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# Are America's Top Business Students Steering Clear of Accounting?

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## Abstract

To supplement earlier work by the Gallup Organization, this study examines top business students' perceptions of the accountancy profession and how these perceptions may influence the students' career choices. It appears that students choose accounting careers for financial reasons, while nonaccounting students find the nature of accounting work unappealing. Implications for the recruitment of top business students are discussed.

The accounting profession is facing a potentially serious personnel issue in the 1990s. It is becoming more difficult to attract the "best and brightest" business students into the profession. This difficulty comes at a time when employers are demanding graduates with substantial accounting knowledge, as well as strong communication and analytical skills. These skills are needed as accounting firms face increased competition, more complex economic conditions, technological advances and increased litigation risk. New hires are the primary asset of accounting firms, and the future quality of this asset is in question.

How did this "best and brightest" problem arise? Garner and Dombrowski summarize the possible reasons as follows: (1) students are attracted to more immediate rewards and responsibilities in other fields, (2) litigation and personal liability have made the profession less attractive, (3) starting salaries in public accounting are too low, (4) other areas of business appear more exciting or important than financial accounting, (5) accounting still has a "bean counter" image, (6) students perceive the CPA firms to be sweat shops, with long, inflexible hours, (7) many students decide early to pursue fields that require graduate study, and (8) the

bookkeeping approach used in the first accounting course is not appealing to top students.<sup>1</sup>

While many factors (particularly the nature of accounting education) may influence students' career choices, the first six items listed above relate to students' perceptions of the accounting profession. It appears that top students' perceptions of the profession play an important role in the students' decision to major or not to major in accounting. It is critical to understand these perceptions as we develop programs to attract top students into the profession. Ideally, our programs should target the perceptions that most influence students' career choices.

This paper explores three questions:

1. How do top, college-level business students perceive the accounting profession?
2. Which of these perceptions are most important to top business students as they decide to major or not to major in accounting?
3. On the basis of the answer to the first two questions, how can practitioners help to attract more of the "best and brightest" business students into the profession?

This paper complements the work of the AICPA and The Gallup Organi-

zation<sup>2</sup> and offers additional insights into top business students' perceptions of the accounting profession, as well as the role of these perceptions in students' career decisions. Several interesting differences in accounting and non-accounting majors' views are identified. In addition, we suggest several ways in which practitioners can help to attract high school and early college students into accounting. By becoming more active in student recruitment today, practitioners can help to solve their future personnel problems.

## Survey Design

To address the first two questions, a survey was developed. The survey presented 17 characteristics of the accounting profession (listed in Table 1). Accounting and nonaccounting majors were asked to indicate their perception of each characteristic on a five-point scale (1 = very poor to 5 = very good). The respondents also indicated the importance of each characteristic in their decision to major or not to major in accounting, using a five-point scale (1 = unimportant to 5 = very important).

The 17 characteristics represent five categories: (1) skills needed for success in accounting, (2) short-term economic concerns, (3) long-term economic concerns, (4) nonfinancial characteristics of the accounting work envi-

ronment, and (5) social issues. These broad categories encompass financial and nonfinancial issues, as well as short-term and long-term concerns. For each of the five categories, three or four specific characteristics were included in the survey.

The survey was administered through the mail to members of a national business honor society at three large universities (one in the Southeast, one in the Southwest, and one in the Midwest). Two of the universities primarily serve traditional students, and the third primarily serves commuting, nontraditional students. The majority of each school's top accounting graduates enter public accounting. The survey was sent to 315 students and returned by 174, representing a relatively high response rate of 55%.

### Survey Results

The results appear in the following order. The first section discusses the demographics of the respondents. The next section presents a brief overview of the major selection decision (timing of the decision, who influenced the decision, and whether other majors were considered). The students' perceptions of the accounting profession and the characteristics of the profession that reportedly attracted or did not attract the students then are discussed. Finally, the possibility of gender differences is explored. As no meaningful differences were noted among the three schools, all results are presented in aggregate.

#### Respondent Demographics

Sixty-four of the respondents were accounting majors, and 110 were non-accounting majors. The respondents were evenly split between males and females. The mean academic ability of the respondents was high (average GPA of 3.7, SAT of 1150, and ACT of 29), consistent with the attempt to survey only the best and brightest business students.

In terms of current class standing, the majority of the respondents were seniors at the time of the survey. The remainder were graduate students or

had recently graduated and were working. On average, these students are older than the high school and early college students surveyed by The Gallup Organization.<sup>2</sup>

The last demographic factor gathered was the career intention of the accounting majors. A large majority (64%) had entered or planned to enter public accounting.

