

T H E   U N I V E R S I T Y   O F   H U L L

ACCOUNTING EDUCATION AT DOCTORAL LEVEL:  
A CANADIAN PERSPECTIVE  
WITH SPECIAL REFERENCE TO  
THE DEMAND AND SUPPLY OF ACADEMIC ACCOUNTANTS

A THESIS SUBMITTED FOR THE DEGREE OF DOCTOR OF PHILOSOPHY  
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BY

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## ABSTRACT

This study is a critical analysis of doctoral Accounting education. Its mandate is to examine the extent to which existing university programmes in Accounting meet the needs of those concerned with the education of academic Accountants; to consider ways in which universities could improve options for the education of Accountants; to explore the continuing major shortage of Accounting faculty; and to analyze the resource requirements, especially human resource requirements and their impact on university based Accounting education in Canada.

What do we expect from Accounting schools? What do we want them to do besides helping to educate Accountants? What kind of Accounting education do we want them to dispense? Who is the better judge of student needs, the Accounting professoriate or the Accounting practitioners? Is the relationship between the professoriate and the Accounting practitioner symbiotic or a superior-subordinate situation? What can be done to:

- 1) increase the number of applications for admission to Accounting Ph.D. programmes?
- 2) shorten the duration of the Ph.D. programme?
- 3) increase non-government financial support to universities?
- 4) improve financial rewards for Ph.D.s?



5) market academic Accounting as an exciting career?

These are typical questions that evolved and were dealt with in this research effort.

It is evident that the present state of Accounting education in Canada is a cause of deep concern for many who are directly involved with it. The severe shortage of academic Accountants coupled with the market demand for better trained, professionally qualified Accountants has put a great strain on universities. The demand for a larger commitment to Accounting education is occurring at a time when programmes are under severe financial constraints. Given the circumstances, it should not be surprising that there is much discontent with the status of Accounting education.

This paper researches the educational issues involved and suggests respective educational policies in resolving them. It also explores the Accounting labour market and evaluates the ramifications that various policies have upon it. Concentration on particular segments of Accounting education is highlighted and justified by the asymmetry that characterizes the contribution of these elements to doctoral education in Accounting.

## LIST OF ACRONYMS

AAA	American Accounting Association
AACSB	American Assembly of Collegiate Schools of Business
ACSB	Association of Canadian Schools of Business
AICPA	American Institute of Certified Public Accountants
APACA	Atlantic Provinces Association of Chartered Accountants
ASAC	Administrative Sciences Association of Canada
AUCC	Association of Universities and Colleges of Canada
BIU	Basic Income Unit
CA	Chartered Accountant
CAAA	Canadian Academic Accounting Association
CAUT	Canadian Association of University Teachers
CEGEP	College d'Enseignement General et Professionnel
CFDMAS	Canadian Federation of Deans of Management and Administrative Studies
CICA	Canadian Institute of Chartered Accountants
CGA	Certified General Accountant
CMA	Certified Management Accountant
CPA	Certified Public Accountant
FAE	Final Accreditation Examinations
ICAO	Institute of Chartered Accountants of Ontario
ICABC	Institute of Chartered Accountants of British Columbia
GMAT	Graduate Management Admissions Test

## LIST OF ACRONYMS con't.

GPA	Grade Point Average
MBA	Master of Business Administration
MPHEC	Maritime Provinces Higher Education Committee
MRC	Medical Research Council
NRCC	National Research Council of Canada
NSERC	Natural Sciences and Engineering Research Council
OCUA	Ontario Council for University Affairs
PEI	Prince Edward Island
PSA	Professional Schools of Accountancy
RIA	Registered Industrial Accountant
SMAC	Society of Management Accountants of Canada
SMAO	Society of Management Accountants of Ontario
SSHRC	Social Sciences and Humanities Research Council
UFE	Uniform Final Examinations

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## PART 1

### BACKGROUND INFORMATION

#### CHAPTER 1

##### AN OVERVIEW OF THE CANADIAN UNIVERSITY SYSTEM

###### 1.1 ORIGINS OF CANADIAN UNIVERSITIES

Canadian universities were established mostly on the basis of the European prototypes. British institutions such as Cambridge and Oxford were used as models for many English speaking institutions, while the French Colleges Classiques inspired the establishment of French language institutions of higher learning. The tradition of American Liberal Arts Colleges and State Universities also had an influence upon the development of the first Canadian universities.

The first institution of higher learning in Canada was established in 1663 in Quebec City by Msgr. de Laval, first Bishop of New France.<sup>1</sup> It was a seminary preparing young men for priesthood.

The first English speaking institution of higher learning in Canada was established in 1785 in Fredericton, New Brunswick. It was named Academy of Arts and Science. A few years later, in 1789, King's College, sponsored by the Church of England, opened its doors in Windsor, Nova Scotia.<sup>2</sup>



Western provinces did not see the establishment of universities until the turn of the 20th century (Harris, 1976). With most of the Canadian population living in the Dominion of Canada (Nova Scotia, New Brunswick, Ontario and Quebec) most of the first Canadian universities were established in these populated areas. Pioneer universities were of small size, averaging less than 100 students. Most courses taught were in the areas of theology, law, arts and medicine. The discovery of the West and the shift of population there forced, at the turn of the century, all Western provinces to establish their own universities.

The University of Manitoba was established by an act of the provincial legislature in 1877.<sup>3</sup> Similar acts of provincial legislature established the University of Alberta in 1906, the University of Saskatchewan in 1907, and the University of British Columbia in 1908.<sup>4</sup>

Until 1875 all graduates were men, in that year the first woman graduated from Mount Allison University in New Brunswick (Harris, 1976).

Canadian universities experienced a steady growth over the first half of the century. New campuses, additional facilities, new programmes and areas of studies, and more faculty and students contributed to that growth. However, the most spectacular growth occurred after the 1950s. The "babyboomers" doubled the number of university graduates between 1955 and 1962 and then again between 1962 and 1969

(Ministry of Supply and Services, 1981). During that second period a good number of almost twenty Canadian universities were born. Many graduate programmes were also created to quench the thirst for university education.

The large number of student population fostered student power and some student unrest on most Canadian campuses. They demanded accountability by university administrators and the right to participate in the governing of the university. Likewise, faculty became organized, and joining voices with students achieved wide representation on Boards, Senates, and Committees, and other academic bodies where decisions were made. Self academic governance became entrenched in the Canadian University system.

The 1970s and early 1980s were not as kind to university growth. Economic recession, governmental policies of cutbacks, and the development and growth of Community Colleges limited university growth. This trend is now over. Applications for university admission have skyrocketed and registrations consistently across the country are on the increase (CAUT Bulletin, 1988).

## 1.2 THE CANADIAN UNIVERSITIES SCENE

Canadian universities offer a wide range of degrees, programmes, and courses. Courses in Humanities, Social and Natural Sciences are available at almost every university in

the country. However, other areas of study such as professional programmes (Dentistry, Medicine, Architecture, Law, Engineering, Accounting) are not available in every university. Diversity is one of the greatest strengths of the Canadian university system. One main diversification base is the size of the university. Some are large institutions offering a full range of undergraduate and graduate degrees, while others are small undergraduate institutions in Liberal Arts or specialized fields.

Another diversity is the language of instruction. Most Canadian universities are anglophone, some are francophone and some others are characterized as bilingual universities. Very few French universities exist outside the province of Quebec. However, several universities' examinations and assignments can be written in either official language.

Diversification also exists in terms of the origins of the university. Some were established by provincial governments while others were founded by various religious denominations or private initiatives.

Student mix (eg. full-time versus part-time students), various levels of studies (eg. graduate versus undergraduate programmes), rural versus urban universities, co-operative (work-study mode), and distance education programmes add to the diversity of the Canadian university scene. In spite of the commonalities, each Canadian university possesses characteristics that make them unique.

Approximately one quarter of Canada's high school graduates continue on with their education at the university level (Statistics Canada, 81-204). Some do not complete the degree, while others enter university as adult students later in life. Approximately eighteen percent of all Canadians over the age of twenty have some university education (Belanger, 1982). University degrees in Canada are awarded at a rate of over 100,000 per year (Belanger, 1982).

The total university student population in recent years is hovering about 750,000. Approximately 500,000 are registered as full-time students and 250,000 as part-time students. Twelve percent of the university student population (90,000) are enrolled as graduate students, 55,000 of them are studying on a full-time basis and 35,000 on a part-time basis (CHERN, 1986).

All universities are basically co-educational. Mount Saint Vincent University in Halifax, Nova Scotia is predominantly for women, although men are now admitted as non-resident students.

Memorial University in Newfoundland is Canada's most easterly university while the University of Victoria is its most westerly counterpart. The University of Windsor in Windsor, Ontario is the most southern university while Athabasca University is the most northern university.

### 1.3 FINANCING OF CANADIAN UNIVERSITIES

Canadian university funding comes mainly from provincial government operating grants. There is no federal government office responsible for higher education in Canada. Education is under provincial jurisdiction.

Under the British North American Act of 1867, the provincial governments were given the exclusive power over education. The Canadian Constitution of 1982 maintained this provision. Each provincial government has established its own policies, funding formulas, and administrative structures. There is no government uniformity in handling Canada's universities, although, there are many similarities among the ten provincial systems.

This is not to say, that the federal government does not contribute towards higher education costs. It simply transfers money from the federal treasury to the provinces through the transfer of payments and tax transfers. Direct federal government grants to universities are in support of research activities. This direct transfer accounts for less than 10% of the total funds (AUCC, 1986).

