How Are Your Graduates Doing? Do They Still Love You?

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ABSTRACT

Section 33 of the AACSB requirements for Specialized Accreditation of Accounting Programs requires that that each accounting program applying for specialized accreditation demonstrate its success with regard to the placement of students within three months of graduation and the career success of graduates at an appropriate later time (e.g., 5 or 10 years). The accounting program in a medium sized Midwestern university recently applied for "Specialized Accounting Accreditation" and found that only anecdotal data was available to satisfy this standard. In order to satisfy section 33 of the standards a questionnaire was developed and emailed to a list of accounting graduates. A list of 1,026 email addresses for accounting graduates was obtained from the alumni office and questionnaires were sent by email to each of the graduates. As expected, some of the email addresses were outdated and 269 were returned as undeliverable leaving 757 questionnaires delivered to accounting graduates. A total of 212 were returned for a 28% response rate with 103 (48%) requesting a copy of the results. The average age of the respondents was 44.2 years and the average graduation year was 1986, suggesting that the average age at graduation (21 years ago) was 23 years. The oldest graduate was 74 and the youngest was 22. More than one half of the graduates had obtained their first professional position before graduation and 90% had obtained a professional position within three months of graduation. Respondents were asked how many times they had changed companies in their careers and, remarkably, 23% had never changed companies. All of the graduates, except for one who had never changed companies, were satisfied with the progression of their careers. Another requirement of standard 33 is to demonstrate "career success of graduates at an appropriate later time (e.g., 5 or 10 years)." Graduates were asked if they were "satisfied with the progression of your career." Remember, on average they had been graduated for about 12 years. Ninety seven percent indicated that they were satisfied with the progression of their careers. That indicates that they have achieved career success as they define success. Responses to whether graduates believe their education at Marshall adequately prepared them for their career were significantly (0.000) with whether they were satisfied with the progression of their career and with whether they would recommend the accounting program at Marshall to their children or friends (0.000 level). These relationships suggest that graduates are consistent in their approval and support for the accounting program.

Keywords: AACSB, Accounting, Employment, Graduates, Success, Survey

INTRODUCTION

Each year US colleges and universities graduate thousands of students eager to make their mark in the world. After spending several years in relatively close contact with the college or university the student proudly accepts their diploma, happily leaves the school and, in many cases never has any further contact with the school. Sure, the institution tries to maintain a list of graduates for future contact, usually for fund raising programs. When one of the graduates rises to prominence the university will try to reestablish contact, again for fund raising. But why don't universities maintain contact with graduates to see how well their education is serving them and how they are progressing in their chosen careers? Matti Lindberg (2007, pp. 623-644) has stated that higher education "must worry about the employability of the graduates and the efficiency on the system, even

though priority is placed on making the system available for the masses." This comment suggests that worldwide universities don't place an emphasis on employability of their graduates.

The issue is addressed by Section 33 of the AACSB requirements for Specialized Accreditation of Accounting Programs, which states that:

Each accounting program demonstrates its success in the following areas with regard to the particular market(s) the program serves:

- *Placement of students within three months of graduation*
- *Career success of graduates at an appropriate later time (e.g., 5 or10 years)*

[ACCOUNTING STUDENT PLACEMENT – Related Business Standard: None]

Given this standard it would seem that accounting programs need to develop a more continuing relationship with their graduates and place a greater emphasis on the employability of their graduates. The accounting program in a medium sized Midwestern university recently applied for "Specialized Accounting Accreditation" and found that only anecdotal data was available to satisfy this standard. In order to satisfy section 33 of the standards a questionnaire was developed and emailed to a list of accounting graduates.

