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A Comparative Empirical Analysis of Characteristics Associated with Accounting Internships

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Abstract

Internships are a popular element used to enhance accounting education. Although previous studies have considered internships, many have addressed enhancement of subsequent academic and professional performance. The purpose of this paper is broader and examines several characteristics of accounting internships: the frequency of participation, eligibility requirements, process for securing internships, level of participation, availability and amount of academic credit, area of assignments, nature of post-internship requirements, and benefits to students. Two random samples, one in 1998 and one in 2003, of 100 accounting programs were analyzed in the study. For each program selected, the survey was mailed to accounting program administrators. Responses were collected by fax. The results of this study should be of interest to accounting students, faculty program administrators, and practitioners. Gaining real-life knowledge of accounting tasks and obtaining insight regarding career planning were the two most important benefits identified. Future research should consider the perceptions of accounting students and practitioners.

Introduction

Internships are a popular element of accounting education. Supervised practical experience is an important preparatory step in a variety of careers, such as medicine, law, journalism, and education. Such experience is also relevant to the accounting field. The first formal programs providing practical experience to accounting students were established more than 70 years ago. In such programs, students may be awarded degree credit for supervised work performed in an accounting position. Regardless of whether credit is received, a student's education is enhanced by the internship experience.

Accounting education should prepare students to become professional accountants. Thus, accounting classes should not focus on accounting knowledge alone. Accounting education should also provide general knowledge, organizational knowledge, and business knowledge. In addition, students must develop communication skills, intellectual skills, and interpersonal skills. These skills are most effectively acquired through outside-the-classroom learning activities such as internships. Presently, primary emphasis is placed on content rather than on skill development. Furthermore, many students do not receive the real-world experience that is necessary to become a successful businessperson. Thus, those students are not adequately prepared for the workplace that they will enter upon graduation. Internships are also useful in providing data for accounting program assessment and accountability. Because of shrinking budgets in higher education, there is greater demand for program accountability by stakeholders and providers of funds. In addition, assessment of outcomes is needed to provide direct measures of product quality for accreditation bodies. Internships represent a learning activity that may provide data for both needs.

Although previous studies have examined the use of accounting internships, many are dated, inconclusive, and limited in scope. Such studies have addressed an internship's ability to enhance subsequent academic and professional performance, the trend of participation in internships, and the timing of internships. The purpose of this paper is broader and examines the relative importance of selected benefits of accounting internships, eligibility requirements, process for securing internships, level of student participation, availability and amount of academic credit, job-related area of internship assignments, and the nature of post-internship requirements.

BACKGROUND

The history of internships may be traced back to the development of cooperative education programs. One of the earliest cooperative education programs occurred at the University of Cincinnati in 1906. The goal of cooperative education programs was to enable students to finance their education. However, employers, academicians, and students identified several barriers to the success of these programs. First, the participants believed that they were paid for the privilege of doing "gopher" and dead-end work.

Second, employers did not take their mentoring role with students seriously. Finally, unequal commitments among the various parties existed (Thiel and Hartley, 1997). In contrast to cooperative education programs, internships were conceived with a broader purpose and intended to provide benefits to both students and employers. As a result, internship programs replaced cooperative education programs. Most accounting internship programs began after World War II. However, as early as 1914, New York University arranged for students to obtain practical accounting experience while enrolled in school. The University of Oregon established a similar arrangement with several public accounting firms in 1922. Internship programs have also been in existence at Michigan, Minnesota, and Ohio State Universities since the mid-1920s. In these early years, accounting internships were limited to public accounting in approximately half of the participating schools, while the other half benefited from internships in both public and industrial accounting (AAA, 1952).

Objectives of Accounting Internships

The Committee on Accounting Personnel of the American Institute of Accountants and the Committee on Faculty Residency and Internship Programs of the American Accounting Association (1955) stated five objectives of an effective internship program. These objectives included enabling the student to approach learning with a greater sense of purpose and value, allowing the student to gain maturity and confidence, helping the school place graduates, providing a desirable trial period to the advantage of both the student and the employer, and improving the school's curriculum. These Committees also identified the responsibilities of the employer, the school, and the student. Employers are responsible for informing the school and the student about arrangements for compensation, paying a fair salary, providing the student with varied assignments, giving the student adequate supervision, evaluating the student's work, discussing results with the student, and furnishing an evaluation report to the school. Responsibilities of the school include recommending qualified students, serving as a channel of communication between the student and the employer, briefing the student on standards for the junior accountant, and requiring student reports. Finally, the students are responsible for taking the job seriously, treating clients' affairs as confidential, and accepting the opportunity to learn.

The Accounting Education Change Commission (AECC) issued a report, entitled *Objectives of Education for Accountants: Position Statement Number One*. This report is designed to provide guidance for improving accounting education. According to the Commission, accounting programs should prepare students to become professional accountants. Since the attainment of knowledge, skills, and experience of a professional accountant is a continual process, accounting education should provide a foundation for lifelong learning. The overriding goal of accounting programs should be to teach students to learn, not merely to prepare for professional examinations. Thus, accounting classes should not focus on accounting knowledge alone. Students must also develop communication skills, intellectual skills, and interpersonal skills. Accounting graduates should also understand the profession and be able to address issues relating to integrity, objectivity, and concern for the public interest. Internships represent one avenue for satisfying these goals (AECC, 1990). Internships, once used mainly for gaining experience, are now recognized as a first step in obtaining a full-time job. Since 2000, according to Hazelwood (2004), internships have increasingly replaced on-campus recruiting as a student's most successful means of securing a position following graduation. Moreover, internships show no sign of declining popularity. In fact, JP Morgan Chase & Co. projects an increase of 25 percent both for internships and full-time positions for graduates of 2004 and 2005.

