, schools embarked on a different direction, adopting an analytical managerial orientation toward their accounting programs. Studies sponsored by the AICPA during the 1950s to the 1970s strengthened the educational base of the accounting profession and by 1976, the AICPA instituted an accreditation process for accounting programs (Langenderfer, 1987). Despite these advances, the development of accounting education is not without its problems.

### *Need for Change*

The origins of calls for broader and more liberal accounting education in the United States can be traced to the turn of the 20th century. Leaders of the early accounting profession, represented largely by the major accounting firms, believed accountants should be trained to think analytically and critically. However, accounting programs through the years have primarily focused on technical training and CPA examination preparation, ignoring the broad, liberal education that was promoted by the founding practitioners who sponsored the first university schools of business (Nelson, 1995).

More recent calls for change have echoed those earlier calls. There has been an outcry from the various interest groups of the accounting profession in the United States (CPA firms, AICPA, AAA, etc.) that US colleges and universities are not preparing students adequately for a career in accounting. The problem becomes particularly acute as a result of globalization and technological advancement that the profession faces. D. Z. Williams (1993) indicated that the practice of accounting has become a complex matter in all segments of business with the scope of accounting broadening in all types of organizations and standards in accounting proliferating. Greater accountability has become necessary as a result of the failures of a number of major organizations. The need for changes in accounting education became imminent.

### *Reaction from Academics*

Pressure for change in accounting curriculum has also arisen from within academia. In 1991, the American Assembly of Collegiate Schools of Business (AACSB) significantly revamped the accreditation process for

programs in business and accounting (K. Williams, 1991). The new standards emphasize that business schools must be closely involved with stakeholders such as the business community. The standards also emphasize the creation of processes for continuous improvement and innovation in instruction, requiring accounting educators to work in partnership with practitioners to meet their needs and concerns. The state boards require that new members, effective in the year 2000, present 150 hours of college-level education to become a CPA, an increase of 30 hours. Implementation of AACSB standards and the 150-hour requirement have created tremendous challenges for accounting educators. Further, many programs have experienced problems related to the delivery of various accounting-related courses.

Even more recently in the new millennium, accounting academics continued to publish on the history of US higher education in accounting, as an understanding of the past will help us tremendously in directing the future. For example, both Albrecht and Sack (2001) and Mohamed and Lashine (2003) reported on the problems of accounting education as a result of globalization and technological advancements and pointed to the imminent need for reforms. Van Wyhe (2007a, 2007b) published two articles, the first of which provided the history of accounting education from its beginnings in the United States to its settled position in the university and pointing to accounting higher education's inability to identify and implement goals. The second article focused on accounting education reforms from the seventies through the nineties when public efforts shifted to the highly publicized accounting scandals.

The previous dissatisfaction from the various interest groups of the accounting profession (CPA firms, the AICPA, AAA, etc.) with accounting education in the United States can be summarized in three main categories: (i) emphasis only on technical training, (ii) impact of examination on curriculum, and (iii) decrease in enrollment.

#### *Accounting Curriculum that Focuses Only on Technical Training*

Several authors from the seventies to the nineties observed practitioners' expectations and how accounting academics responded. For example, Nelson (1995) noted that: (a) the emphasis from practitioners was on communication, interpersonal and intellectual skills and on broadening the knowledge base, (b) practitioners felt that the technical aspects of accounting could be learned on-the-job, (c) university accounting academics ignored practitioners' views and continued to emphasize procedural aspects of accounting throughout the 20th century.

The volume of literature available on United States accounting education reform in the new millennium is relatively small in comparison with those that were available from the date the AECC initiatives were proposed through the nineties as the 150 semester-hour requirement was implemented by the majority of the states in 2000. However, it would be informative to briefly describe a few of these from the standpoint of curriculum.