#### Overview of the Major Selection Decision

Respondents were asked about the timing of the major selection decision, who influenced their decision and to what extent they considered other majors. One-quarter of the accounting majors decided while still in high school that they would major in accounting. Such students may have been exposed to the field through high school courses, parents, practitioners or friends. Sixty-two percent of the accounting majors chose their major during the freshman or sophomore year, likely after gaining some exposure to several areas of business. Only 13% of the accounting majors made their decision during the junior or senior year.

The nonaccounting majors reported a similar timetable for their major selection decisions. From these results, it appears that students are attracted to accounting during high school or very early in their college years.

The students were asked about the individuals who most influenced their major selection decision. Accounting majors reported that college instructors were the greatest influence (30%), followed by others in the accounting field (18%), friends / acquaintances / relatives (16%), parents (16%), and high school teachers and counselors (7%). It should be encouraging to the practice community that practitioners reportedly had so much influence. The nonaccounting majors ranked the five influences on their major selection decision (their decision to major in their chosen field rather than in accounting) as follows: college instructors (22%), others in their chosen field (20%), friends /

acquaintances / relatives (18%), parents (17%), and high school teachers and counselors (5%).

Finally, the students were asked to what degree they had considered majors other than their final choice. Only 16% of the accounting majors had never considered a nonaccounting major. Forty-four percent had given some consideration to another major, and 12% had seriously considered a nonaccounting major. A fairly large percentage (28%) had switched into accounting from a nonaccounting major.

Of the nonaccounting majors, 6% had switched out of an accounting major, 18% had seriously considered majoring in accounting, 36% had given some consideration to majoring in accounting and 40% had not explicitly considered accounting as a major. It is encouraging that 60% of the nonaccounting majors had explicitly considered an accounting major. In the future, it may be possible to attract this type of student into accounting through increased "marketing" efforts by practitioners and academics.

#### Perceptions of the Accounting Profession

For each of the 17 characteristics of the accounting profession in the survey, the accounting and nonaccounting majors were asked to indicate their perceptions on a scale from 1 to 5 (for example, 1 = very low or very poor and 5 = very high or very good). Table 1 presents the mean ratings for the accounting and nonaccounting majors. Significant differences between the groups are discussed below.

The first group of characteristics relates to the skills needed for success in accounting. The accounting majors perceived creativity and communication skills to be more important for success in accounting than did the nonaccounting majors. The two groups had similar views of the importance of quantitative skills.

The second group of characteristics represents short-term economic concerns. The accounting majors had more positive views of the employment out-

**Table 1**  
**Perceptions and Importance of Characteristics**

| Characteristic   | Perception |         | Importance |         |
|--|------------|---------|------------|---------|
|  | Acc        | Non-acc | Acc        | Non-acc |
| <b>Skills Needed for Success</b>   |            |         |            |         |
| Importance of Quantitative Skills  | 3.98       | 4.07    | 3.36       | 2.41*   |
| Importance of Creativity   | 2.89       | 2.06*   | 2.92       | 2.83    |
| Importance of Communication Skills   | 4.30       | 2.99*   | 3.63       | 2.47*   |
| <b>Short-term Economic Concerns</b>  |            |         |            |         |
| Availability of Employment in Accounting                                   | 4.39       | 4.08*   | 4.00       | 2.21*   |
| Starting Pay in Accounting   | 3.63       | 3.49    | 3.63       | 2.44*   |
| Difficulty of Attaining Accounting Professional Certification <sup>a</sup> | 2.19       | 2.30    | 3.00       | 2.32*   |
| <b>Long-term Economic Concerns</b>   |            |         |            |         |
| Long-term Financial Rewards in Accounting                                  | 4.22       | 3.63*   | 4.02       | 2.55*   |
| Long-term Opportunities for Accountants                                    | 4.42       | 3.55*   | 4.34       | 2.83*   |
| Job Security in Accounting   | 3.95       | 3.79    | 3.73       | 2.04*   |
| Personal Liability in Public Practice                                      | 3.79       | 3.17*   | 2.92       | 1.99*   |
| <b>Nonfinancial Characteristics of Work</b>                                |            |         |            |         |
| Nature of Work in Accounting (Tasks) <sup>b</sup>                          | 3.72       | 2.05*   | 3.75       | 4.06    |
| Work Environment in Accounting (Interactions with People) <sup>c</sup>     | 3.53       | 2.62*   | 3.59       | 3.08*   |
| Lifestyle of Accountants <sup>d</sup>                                      | 3.30       | 3.32    | 3.38       | 2.35*   |
| Opportunity to be Own Boss in Accounting                                   | 3.61       | 2.93*   | 3.11       | 2.53*   |
| <b>Social Issues</b>   |            |         |            |         |
| Prestige or Social Status of Accountants                                   | 4.00       | 3.44*   | 3.22       | 2.18*   |
| Contribution of Accounting to Society                                      | 3.39       | 3.03*   | 2.83       | 2.34*   |
| Level of Ethics Practiced by Accountants                                   | 3.97       | 3.37*   | 3.40       | 2.26*   |

NOTE: Unless otherwise indicated, the perception scale was from 1 = very low or very poor to 5 = very high or very good. The importance scale for all items was from 1 = unimportant to 5 = very important.