Benefits of Accounting Internships

A number of potential benefits of accounting internships have been proposed. These benefits may be distinguished among those from an intern's perspective, those from a sponsor's perspective, and those from a university's perspective.

Benefits of Internships from an Intern's Perspective

Schmutte (1986) argued that the benefits received by the intern are of primary importance in evaluating the usefulness of an internship program. Several prior studies on the benefits of accounting internships have investigated the ability of an internship to enhance a student's subsequent academic performance. In the *Report of the Committee on Internship Programs*, the American Accounting Association (1952) highlighted three major advantages of accounting internships. First, internship programs provide exposure to accounting techniques and problems which are usually not encountered in the classroom. Second, internships help students maximize the value of their education by giving them the practical experience and background necessary to properly evaluate and assimilate classroom material. Third, internship programs help to clarify a student's interests and career objectives. A study conducted by Lowe (1965) confirmed these findings. According to Lowe, a significant majority of former interns indicated that their programs solidified points of theory that they had previously studied and increased the meaningfulness of some courses.

Koehler (1974) also concluded that internship programs indeed have educational merit. By comparing the pre-internship grade-point averages of 226 interns with their grade-point averages at graduation, Koehler found that internship programs improved students' subsequent academic performance. These results were not tested for statistical significance, however, and a control group of noninterns was not included. Although a number of studies have indicated that internships enhance subsequent academic performance, a study by Knechel and Snowball (1987) found an insignificant difference in overall average grade performance by internship participants and noninternship students and a significant drop in overall grade-point averages for both groups in the semester following the internship. Knechel and Snowball expanded Koehler's study by including a control group and examining academic performance in specific subject areas to determine the effect of differential motivation and substantive knowledge provided by the internship experience. According to their results, the undergraduate auditing course was the only area in which interns significantly outperformed noninterns. The Knechel and Snowball study was then extended by English and Koeppen (1993), whose research indicated that interns achieved significantly higher post-internship grade-point averages both in accounting courses and overall, in comparison to noninterns. The contradictory results found by the Knechel and Snowball study and the English and Koeppen study may be attributed, at least in part, to differences in the timing and type of internship assignment.

Whereas the research of Knechel and Snowball (1987) was limited to students completing audit internships within a semester of graduation, the subjects for the English and Koeppen (1993) study held internships earlier in their academic careers and in a variety of public and private accounting positions, including financial, managerial, audit, tax, and systems. In addition to enhanced subsequent academic performance, Siegel and Rigsby (1988) found that experience from an accounting internship enhanced subsequent professional performance. Their study employed empirical data regarding supervisor annual performance evaluations and employee advancement rates to measure professional performance. Specifically, this study reported that interns outperformed noninterns in both annual performance evaluations and advancement rates. More recent research has focused on other benefits. Hiltebeitel, Leauby, and Larkin (2000) conducted a survey of newly employed accounting graduates and reported that entry-level accountants often face "reality shock." This shock level can be drastically reduced by participation in internships. For this reason, many accounting firms and students find internships a valuable experience. Not only are students getting experience in the business world, many of them actually get jobs with the companies in which they interned. Furthermore, employers expectedly convert 50 to 65 percent of internships into full-time positions (Hazelwood, 2004).

The advantages of an internship were also investigated by Fesler and Caldwell (2001), who argued that an internship is an ideal vehicle to confirm the compatibility between a student's major and his or her abilities. In addition, an internship provides several personal benefits such as financial assistance, image improvement, and the building of self-esteem. Henry (2002) cited several additional advantages for internships. For example, internships afford the student an opportunity to explore different career options, establish networking relationships, acquire new skills, and apply classroom knowledge to actual work situations. The real-world experience provided by an internship gives the student a competitive advantage when seeking future employment. Ruh and Theuri (2002) identified six benefits gained by students through accounting internships. First, written and oral communication skills are enhanced. Second, social and interpersonal skills are developed. Third, career plans and objectives are clarified. Fourth, real-world experience is gained. Fifth, the art of being a professional businessperson is learned and a knowledge of business etiquette acquired. Finally, an understanding about the way that corporate America operates is developed. Often, interns receive benefits that even full-time employees do not experience. For example, at Nike, interns attend weekly meetings with a senior manager or vice president even though many full-time employees of Nike do not have such access to company executives (Pianko, 1996).

Benefits of Internships from a Sponsor's Perspective

The sponsor, who is responsible for supervising the student during the internship period, also reaps several benefits from the internship experience. The intern provides the employer with temporary assistance during heavy workload periods and fills the need for vacation replacements. In addition, the employer has an opportunity to observe the work of the intern, thereby lessening the possibility of making a poor employment decision. Finally, the senior accountants and supervisory employees must review their own duties in order to properly instruct the interns. This review often leads to improvements in the company's operating systems and procedures and refreshes the supervisors as to their responsibilities (AAA, 1952). Pianko (1996) also identified several benefits of an internship program from a sponsor's perspective.