THE SURVEY

The questionnaire is shown in appendix I. A list of 1,026 email addresses for accounting graduates was obtained from the alumni office and questionnaires were sent by email to each of the graduates. As expected, some of the email addresses were outdated and 269 were returned as undeliverable leaving 757 questionnaires delivered to accounting graduates. A total of 212 were returned for a 28% response rate with 103 (48%) requesting a copy of the results. This response rate compares favorably to that of other surveys'. (The University of Washington Business School published results of their alumni survey (2006) with a "excellent" response rate of 22 percent and indicated that the national average is between 10 and 20 percent.) The University of Illinois reported a 10.7 percent response rate of their 1994 accounting graduates in a survey administered in 2003. The relatively high response rate was encouraging and the large percentage of respondents requesting a copy of the results indicated a high level of interest in the accreditation of the accounting program. Table 1 contains a summary of the questionnaire responses.

Results

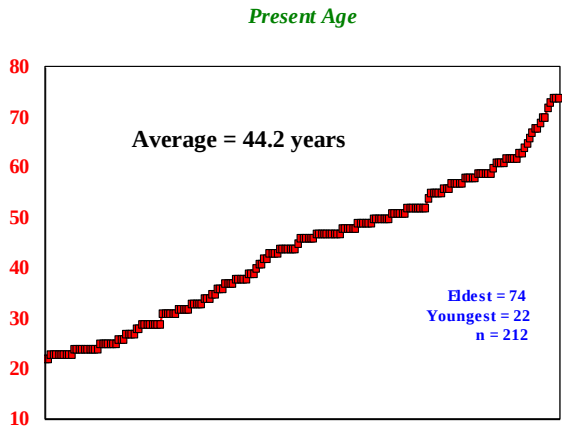

Figure 1: Age of Respondents

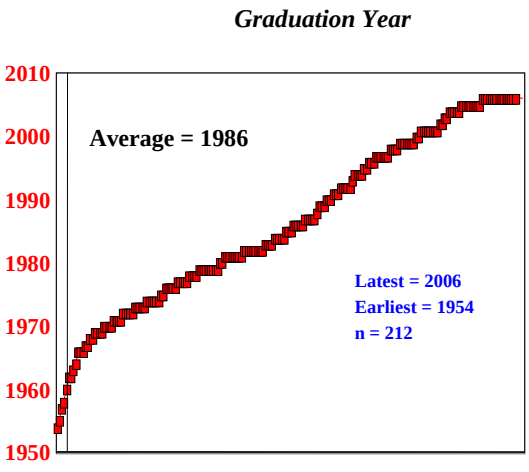

Figure 2: Year Respondent Graduated

As seen in figure 1 and figure 2, the average age of the respondents was 44.2 years and the average graduation year was 1986, suggesting that the average age at graduation (21 years ago) was 23 years. The oldest graduate was 74 and the youngest was 22. The 74 year old graduated in 1954 and changed jobs 5 times in their career. The youngest respondent graduated in 2006. Both the youngest and oldest respondent obtained accounting positions before they graduated.