Notably, much of the accounting education literature in the new millennium comes in the form of repeating the spirit of AECC requirements. For example, [Albrecht and Sack \(2001\)](#) reported on the severity of the problems facing accounting education as a result of changes in business from globalization, technology and investor power in the capital markets, as well as the findings of a study sponsored by the AAA, the AICPA, the Institute of Management Accountants (IMA) and the then big-five. [J. R. Williams \(2000\)](#) and [French and Coppage \(2000\)](#) all described the challenges facing accounting education and the profession, most of which were curriculum-related and teaching approach-related and were covered in the AECC initiatives. [Burnett \(2003\)](#) identified four top-rated professional skills essential for accounting graduates, those being analytical/critical thinking, written communication, oral communication and decision-making. Again, these were suggested by AECC. [Myers \(2005\)](#) described practitioners' complaint being that university accounting curricula drilled students in rote technical memorization at the expense of the broader business, communication and analytical skills they needed in a real world. These were exactly the reasons that AECC was formed and even in the new millennium, similar criticisms are easy to find ([Pathway Commission on Higher Education, 2012](#)).

#### *Impact from Professional Examinations on Curriculum Development*

On the examination scene, accounting academics used public examinations to shape accounting courses ([Previts & Merino, 1979](#)). [Langenderfer \(1987\)](#) claimed that accounting education from 1920 to 1960 dealt primarily with getting ready for the CPA exam. Hence, it became abundantly clear that the learning of accounting should not be solely for the preparation of exams. The development of analytical and conceptual thinking skills is of utmost priority ([Nelson, 1995](#), quoting [Perspectives on Education, 1989](#)) as CPA examinations do not test writing and interpersonal skills, (although in recent years, the CPA exams are more analytical in nature even though they are still primarily in the multiple-choice format). Later on, one will see that one of the AECC initiatives is to de-emphasize the use of uniform CPA exams in shaping accounting courses.

*Decrease in Enrollment of Accounting Programs*

Nelson (1995) and Previts and Merino (1979) all reported on the high caliber of accounting majors in the fifties to the seventies. Since then, accounting majors had scholastic aptitude test (SAT) scores below the average of all college freshmen (Inman, Wenzler, & Wickert, 1989). Accounting was no longer the preferred career choice for the academically bright students at the undergraduate college level (Collins, 1987). This may have been caused by the structured problem-solving nature of accounting.

Literature from the nineties and the new millennium pointed to the perilous future of the accounting profession. However, some highlights from the articles available in the new millennium are warranted. Doran (2001) and Arlinghaus and Cashell (2001) all reported on the decline of accounting graduates between 1990 and 2000. They cited students' ignorance, misinformation and negative perceptions of the profession being some of the reasons.

*Implementation of Changes, If Any*

In the United States, most of the accounting education changes rose from AECC initiatives. Drews-Bryan and Davies (1994) reported on three levels for educational assessment of institutional and program accountability: (a) assessments mandated by accreditation bodies, state or public commissions of higher education and boards of trustees of individual institutions, (b) assessments of business programs performed by the AACSB, and (c) the assessment of accounting education through the formation and activities of AECC.

In response to accounting practitioners' expectations, AECC, a partnership between the eight largest CPA firms then and the American Accounting Association (AAA) was formed in 1989. D. Z. Williams (1993) reported that 13 colleges and universities received grants and proposed a variety of curriculum changes. More recently, J. R. Williams (2000) and French and Coppage (2000) all described curriculum-related and teaching approach-related challenges covered in the AECC initiatives while Burnett (2003) identified four top-rated professional skills essential for accounting graduates, also suggested by the AECC. While numerous authors had written on the AECC and its activities (Drews-Bryan & Davies, 1994; Hanno & Turner, 1996; Larkin & Sherman, 1992; Poe & Bushong, 1991) none had provided a detailed summary of the initiatives the way that D. Z. Williams (1993) had presented. Hence, the present study used the D. Z. Williams (1993) study as the basis for discussion.