First, students who participate in internships and later become full-time employees are much more likely to stay with and be loyal to the employer.

Second, once hired, former interns do not need the training and adjustment period that most new college hires require. Finally, internship programs also fulfill a public relations and recruiting role when the interns return to school and inform their professors and fellow students about a particular employer. A student with a favorable impression of the company will encourage other students to seek positions in the company. In this role, student interns become goodwill ambassadors for the firm (Talbott, 1996). Internships can be particularly useful as a recruiting tool when there is strong competition for top talent. In this situation, the firm is able to attract and retain the best and brightest entry-level candidates (Messmer, 2000). White and Fuller (2002) highlighted several additional benefits to employers. First, the hourly rate paid for an internship is far more reasonable than the cost of hiring from temporary employment agencies or professional service providers. Second, the interns' enthusiasm and eagerness to learn lead to high levels of productivity. Third, if the intern fails to perform his or her assigned duties, termination of an intern is easier than termination of a permanent employee. Finally, by employing interns, a firm can gain publicity at universities, thereby expanding its pool of prospective job candidates.

Benefits of Internships from a University's Perspective

Several aspects of an internship program benefit the university as well as students and sponsors. According to the American Accounting Asssociation (1952), "the primary advantage to the school of an internship program is the contribution the program makes to the education of the students." Thus, when students benefit, their university also benefits. However, additional advantages, which benefit the university directly, also exist. For example, students evaluate the courses offered by the university and the material taught in these courses based upon their relevance and applicability to the business world. Professors can then augment their curriculum with the practical experience gained by interns (English and Keoppen, 1993). Internship programs also greatly improve the relationship between universities and companies in the industry. College-industry cooperation assists the school in the placement of its graduates, which enhances the school's reputation and consequently attracts quality students to the school (AAA, 1952).

In recent years, accounting education has been plagued with serious problems. The Institute of Management Accountants (IMA) stated that changes in accounting education are vital to the future of the accounting profession. The American Institute of Certified Public Accountants (AICPA) also called for modifications in accounting programs to meet the future needs of the industry. In 1986, the American Accounting Association's Committee on Future Structure, Content and Scope of Accounting Education (the Bedford Committee) advocated that accounting education be expanded in order to fill the widening gap between accounting in the classroom and the accounting profession. In their 1989 *White Paper*, the Big 8 firms proposed changes in accounting education and contributed five million dollars to establish the AECC (Albrecht and Sack, 2000).

Nelson, Bailey, and Nelson (1998) address the need for changes in university accounting education as a result of the "accounting education change" movement and changes in AACSB accreditation standards. Accounting professionals and educators have increasingly expressed dissatisfaction with accounting graduates and lobbied for changes in accounting programs to correct such deficiencies. "The basic message of this catalyst for change is that prevailing accounting curricula and pedagogical techniques are outdated and that they produce graduates who are ill-prepared for the changing profession." Thus, the AECC seeks to increase students' skills and knowledge by restructuring curricula and implementing new teaching techniques such as outside-the-classroom methods of learning. The adoption of new accreditation standards for accounting programs by the American Assembly of Collegiate Schools of Business (AACSB) in 1991 caused a significant philosophical change, from a measurement-of-inputs approach to a measurement-of-outputs approach. This change affects most major U.S. accounting programs and should motivate institutions to incorporate out-of-classroom learning activities into their curricula.

Albrecht and Sack (2000) advocate change in the accounting educational system in order to combat serious problems that could lead to the demise of accounting education. In their monograph, *Accounting Education: Charting the Course through a Perilous Future*, Albrecht and Sack explain that the quantity and quality of students choosing accounting as a major is decreasing rapidly, practicing accountants and accounting educators would not major in accounting if pursuing their education again, and current accounting curriculum is narrow, outdated, and driven by faculty interests rather than the demands of the profession. The authors also add that too much emphasis is placed on content at the risk of losing skill development and that students are not being adequately prepared for the world they will enter upon graduation.

Furthermore, most students in an educational setting do not get the hands-on experience necessary to become successful businesspeople. Not surprisingly, the Albrecht and Sack study indicates that an internship is the most preferred out-of-classroom learning activity by both practitioners and educators. A study conducted by Burnett (2003) confirms that outside-the-classroom learning activities are needed. The respondents of this study overwhelmingly ranked "3-4 month internships with companies" as the most important outside-the classroom learning activity, in comparison to field projects, service learning assignments, and shadowing professionals. Respondent firms and CPAs apparently preferred longer activities which gave participants the opportunity to become familiar with the accounting environment. Internships also generate data that may be used as a means of university program assessment. Mason and Allaway (1985) suggest that program assessment can be achieved by evaluating job placement, graduate school placement, and internship opportunities. A particularly helpful criterion for evaluating professors with respect to the long-term development of students concerns student internship opportunities. The extent to which a faculty member works with companies to establish internship opportunities and the feedback provided by sponsors concerning a student's performance as an intern are excellent measures of instructor effectiveness.

Trend of Participation in Internships

Most universities recognize the numerous benefits of accounting internships and actively promote them to students and the business community alike. Fesler and Caldwell (2001) reported that the number of accounting internships is, in fact, increasing. They reported that 66 percent of manufacturers and 75 percent of government and not-for-profit organizations employ interns. Two recent factors have contributed to the popularity of accounting internship programs. First, educational costs have risen considerably in the last few decades. The rate of increase in educational costs has exceeded the rate of general inflation, and students have sought internships to cover part of the cost of their education. Second, the number of hours required for graduation and for sitting for the CPA examination has increased in many states. As the length of the educational process has increased, accounting internships have become more popular.