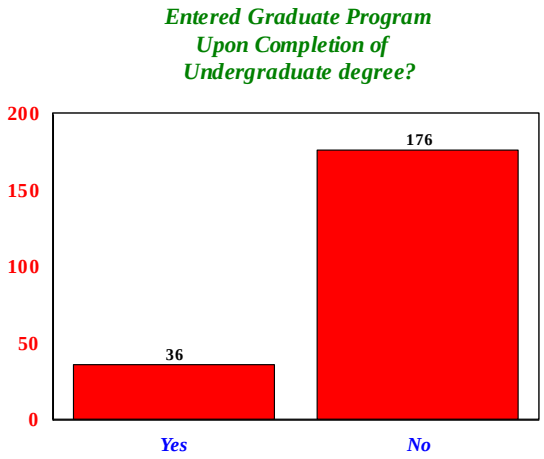

Figure 3: Respondents Entering Graduate Program

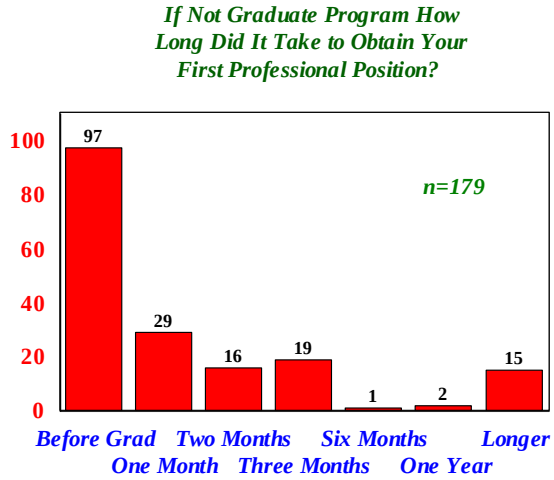

Figure 4: Time to First Professional and Position

Figure 3 indicates that only 36 (17%) of the respondents entered a graduate program upon completion of the undergraduate degree while 83% began their careers. One requirement of standard 33 is to demonstrate success with regard to "placement of students within three months of graduation." As can be seen in table 1and then more clearly in figure 4, more than one half of the respondents (97) had obtained their first professional position before graduation and 90% had obtained a professional position within three months of graduation. That 90% success within three months of graduation is very satisfying considering that the time span was 52 years (1954 to 2006) and that some percentage of the graduates will be less than top students. The National Center for Education Statistics conducted the Baccalaureate and Beyond (B&B) survey for students who received their bachelor's degrees in 1992-93 or 1999-2000. This study showed that 27.3 percent of all students were unemployed three months after graduation with an additional 13.1 percent only worked part time. Clearly accounting graduates responding to the survey were doing better than the national average for all students. The Destinations of Leavers from Higher Education Survey (D*LHE*) is carried out by the Higher Education Statistics Agency (HESA) in the UK for the 2000/01 academic year shows that six months after graduation 71% of all business school graduates seeking employment were successfully employed on a full time basis. This is lower than the success rate for the current study after only 3 months.

Although they all work in accounting areas, there were different starting points as shown in figure 5. In the study 40% (82) of those positions were in public accounting with another 27% in industry and 13% with government. Only 20% accepted jobs outside these three areas. Additionally, 56% of the positions were as an entry level accountant and an additional 16% were in the audit function.

Respondents were asked how many times they had changed companies in their careers and, remarkably as shown in figure 6, 23% (47) had never changed companies. In a survey published in the CPA Journal 61.7 percent of all graduates had changed jobs at least once after 3 years in the job market. These respondents were not all recent graduates as they had graduated an average of 12 years earlier. Two had graduated in the 1960s, nine in the 1970s, four in the 1980s and another six graduated in the 1990s. So, approximately half of the respondents who had never changed companies had graduated before 1995. All of the graduates, except for one, who had never changed companies, were satisfied with the progression of their careers. Another 13% had changed companies one time and another 13% had changed two times.

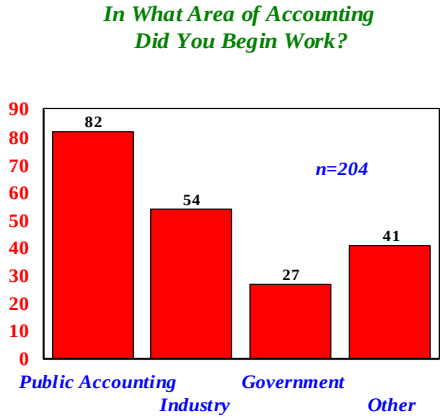

Figure 5: Area of Accounting for First Position

Figure 6: Number of Company Changes

Another requirement of standard 33 is to demonstrate "career success of graduates at an appropriate later time (e.g., 5 or 10 years)." Graduates were asked if they were "satisfied with the progression of your career." Remember, on average they had been graduated for about 12 years. As shown in figure 7, 97% indicated that they were satisfied with the progression of their careers. That indicates that they have achieved career success as the ACCSB defines success.