The main federal tax contribution to higher education is under the Federal Post-Secondary and Health Contributions Act. Under the terms of this Act, the federal government through cash payments from the Secretary of State and tax transfers from the Department of Finance provides unconditional grants

to all ten Canadian provinces and two territories for post-secondary education.

National education objectives make the federal government a main player in certain educational matters. The issue of accessibility, guaranteeing all qualified and interested Canadians access to a university is clearly a federal responsibility. The issue of freedom of mobility for all Canadian teachers and students alike to teach and be taught anywhere in Canada with minimum barriers is also a federal concern. Developing and encouraging university links among Canadian universities promoting university based research are also matters of federal policy.

These federal policy objectives in the field of higher education are co-ordinated and supported mainly through the Secretary of State. The Minister of State for Science and Technology also is involved in scientific research related projects. The Department of Indian and Northern Affairs supports a number of projects for Indian and Inuit education at Canadian universities. In fact, almost every federal department and agency may get directly involved in post-secondary education projects and funding. Special research grants to universities and their staff who match the interests of the sponsoring agency is customary.

Almost without exception, all Canadian universities receive government funding. Only two Christian Liberal Arts institutions, Trinity Western University in Langley, British

Columbia and Redeemer Reformer Christian College in Ancaster, Ontario are not provincially funded. They are private universities.

Three main federal government granting councils, the Social Sciences and Humanities Research Council (SSHRC), the Natural Sciences and Engineering Research Council (NSERC), and the Medical Research Council (MRC) are responsible for encouraging research by graduate students, university professors and institutes by providing direct grants to approved applicants (SSHRC, 1980; 1985).

Other standard federal programmes providing funding for post-secondary education include the following:

Canadian Students Loan Programme. This programme provides assistance by guaranteeing bank loans to needy post-secondary education students.

Second Language Learning Programme. This programme provides funding and support directly to students of all three levels (primary, secondary, and post-secondary) to learn the second official language of the country and indirectly to provincial governments to support such learning (AUCC, 1986).

The federal government itself has assumed a role beyond financing higher education by being solely responsible for the Royal Military College of Canada in Kingston, Ontario, College Militaire Royal de Saint Jean and Royal Roads Military College. All three institutions provide university degree programmes. These schools are the only ones that are not

under provincial jurisdiction.

Because post-secondary education in Canada is under provincial control, the provinces have established their own administrative structure to govern and fund post-secondary education. Although different, they are very similar. Province by province these structures are as follows:

#### Newfoundland

The Minister of Career Development and Advanced Training is responsible for higher education. Since there is only one university in the province, the Ministry deals directly with the Board of Regents of Memorial University.

#### New Brunswick, Nova Scotia, and Prince Edward Island

The Minister of Education in each of these three provinces is responsible for higher education. In addition, all three provinces have established since 1974 the Maritimes Provinces Higher Education Commission (MPHEC, 1975). The mandate of the Commission is to prepare an annual plan and advise the respective ministers about higher education issues in the region.

#### Quebec

The Minister of Advanced Education and Science is responsible for higher education. In addition, the Conseil des Universities provides the ministry with long term plans and in general, advises it on funding allocation and other relevant higher education issues.<sup>5</sup>



### Ontario

The Minister of Colleges and Universities is responsible for higher education. In addition, the Ontario Council on University Affairs (OCUA) advises and recommends to the ministry funding allocation while it acts as a go between for the universities and the ministry (OCUA, 1974-1986).

### Manitoba

The Minister of Education is responsible for post-secondary education. In addition, the Manitoba Universities Grants Commission advises the ministry on funding issues, programme expansion, and similar issues.<sup>6</sup>

### Saskatchewan

The Minister of Advanced Education and Manpower is overseeing higher education matters. The two provincial universities (University of Regina and University of Saskatchewan) negotiate directly with the ministry.

### Alberta

The Minister of Advanced Education is responsible for higher education. Each university negotiates directly with the ministry.

### British Columbia

The Minister of Post-Secondary Education is responsible for higher education. In addition, the Universities Council of British Columbia advises and recommends to the ministry appropriate funding allocation and on other relevant issues (B.C. Ministry of Education, 1982).

#### 1.4 CANADIAN FACULTY

The 15 year period from 1955 to 1969 was the prime growth period of Canadian universities. A similar growth pattern was followed by teaching faculty. With some time lag, extensive hiring of teaching faculty continued in the early 1970s. Diminishing student growth in the 1970s and early 1980s resulted in stabilizing the growth of the professoriate (Ministry of State for Science and Technology, 1981).

Faculty at universities in Canada can be hired at four different ranks, lecturer/instructor, assistant professor, associate professor, and full professor. The rapid expansion of Canadian professoriate had some dramatic effects on the composition of the four ranks. Today, because of limited hiring, only a mere 5% is at the rank of lecturer/instructor. Twenty-four percent is at the rank of assistant professor, while the majority (71%) of the professoriate is at the two top ranks. Thirty-six percent are associate professors and thirty-five percent are full professors (Statistics Canada, 81-241; 81-258). This uneven distribution among the four ranks has some dramatic ramifications in terms of faculty renewal, entry of new blood in the university system, retirements etc. The age distribution compounds this problem. Almost 75% of the Canadian professoriate is between 35 and 55 years old and one quarter is between 41 and 45 years of age (Von Zur-Muehlen, 1983). With retirement far away in the

future and stable or limited student growth, the opportunities for young academics entering the field are not that great.

The rigorous growth of the 1960s and 1970s necessitated the import of foreign faculty to satisfy the Canadian demand. While Canada benefited from the brain drain of several anglophone and francophone countries, some objections were also made to the practice of hiring foreigners. Canadian immigration laws became stricter and in recent years the vast majority of new appointments are offered to Canadians and permanent residents in Canada. Only when no Canadians or permanent residents in Canada are available, may foreigners be hired. In spite of the immigration restrictions, the hiring of foreign Accounting faculty in the last few years demonstrates a shortage of equally qualified Canadian faculty.

Most professors in Canada are male. Only 17% (approximately) of the Canadian professoriate are women (Statistics Canada, 1986). In addition, women faculty are more common in certain disciplines such as Education and Fine Arts. On the other hand, there are very few female faculty in the area of Applied Sciences, Engineering and Business.

Canadian universities have in place a tenure system whereby faculty members granted tenure can only have their employment terminated by resignation, retirement or dismissal for good cause. Tenure is based on peer evaluation granted by a relevant committee. Approximately three out of four faculty members in Canada have been granted tenure (Statistics

Canada, 1986).

Tenure and promotions are awarded on the basis of teaching ability, contributions to the profession and the community, and research conducted. Contract research in addition to university research is permitted. Research is funded by private sector contributions or government funding. The Natural Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC), and the Social Sciences and Humanities Research Council (SSHRC) are the main granting agencies accounting for over three quarters of the federal government support of university research (Statistics Canada, 1980). Provincial government support for university research varies across Canada. Most provinces, however, do have organizations which promote and foster university or collaborated research.

About two thirds of full-time faculty are members of a collective bargaining unit (unionized) (B.C. Ministry of Education, 1982; Ministry of Supply and Services, 1981). Although each bargaining unit negotiates its own agreement with the university, most local associations belong to the Canadian Association of University Teachers (the Federation des Association de Professeurs des Universities du Quebec for Quebec).

TABLE 1  
 PROVINCIAL GOVERNMENT SUPPORTED ORGANIZATIONS  
 SUPPORTING UNIVERSITY RESEARCH\*

<u>Province</u>	<u>Research Organization</u>
Nova Scotia	Nova Scotia Research Foundation
New Brunswick	New Brunswick Research and Productivity Council
Quebec	The Centre de Recherche Industrielle du Quebec
Ontario	The Ontario Research Foundation
Manitoba	The Manitoba Research Council
Saskatchewan	The Saskatchewan Research Council
Alberta	The Alberta Research Council
British Columbia	The British Columbia Research Council

\* Source: Compiled from various studies including the Directory of Federally Supported Research in Universities, Canadian Institute of Scientific and Technical Information, Ottawa.

### 1.5 ADMISSIONS TO CANADIAN UNIVERSITIES

Admission standards are set independently by each Canadian university, therefore they may vary across the country. However, it is safe for one to claim that a high school diploma - twelve years of schooling - is a necessary requirement for admission. Varying course requirements, minimum course marks, grade average and other requirements in

place over and above a high school diploma can be found at different universities.

Admission requirements may be waived for mature students. Most universities consider a mature student anyone over 21 years of age with at least two years away from any formal schooling.

In the province of Quebec, students after completing grade 11 should obtain a Diploma of Collegial Studies in order to gain admission to university. The Diploma of Collegial Studies is obtained by studying for two years at a pre-university programme at a College d'enseignement General et Professionnel (CEGEP).

Admission to graduate studies also varies at each university. In general though, a four year undergraduate degree is needed to gain admission to a Masters programme. Admission to a doctoral programme is based on good performance and marks at the Masters level. Entrance examinations and/or graduate tests are common to many schools and faculties.

#### 1.6 FINANCIAL ASSISTANCE

Without trying to evaluate the extent, scope, and value of financial assistance to university students, it appears that each province and territory, with no exception, offers a provincial programme of financial assistance. Provincial bursaries and grants are offered to all students based on

need. Special financial assistance is available for single parents, disabled students, and other special categories.