Tackett, Wolf, and Law (2001) also reported that more students sought the opportunity to participate in internship programs. Complementing that desire, employers have begun to view internships as a means for maintaining good relations with their local university as well as identifying future employees. For the internship to be successful, both the employer and the employee must share the same perceptions about the internship and what the student can bring to the internship experience. Unfortunately, these groups' perceptions have tended to vary along a number of dimensions. For example, conflicting perceptions exist in terms of what constitutes ethical behavior, what oral and written communication skills and technical skills are needed by interns, and what constitutes acceptable office behavior. To minimize these conflicting perceptions, several strategies have been helpful. First, the sponsoring firm must acknowledge that an intern is different from an employee. Some firm productivity may need to be sacrificed in order for the intern to have a meaningful internship experience. Second, firms must anticipate areas in which they can successfully employ an intern and then communicate clear parameters to the educational institution regarding the type of intern they desire. Third, the firm should establish a formal plan of orientation for the intern.

This plan should provide learning objectives that are consistent with firm needs and the educational background of the intern. Finally, the firm should advise its permanent staff regarding the role of interns within the firm and how they are to interact with them. Recruiting has become a dominant priority among many business schools today, as a result of fewer job opportunities and fierce competition. Several business schools report that fewer companies are coming to campuses because of the weak economy and lack of available positions. Graduating students with prior experience have a competitive edge in obtaining these positions. Students believe that not getting an internship indicates a deficiency on their part that may complicate their future job prospects (Schneider, 2002). A trend of increased participation has not always existed. Smith (1964) reported that internship programs during the 1960's experienced a loss of vitality as a result of a number of factors. First, because of an increased demand for graduates, students no longer needed the contact provided by the internship to secure a permanent position. Second, many students were married and found that a shift between the classroom and the workplace was inconvenient. Third, universities operating on a semester plan were not conducive to internship programs. Fourth, accounting firms inexplicably became less willing to accept undergraduate students for organized internship opportunities. Fifth, improved educational techniques, teaching methods, and better materials tended to reduce the need for actual field experience. Finally, many schools failed to name a faculty member to be responsible for supervising and generating student interest in an internship program.

Timing of Internships

Although accounting internships have remained popular, their timing has created curricular problems. Nelson (1992) considered the timing of accounting internships. In the past, public accounting firms have interviewed students during the spring semester of their junior year for internships starting the following January. Other firms interviewed students during the fall semester of their junior year for internships during the summer months. Internship interviews often were conducted at the same time as interviews for graduating seniors. Because of the implementation of the 150-hour requirement for sitting for the CPA exam, some firms have moved internship interviews forward to the student's senior year. On the other hand, some firms now recruit students during their sophomore year or even earlier. For example, AT&T's four-year internship program allows college students to sign up for summer internships that span their undergraduate years (Filipczak, 1998).

In the past, internships have been offered during a student's semester break. Goodman (1982) reported that internships during semester breaks produced dissatisfaction among firm representatives when the duration was as little as 4 or 5 weeks. Internships produced more satisfactory results when the duration was between 4 and 30 weeks, particularly for those with a duration of 8 to 12 weeks. Traditionally, internships occurred during the summer months for the convenience of students. However, firms and businesses experienced seasonal lulls that reduced the benefits to them. Because "busy season," particularly for public accounting firms, occurs during the spring, many interns are now employed while taking course work or are employed as interns full-time in the spring term and attend school full-time in the summer. When the student leaves after the spring semester, the firm is left "high and dry" during the height of the busy season (Dennis, 1996). Many students are now taking a speculative approach to the job search. With just-in-time and as-needed hiring rampant, many students are finding better jobs in April, May, and June, which were once considered fatally late in the hiring season (Hazelwood, 2004).

DATA

Two random samples of 100 accounting programs identified in the *1997-1998 Accounting Faculty Directory* and the *2002-2003 Accounting Faculty Directory* were selected. The first sample was obtained during 1998, and the second sample was obtained during 2003. One question to be addressed in each survey is "what are the characteristics of accounting internships." A second question to be addressed is "have the characteristics of accounting internships changed over the five–year period between 1998 and 2003." Because of emphasis on program accountability and assessment by the AECC, AACSB, and others, an increased emphasis on internships is expected. The survey questionnaire was constructed to gather data regarding the following characteristics of accounting internships: frequency, eligibility requirements, process for securing internships, level of student participation, availability and amount of academic credit, job-related area of assignments, nature of post-internship requirements, and perceptions regarding benefits that are derived from an internship.

For each program selected, the survey was mailed to the accounting program administrator (department head, chairperson, director, or coordinator). Each administrator was asked to return the survey by fax. Accounting program administrators were chosen instead of students/interns as subjects in this study for several reasons. First, a nationwide, random sample of interns was not available. Second, because of their roles within the university and with the business community that employs interns, accounting program administrators are likely to be as aware of the characteristics of internships as students. Moreover, interns are almost universally students that are enrolled within an accounting program that is headed by program administrators. Thus, program administrators' observations should be both reliable and valid. Finally, most of the questions in the survey relate to the accounting program itself (e.g., student classifications that are eligible, the number of participants, the process for securing internships, the availability of academic credit, post-internship requirements, and the impact on subsequent academic performance). Thus, accounting program administrators are valid substitutes for interns for the survey.