\* Difference between groups is statistically significant ( $p < .05$ ).

(a) Perception scale was from 1 = very difficult to 5 = very easy.

(b) Perception scale was from 1 = uninteresting to 5 = very interesting.

(c) Perception scale was from 1 = cold and unfriendly to 5 = warm and friendly.

(d) Perception scale was from 1 = not compatible with family life to 5 = compatible with family life.

look in accounting than did the nonaccounting majors. The two groups' perceptions of the starting pay in accounting and the difficulty of attaining professional certification did not differ.

The third group of characteristics reflects long-term economic concerns. The accounting majors believed the long-term financial rewards and long-term opportunities in accounting to be more favorable than did the nonaccounting majors. The two groups did not differ in their perceptions of job security in accounting. The accounting majors perceived greater personal liability for accountants in public practice, likely due to discussions of legal liability

in their accounting courses.

In terms of the nonfinancial characteristics of work, the accounting majors had more positive views of the nature of accounting work and the work environment in accounting. The two groups did not have different views of the lifestyle of accountants, but the accounting majors perceived a greater ability to be one's own boss in accounting.

Finally, the two groups had different views on three social issues related to accounting. The accounting majors perceived greater prestige or social status for accountants, a greater contribution of accounting to society and a

higher level of ethics practiced by accountants.

To summarize the two groups' perceptions, accounting and nonaccounting majors had quite different perceptions in four of the five categories of characteristics examined. The four categories are (1) skills needed for success, (2) long-term economic issues, (3) nonfinancial characteristics of work, and (4) social issues. In terms of short-term economic concerns, the two groups differed only on their views of the availability of employment in accounting.

While it is not surprising that accounting majors had more positive views of accounting, it is interesting that the differences between the two groups were so pervasive. The next section provides some insight into which of the 17 characteristics may have the greatest influence on top students' choice of academic major.

#### Importance Ratings

In addition to recording their perceptions of each of the 17 characteristics, the respondents also indicated the importance of each characteristic in their decision to major or not to major in accounting. The importance ratings for all 17 characteristics are presented in Table 1. For all characteristics except the importance of creativity for success in accounting and the nature of accounting work, the accounting and nonaccounting majors had significantly different importance ratings.

The characteristics most and least important to each group are summarized in Table 2. For accounting majors, the characteristics of the profession rated as most important were the perceived long-term opportunities for accountants, long-term financial rewards in accounting, availability of employment in accounting, and nature of work in accounting. Generally, the accounting majors appeared to select accounting because the perceived long-term and short-term career prospects were favorable. Economic factors appeared to be the primary reason that account-

**Table 2**  
**Most and Least Important Characteristics**

|   | Importance Rating * |
|---|---------------------|
| <b>Most Important — Accounting Majors</b>                     |                     |
| Long-term Opportunities for Accountants                       | 4.34                |
| Long-term Financial Rewards in Accounting                     | 4.02                |
| Availability of Employment in Accounting                      | 4.00                |
| Nature of Work in Accounting (Tasks)                          | 3.75                |
| <b>Most Important — Non-accounting Majors</b>                 |                     |
| Nature of Work in Accounting (Tasks)                          | 4.06                |
| Work Environment in Accounting (Interactions with People)     | 3.08                |
| Importance of Creativity                                      | 2.83                |
| Long-term Opportunities for Accountants                       | 2.83                |
| <b>Least Important — Accounting Majors</b>                    |                     |
| Contribution of Accounting to Society                         | 2.83                |
| Importance of Creativity                                      | 2.92                |
| Personal Liability in Public Practice                         | 2.92                |
| Difficulty of Attaining Accounting Professional Certification | 3.00                |
| <b>Least Important — Non-accounting Majors</b>                |                     |
| Personal Liability in Public Practice                         | 1.99                |
| Job Security in Accounting                                    | 2.04                |
| Prestige or Social Status of Accountants                      | 2.18                |
| Availability of Employment in Accounting                      | 2.21                |

\* The importance scale was from 1 = unimportant to 5 = very important. The ratings for all 17 characteristics are presented in Table 1.

ing was selected as the major, although the nature of the work also was rated as quite important.

For nonaccounting majors, the characteristic rated as most important was the perceived nature of accounting work. Other important characteristics were the students' perceptions of the work environment in accounting, the importance of creativity and the long-term opportunities for accountants. The nonaccounting majors apparently chose not to major in accounting for nonfinancial reasons. It appears that they simply did not like the perceived nature of the work in accounting. All of the characteristics rated as most important to the accounting and nonaccounting majors were items about which the two groups had different perceptions (Table 1).