The federal government operates the Canada Student Loan programme. This programme is open to all full-time and part-time, both undergraduate and graduate students. The programme operates in every province in Canada except Quebec. Quebec receives a lump sum amount from the federal government and offers its own student financial assistance programme.

Only Canadian citizens and permanent residents of Canada are eligible for student aid. Almost half of Canadian students receive financial assistance from the federal and provincial governments for their university education.<sup>7</sup> The two levels of government are the main sources of financial assistance to university students. Universities, alumni, community groups, and corporations assist students mainly on the basis of merit through academic and athletic scholarships.

### 1.7 ACADEMIC YEAR

The vast majority of Canadian universities divide the academic year into two terms: The first term runs from September to December and the second term runs from January to April. Universities operating under this system also offer spring and summer courses between May and August.

Some universities are on a tri-semester system. The academic year is divided into three terms running from

September to December, January to May, and May to September.

Another variation of scheduling the academic year is based on the co-operative studies mode of education. The main system approach to co-operative education requires the student to complete the first year of studies then proceed with one term of work followed by one term of study.

The normal course load for a typical undergraduate full-time student is five courses per semester. Part-time students may take up to three courses. Each course involves a minimum of three hours per week. Tutorials and laboratories are compulsory for some courses. Professional programmes may demand heavier course and/or teaching hour requirements.

Typical breaks for Canadian universities are approximately two weeks over the Christmas holidays and one "study week" in the middle of February. A student may register for as many terms as he/she chooses in a given year.

## 1.8 HISTORICAL HIGHLIGHTS OF BUSINESS EDUCATION

### IN CANADA

University Business education in Canada followed more or less the development pattern of the United States.

Prior to 1950, the development of Canadian university Business programmes were "slow, unspectacular and very uneven. While it is difficult to make a general statement, the academic community seemed to feel that anything which might



be practical or useful to industry and government was unworthy of university level education, a perception which has continued in various forms to the present, despite many changes for the better which have occurred over the years" (Von Zur-Muehlen, 1970, 1971).

Canadians relied heavily on U.S. Business schools for receiving their graduate Business education. One clear indication of that reliance is the number of Business faculty teaching in Canadian universities who have earned their doctorate in the USA (ECC, 1971).

During the sixties, the Commerce and Business Administration enrolment at the undergraduate level accounted for approximately six percent of the total enrolment. By the end of the seventies, this enrolment increased to twelve percent of the total student population. At the Masters level, sixteen MBA programmes were put in operation in addition to the two existing programmes in 1959/60 (Information Canada). This was the most dramatic Canadian expansion in Business programmes ever.

At the doctoral level, the University of Western Ontario with the support of the Ford Foundation established in 1962, the first Canadian doctoral programme in Business Administration (CFDMAS, 1981).

In spite the growth of Business education in the 1960s, Business schools in Canada entered the 1970s with many outstanding issues inhibiting their further development: High

demand for Business courses, low supply of academic Accountants, high student/teacher ratios, large classes, teaching overloads, lack of support within the university, and limited support from governmental agencies such as the SSHRC are major inhibiting factors.

The badly needed support for Business education developed within the Business schools. The Association of Canadian Schools of Business (ACSB), a rather inactive organization established in 1957, in essence, was succeeded by three new organizations; the Federation of Deans of Management and Administrative Studies, the Administrative Sciences Association of Canada, and the Canadian Academic Accounting Association (ACSB, 1959). These organizations act mainly as Learned Societies with many diverse activities.

Some additional assistance came from the Business students themselves. The large number of students attracted to Business education could not go unnoticed. Their success in finding good jobs, the low unemployment rate among Business graduates, and the average earning power above graduates of other disciplines brought in additional students at the expense of traditional disciplines. With few exceptions, Management and Administrative Studies programmes had to limit admission by raising standards and/or setting quotas. Universities at large maintained their orientation towards traditional disciplines with few minimal reallocation of resources. A typical argument presented by universities for

not adequately responding to the increased demand for Business education is that the demand is a temporary, short term phenomenon not requiring long term structural changes.

### Part-Time Faculty

Increased demand for Business faculty and short supply of academic Accountants has lead Business schools to use part-time instructors.

On the positive side, part-time instructors bring in the classroom an important element of realism. "The real world" approach of practising Accountants is beneficial in many ways, especially for certain courses (Taxation, Auditing) where practitioners may have some special strengths.

On the other hand, the quality of teaching may suffer with the disproportionate use of part-time faculty. Students are frequently unhappy with part-timers. They may not be on campus long enough to consult and interact with the students, they may not have much classroom experience, and they may not provide smooth flow and continuity from one course to another. They may not have the same degree of commitment as full-time faculty. Furthermore, full-time faculty are involved with recruiting, co-ordinating and assisting part-timers to the extent that it takes them away from their own priorities of teaching and research. The high turnover of part-timers augments the aforementioned problem. That is, the internal administration that part-timers entail may distract full-time faculty from teaching and research and/or restrict such

activities.

Since the cons seem to outweigh the pros, one could ask the question, why do Business schools continue the practice of hiring so many part-time faculty? There are two obvious reasons. Primarily because they cost less than full-time faculty and secondly, because recruiting full-time Business faculty is difficult. A new full-time Business faculty at the Assistant Professor level would cost a university between \$30,000 and \$35,000 (Statistics Canada, 1986). The normal teaching load of this faculty would be three 6 credit courses or the equivalent. A part-timer would cost around \$5,000 for a 6 credit course. The financial saving is obvious. If one adds the time, effort, and monetary costs involved with recruiting, interviewing, selecting, and appointing a new faculty member, as well as, the fact that recruiting Business faculty is not always successful, one can see why part-time faculty is the easy solution.

Easy solutions are not famous for their long run effectiveness. Short term gains frequently become long term pains. The short term savings may be detrimental to the university in the long run. Quite often students are dissatisfied with the university, part-time faculty are disillusioned with both students and university and full-time faculty are burned out by the system.

### Teaching Load

Today, Business faculty represent approximately six percent of the total faculty (CFDMAS, 1988). Business students account for twelve percent of the total student population (CFDMAS, 1988). This analogy indicates that the student/teacher ratio for Business faculty is very high, two to three times higher than most other disciplines.

The high student/teacher ratio creates a number of problems; large classes, teaching overloads, and lower research activity. Heavy demand for teaching has redirected Business faculty from research to teaching. The normal relief and assistance that faculty of other disciplines receive from graduate students as teaching and/or research assistants is not always available to Business faculty. The graduate Business programme (MBA) is a two year programme admitting graduates of all disciplines. Thus, students often do not have the under-graduate background to undertake the responsibilities of teaching and/or research assistantships. As a result, Business faculty, on top of their teaching overloads and larger classes, have the additional duties normally performed by graduate assistants.

## NOTES TO CHAPTER ONE

1. Information is provided from the Universite Laval calendar, 1986-87 Directory of Canadian Universities and the Commonwealth Universities Yearbook for additional information.

2. Information provided from the University of King's College calendar, the Dalhousie University calendar, and the 1986-87 Directory of Canadian Universities for additional information.

3. The University of Manitoba calendar and Commonwealth Universities Yearbook provides more information.

4. More information can be found in the University of Saskatchewan calendar and Commonwealth Universities Yearbook for more information.

5. See Conseil des Universities. Avis du Conseil des Universities QU Ministre de l'Education sur l'impner du Financement Federal sur le Developement Universitaire au Quebec, Quebecville, 1983 for more information.

6. For more information see the Manitoba Universities Grant Commission Annual Report of 1967.

7. This information can be found in National Student Aid Information Centre and Summary of Provincial Aid Systems 1985-86.

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## CHAPTER 2

MANAGEMENT ACCOUNTING EDUCATION, MANPOWER PLANNING  
AND THE CANADIAN ECONOMY

## 2.1 MANAGEMENT EDUCATION AND THE NEW ECONOMIC ORDER

The world economy has gone through a continuous revolutionary change in this century. Most of us recognize and quantify this revolutionary change in terms of income, production, and wealth. The qualitative factors of structure, institutional, and educational changes are somewhat ignored or at least assigned a secondary importance.

The remarkable transformation of the post-Second World War economy has been probably the result of changes in the structure of the work force, job content, management style, ability to manage innovation, and the birth of highly complex organizations. All these changes, in turn, in no small degree, have been the result of a higher level of (Business) education.

Technological change has been credited with the advances in the world's economic development. Yet, technological change in its maturity state predominantly shifts the emphasis from innovation to efficiency and effectiveness. How to become more efficient and productive essentially requires the skills of educated management. Transforming an idea from its birth to its commercial success also requires knowledgeable and masterful management. That is, not only the technological

change, but the ingenious management of it, with the parallel development of newly educated Business persons brought about the present economic prosperity.

This is not to say that economic development and advanced technology altered the fundamental role of businessmen. They are still handling Production, Marketing, Finance and Human Resources. However, their lives have become more complicated and their role is more demanding. Complexity requires a greater degree of sophistication and sophistication is developed with advanced learning and education. Business schools evolved to satisfy the need for better trained and educated individuals to handle the challenges the rugged entrepreneur could not.

As the business firm grew to today's huge international conglomerates, it had to develop an intellect mind and a nervous system to match its physical growth. That nervous system in reality meant a mixture of horizontal and vertical organizational structures with "specialists" of all kinds - professional managers - replacing the stereotype business tycoon who owned and managed the firm.