RESULTS

A total of 44 responses to the 1998 survey and 31 responses to the 2003 survey were received. The responses were coded and evaluated by the Statistical Analysis System (SAS). These totals represent response rates of 44.0 and 31.0 percent, respectively. As expected, a large majority of accounting programs reported participation in accounting internships. In fact, 42 (95.5 percent) of the 44 accounting programs in 1998 and 29 (93.5 percent) of the 31 accounting programs in 2003 that responded to the survey reported participation. These programs included both private and public schools and both AACSB and non-AACSB accredited schools. Respondents indicated that eligibility requirements for accounting internships varied. In the 1998 survey, 25 (56.8 percent) of the 44 accounting programs that responded had established eligibility requirements based on a student's classification.

In the 2003 survey, 21 (67.7 percent) of the 31 accounting programs had established eligibility requirements. These data indicate that more accounting programs established eligibility requirements between 1998 and 2003. The demographic characteristics of the respondent schools are presented in Table 1. The data reveals that 77.3 percent of the survey respondents in 1998 represented AACSB-accredited schools while 54.9 percent of the respondent schools were AACSB-accredited in the 2003 survey. By contrast, a slightly larger percentage of respondents in the 2003 survey represented ACBSP-accredited schools. Notably, a larger percentage of schools were not professionally accredited by either AACSB or ACBSP in the 2003 survey. With respect to degree programs, 100 percent of the surveyed schools in both 1998 and 2003 offered a bachelors degree. However, the percentage of schools offering masters and doctoral degrees declined from 1998 to 2003. Table 1 also shows data regarding the size and type of the schools surveyed. In 1998, the majority (70.5 percent) of respondents represented schools with 101-500 students enrolled in the undergraduate accounting program. In 2003, the data was relatively equally dispersed among schools with 0-50, 51-100, and 101-500 enrolled students. Likewise, the majority (79.6 percent) of the surveyed schools were public in the 1998 data set, whereas in 2003, the percentages were split almost evenly between public and private universities.

Insert Table (1) about here

Table 2 shows that of the 25 programs with eligibility requirements in 1998, 2 programs allowed sophomores, 22 allowed juniors, 23 allowed seniors, and 16 allowed graduate students to participate in accounting internships. In 2003, of the 21 programs with eligibility requirements, 2 allowed sophomores, 18 allowed juniors, 17 allowed seniors, and 6 allowed graduate students to participate.

Insert Table (2) about here

Respondents were asked to describe how students secure internship opportunities. As Table 3 shows, student initiative was the most often indicated method of securing an accounting internship in both surveys. The second most often indicated factor differed between the two surveys. In 1998, a university's placement office was second, whereas the university's accounting department was second in the 2003 survey. Between 1998 and 2003, the university's accounting department became more often involved in arranging accounting internships and the placement office became less often involved. In both 1998 and 2003, advertised positions were the next most often indicated method. Other methods of securing internships were participation in campus interviews, involvement with a campus internship office, direct contact by firms, and direct inquiry by students.

Insert Table (3) about here

Table 4 reports the mean ranking of methods used by students to secure an accounting internship. Student initiative was the highest ranked method in both years. Levels of significance were then calculated using chi-square tests, with significance determined at the 0.10 level. In 1998, a significant difference regarding student initiative existed according to accreditation status. In 2003, a significant difference regarding student initiative existed according to both accreditation status and the public/private status of the university.

Insert Table (4) about here

Table 5 reports the level of participation in accounting internships. In most participation categories, the percentage of students declined between 1998 and 2003. In 1998, approximately 40 percent of the accounting programs reported that more than 20 students participated in internships. The remaining 60 percent of the accounting programs were fairly evenly distributed among the other categories. In 2003, a slightly smaller percentage of programs reported having more than 20 students involved. In contrast, the percentage of schools in the 2003 survey that reported between 6 and 10 students involved in internships was the same as the percentage of schools that reported more than 20 students. These data indicate that accounting programs in 2003 were either very active or only mildly active in promoting participation in internships. That is, fewer programs were moderately active in promoting internships compared to the 1998 survey. Table 5 also shows that in 1998, the level of student participation differed significantly according to accreditation status and public/private status. Significance was calculated using chi-square tests, and values were deemed significant at the 10 percent level. In 2003, the level of student participation differed significantly according to size of program as well as according to accreditation status and public/private status.

Insert Table (5) about here

Schools differed on the availability and amount of academic credit that is awarded for an accounting internship. In the 1998 survey, Panel A of Table 6 reports that 33 (78.6 percent) of the 42 programs that responded to this question awarded academic credit.

As Panel B reports, an internship could be repeated for additional academic credit for 60.6 percent of responding programs. In the 2003 survey, 25 (86.2 percent) of the 29 programs that responded to this question awarded academic credit. An internship could be repeated for additional academic credit for 80.0 percent of responding programs. Thus, both the number of programs that award academic credit and the opportunity for additional academic credit increased from 1998 to 2003. Table 6 reports data regarding the availability of academic credit for accounting internships.