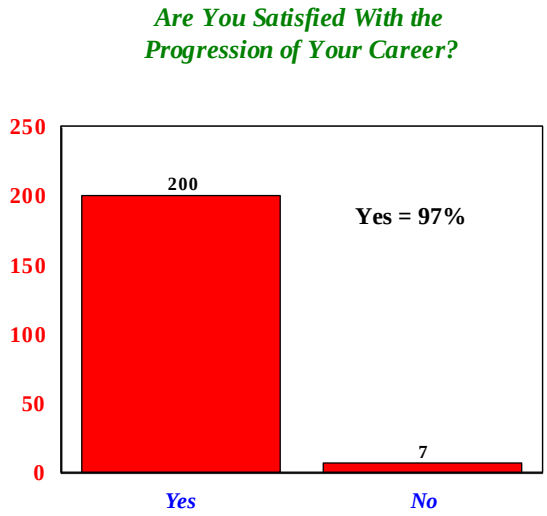

Figure 7: Respondents' Satisfaction with Career

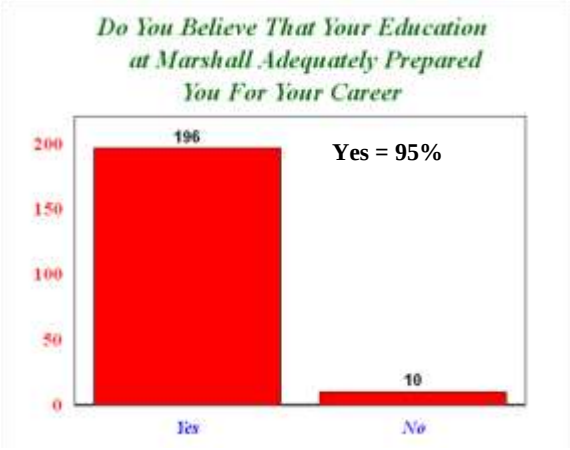

Figure 8: Preparation was Adequate

Respondents were asked if they believed their education at Marshall adequately prepared them for their career and 95%, figure 8, responded affirmatively, a great vote of confidence in their accounting program. As shown in figure 9, 97% indicated that they would recommend the accounting program at Marshall to their children or friends, another vote of confidence.

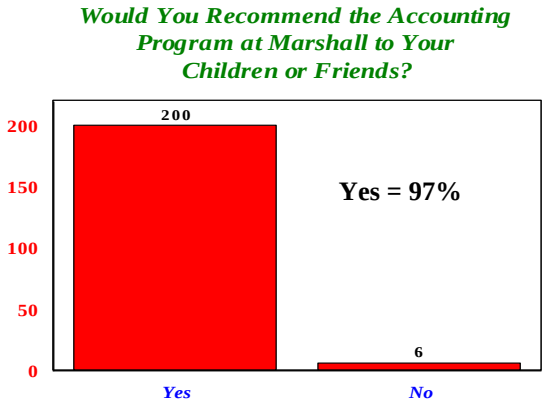

Figure 9: Recommend Marshall Accounting Program

Relationships

Nonparametric Kendall's tau b coefficients, shown in table 2, were calculated for the relationships between the different items in the questionnaire. Not surprisingly, a significant (0.000) negative relationship existed between both the year of graduation and the number of times the respondent had changed companies. There was also a significant (0.001) positive relationship between age and the number of times the respondent had changed companies, again suggesting that older respondents changed companies more often. Obviously, older respondents have had more time in which to change companies. In order to validate this observation a calculation was made of the years since graduation divided by the number of company changes for each respondent. This number "work years per company change" was regressed against the graduation year and was negatively correlated at the 0.000 level. There was also a significant (0.000) positive relationship between "work years per company change" and age. These two factors indicate that recent graduates change companies more often than do earlier graduates - a trend not unexpected.

There was a significant negative (0.031) relationship graduation year and entering a graduate program and a significant positive (0.023) relationship between age and entering a graduate program. As seen in the questionnaire shown in appendix I, "yes" responses were coded as "1" and "no" responses as "2." Both of these relationships indicate that later graduates enter graduate programs more frequently than earlier graduates. This is quite possibly a result of the 150 hour requirement for sitting the CPA exam.

A significant (0.031) relationship existed between responses to the type of employer for the first position and the number of times respondents changed companies. Responses were coded as:

Public Accounting	1
Industrial Firm	2
Government Position	3
Other	4

That relationship indicates that graduates who were first employed by public accounting firms changed companies more often than graduates who started their careers with private firms or with the government. Often CPAs in public accounting firms accept management positions with firms that they audit with the blessing, for obvious reasons, of the public accounting firm.