The key features of the new curriculum are: “(a) emphasizing a broad-based, general education rather than technical knowledge, (b) integrating all aspects of the accounting discipline throughout the curriculum to more accurately reflect practice, including tax, managerial accounting, financial accounting, systems and auditing, (c) avoiding the one-right-answer syndrome by reflecting real-world problem-solving, such as emphasizing on solving unstructured problems by use of cases, (d) focusing on learning how to learn, (e) recognition of a broader objective by de-emphasizing the uniform CPA examination in shaping accounting courses, (f) developing students’ communication and interpersonal skills, (g) ensuring that students are active participants in the learning process, and (h) integrating the latest technology in the curriculum” (D. Z. Williams, 1993).

#### *Examples of Implementation of AECC Initiatives*

As numerous authors have written on the AECC, particularly Albrecht and Sack (2000), Nelson (1995) and Wyhe (2007a, 2007b), examples are given for only the first two initiatives.

#### *Technical versus General Education*

There are many ways by which universities could provide a proper blend of general and technical education. The following are three examples of US universities. At the University of North Texas, third year students took an intensive liberal arts program – the classical learning core (CLC), which was designed around four themes: civility, reasoning, virtue and accountability, with these themes being carried over into the accounting curriculum in class assignments and on examinations. The University of Massachusetts at Amhurst developed an intensive program for undergraduate liberal arts majors with the objective of recruiting some of these students into graduate accounting programs and then into the profession. The Kansas State University curriculum focused on business operations and managerial topics believing that this approach helped students in gaining a better understanding of the environment in which accounting function operates (D. Z. Williams, 1993). Other universities may use various approaches in responding to the AECC initiatives.

#### *Subject Matter Integration*

Academics also acknowledged the importance of integrating all aspects of the accounting discipline. For example, D. Z. Williams (1993) noted that



Brigham Young University integrated tax, managerial accounting, financial accounting, systems, auditing and business law around a business cycles model. Boyce, Williams, Kelly, and Yee (2001) suggested that case studies provide a framework to develop a student's deep and elaborative learning skills and generic skills.

### *Discussion*

In concluding on the AECC initiatives, Larkin and Sherman (1992) supported the initiatives as well as lifetime learning skills. They felt that the 150-hour graduates would bring added maturity to employment and that the expected higher starting salaries could be recouped with increased productivity and cost reduction when paraprofessionals were used.

In summary, the objectives of AECC funded projects included: (a) develop communication courses for accounting majors, (b) incorporate greater use of the case method in accounting courses, (c) develop students' critical thinking skills, (d) restructure accounting courses, emphasizing concepts rather than procedures, (e) improve communications, problem-solving, interpersonal, and leadership skills, (f) promote and develop greater computer skills, (g) enhance professional awareness, and (h) improve students' ability to work in groups (Larkin & Sherman, 1992). The aforementioned AECC objectives lent support to the intentions of the AECC initiatives (D. Z. Williams, 1993) described earlier.

Even though AECC has been the driving force behind accounting education change in the United States and possibly elsewhere in the world, Holt and Swanson (1995) reported that only 20% of the top 25 undergraduate business schools in the United States made changes (e.g., the use of case studies, adopting a user perspective of financial statements) in response to AECC at the time of reporting.

## ACCOUNTING EDUCATION EVOLUTION IN OTHER ENGLISH-SPEAKING COUNTRIES

This section provides the evolution of accounting education for a few English-speaking countries other than the United States, with full-fledged developed accounting systems and where the impact of globalization and technological advancements are strongly felt, leading to the need for accounting education reform. The countries selected are the United Kingdom,

Australia and New Zealand. Available literature on accounting education change is not as extensive as for the United States, as the latter's reform has reached a plateau with the implementation of the 150 semester-hour requirement.

### *The United Kingdom*

The United Kingdom was selected as it represents the major country in Europe in terms of its accounting development, international trade, prominence of its securities exchange and its emphasis on accounting education.