Insert Table (6) about here

Table 7 reports the hours of academic credit available for accounting internships. In 1998, 60.6 percent of the respondents awarded varying amounts of academic credits (ranging from one to six credit hours). The remaining 39.4 percent of accounting programs allowed the student to earn three credit hours. In 2003, the most common amount of academic credit was again variable credits (ranging from one to six hours), which accounted for 56.0 percent respondents. An additional 40.0 percent of accounting programs that awarded academic credit allowed the student to earn three credit hours. Thus, the amount of academic credit remained approximately the same over the five-year period.

Insert Table (7) about here

Accounting student interns were employed in several different job-related areas, as shown in Table 8. Predictably, the most popular job area for accounting interns was public accounting. In the 1998 survey, 88.6 percent of the programs reported student internships in public accounting; in the 2003 survey, 100 percent of the programs reported internships in public accounting. The second most popular job area differed between the two surveys. In the 1998 survey, the second most popular job area was government related; 84.1 percent of the accounting programs reported internships in this area. In the 2003 survey, only 69.0 percent reported, however, internships in the governmental area. In the 2003 survey, 100 percent of the accounting programs reported internships in industry. In contrast, only 50.0 percent of the accounting programs reported internships in industry in the 1998 survey. Thus, in recent years, internships in industry have become much more popular while those in government related areas have declined. The not-for-profit and consulting areas were least popular, accounting for a small number of internships in 1998 and 2003.

Insert Table (8) about here

After an internship is completed, all programs have post-internship requirements. Table 9 shows that several requirements existed: a student paper, a sponsor's evaluation, a daily log, a class presentation, additional academic work, weekly or bi-weekly progress reports, meeting with an advisor, self-evaluation, and interview of co-workers. Clearly, the most common requirements are a student paper and a sponsor's evaluation. Both of these requirements have become more common between 1998 and 2003. In 1998, 63.6 percent of accounting programs required the student to write a paper; 59.1 percent of those programs required a sponsor to prepare an evaluation of the student intern. In 2003, those percentages increased to 92.0 and 80.0, respectively. The other requirements that were mentioned were far less numerous, although maintaining a daily log became popular in the 2003 survey.

Insert Table (9) about here

In both surveys, 100 percent of the respondents indicated that the experience and knowledge gained through an accounting internship would benefit a student's future. Respondents were asked to rank the importance (1 = most important; 5 = least important) of four potential benefits: enhancing student performance in subsequent accounting course work, enhancing student performance in subsequent non-accounting course work, giving students real-life knowledge of how tasks are performed by professional accountants, and giving students insight into the area of accounting that they may pursue after graduation. As Table 10 shows, giving a student real-life knowledge of how tasks are performed by professional accountants was rated as clearly the most important benefit in both surveys. The average ranking of this benefit was 1.48 and 1.38 in 1998 and 2003, respectively. Giving students insight into the area of accounting that they might pursue after graduation was also rated as very beneficial in both surveys. The average ranking of this benefit was 1.90 and 1.96, respectively. The third most important benefit, though rated approximately a full rank lower, was that the internship enhanced performance in the interns subsequent accounting course work. The average ranking for this benefit was 3.00 and 2.86, respectively. Enhanced performance in non-accounting course work was ranked as substantially less important in both surveys. The average ranking for all four benefits were very nearly the same in both surveys. Correlation coefficients calculated for the two surveys indicate that accounting program administrators' perceptions regarding the benefits of internships were generally not significantly different. However, the difference between the two groups is significant at the 0.10 level regarding enhanced performance in subsequent accounting course work.

Insert Table (10) about here

CONCLUSION

This study provides insights regarding the frequency of accounting internships, eligibility requirements for interns, the process for securing accounting internships, the level of student participation, the availability and amount of academic credit, the job-related area of accounting internship assignments, the nature of post-internship requirements, and the perceived benefits of internships. The results of this study should be of interest to several groups. First, accounting students will be provided with information regarding personal benefits that may result from participating in an accounting internship. Second, accounting faculty should have a greater awareness of potential benefits that arise from an accounting internship and will be better able to counsel students regarding these benefits. Third, the empirical evidence provided by this study should assist accounting program administrators in assessing changes, if, any that might be considered in their internship programs. Finally, practitioners will be alerted to benefits that students may receive from participating in internships.

The findings of this study indicate that real-life knowledge of accounting tasks is ranked as the most important benefit of accounting internships. In addition, insight regarding career planning is ranked as the second most important benefit. These benefits are intuitively obvious and argued in the literature, but prior empirical studies have focused primarily on enhanced student performance in subsequent course work rather than on these benefits. The generalizability of these findings is somewhat limited by the fact that respondents consisted of only accounting program administrators. Accounting students and accounting practitioners represent other constituents whose perceptions regarding the benefits of accounting internships are important. Thus, future research is certainly appropriate regarding their perceptions.

The demographic information gathered by the surveys reveals that the vast majority of respondent schools in the 1998 data set were public universities whereas only half of the universities surveyed in 2003 were public. The dramatic decrease in the number of public universities likely influenced the data obtained from the other survey questions. Because the distribution of survey respondents from public and private universities was approximately equal in 2003, the number of students enrolled in undergraduate accounting programs was considerably lower than in 1998. The percentage of schools offering graduate and post-graduate degrees and having AACSB accreditation status also declined as a result of the decrease in the number of public universities surveyed. Thus, the results of the internship survey were highly influenced by the public or private status of the respondent schools. The relatively high response rate in the survey shows that internships are considered important by accounting program administrators. The response rate might have been even higher if the responses had been gathered by mail rather than by fax since there is a time and cost commitment associated with sending responses by fax. Thus, future research regarding data collection techniques is also appropriate.