In the larger corporation, the thriving professional executive replaced the rapidly disappearing owner/manager. The shift from owner/manager to professional executive has had far reaching effects and sweeping indictments in Business Management. The highly individualistic, high profile, risk taker, genuine entrepreneur of yesterday was replaced by the

socially conscious, anonymous, risk averter, anti-hero manager. Freed from the owner's control, the professional manager is subject to controls imposed by a variety of groups: labour unions, management group itself, competitors, government agencies, and public opinion. As a result, the goal of social responsibility is becoming just as important as the goal of profit maximization.

(Industrialized) Nations, all of which favoured the development of advanced Business education, can be recognized rather easily. The traditional rural socioeconomic structure of developed nations changed gradually to an urban one. Production-blue collar groups were largely transformed to white collar and service workers. The farming sector declined in favour of the manufacturing sector, which in turn, in the current days of post industrial economies is losing ground to the service sector.

Disposable income increased substantially, increasing consumption and altering spending behaviour. Higher discretionary income posed a new challenge to business' marketing ability.

The expansion of financial intermediaries, banks, insurance companies, and investment companies fuelled the growth of big business mergers and acquisitions.

A new kind of competition forced the abandonment of Adam Smith's view of price elastic competition to one based on the marketing concept of product differentiation.

Decentralization replaced centralization in an effort to tame the bureaucracy that temporarily faced the multi-product, multi-function large firm.

The influence of Business schools and advanced Business education in general, in the metamorphosis of the economic structure of society was immense. While most of the undergraduate schools of Business started soon after World War I, most of the Graduate Business Schools opened their doors after World War II (Campbell and Hermanson, 1982) (Beechy, 1980). Perhaps no other discipline in higher education has undergone such a drastic metamorphosis than Business education.

A simple bookkeeping course was transformed into a number of Accounting and Management Information Systems courses. The advancement of Financial Management thought and specialized courses lead to the eventual creation of Graduate Schools of Management. Trade and vocational schools have developed into the prestigious Faculty of Business Administration. Advanced Management education became a prerequisite for a business career. Business schools became agents for social mobility. Working class children used it and still use it today to rise out of the blue collar class to middle and upper class professionals.

The new breed of executive produced in Business school knows more about Economics and Management than his/her predecessor. He/she reluctantly accepts government intervention as an extension of the fiscal and monetary policy

exercised by the government. The "new" executive is willing to work for a peaceful co-existence with labour unions and to recognize the market space competition occupies.

In short, management philosophy, opinions, and attitudes have changed with the constantly changing societal and economic environment. Business education is as much a part of the business community as the educational community. Many ideas and concepts of Business education have originated by practitioners outside the Business school. Over time, Business professors have intellectually formed them into techniques, models, processes, and cases used to educate the new managers of tomorrow. Business professors are highly prized consultants employed not only by the private sector but by governments, non-profit organizations, and international agencies. While Business schools cater to today's needs of the business community rather successfully, the challenge to cater to the business needs of tomorrow is always present.

## 2.2 THE EVOLUTION OF MANAGEMENT EDUCATION AND MANPOWER PLANNING

A nation, to realize its full potential and growth, requires leadership and competent managers in both the private and public sectors. In Canada, the importance of labour skills to economic growth has always been undisputable.

However, the quality of managerial training and know-how traditionally has not received as much attention.

Public pronouncements have focused almost exclusively on the technological aspects of the economy and stimulating research and development (R&D). The competitiveness of the Canadian economy internationally has been linked almost exclusively to high tech and innovative capability. The managerial aspects of scientific technological knowledge have almost been ignored (Ministry of Supply and Services, 1978).

The 1978 Report of the Royal Commission on Corporate Concentration hardly recognized managerial training as a concern of the Canadian economy.

Training, entrepreneurship, and innovative managerial strategies necessary to bridge R&D and its applications, are often identified but not focused upon. The possible connection between quality of management and entrepreneurial initiative has not always been formally dealt with.

Meltz (1978) states that it takes Canada longer to introduce new technology than any other industrial country. An important aspect of this problem is a lack of formal training in the relevant skills of management decision making.

The urgent need to strengthen the capabilities of Canadian management is more or less left to university Business education.

Two factors appear to explain the limited concern for Management education in Canada. First, constitutionally,

university (Management) education is a provincial responsibility. Thus, federal agencies are limited by what they can do outside their jurisdiction. Second, the Canadian university system has not supported Management education at the level it deserves. Allocation of human and budgetary resources are not in proportion to the students receiving Management education.<sup>1</sup> As a result, the quality and orientation of Management education is not what it ought to be.

Oversupply of university graduates in one area and shortages in another create understandable calls for manpower planning. The undisputable relationship between manpower planning and formal schooling transfers a good part of the responsibility for manpower planning to vocational education. The present imbalances of demand and supply in the Accounting professoriate can be seen as the result of a divorce between education and manpower planning. Education can never be divorced from economic life without consequences for the system. Oversupply of some skills, shortage of others, and a misallocation of resources are some such consequences. Comprehensive vocational objectives are needed to propel educational and economic development.

In past distant cultures, vocational training for specialized occupations were handed down from one generation to another, through long-term continued apprenticeship. That was the main form of education in that era. Political and



economic advancements in medieval Europe developed formal schooling and Liberal Arts education as a tool of gaining status rather than obtaining employment (Storr, 1973). Education itself was thought to prepare for careers in administration, government, church, and commerce rather than practical training. The traditional apprenticeship system was replaced by formal schooling. Vocational education was no longer the responsibility of the employer. The school system took over this function.

The limited relationship between school curricula and industrial needs soon created problems during the industrialization era. Intelligence and knowledge acquired through formal schooling could compensate for some years of apprenticeship, but it could not completely eliminate the need for special training.

This realization gradually produced vocational education. The vocational orientation of the school system in Canada started at the turn of the century.<sup>2</sup> While business, industry, politicians, and government advocated specialized training as a means of gained competitive advantage over other countries, educational traditionalists objected to vocational education. They decried the association of formal education and practical economic life. For the educational establishment, the purpose of pure education was not to instruct students how to perform certain duties on the farm, at the store, factory, or office. Education was thought as self-

purpose aiming at the betterment of the individual and developing creative thinking and wise judgement. Vocational pressures for a skilled labour force and efficient industrial productivity was never a concern for the traditional educators. Training for practical and commercial life had no place in the university system.

The imposition of economic goals on the educational system and the development of vocational education finally penetrated classical universities. The Nova Scotia Technical College and the Montreal Ecole des Hautes Etudes Commerciales opened their doors in 1907.<sup>3</sup> Both the Canadian Manufacturing Association and trade unions interested in a trained labour force, urged the government to proceed with technical education. Vocational education was supported on the grounds that it would benefit both the individual worker and Canada's economic development.

In 1910, with McKenzie King as Minister of Labour, the Royal Commission on Industrial Training and Technical Education was established under James Robertson, Principal of McGill University.<sup>4</sup> As a result of the Commission's work and the political pressures after the Winnipeg general strike, the federal government passed the Technical Education Act of 1919. Although the significance of the Act in promoting vocationalism was great, by the time it came about most provinces had already embraced the concept of vocational education. The academic monopoly had been broken by a brand

of education which maintained the classic moral, social, and economic outlook tempered with vocational preparation. Vocational courses finally became reality in high schools. Universities followed in the 1920s and 1930s by establishing schools and degrees in Commerce.

Liberal Arts educators in general reacted in fear, outrage, and hostility to introducing vocational, particularly Business courses, to the university system (MacDonnell, 1923).

Up to this point, universities had only tolerated Medicine and Theology as disciplines requiring vocational preparation. Intellectual development and vocational education, in the minds of all Liberal Arts educators, were sitting on opposite sides. MacDonnell (1923) called for total expulsion of Commerce courses from the university.

The fear of the power erosion of Liberal Arts faculty with the intrusion of Commerce faculty was not addressed directly. Instead it was expressed as a deep concern.

"When a student comes to the university he doesn't know what he is or what he is going to be, and the narrow vocational training...may lead to serious mental and moral abnormalities. It may stunt his growth, and the whole object of university is to pursue his growth" (Canada Club of Toronto Proceeding, 1930-31).

The Technical and Vocational Training Assistance Act of 1960 was the most important stimulus to vocational education in Canada ever. It was a massive programme to train the labour force to increase employment and foster economic development. It provided up to 75 percent capital costs and

50 percent operating costs to provinces for secondary and post-secondary vocational education expansion (House of Commons Debates, 1960-61).

Shortly after, in 1962, Ontario Premier John Robarts introduced the reorganized programme of studies (Robarts Plan) to take advantage of the provisions of the federal initiative (Moreland, 1977). High schools were to offer programmes organized in three groups; Arts and Science, Business and Commerce, and Technology and Trades. A five year (academic) programme after Grade 9 was designed for those university bound and a four year (general) programme for those aiming towards skill and trade improvement. From 1960 on, new Colleges of Applied Arts and Technology flourished outpacing the growth of university enrolment (Moreland, 1977).

The growth and prosperity of vocational education of the 1970s has not continued smoothly into the 1980s. The major thrust toward the post industrial era has made it increasingly difficult to match manpower requirements and vocational education. The shorter working week, early retirements, leisure activities, and the growth of the service industry have serious implications on vocational education that have not been fully addressed yet. As a result, community college enrolment is dropping and traditional university education is on the upswing again.

Vocationalism, is not a concept accepted by everyone. For many, vocational orientation serves as a status placement, what social position and salary an individual will attain. To achieve such a professional status the individual has to go through a predetermined course of schooling, tests, training, admission, and membership to a profession. Critics of vocationalism say that this system creates monopolies and hardly promotes the economic development which vocational education professes to achieve.