#### *Background*

One way to start looking at the accounting education background of a country is to examine what students expect from a university accounting program, as most universities would cater to students' input. [Byrne and Flood \(2005\)](#) found that students in the United Kingdom who went to universities had a mixture of extrinsic (external goals, for example, attainment of reward) and intrinsic (learning out of curiosity, interest or enjoyment that leads to deep approaches in learning and lifelong learning) values. However, the principal reasons students chose accounting were vocational (extrinsic) in nature. Because the teaching and assessment practices at schools might not be appropriate for more independent forms of learning in higher education, few students were certain about what was expected of them academically or working independently. They expected that universities would help them develop new skills, broaden their horizons, meet new people, grow intellectually and learn new ideas.

[Lyall \(1985\)](#), following the US study of [Hadley and Balke \(1979\)](#), surveyed 200 accountants (100 practicing and 100 from industry) in the United Kingdom, revealing a significant difference between what was taught and what practitioners felt should be taught. This stemmed from the fact that accounting bodies monitored closely accounting courses while the teaching departments and the interests of the teaching staff determined the actual course content. Accounting theory was de-emphasized, although this provides building blocks for expanding accounting knowledge.

#### *Need for Accounting Education Reform*

Only a minority of qualified accountants holds relevant degrees (those related to accounting or finance), [Gray and Collison \(2002\)](#) indicated that the only way that accounting could remain a profession, serve the public

interest and respond to the exigencies of sustainability was through a major revision of accounting degrees and a relevant graduate only profession. The authors felt that the accounting profession requires a broad-based university education rather than being trained through an apprenticeship program. This latter view of a relevant degree requirement was not supported by a majority of individuals, particularly those in England and Wales as the Institute of Chartered Accountants of England and Wales (ICAEW) had only 17% of total student entry having relevant degrees (Dewing & Russell, 1998). However, in most European countries, the idea of accountants not possessing an accounting degree was almost unthinkable. Gray and Collison (2002) felt that a profession with no real education as opposed to training in the subject matter of its profession was a contradiction in terms. As in the case of the United States, recruiters in the United Kingdom viewed social skills far more important than accounting skills, favored critical thinking and broad education. Quoting Zeff (1989), the authors indicated that too much emphasis has been placed on rote and shallow learning. In addition, there were some pedagogical concerns in terms of emphasis on what was taught and how long rather than the manner in which it was taught.

Compliance work not only in the United Kingdom, but in United States and Australia as well, will form a diminished portion of accounting firms' revenues with the main growth area being business advisory services (Howieson, 2003). Accountants assume the role of knowledge workers, requiring the generic skills as mentioned by AECC (skills in analysis, innovative problem-solving, communication and client relations). Accounting practices need to be more interdisciplinary and analytical in their orientation. Howieson (2003) endorsed the six problems with the current accounting education cited by Albrecht and Sack (2000) in the United States. These problems related to course content and curricula, pedagogy, skill development, technology, faculty development, and reward system and strategic direction. He also acknowledged the types of barriers to change in accounting education similar to those cited by Nelson (1995) in the United States.

#### *Reaction from Academics*

Dewing and Russell (1998) reported on what Zeff (1989) identified as three disturbing UK developments signaling that the United Kingdom might follow the same accounting education and research path that existed in the United States. These concerns are: (i) burgeoning professional announcements becoming exercises in indoctrination, leading to a narrowing of

accounting education; (ii) increasing degree of rigor with which accreditation standards of professional bodies are enforced places greater emphasis on the hard core of recommended practice, with less focus on the broader issues that can make accounting a field of liberal learning (following the intention of the AECC initiatives); and (iii) increasing use of formal empiricism and mathematical model-building combined with the increase in doctoral programs, led to methods-driven rather than problem-driven accounting research.

As these developments were similar to what the United States experienced, the US AECC initiatives would be the direction to take for successful accounting education change. This view can be echoed by several UK academics, citing various US inadequacies in accounting education where AECC initiatives were viewed as remedies. Such inadequacies may also be the case in the United Kingdom. For example, Hill and Milner (2005) indicated the following: Quoting Albrecht and Sack (2000), Hill and Milner endorsed emphasizing generic skills development and a broader, less structured, curriculum content rather than the subject specific and technical contents of the accounting curriculum, placing more weight on pedagogical priorities and focusing on skills development rather than content. Lack of generic skills in accountants was also common in the United Kingdom. Quoting Nelson (1995) that the US CPA exam failed to test critical thinking, analysis, synthesis and professional judgment, Hill and Milner felt that a parallel situation in the United Kingdom could be seen over the past two decades and that AECC in the United States was charged with the key objective to provide leadership in changing accounting education. The AECC initiatives could be adopted similarly in the United Kingdom to address this need.