Responses to whether graduates believe their education at Marshall adequately prepared them for their career were significantly (0.000) related with whether they were satisfied with the progression of their career and with whether they would recommend the accounting program at Marshall to their children or friends (0.000 level). Again, "yes" responses were coded as "1" and "no" responses as "2." These relationships suggest that graduates are consistent in their approval and support for the accounting program.

SUMMARY

Results of the survey cast the accounting program in a very favorable light. More than half of the respondents obtained employment before graduation and 90% were employed within three months of graduation. These employment numbers are much higher than those reported in other studies. One study in the US showed that only 60% of graduates were employed full time three months after graduation. Another in the UK found that only 71% of business graduates found full-time employment within three months of graduation. Ninety seven percent of the respondents indicated that they were satisfied with the progression of their careers. When asked if they believed their education at Marshall adequately prepared them for their career, 95% responded affirmatively and 97% said they would recommend the accounting program at Marshall to their children or friends.

AUTHOR INFORMATION

Gary Saunders, DBA, CPA earned his doctorate at the University of Kentucky in 1977. He joined the faculty at Marshall University in 1990 and is currently Professor of Accountancy and Elizabeth McDowell Lewis Chair in the LCOB at Marshall. Dr. Saunders has published extensively and has authored two accounting simulation textbooks, a cost accounting textbook and a spreadsheet textbook. He operates Integrated Business Systems, a publishing company.

Charles Stivason received his Ph.D. from Virginia Polytechnic Institute and State University, with a specialization in artificial intelligence. His teaching areas include Auditing and Accounting Information Systems. He worked in public accounting for eight years prior to obtaining his Ph.D. He is currently an associate professor at Marshall University.

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Table 1: Accounting Graduate Survey (212 Total Respondents)

Average Graduation Year		1986
Present Age		44.2
Maximum Age		74
Minimum Age		22
Earliest Year Graduated		1954
Latest Year Graduated		2006
Entered Graduate Program Upon Obtaining Baccalaureate		17%
Started Career Upon Obtaining Baccalaureate		83%
If Not Graduate Program, How long To Obtain First Professional Position	***Before Graduation***	54%
Before Graduation	***Plus One Month***	70%
Before Graduation	***Plus Two Months***	79%
Before Graduation	***Plus Three Months***	90%
Type of Employer First Position	***Public Accounting***	40%
	Industry	27%
	Government	13%
	Other	20%
Type of First Position	***Entry Level Accountant***	56%
	Audit Function	16%
	Finance	8%
	Other	20%
Number of Times Respondent Changed Companies	***Never***	23%
	One Time	13%
	Two Times	13%
	Three Times	16%
	Four Times	17%
	Four Times	8%
	More Than Five Times	10%
Percent Satisfied With the Progression of Their Career		97%
Percent That Believe Their Education at Marshall Adequately Prepared Them for Their Career		95%
Percent Who Would Recommend the Accounting Program at Marshall to Their Children or Friends		97%

Table 2: Accounting Graduate Survey (212 Total Respondents - Kendall's Tau B Correlations)

		Gradua-tion Year	Age	Graduate Program	First Position	Type Position	Changed Company	Satisfied	Recom-mend	Start Area	Prepare	Years per Change
Graduation Year	Correlation Coefficient	1.000										
	Sig. (2-tailed)	.										
	N	212										
Age	Correlation Coefficient	-.897**	1.000									
	Sig. (2-tailed)	.000	.									
	N	212	212									
Graduate Program	Correlation Coefficient	-.123*	.129*	1.000								
	Sig. (2-tailed)	.031	.023	.								
	N	212	212	212								
First Position	Correlation Coefficient	-.022	-.002	.014	1.000							
	Sig. (2-tailed)	.793	.977	.893	.							
	N	82	82	82	82							
Type Position	Correlation Coefficient	.028	-.016	-.188**	.001	1.000						
	Sig. (2-tailed)	.606	.769	.004	.993	.						
	N	204	204	204	82	204						
Changed Companies	Correlation Coefficient	-.214**	.192**	.158*	-.045	-.141*	1.000					
	Sig. (2-tailed)	.000	.001	.024	.647	.031	.					
	N	161	161	161	68	159	161					