The accounting majors indicated that the four least important characteristics were the perceived contribution of accounting to society, importance of creativity, personal liability of accountants in public practice, and difficulty of

attaining professional certification. These characteristics cover four of the five broad categories. Given the vital role of accounting in business, it may be discouraging to some that the least important characteristic was the perceived contribution of accounting to society.

The characteristics rated as least important by the nonaccounting majors were the perceived personal liability of accountants in public practice, job security in accounting, prestige or social status of accountants, and availability of employment in accounting. These characteristics generally relate to economic issues.

Interestingly, several characteristics similar to those summarized by Garner and Dombrowski were not rated as important by the nonaccounting majors.<sup>1</sup> In particular, personal liability of accountants, prestige (image) of accountants, contribution of accounting to society, lifestyle of accountants, and starting pay in accounting did not appear to be important factors in the students'

decision not to major in accounting. It should be recognized that personal liability may only be of great concern to those contemplating a long-term career in public accounting.

#### *Gender Differences*

The data were examined for differences in perception or importance ratings based on students' gender. The views of male and female respondents were remarkably similar. One minor difference between males and females relates to the accounting majors' importance ratings. The groups agreed on three of the four most important characteristics: long-term opportunities in accounting, long-term financial rewards in accounting and availability of employment in accounting. Females included the nature of accounting work in their top four, while males rated this characteristic as eighth most important. Males included starting pay in accounting in their top four, while females rated it eighth.

#### **The Role of Practitioners**

What can practitioners take from the information above? First, realize that you can (and do) have an impact on top business students' career choices. Others in the field and friends / acquaintances / relatives were both rated as strong influences on the students' major decisions. In addition, the majority of nonaccounting majors surveyed had given some consideration to majoring in accounting, so this group may be receptive to "marketing" efforts by practitioners and academics, such as those discussed below.

Second, it appears that you must be involved with high school and early college students to influence behavior. Most top business students select a major by the end of the sophomore year, so the ballgame is over very early. What methods can we use to attract high school and college students to accounting? We encourage practitioners to speak to high school business clubs, high school and college honor societies, college business fraternities, and other high school or college groups that may

contain likely recruits. Academics can try to include a greater number of guest speakers in the introductory accounting courses and can promote the accounting club's meetings and speakers. Also, The Ohio Society of CPAs and other accounting organizations can participate in "career fairs," direct mailings to counselors and / or students, preparation of videos, funding of scholarships, and other activities that spotlight accounting career opportunities. The key is to take advantage of any opportunity to communicate with bright high school and college students.

Finally, student views of (1) the nature of accounting work, (2) the work environment in accounting and (3) the importance of creativity for success in accounting appear to be the negative perceptions that most influence top business students not to major in accounting (Table 2). We believe that practitioners can be extremely effective in speaking to student groups and trying to change any incorrect perceptions (stereotypes) of accounting. Personal stories or examples that illustrate the dynamic nature of accounting careers, the need for strong interpersonal skills and the importance of creative problem-solving skills will help to address the negative perceptions above. The recruiting materials prepared by the AICPA, as well as several state CPA societies, are consistent with the results of our survey.<sup>2</sup> These materials primarily emphasize the nonfinancial characteristics of the profession (i. e., variety of assignments, career flexibility, and excitement) rather than the economic rewards that the profession offers.

We hope that the information in this paper and others will be useful to those involved in attracting top students into the profession. Such efforts will help us to maintain the quality of our most important asset, new CPAs.

We would like to thank participants at the Federation of Schools of Accountancy Annual Meeting, the Southeast Region AAA Meetings, and the National AAA Meetings for their

The AICPA launched the first phase of a professionwide recruiting campaign in the fall of 1993 with the development and distribution of high-quality recruiting materials to attract students to careers in accounting by emphasizing the diverse opportunities available. Approximately 50,000 individuals were offered the opportunity to request these recruiting materials free of charge, and 6,000 responded. Over the past two years, 1,200 educators/career advisors have returned evaluation forms, with a majority praising the AICPA's program. Also, more than 6,000 students have returned reply cards requesting additional information.

Phase two of this AICPA recruiting campaign may include an interactive CD-ROM to encourage college accounting/business majors to become CPAs.

helpful comments on an earlier version of this paper.

#### Endnotes

1. "Recruiting the 'Best and Brightest': The Role of University Accounting Programs and State CPA Societies," Paper presented at National AAA Meeting, R. M. Garner and R. F. Dombrowski, 1993.
2. "Diversity of Career Options is Focus of Recruitment Campaign," *The Ohio CPA Journal*, M. H. Brown, April, 1994.

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