#### *Implementation of Changes, If Any*

In this section, I provide three examples of implementation of changes. First, Byrne and Flood (2005) reported that considerable change in accounting profession took place in Ireland in the past 15 years, similar to what occurred internationally as a result of economic activity being the driver of change. Unlike many accounting bodies, the Institute of Chartered Accountants of Ireland (ICAI) maintained a route to membership for secondary school graduates as economic constraints may prevent high caliber students from proceeding to universities. However, graduates with relevant degrees still dominate ICAI intake, similar to United States and Australia, but different from England and Wales. A significant change took place with ICAI in line with AECC initiatives as three of the four Final Accreditation

Exam papers have case studies, reflecting the multidisciplinary nature of the workplace as well as using open book for all exams. In addition, the introduction of the Personal Computing for Accountants (PCA) exam took place and continuing professional development was introduced in 2001.

As a second example of implementation of changes, Hill and Milner (2005) analyzed the accounting programs in 12 Scottish universities and found that the 12 universities clearly changed their emphasis on skills, referring to much broader transferable skills than accounting techniques. They emphasized information technology, communication, critical thinking, problem-solving and group working skills with a strong focus on finance and integrative studies and the increased use of computer and web-based learning. In a nutshell, a holistic approach was advocated.

Third, as a predominantly public sector, the most notable development was possibly the Quality Assurance Agency's (QAA) subject benchmark statements for accounting (2000) that presented comprehensive guidelines of the intellectual and transferable skills for graduate competencies, emphasizing cognitive abilities, including critical evaluation capacity, communication skills, group work skills, holding these to be as important as the subject knowledge in accounting education.

### *Discussion*

The previous subsection on Observation and Thoughts from Academics cited a number of disturbing situations in the United Kingdom similar to those experienced in the United States (Dewing & Russell, 1998). These situations warrant the use of the AECC initiatives as remedies (Hill & Milner, 2005, citing Albrecht & Sack, 2000 and Nelson, 1995). In addition, three examples of implementation have been cited by Byrne and Flood (2005) and Hill and Milner (2005) that were in lines with the AECC initiatives. As the timing of these thoughts from academics and the implementation of changes took place after the announcement of the AECC initiatives in the United States, it is conceivable that UK accounting education is influenced by these initiatives.

### *Australia/New Zealand*

I selected Australia/New Zealand because of their geographic location in the Asia-Pacific region. Australia and New Zealand are grouped together as one locality because of their similarity in accounting education and

because a large volume of literature on accounting education from that locality treats the two as one unit.

### *Background*

Since the late 1980s, Australian higher education has undergone significant reforms and policy changes based on economic rationalism modernization of management. However, new universities there employed a much lower proportion of accounting Ph.D.s in comparison with the United States. Hence, these universities had a weaker publication profile and a shortage of research mentors. On the other hand, commitment to flexible learning and delivery strategies were stronger in Unitechs than the new universities. At the same time, this posed additional demands on accounting academics' workload (Subramaniam, 2003, pp. 507\_542).

Some changes were recommended as early as the 1980s, prior to the formation of the AECC, but in line with the AECC spirit. The two major Australian accounting bodies commissioned the Task Force for Accounting Education in Australia, and it issued its report in 1988 with two relevant recommendations as follows: (i) Higher education institutions should progressively alter the required content of their undergraduate degrees to permit greater flexibility and facilitate later specialization; (ii) The duration of basic accounting studies should be the equivalent of four years' full-time study, comprising three years of undergraduate study with the fourth year as a postgraduate program, probably on a part-time basis (Tippett, 1992).