### 2.3 ACCOUNTING AND ECONOMIC DEVELOPMENT

Accounting is a man-made discipline. It is not based on unchangeable natural laws, therefore, it tends to assume the colouration of the particular culture and economic climate in which it is practised. In Canada, Accounting has been strongly influenced by both culture and economic reality. Culturally, Accounting has evolved along the British tradition (Canada was once a British colony). Economically, due to Canada's proximity with the USA, American developments made a similarly strong influence upon the Accounting evolution in Canada. Thus, the first British Accounting system transformed into Canadian economic life, then gradually it was superceded by the American one in order to align Canadian practices with those of the neighbouring USA.

Accounting is considered a secondary factor in economic development. It does not lead, but follows, economic development. The higher economic development and progress, the greater the sophistication and advancement of the Accounting discipline. However, Accounting is a catalyst-facilitator in promoting economic development. Users of Accounting data, in both the private and public sector, make decisions and set priorities crucial to the economic welfare of the country based on Accounting information. Inaccurate, sloppy or misleading assembly and analysis of Accounting data can prove to be detrimental to business firms as well as to economics.

By the time America was discovered, double entry bookkeeping was a well-established discipline. The earliest set of books in Canada is that of the Fonderie de St. Maurice from 1663 to 1763.<sup>5</sup>

Modern Accounting in Canada was necessitated and developed in the second half of the 19th century. New technology, rapid population increases, immigration, infusion of new capital in the economy, the proliferation of limited companies, and the needs of the business community for better Accounting brought into being the professional Accountant.

It is axiomatic to claim that change in the economic environment brings change in Accounting. World War II brought further industrialization, large complex corporate entities, and government taxation which precipitated further

growth in Accounting as a discipline. In spite of the astounding growth of the profession, the numbers of those with a professional designation remained relatively small and the body of knowledge fragmented and unstructured. However, ethics were elevated and rigorous uniform examinations and standards were put in place.

## NOTES TO CHAPTER TWO

1. Statistics Canada data (see Table 54) indicate that 12.2% of all university students in Canada were studying Management. However, only 6.5% of the total university instructors were employed in Management. This discrepancy is often used to measure the lack of university support to the discipline of Management.

2. For additional information see Business Education Programmes at Canadian Universities, 1970, and the Canadian (parliament) Report of the Royal Commission on Industrial Training and Technical Education, 1914.

3. See the 1986-87 Directory of Canadian Universities and the Montreal Ecole des Hautes Etudies Commerciales calendar.

4. See the Canada (parliament) Report of the Royal Commission on Industrial Training and Technical Education, 1914.

5. This information is available on microfilm: Archive du Ministere de la France D'Outre-Mer, Colonies, Serie C11A, Canada, Vol. No. 110, Universite du Montreal.



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PART II  
DATA COLLECTION AND ANALYSIS

CHAPTER 3

FIELD SURVEY

3.1 METHODOLOGY

Purpose

The purpose of this study is to explore the forces, trends, and pressures that shape the current status of the Accounting discipline in academia. The emphasis is placed on Accounting doctoral education and the shortage of doctorally qualified academic Accountants.

The identification of these forces will offer some insight into possible changes in Accounting education of the future and may, at the same time, indicate those areas where changes should be made.

Objectives

The objectives of this work are (but not limited to) as follows:

To gather and interpret the appropriate evidence with regard to Accounting education in Canada.

To examine the state of graduate Accounting education in Canada, its scope, quality, sources of funding, perspectives, and how it is carried out.

To study Accounting education as it relates to students, professors, schools of business, management and administrative studies.

To explain the relationship between Accounting education and Schools of Management, Business and Administration Studies, and the university in general.

To determine the effects of the discipline's professional status on the Accounting profession and vice versa.

To consider whether any general conclusions might be drawn from the study which may produce recommendations to university faculty, administration, professors, government and governmental agencies.

### Background

Although Accounting is a man-made discipline, it does not exist in a vacuum; it is influenced by external sources. Economic activity, practices, tradition, law of the land, and even public sentiments influence Accounting evolution. Most earlier changes in the Accounting discipline were brought about or imposed by legislative authorities and/or economic circumstances not by the Accounting profession itself. In the past Accounting education and research followed more or less, the pattern of Accounting practice. This may have been understandable and accepted when the Accounting profession was young but no longer. Today advances in the Accounting discipline are essential and expected. They are leading Accounting practice instead of following it. The

Accounting field in recent years has been a dynamic one. As the business world increasingly becomes more complex, as management, government, and various other institutions require more detailed and accurate information, the higher the degree of education, sophistication, and competence is required by Accountants. Changes in the economic environment have tremendous implications and places new demands on the educational system entrusted with Accounting education.

In spite of the rapid developments of the Accounting discipline, very little research has been done at the doctoral level. Most of the research has concentrated on Accounting education at the high school and undergraduate level. This situation may very well be explained as follows: Research in Accounting education evolved along the progress of Accounting education from its infancy to more mature levels. Doctoral Accounting education, being the most mature level, has not yet received the research attention it deserves.

The lack of extensive literature on the subject that prompted this research undertaking has been documented rather well by Thomas Burns (1984). In the preface of the volume "Doctoral Programs in Accounting" which he edited, he writes:

"Ironically there is one type of Accounting degree programme on which little literature exists and for which no conference has ever been held previously... University catalogues on Accounting doctoral studies usually contain the least information when compared to the catalogues of other academic programmes... Surprisingly this is a subject on which little interchange normally exists. As a result of this situation, the first time ever conference was held on June 2-4, 1983 under the auspices of the American Accounting Association at the Ohio State University.

Since this was a first time conference and no literature exists on this subject, the plans include publishing a proceedings volume..."

### 3.2 DATA COLLECTION

Two different methodologies were used to collect data; archival research and field study.

Data obtained from existing sources would characterize this dissertation as archival research. Original data gathered through an extensive survey of all Canadian universities would characterize it as field research. The reason for using both research methods is that no single method could provide accurate and up-to-date data for all aspects of the subject matter included in this work. A survey could never produce the diversity, amount and type of data used in this study. On the other hand, existing sources could never have provided the specialized and up-to-date information needed to meet the needs and objectives of this research effort.

Survey data, whenever possible, were contrasted and verified with similar archival data. The main sources of archival information involved:

- 1) various publications from Statistics Canada
- 2) Canadian Federation of Deans of Management and Administrative Studies (CFDMAS Publications)
- 3) Canadian Academic Accounting Association publications

- 4) study of all Canadian university calendars
- 5) A variety of reports, articles, journals, periodicals, and the like.

All sources used are properly identified as at the end of each chapter and in the bibliography. The first task of this work was to identify all available Canadian programmes in Accounting.

Many tools were used for this purpose. The 1987 Membership Directory of the Canadian Academic Accounting Association (CAAA) was the starting point. The 1986-87 Directory of Canadian Universities from the Association of Universities and Colleges of Canada, the 1987 Canadian Federation of Deans of Management and Administrative Studies (CFDMAS), and the 1988 Accounting Faculty Directory by James Hassleback were also used to confirm and verify the compiled list. In addition, university calendars were obtained and studied in order to complete the investigation.

Accounting programmes were defined as a set of university credit courses at the baccalaureate, master, or doctoral level leading to a degree in Business, Commerce, Administrative Studies, Management, or Accounting. Since this study was not designed to study the Accounting curriculum at Canadian universities, there was no focus on individual Accounting courses. Continuing education courses were ignored since they neither carry university credits nor lead to a university degree.

Every effort was made to differentiate between baccalaureate, master, and Ph.D. Accounting programmes. Also an attempt was made to identify different programmes within the same level of study (eg. B.Comm. versus BBA or MBA versus M.Sc.). However, at times it was difficult to differentiate between a BBA and B.Comm. programme when there were common courses and/or faculty teaching in both programmes.

This survey was conducted during the spring of 1988. Information was collected across the country from all Canadian university Accounting programmes of both official languages (English and French) for the academic year 1987-88.

Fifty questionnaires (Appendix I) were mailed out-one to each university-in the spring of 1988. Although the response in general was prompt, a second questionnaire, along with an appropriate cover letter, was sent out to the respondents that neglected to return the first questionnaire. As a result, forty-two replies were received in total. By all counts the return of 84% (42/50) is considered excellent.

The overall objectives of the survey were:

- 1) to determine the overall demand and supply for Accounting doctorates,
- 2) assess the qualifications profile of Canadian Accounting faculty members, and
- 3) provide a comprehensive analysis of doctoral Accounting education in Canada.



Verification of mailing addresses were made in advance of mailing the questionnaires to ensure that they were going to the right place. It was decided to direct the letter to the Dean, Director, Chairperson, Head of the Accounting Programme depending on what title was the appropriate for each university. Name usage was avoided, although, a list of such names was compiled. Academic appointments change very frequently and calendars and other lists often do not reflect current appointments. Also sabbaticals and leaves make such lists less accurate. A cover letter explaining the nature of the survey and a self-addressed stamped return envelope was attached to each questionnaire.

#### Information Value of Research

All those familiar with doctoral Accounting education and academic Accountants should not be surprised with the result of this research. Most of the findings are within the expected range. They confirm the widely held view that there is an acute shortage of Accounting faculty with a doctorate. This may not reduce the information value of the research, for two primary reasons. First, it is always important to document market information especially when it is current and comprehensive, and second, this information is necessary in order not to rely on opinions no matter how widely these views are accepted. Furthermore, it is important to identify what is not known and what still must be learned. In this respect, some research effort has been directed to a number of issues

associated with doctoral Accounting education which needed to be explored.