Table 2: Accounting Graduate Survey (212 Total Respondents - Kendall's Tau B Correlations) - Continued

		Gradua-tion Year	Age	Grad Program	First Position	Type Position	Changed Company	Satisfied	Recom-mend	Start Area	Prepare	Years per Change
Satisfied	Correlation Coefficient	.022	.004	.006	-.009	-.009	.041	1.000				
	Sig. (2-tailed)	.700	.939	.931	.925	.888	.562	.				
	N	207	207	207	82	203	161	207				
Recommend	Correlation Coefficient	.014	-.010	-.153*	-.102	.061	.043	.127	1.000			
	Sig. (2-tailed)	.809	.865	.027	.312	.350	.540	.068	.			
	N	210	210	210	82	203	161	207	210			
Start Area	Correlation Coefficient	.116*	-.107*	-.227**	.041	.437**	-.174**	-.097	.002	1.000		
	Sig. (2-tailed)	.033	.049	.001	.669	.000	.009	.145	.973	.		
	N	205	205	205	80	200	157	202	204	205		
Prepare	Correlation Coefficient	-.070	.065	.035	-.147	-.024	.176*	.332**	.364**	-.167*	1.000	
	Sig. (2-tailed)	.225	.261	.621	.145	.706	.012	.000	.000	.012	.	
	N	206	206	206	82	202	160	205	205	200	206	
Years per Change	Correlation Coefficient	-.503**	.485**	-.014	.099	.085	-.339**	-.047	.017	.085	-.040	1.000
	Sig. (2-tailed)	.000	.000	.834	.280	.164	.000	.470	.792	.175	.538	.
	N	159	159	159	68	157	159	159	159	155	158	159

APPENDIX I

Accounting Graduate Survey Questionnaire

We, the faculty of the Division of Accountancy, are very interested in our students and our graduates and would like to obtain information about your career success. In addition, as we progress toward specialized accounting accreditation, the AACSB requires that we obtain information about the career success of our graduates. So, responding to this questionnaire will serve a dual purpose. We thank you in advance for your participation.

Thank you for your help.

What year did you graduate?

Decade	1930	1940	1950	1960	1970	1980	1990	2000
	○	○	○	○	○	○	○	○

Year	1	2	3	4	5	6	7	8	9	10
	○	○	○	○	○	○	○	○	○	○

What is your present age?

Decade	20	30	40	50	60	80	90
	○	○	○	○	○	○	○

Year	1	2	3	4	5	6	7	8	9	10
	○	○	○	○	○	○	○	○	○	○

Part 1

When you obtained your undergraduate degree did you enter a graduate program?

Yes	No
○	○

If you did not enter a graduate program how long did it take you to obtain your first professional position?

Before Graduation	1 Month After	2 Months After	3 Months After	6 Months After	1 Year After	Longer
○	○	○	○	○	○	○

What type of position did you obtain?

Public Accounting	Industrial Firm	Government Position	Other
○	○	○	○

Please describe your first professional position below indicating your entry level designation. If "Government" please include the branch, or agency, of the government.

Part 2

Please describe your current career level.

Please describe your career level *five* years after obtaining your undergraduate degree.

Please describe your career level *ten* years after obtaining your undergraduate degree.

How many times have you changed companies after obtaining your undergraduate degree?

None	1 Time	2 Times	3 Times	4 Times	5 Times	More than Five Times
○	○	○	○	○	○	○

Are you satisfied with the progression of your career?

Yes	No
○	○

Do you believe that your education at Marshall adequately prepared you for your career? Please describe below.

Would you recommend the Accounting Program at Marshall to your children or friends?

Yes	No
○	○

If "No" please explain reasons below.

Please give us your comments.

If you would like a copy of the results of this survey please give your Email address below.

Thank you for your help.

NOTES