On the other hand, the Report of the Review of the Accounting Discipline in Higher Education (the Mathews Report), commissioned by the government had 30 conclusions of which four are relevant to accounting education. First, the existing accounting undergraduate program failed in its attempt to achieve three educational objectives within a three-year degree. These three objectives were to provide a broad-based general education, to provide a specialized professional education to meet membership requirements of the accounting profession, and to prepare students for a career in business management. Second, courses in accounting need to become more conceptual and less procedural, while theoretical and empirical studies need to be better integrated and related to practical experience. Computing needs to become an integral part of accounting courses and communication skills need to be highly developed. Third, there is scope for considerable improvement in the teaching of accounting, by making courses less routinely predictable and boring to the very able students, by adopting innovative teaching methods and by using the classroom more

effectively to stimulate ideas and discussion. Fourth, except for a few individuals in a small number of institutions who have achieved high international standing, the research performance of the accounting discipline is weak (R. L. Mathews, 1990).

The aforementioned pointed to both the profession and government leaning toward the AECC initiatives in shaping university accounting programs. Furthermore, the stretch from a three to a four-year program of study paralleled the increase from 120 to 150 semester-hours of college education required by the AICPA.

#### *Need for Accounting Education Change*

M. R. Mathews (2001a) felt that in English-speaking countries including Australia/New Zealand, there was a lack of emphasis placed on accounting theory, values and ethical education and broadening studies. He believed that this needed to be changed in the new millennium.

In a separate publication, M. R. Mathews (1994) noted that the effects of the AECC had already been noted in Australia and New Zealand. In the former, the views of the AECC had supported local opinion which suggested that accounting education had become too technically focused with insufficient opportunities for elective studies. Proposals to include additional nonaccounting, nonbusiness studies were likely to lead to an extension of the overall academic experience by one year, to a total of four years. In the latter, the New Zealand Society of Accountants was changing from requiring an emphasis on accounting and business, which reduced the elective component, toward a four-year program with heavy emphasis on elective study in the first two years. On the other hand, the AECC would be less influential where there is a tradition of recruiting graduates from other disciplines and giving them postgraduate professional training as in the United Kingdom. The message that the AECC would give under these circumstances would be the importance of teaching and the need to produce independent learners with good communication and interpersonal skills.

#### *Reaction from Academics*

Cable, Dale, and Day (2007) attempted to bridge the gap between academic study in accounting and a career in professional practice and concluded the gap was graduates' lack of communication and professional skills. Citing Bath, Smith, Stein, and Swann (2004) and de la Harpe, Radloff, and Wyber (2000), the authors recommended the integration of skill development with the discipline content, not by adding on but by embedding

generic skills in the program content. Wolnizer (2004) claimed that practitioners in Australia/New Zealand were looking for graduates who knew the broader political, social and economic contexts within which business took place and recognized that communication skills as well as analytical and problem-solving skills were best developed through a broad-based education. They further indicated that the professional body of CPA (Australia) wanted to attract double degree and double major students who may have reduced choice within the business component. They also advocated allowing students to defer studies in tax and auditing to the postgraduate professional education CPA program, thus increasing the options for these students in their undergraduate degree.

On the other hand, Carr and Mathews (2004) strongly felt the pressure for accounting education change from the work of Albrecht and Sack (2000). The latter contended that a narrow, but deep education was obsolete and should be a broad-based one. The AECC felt that this broad-based education should not be selected at random, but structured, yet not overly restrictive. These concerns were identified in several British Commonwealth countries. In Australia, Chambers (1999) quoted by Carr & Mathews (2004), embraced the issue of having more breadth in accounting education programs. More students taking the MBA degree rather than the MAcc degree showed that the broad-based education was preferred (M. R. Mathews, 2001b). The absence of courses in accounting theory and the exclusion of nonfinancial data led to the results of narrow thinking.