This thesis research is comprehensive. It covers the full range of Accounting education from its theoretical and conceptual treatment of the topic to its applied orientation and focus on current problems and issues.

The theoretical and conceptual information in this work was derived from secondary sources, mainly through library research. The information covering the current practice, problems and issues was derived from field research.

The analysis of data is primarily descriptive in nature (describes existing conditions). As a result, the author's personal views and teaching experience may have affected how the existing conditions are viewed. However, every effort was made to concentrate on empirical evidence and behavioural observation. The conclusion of this study may have implications for practice, theory development, and further empirical research.

### Challenges

The field of Accounting education at the doctoral level is confronted by a number of challenges. The extent to which and the way in which these challenges are met will have a significant impact on future research activities. Among the more pressing issues are those related to:

- 1) increasing the proportion of Accounting faculty with doctorates, and

2) developing Canadian Accounting research.

Most of the literature in the field has emanated from the United States. Much of this literature is of general conceptual relevance. Therefore, the knowledge base is, to some degree, common to both American and Canadian systems. However, special circumstances under which each educational system operates has to be studied in a unique and specific context.

Canadian Accounting scholars are challenged to develop and promote those areas which are particularly relevant to the Canadian environment. In some aspects, Canadian researchers need to recognize the intellectual debt owed to scholars of other countries and attempt to increase their output to the general development of the Accounting field.

Business professors are often criticized as being practice oriented. They are heavily involved in teaching and dependent on the research work of a small group of scholars. The urgent need for more Business and Accounting professors with research orientation has been documented. Only few researchers contribute regularly to the body of literature (Mattessich, 1988). It appears that there is a lack of a critical mass of scholars in the area of Accounting.

#### Limitations of This Research

This study was constrained by many factors including the following:

The response rate of the survey, although excellent (84%), still did not include the entire population of Canadian universities. As a result, some information may not be reflected in the data and conclusions of this study.

Archival research was limited to the published material that the author was able to identify and locate. Therefore, some interesting literature on the topic may not have been taken into consideration.

Accounting education is a broad subject area and if this research was to include all aspects of every issue confronting Accounting education, one would have to delve into areas outside the focal point of this thesis. As a result, some areas of potential inquiry may not have been dealt with. The main interest of this study is the doctoral level of Accounting education and the shortage of academic Accountants.

A further limitation may be the fact that only academic Accountants were surveyed. Practising Accountants in the private sector and government were not surveyed. It would be interesting to incorporate the views of practising Accountants in the study but again the focal point of the thesis is academic Accounting.

The findings of this research was also limited by the methodology followed, the type of questions asked, their sequence of appearance, the distribution method of the questionnaire, even the timing of administering the questionnaire. All of these elements may have induced some

biases in the findings of the study. However, these biases, if they exist, are unknown to the author.

Finally the time and money one could have spent in further researching the topic could also be viewed as a constraint of this research effort.

### 3.3 ANALYSIS OF SURVEY DATA

#### SIZE OF ACCOUNTING FACULTY

The total number of full-time Accounting faculty teaching at all Canadian universities in 1988 is less than 450 individuals.<sup>1</sup>

The Canadian Academic Accounting Association (CAAA) in its October 1987 membership directory (with 42 universities reporting) lists 248 full-time Accounting faculty. This number is definitely lower than the actual number of full-time Accounting faculty. CAAA only reports its members. Accounting faculty who have not joined the Association are not listed.

The 1988 Accounting Faculty Directory compiled by James R.Hassleback (with 27 universities reporting) lists 317 Accounting faculty. Hassleback's Directory is primarily an American Directory. A good number of Canadian universities are not reported. Volunteer submissions of faculty names from each university may not be an way to measure faculty size. Some schools may be induced to submit a longer than actual

list of Accounting faculty as a show of strength of their Accounting programme. Thus, the reported number of Accounting faculty may be inflated since it includes administrative positions (dean, department heads, directors) as well as professor emeritus that no longer teach, part-time lecturers and instructors, adjunct professors, and non-Accounting faculty. Thus, some part-time Accounting faculty below the rank of assistant professor and/or full-time faculty with partial Accounting teaching loads may have been included in Hassleback's list, augmenting the total number of the reported Accounting faculty.

This survey with 42 schools reporting out of a total population of 50 universities indicates a total of approximately 367 full-time Accounting faculty. The relevant question asked in the survey was: "How many full-time faculty members does your Accounting department/school have?" Since respondents were given a range of possible answers (less than 5, between 6 and 10, etc) the total number of 367 represents the middle range answer. If one estimates the faculty of the 8 universities that failed to respond to the survey ( $8 \times 367/42$ ) the total full-time faculty is certainly lower than 450 individuals. Some universities may have over-reported the number of Accounting faculty they employ. This is possible by including in their reported numbers, faculty who teach one or two courses in Accounting but their primary teaching responsibilities are in another discipline. Also some schools

who have employed Accounting practitioners on a part-time basis over a prolonged period of time tend to regard them as regular Accounting faculty. Continuous reliance on regular part-timers have lead some schools to award them the title of adjunct professor. Some discrepancies among the CAAA membership list, Hassleback's Directory, and this survey could be reconciled on the basis of the above explanations.

It is important to note (Table 2) that 38% of all universities employ less than five full-time Accounting faculty while 76% employ less than ten. That is, most Accounting departments in Canadian universities are of a small size. Less than a quarter of them employ more than 10 full-time faculty. The largest Accounting faculty are reported by Concordia University, Ecole des Hautes Etudes Commerciales, Université du Quebec à Montreal and the University of Waterloo. Although the results of this survey showed two schools with more than 30 faculty, both CAAA and Hassleback's Directory do not report any school with such a large number of Accounting faculty.

#### 3.4 ADDITIONS TO ACCOUNTING FACULTY

According to this survey, 46 new Accounting faculty were hired in the 1987-88 academic year (Table 3). Considering the total full-time Accounting faculty of less than 450, the 46 additions represent a turnover higher than 10%. This is a

rather high turnover which, among other things, indicates high mobility of Accounting faculty, and an active labour market for academic Accountants. Furthermore, it may indicate a willingness of universities to strengthen their Accounting faculty resources. Exactly half of the universities reporting did not add to their faculty. This may indicate that half of the schools enjoyed some faculty stability. They may have also reached a stage of maturity where student growth rates do not warrant additional faculty hiring.

However, 65% of the universities reported that they had approved but unfilled positions in Accounting (Table 8). The discrepancy between those schools who had an approved but unfilled positions (65%) and those who came out of the market empty-handed (50%) may indicate the difficulties universities have to recruit Accounting faculty. Putting it differently, the labour market for academic Accountants in 1987-88 was definitely a sellers' market.

In spite of this shortage of academic Accountants, two universities were able to hire six Accounting faculty each, one hired four, and three managed to hire three Accounting faculty each.<sup>2</sup> That is, six universities were responsible for 54% of the 1987-88 hiring. This high concentration of hiring, 14% of the universities doing 54% of the hiring, may reflect a number of things. Perhaps, these universities were able to shift more financial resources to the Accounting area and outbid other universities in the auction of hiring new



academic Accountants. It is also possible that universities which were successful in hiring academic Accountants had already strong and reputable enough programmes to attract Accounting faculty ready to move. Good Accounting programmes, after all, may have an easier time in attracting faculty in short supply. Most universities (nine) who hired Accounting faculty, hired only one person each (Table 3).

It is very interesting to note that 14 of the 46 new faculty additions (30%) were graduates of American institutes.<sup>3</sup> It is interesting to see that as in the past, even today, U.S. schools seem to supply a good proportion of Accounting Ph.D.s to Canadian universities.

A closer look at the qualifications of the new 46 hirees indicates that only 18 (39%) had a doctorate in hand, while another 8 (17%) were hired as All but Dissertation candidates. This means that of the 46 new Accounting faculty hired by Canadian universities in the 1987-88 academic year, 20 (43%) did not have a doctorate degree. This analysis of qualifications may lead one to believe that many appointments are not of a permanent nature (tenure track appointments) but temporary ones. Universities who made limited term appointments would be in the market for doctoral candidates continuously year after year until they find desirable doctoral candidates. Of course, the other alternative to being perpetually in the market would be to make tenure track appointments available to competent, tried out non-doctoral

candidates. This practice has been followed by many Canadian universities in the past, and appears to have a good chance of being continued. No matter how disappointing it may be to those who believe that a doctorate is the panacea to all ills of university teaching, Business and Accounting schools, with the absence of Accounting Ph.D.s, have no choice but to continue hiring non-doctoral candidates.