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TABLE 1
DEMOGRAPHIC CHARACTERISTICS OF RESPONDENT SCHOOLS

	1998		2003	
Demographic Characteristic	**Category**	**Percent**	**Category**	**Percent**
Accreditation Status	AACSB	77.3%	AACSB	54.9%
	ACBSP	13.6%	ACBSP	16.1%
	Neither	9.1%	Neither	29.0%
		100.0%		**100.0%**
Degree Programs Offered	Bachelors	100.0%	Bachelors	100.0%
	Masters	90.9%	Masters	67.7%
	Ph.D./D.B.A.	22.7%	Ph.D./D.B.A.	12.9%
		*		**
Number of Students Enrolled In Undergraduate Accounting Program	0-50	0.0%	0-50	25.8%
	51-100	15.9%	51-100	25.8%
	101-500	70.5%	101-500	38.7%
	More than 500	13.6%	More than 500	9.7%
		100.0%		**100.0%**
Type of University	Public	79.6%	Public	51.6%
	Private	20.4%	Private	48.4%
		100.0%		**100.0%**

*Based on 44 respondents (more than one response permitted)
**Based on 31 respondents (more than one response permitted)

TABLE 2
STUDENT CLASSIFICATIONS ELIGIBLE TO PARTICIPATE IN ACCOUNTING INTERNSHIPS

	1998		2003	
Classification	**Number**	**Percent***	**Number**	**Percent****
Sophomores	2	8.0%	2	9.5%
Juniors	22	88.0%	18	85.7%
Seniors	23	92.0%	17	81.0%
Graduate students	16	64.0%	6	28.6%

*Based on 25 respondents (more than one response permitted)
**Based on 21 respondents (more than one response permitted)

TABLE 3
HOW STUDENTS SECURE ACCOUNTING INTERNSHIPS

	1998		2003	
Method	**Number**	**Percent***	**Number**	**Percent****
Student initiative	37	84.1%	27	93.1%
Arranged by accounting department	22	50.0%	21	72.4%
Arranged by placement office	25	56.8%	16	55.2%
Response to advertised position	17	38.6%	12	41.4%
Arranged through campus interviews	3	6.8%	1	3.4%
Arranged by campus internship office	2	4.5%	2	6.9%
Contacted by firm	0	0.0%	3	10.3%
Direct inquiry by student	1	2.3%	0	0.0%

*Based on 44 respondents (more than one response permitted)
**Based on 29 respondents (more than one response permitted)

TABLE 4
RANKING OF STUDENT METHODS OF SECURING ACCOUNTING INTERNSHIPS

	1998				2003			
		Significance of Difference According to:				Significance of Difference According to:		
Method	**Average Rank**	**Accreditation Status**	**Size of Program**	**Public/Private Status**	**Average Rank**	**Accreditation Status**	**Size of Program**	**Public/Private Status**
Student initiative	1.73	0.06	0.61	0.41	1.76	0.02	0.60	0.08
Arranged by accounting department	2.38	0.35	0.23	0.70	2.52	0.16	0.16	0.46
Arranged by placement office	2.04	0.33	0.20	0.57	2.48	0.16	0.34	0.14
Response to advertised position	3.15	0.86	0.72	0.53	2.95	0.72	0.50	0.62

TABLE 5
LEVEL OF STUDENT PARTICIPATION IN ACCOUNTING INTERNSHIPS

Student Participation Range	1998 Percent *	1998 Significance of Difference According to: Accreditation Status	1998 Size of Program	1998 Public/Private Status	2003 Percent **	2003 Significance of Difference According to: Accreditation Status	2003 Size of Program	2003 Public/Private Status
0-5 students	16.7%				13.9%			
6-10 students	16.7%				37.9%			
11-15 students	14.3%				10.3%			
16-20 students	11.9%				0.0%			
More than 20 students	40.4%	0.00	0.72	0.24	37.9%	0.00	0.03	0.05
Total	**100.0%**				**100.0%**			

*Based on 42 respondents (2 respondents failed to provide this information)
**Based on 29 respondents

TABLE 6
AVAILABILITY OF ACADEMIC CREDIT FOR ACCOUNTING INTERNSHIPS

	1998		2003	
Panel A: Academic Credit Is Available				
	Number	**Percent** *	**Number**	**Percent** **
Yes	33	78.6%	25	86.2%
No	9	21.4%	4	13.8%
Total	**42**	**100.0%**	**29**	**100.0%**
Panel B: May be Repeated for Additional Credit				
	Number	**Percent** ***	**Number**	**Percent** ****
Yes	20	60.6%	20	80.0%
No	13	39.4%	5	20.0%
Total	**33**	**100.0%**	**25**	**100.0%**

*Based on 42 respondents
**Based on 29 respondents
***Based on 33 respondents
****Based on 25 respondents

TABLE 7
HOURS OF ACADEMIC CREDIT AVAILABLE FOR ACCOUNTING INTERNSHIPS

	1998		2003	
Credit Hours Available	**Number**	**Percent** *	**Number**	**Percent** **
1	0	0.0%	1	4.0%
2	0	0.0%	0	0.0%
3	13	39.4%	10	40.0%
Variable credit	20	60.6%	14	56.0%
Total	**33**	**100.0%**	**25**	**100.0%**