The link between student learning styles, teaching and assessment strategies, and desired learning outcomes are of vital importance. Meaningful learning and generic skills development are associated with deep and elaborative processing strategies rather than preexisting level of ability (Schmeck, 1983). The aforementioned will lead to conclusion-oriented outcomes instead of description-oriented outcomes. Hence, Boyce et al. (2001) suggested that accounting educators must inculcate deep learning approaches and conclusion-oriented outcomes in their students, by using unstructured and ambiguous case studies, thus encouraging active participation, moving from procedures and practice to concepts and issues and more student-directed learning activities.

#### *Implementation of Changes, If Any*

Three key implementation changes took place or were proposed in Australia/New Zealand. First, ASA (now CPA Australia) adopted degree level entry in 1965 followed by the Institute of Chartered Accountants of Australia (ICAA) some years later, signaling the end of part-time technical training.



Links with universities in Australia were gradually developed in Australia (Marsh & Henning, 1987). This change was a step toward broad-based education although not influenced by the US AECC initiatives. Second, in 1992, a new structure requiring a four-year program and a significant liberal studies component was introduced (Carr & Mathews, 2004). Third, Massey University's (in New Zealand) new four-year accounting program emphasized the ability to think creatively and laterally, to integrate ideas from multiple disciplines and to have an accounting program sufficiently flexible to adapt to changes in business, academic and accounting environments (Carr & Mathews, 2004). These three implementation examples demonstrate the importance of having degree level entry, as only this would enable accountants to have a broad-based general education, suitable for the nurturing of the required generic competencies.

Henderson (2001) highly recommended the US approach of: (a) a four-year undergraduate preaccounting degree, (b) the first year devoted to humanities, social sciences, or physical sciences, (c) the remaining three years devoted to general business studies and broad-based accounting, with (d) skill-based accounting covered in detail in the professional exams. However, no university should change alone. He felt that another approach would be to move all accounting studies into a graduate school after a general liberal arts degree. This coincided with M. R. Mathews (2001a) who promoted the graduate-entry conversion program in these two countries, whereby nonaccounting graduates can after three years, take a program that would enable them to undertake the professional accounting studies normally entered after three years by the accounting graduate, thus having greater maturity and experience, bringing a broader knowledge and worldview to the profession. However, conversion courses are seldom offered in this locality. He suggested a program mix of accounting 30\_40%, business nonaccounting 30\_40% and liberal studies 20\_30% to be set by professional bodies regardless of path.

### *Discussion*

From the aforementioned, it is abundantly apparent that in the locality of Australia/New Zealand, accounting education changes are in line with the AECC initiatives, although a relatively small number of recommendations and changes took place prior to the formation of AECC. This shows that in this locality, the thought of a broad-based education with innovative teaching strategies was incubated without the influence of the AECC initiatives. However, the acknowledgment and promotion of AECC initiatives by academics in that locality, reinforced the changes in that direction with

M. R. Mathews (1994) noting that the effects of AECC had already been felt in Australia/New Zealand.

## CONCLUDING REMARKS

English-speaking countries in general are experiencing the same external forces at play as the United States and have headed toward accounting education reforms along the lines of the AECC initiatives, although in Australia and New Zealand, some recommendations and changes took place prior to the formation of AECC. Hence, reformers of accounting education in developing countries should consider the adoption of the AECC initiatives as a basis for curriculum development and pedagogical considerations if their needs for change are similar to those experienced by the English-speaking countries.

In the new millennium, the [Pathways Commission on Accounting Higher Education Final Report \(2012\)](#) made seven recommendations in its final report of which only recommendations 3 and 4 relate to curriculum and pedagogy. This would be the eventual model that accounting higher education globally should consider. However, developing countries are not at that stage yet. Their priority should be implementing teaching and curriculum innovations as a start before integrating accounting research, education and practice, exploring alternative pathways to terminal degrees, and attracting high-potential, diverse entrants into the profession. Furthermore, as Pathways Commission is new even to the United States, there is no evidence that other English-speaking countries are coming up with similar initiatives. Only time will tell if it has the impact that the AECC initiatives have had.

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