### 3.5 ACCOUNTING FACULTY ATTRITION

An even more disappointing message is given by the analysis of the data of Table 4. The 46 celebrated new additions to Accounting faculty in 1987-88 were matched with nineteen withdrawals from the Canadian academic system. That is, the net additions to the ranks of academic Accountants were only 27 (46-19) faculty. Nineteen universities were affected by faculty losses while 23 schools maintained their manpower. The sad part is that all nineteen faculty who left their academic position in 1987-88 had a doctorate, while only eighteen of the new recruits (39%) had a Ph.D. in hand. Thus, the net gain of 27 additional Accounting faculty in the entire university system, considering doctoral qualifications or lack of it, is inflated. In reality, overall the entire Canadian academic system lost one doctorate in Accounting. Accounting schools in Canada may not have gained much in desirable quality manpower in 1987-88. From the nineteen losses, only

six represented resignations to accept a position at another Canadian university. The rest (13 losses) were withdrawals from the Canadian university system.<sup>4</sup> Another point that needs to be made is the job mobility that Accounting Ph.D. holders enjoy. All those who left their academic position had a doctorate degree. Non-doctoral faculty seem to be reluctant to leave their academic posts. Certainly, this was not due to lack of vacant academic positions (46 places were unfilled) in 1987-88. Furthermore, since 20 of these vacancies were filled with non-Ph.D.s, non-doctoral faculty could have claimed some of these positions. While the reasons that Accounting doctorates are mobile are obvious (high marketability), the reasons for immobility of non-doctoral faculty are unclear. Perhaps, some non-doctoral faculty have been tenured and are not willing to undertake the risk of moving to another university where a doctorate degree is a prerequisite of tenure. No matter what the reasons might be, one thing is certain: doctoral faculty exit the Canadian academic system while non-doctoral faculty do not. Short supply of Accounting Ph.D.s presents the danger of creating a two tier system; big universities where most Accounting Ph.D.s are attracted and small universities with mainly non-Accounting doctorates.

There are no prevalent reasons for Accounting doctoral faculty leaving their positions (Table 5). All three reasons, retirement, resignation to accept a position at a Canadian or

foreign university appear to have more or less equal weight. The equal number of Accounting faculty leaving their position for a foreign or Canadian university may indicate the ability of Canadian faculty to secure academic jobs outside the country. Some of the academic appointments outside the country may be due to temporary placements in third world countries, visiting professorships, and post doctoral studies. Nevertheless, the beyond the Canadian border mobility of Accounting faculty demonstrates the international character of the market for Accounting doctoral faculty and the difficulties-severe competition it implies for university recruiters.

Finally, the data in Table 5 provides information about the number of those leaving academia to pursue a non-academic career. Ten percent of those who left their academic position went to non-academic jobs in the private and public sectors. Unfortunately, there was no provision in the questionnaire to detect the opposite flow, the number of Accounting practitioners who leave their position to enter academic life.

Tables 6 and 7 provide some information about the expected attrition of full-time Accounting faculty in the next five years.

A total number of 44 Accounting vacancies is expected in Canada in the next five years. Resignation to accept a position in another Canadian university is cited as a major reason (17 vacancies). It is not clear as to what motivates

Accounting faculty to leave their academic position for another one elsewhere. The presence of job opportunities in themselves are not enough to cause someone to leave his/her job. There is evidence that Accounting faculty gravitate towards bigger schools where Accounting as a discipline is prominent, commanding more prestige and authority. On the other hand, smaller Accounting departments, where the Accounting discipline is on the periphery of attention within the university structure, may have a harder time to maintain their highly qualified faculty.

Retirement is another main factor which would cause Accounting faculty attrition in the near future. Retirements are permanent withdrawals which affect the entire university system. The bad thing about retirement is that it deprives the system of the most experienced people. Mandatory retirement provisions have been challenged in the courts as age discrimination. Although some court decisions equated mandatory retirement to age discrimination, there has been no major impact on retirement policies. Accounting professors, like everyone else, normally retire at age 65. Under these circumstances, it is impossible to temporarily arrest the attrition of academic Accountants caused by retirement. Yet, such a measure could be helpful to universities since it allows, on a temporary basis, the supply for academic Accountants to catch up with the demand. Accounting faculty may be rehired after retirement again by their employer as

consultants to provide, in essence, the same service they were providing prior to their retirement.

The federal government and various provincial governments have introduced, from time to time, faculty renewal schemes to cushion the impact of retirements. It is doubtful though, if they work well in renewing Accounting faculty resources. Considering the difficulties of producing large enough numbers of Accounting Ph.D.s, such renewal schemes may not work for the Accounting discipline. However, they may produce results in disciplines where a relative large number of new doctorates is generated. Early retirement schemes may not work for Accounting either. Early retirement plans are not mandatory. A faculty member may choose to continue to work until age 65, in spite early retirement inducements. A faculty whose expertise is in great demand outside the university may exit the university system, while those with limited outside job opportunities may decide to stay on. Academic Accountants presented with early retirement schemes may exit the university system in greater proportions than academics from other disciplines due to excellent opportunities for gainful reemployment.

The impact of future attrition is not expected to be the same for all universities. Just over 19 (46%) of universities do not expect to lose any faculty in the next five years. Of the remaining 23 universities, five are expected to absorb the major shock. They will account for 36 of the 44 expected

vacancies. It appears that more established, older universities will lose-because of retirement-a good part of their Accounting professoriate within the next five years. This may be due to the age profile of their professoriate. It is reasonable to assume that older, more established institutions have a greater share of older, near retirement, professoriate. This assumption is based on the previous argument that older more accomplished Ph.D. holders are attracted to more established institutions. Newly established universities and/or junior Accounting schools may also lose some of their faculty but not due to retirement. Faculty from these schools may leave to replace retiring faculty in more senior universities.

### 3.6 NEED FOR ACCOUNTING PH.D.s

Table 8 indicates the approved but unfilled full-time positions in Accounting that acquire a Ph.D. in Accounting. Twenty-seven universities (64% of the total) reported such unfilled positions amounting to a total of 69 vacancies. The approved but unfilled positions were not evenly distributed among all universities. The unfilled positions in each university ranged from one to eight positions. Fifty-two (75%) vacancies were reported by 24 (57%) of the universities. That is, the approved but unfilled full-time positions in Accounting that require a Ph.D. in Accounting do not have the

same impact on each university. The universities with one vacant position are not as negatively affected as those with two, three or more vacancies. The greater the number of vacancies, the greater the hardship imposed upon the school and its obligation to deliver a credible Accounting programme.

Many respondents reported that the approved but unfilled positions have been open for many years. Thus, the 69 vacancies is the result of shortages of academic Accountants from previous years as well as the current year.

If one adds to the 69 approved but unfilled positions (Table 8) another 69 positions presently held by part-time instructors (Table 9) who universities would like to be replaced with full-time Accounting doctorates, a total of 138 vacancies is arrived at. Adding 13 faculty (Table 3 and 4) to account for Accounting faculty who left the university system this year (5 retirements, 6 resignations to accept positions at foreign institutions, 2 resignations to pursue a non-academic career) vacancies are totalling up to 151 unfilled positions. Thus, one can conclude that if the supply of Accounting doctorates was high enough, Canadian universities would be in a position to employ 151 new Accounting graduates. With 42 universities declaring their 151 vacancies, each of these universities needs and desires to hire on average 3.6 Accounting doctorates. It should be noted that these numbers reflect the current situation and do not include the expected faculty attrition (Table 6 and 7) nor



take into account the expected additional positions in Accounting faculty that may be created in the next 5 years (Table 9). Needless to say, the average number of vacancies for Accounting doctorates per university is just an average. As it has already been explained, the distribution of vacancies among universities is very uneven.

If one adds the expected attrition of 44 faculty (Table 6 and 7) and expected growth of 93 faculty (Table 9) a total of 137 vacancies are to be created in the next five years. Adding together the 138 current vacancies and 137 projected vacancies, one concludes that a total of 288 near future Accounting vacancies are expected by the 1993-94 academic year.

Although these numbers may not appear significant in absolute terms, one should relate them to the total Accounting faculty at Canadian universities (less than 450) and the annual Canadian production of Ph.D.s (less than 4). At the present production rate of Canadian Accounting Ph.D.s, it would be impossible to fill the existing vacancies and catch up to the additional demand for academic Accountants.

In an attempt to purifying the above data, one could reduce the total expected attrition of 44 faculty losses by 17 which represents resignations of faculty to accept positions at other Canadian universities. Resignations of faculty to accept academic positions at other Canadian universities does not entail losses for the university system,

only to the university from which they resign. That is, the expected attrition may only be 27 (44 - 17) faculty.

One could also claim that the expected growth projected by the respondents may already include the expected attrition of 44 faculty. In this case, the expected growth is reduced from 93 to 49 (93 - 44). The total projection of needs for Accounting faculty in the next five years under this purification of data is 227.<sup>5</sup> Therefore, the two calculations may develop into a high projection and a low projection scenario. The particulars of these scenarios appear in Table 11.

### 3.7 EXPLANATION OF MEASUREMENTS

Some brief explanation about the Likert Scale is important at this point since answers to Questions 9, 10, and 11 were based on the Likert Scale.

Respondents were given eight options; three options to agree with a given statement (strongly agree, agree, and somewhat agree), three options to disagree (strongly disagree, disagree, and somewhat disagree), one neutral option (neither agree or disagree), and an eighth option (unable to judge). However, since the type of questions asked were addressed to people who were able or ought to be able to provide an answer, this eighth option was almost never used by the respondents.

A weight of seven points was assigned to the "strongly

agree" reply, six points to the "agree" reply, and five points to the "somewhat agree" reply. A weight of one point was assigned to the "strongly disagree" reply, two points to the "disagree" reply, and three points to the "somewhat disagree" reply. Finally, the "neutral" answer received a weight of four. On this basis, a mean score of above four would indicate, on average, agreement, while a mean score below four indicates, on average, disagreement. The closer the score is to the maximum score of seven, the greater degree of agreement, the closer a score is to the minimum score of one, the greater the degree of disagreement.