*Based on 33 respondents
**Based on 25 respondents

TABLE 8
JOB-RELATED AREAS OF ACCOUNTING INTERNSHIPS

	1998		2003	
Job-Related Area	**Number**	**Percent***	**Number**	**Percent****
Public accounting	39	88.6%	29	100.0%
Industry	22	50.0%	29	100.0%
Government	37	84.1%	20	69.0%
Not-for-profit	4	9.1%	3	10.3%
Consulting	1	2.3%	0	0.0%

*Based on 44 respondents (more than one response permitted)
**Based on 29 respondents (more than one response permitted)

TABLE 9
POST-INTERNSHIP REQUIREMENTS

	1998		2003	
Requirement	**Number**	**Percent***	**Number**	**Percent****
Write a paper	28	63.6%	23	92.0%
Sponsor prepares an evaluation	26	59.1%	20	80.0%
Daily log	1	2.3%	6	24.0%
Class presentation	4	9.1%	1	4.0%
Additional academic work	1	2.3%	3	12.0%
Weekly/bi-weekly progress reports	2	4.5%	1	4.0%
Meet with advisor	0	0.0%	2	8.0%
Self-evaluation	1	2.3%	0	0.0%
Interview co-workers	0	0.0%	1	4.0%
No post internship requirements	0	0.0%	0	0.0%

*Based on 44 respondents (more than one response permitted)
**Based on 25 respondents (more than one response permitted)

TABLE 10
AVERAGE RANKING OF BENEFITS OF ACCOUNTING INTERNSHIPS

	Average rank (1=Most important, 5=Least important)		
Benefit		**1998**	**2003**
Significance of Group Difference			
Gives real-life knowledge of tasks performed by accountants	1.48	1.38	0.73
Gives student insight into future area of accounting employment	1.90	1.96	0.94
Enhances performance in subsequent accounting course work	3.00	2.86	0.08
Enhances performance in subsequent non-accounting course work	3.81	4.05	0.60

Accounting Internship Survey

Instructions: Please place an "X" in the appropriate space(s) below.

1. Have any of your students participated in an accounting internship?
   _____Yes (Go to question 2)
   _____ No (Go to question 12)

2. In order to participate in your accounting internship program, is there an eligibility requirement based on student classification?
   _____ Yes (Go to question 3)
   _____ No (Go to question 4)

3. What student classifications are eligible to participate in an internship program? (Mark all that apply)
   _____ Sophomore
   _____ Junior
   _____ Senior
   _____ Graduate students

4. Approximately how many accounting majors participate in internships?
   _____ 0 – 5
   _____ 6 –10
   _____ 11 – 15
   _____ 16 – 20
   _____ More than 20

5. In what job-related areas do student interns work? (Mark all that apply)
   _____ Public Accounting
   _____ Government
   _____ Private industry
   _____ Other: Specify_____

6. How do students secure internship opportunities? (Mark all that apply)
   _____ Student initiative
   _____ Arranged by accounting department
   _____ Arranged by University placement office
   _____ Response to advertised position
   _____ Other: Specify_____

7. Rank the following methods of securing an internship from most common (rank = 1), to least common (rank = 4).
   _____ Student initiative
   _____ Arranged by accounting department
   _____ Arranged by University placement office
   _____ Response to advertised position
   _____ Other: Specify _____

8. Can students receive academic credit for internships?
   _____ Yes (Go to question 9)
   _____ No (Go to question 12)

9. How many credit hours may be earned for a one-semester internship?
   _____ One credit hours
   _____ Two credit hours
   _____ Three credit hours
   _____ Credit may vary between 1 and 3 credit hours

10. May an accounting internship be repeated for additional academic credit?
    _____ Yes
    _____ No

11. After the internship is completed, what requirement(s) must a student fulfill? (Mark all that apply)
    _____ Write a paper
    _____ Have sponsor complete paperwork stating nature of student's work and/or student evaluation
    _____ No post-internship requirements are expected
    _____ Other: Specify _____

12. Do you believe that experience and knowledge gained through an accounting internship will benefit a student's future performances?
    _____ Yes (Go to question 13)
    _____ No (Go to question 14)

13. Rank the following potential future benefits that may be derived from participation in an accounting internship from most important (rank = 1), to least important (rant = 5)
    _____ Enhances student performance in subsequent accounting course work
    _____ Enhances student performance in subsequent non-accounting course work
    _____ Gives student real-life knowledge of how tasks are performed by professional accountants
    _____ Gives student insight into the area of accounting that they may pursue after graduation
    _____ Other: Specify_____

14. Which of the following best describes your business school's accreditation status?
    _____ AACSB-accredited
    _____ ACBSP-accredited
    _____ Not professionally accredited by AACSB or ACBSP

15. What degree programs does your university offer? (Mark all that apply)
    _____ Bachelors
    _____ Masters
    _____ Ph.D. and/or D.B.A.

16. Approximately how many students are enrolled in your undergraduate accounting program?
    _____ 0 – 50 students
    _____ 51 – 100 students
    _____ 101 – 500 students
    _____ More than 500

17. Is your university publicly or privately supported?
    _____ Public
    _____ Private