The Likert scale was considered as an ideal method for measuring the responses of Question 9, 10, and 11. However, each section of the scale may not have the same measurement as it is supposed to. The highly subjective intensity of agreement or disagreement can never produce equal measurements among the seven options. Out of necessity all responses are identified with one of the seven scores ignoring all other parameters. (eg. There is no measurement between agree and strongly agree, the respondent has to choose one of the two).

The standard deviation as a measurement of dispersion of the distribution around the mean value has been calculated for each question to provide the reader with a better understanding of the average deviation from the average measurement-answer.

The median value is used to determine what the majority of respondents think.

Modal values, which of the seven answers received the most replies, is often mentioned to indicate the most popular answer. The range, the distance between the smallest and largest value, given the options of the Likert Scale, cannot be more than seven. The greater the range, the greater the variability of answers.

### 3.8 IMPORTANCE OF A PH.D. TO UNIVERSITY TEACHING

There has been considerable debate over the years whether or not a Ph.D. degree is important for university teaching. The respondents to this research project clearly believe that a doctorate is important for university teaching. The answer to the question "in your opinion, to what degree is a Ph.D. in Accounting necessary for university teaching?" was clear. Thirty-four or 80% of the reporting universities (Table 12) consider the Ph.D. degree at least as "somewhat important." Only three respondents reported that a Ph.D. is not important while the remaining 5 respondents adopted a neutral position.

Statistically, with a weight of seven being attached to the response "strongly agree" and one to the response "strongly disagree", a mean of 5.64 was recorded in this question. That is, with a maximum possible score of seven the response "strongly agree that a Ph.D. degree in Accounting

is necessary for university teaching", received an average score of 5.64.

$$\bar{x} = \frac{\Sigma x}{n} = \frac{237}{42} = 5.64$$

$$\sigma^2 = \sqrt{\frac{\Sigma (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{46.83}{42 - 1}} = \sqrt{1.14} = 1.06$$

The median value is "somewhat important" and the modal value (the most popular answer) is "very important".

The importance assigned to teaching effectiveness in making tenure decisions in Accounting departments is reflected in Table 13.

### 3.9 IMPORTANCE OF CRITERIA USED TO MAKE TENURE DECISIONS

Many academics feel that an undue emphasis on doctoral qualifications, and publications have somehow reduced the importance of teaching effectiveness in promotion and tenure decisions. Question 10 of the questionnaire aimed to clarify the importance of each one of the criteria used for tenure decisions.

Predictably, all respondents assigned some degree of importance to teaching effectiveness. No respondent considered teaching effectiveness as unimportant to tenure decisions. The average score of importance out of 7 was 5.5 with a standard deviation of 1.03.

$$\bar{x} = \frac{\Sigma x}{n} = \frac{233}{42} = 5.5$$

$$\sigma^2 = \sqrt{\frac{\Sigma (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{43.75}{41}} = \sqrt{1.09} = 1.03$$

Both, the median value and modal value is very important.

Similar results were obtained in quantifying the importance of scholarly publications, in making tenure decisions (Table 14). Most respondents assigned a high weight of importance to scholarly publication. Seven respondents thought that scholarly publications are "somewhat unimportant" in making tenure decisions. The actual calculation of the mean and standard deviation produced the following values:

$$\bar{x} = \frac{\Sigma x}{n} = \frac{233}{42} = 5.55$$

$$\sigma^2 = \sqrt{\frac{\Sigma (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{44.80}{41}} = \sqrt{1.09} = 1.05$$

The median value is "somewhat important" and the modal value is very important.

Service to the university community (Table 15) as a tenure criterion produced more diversified answers than the previous two. Approximately half of the respondents thought that service to the university community was, to a various degree, "not important", while a good number thought of it as neither important or unimportant. This is somewhat surprising

since service to the university has been encouraged and broadly recognized as important in the promotion and tenure policies of most universities. University self-governance also implies some service by faculty on committees, boards, and other bodies responsible for governing and administering university affairs. Furthermore, collective agreements that universities have with unionized faculty spell out university service as a faculty responsibility and therefore as criterion of performance.

The mean of the responses was:

$$\bar{x} = \frac{\sum x}{n} = \frac{155}{42} = 3.69$$

This indicates that Accounting faculty on average considers service to the university community as "somewhat unimportant" to tenure decisions.

The standard deviation of the service to the university community criterion was:

$$\sigma^2 = \sqrt{\frac{\sum (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{28.7}{41}} = \sqrt{0.7} = .84$$

This dispersion around the mean at best indicates (3.69 + .84 = 4.53 and 2.75) when evaluating colleagues up for tenure. University service may not help nor harm the applicant. Both, the median and modal value are "neutral".

The question on the importance of service to the Accounting profession in making tenure decisions was asked in

order to determine to what extent Accounting faculty is expected or should be associated with the professional and practical aspects of Accounting. Very diversified answers were supplied to this question (Table 16).

The average importance attached to this tenure criterion was only 3.43 with a standard deviation of .87.

$$\bar{x} = \frac{\Sigma x}{n} = \frac{137}{40} = 3.43$$

$$\sigma^2 = \sqrt{\frac{\Sigma (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{30.24}{40}} = \sqrt{.75} = .87$$

Both, the median and modal value was "somewhat unimportant". It has been a generally accepted dogma among academic Accountants that they have to be linked with the practical aspects of the profession. In order to keep abreast of the issues facing the practicing Accountant, academics have to be involved in the professional organizations they are members of. To be able to counsel students, the aspiring new Accounting faculty should know first hand what the profession is all about. Although this is an unofficial stipulation in an academic's job description, it is reasonable to expect the Tenure and Promotion Committee to recognize this service as a criterion of evaluating an academic's performance in this area.

**Service to the public** (Table 17) scored the lowest points with regards to tenure decisions.



$$\bar{x} = \frac{\Sigma x}{n} = \frac{94}{42} = 2.24$$

$$\sigma^2 = \sqrt{\frac{\Sigma (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{46.6}{41}} = \sqrt{1.14} = 1.07$$

Both the median and modal value was "somewhat unimportant". It appears that in the minds of academics, social contributions are completely separate from academic life. Yet, the public often look at university thinkers for leadership in societal concerns and issues. Perhaps this divorce of societal service and academic service reflects the inability of academic research to address practical and societal concerns. Academics have often been accused for too much esoteric, theoretical research. Academic Accountants, though, may score a bit better in this respect than other academics from other disciplines. They may engage in more practical research and contribute not only to pure theoretical journals but also to professional and general appeal magazines. It is somewhat surprising to see academic Accountants assigning a very low importance to public service since as a profession they are indeed providing such a service.

The response to the request to rank the importance of a doctoral degree to tenure decisions produced similar responses to the question asked earlier, whether a doctoral degree was necessary for university teaching. Thirty-five respondents considered the doctorate as at least important, 6 thought of

it as unimportant, while 1 respondent was unable to judge (Table 18).

The mean response attached to the importance of a doctorate was 5.52 points out of 7 points. This was just below the 5.64 score of the mean response attached to the necessity of a doctorate for university teaching. This may lead to the conclusion that a doctorate is more necessary to obtain a university teaching position than to earn tenure.

The calculation of mean and standard deviation is provided below:

$$\bar{x} = \frac{\Sigma x}{n} = \frac{232}{42} = 5.52$$

$$\sigma^2 = \sqrt{\frac{\Sigma (x - \bar{x})^2}{n - 1}} = \sqrt{\frac{41.86}{41}} = \sqrt{1.02} = 1.01$$

The median value is "important" and the modal value is very important. It is clear from Table 19 that scholarly publications, a doctoral degree, and teaching effectiveness are by far the most important criteria used to evaluate Accounting academics who apply for tenure. The ranking is so close that the range of responses for the three most important criteria is almost identical.

	Mean values	±	Standard deviation	=	Range
Scholarly publications	5.55	±	1.05	=	6.60 to 4.50
Doctoral degrees	5.52	±	1.01	=	6.53 to 4.51
Teaching effectiveness	5.50	±	1.03	=	6.53 to 4.47

All the remaining three criteria with a mean score of importance below four do not carry any actual importance when tenure decisions are made. It is worth noting though, the ranking of the three least important criteria. As one moves away from service to the university community to the Accounting profession and discipline and then to the general public, the mean score drops continuously. Likewise, the standard deviation increases as one moves from service to the university community, to service to the general public. That is, service to the university community gathered the most homogeneous responses while service to the general public the most diverse responses.<sup>6</sup>

The ranking of Table 20 drastically differs from that of Table 19. The preferred importance assigned to tenure criteria is quite different from the actual importance. Only the criterion service to the general public received identical ranking (last) under both preferred and actual importance of the tenure criteria.

The three most important criteria used for tenure in current practice were also considered as the top three preferred and appropriate criteria. However, the ranking was totally different.

According to this survey, the current practice places scholarly publications at the top of the list (apparently the publish or perish rule does apply here). The preference though, of academic Accountants would be to place teaching

effectiveness as the most important criterion for tenure. That is, teaching effectiveness ranked the number one criterion in the ought to be category, while it ranked only third in the current practice category.

The debate as to what is the appropriate ranking between publication and teaching effectiveness is not new to anyone familiar with academia. Those who place teaching effectiveness on the top argue university teachers first and foremost must be good teachers. Placing publication records first takes teachers away from their most important responsibility, teaching. Research and publication is imperative to sustain the teaching activity, counters the other side. At the highest level of learning, research is more important than teaching.

The results of this survey clearly indicate the debate is still on. It also shows that academic Accountants are in favour of ranking teaching effectiveness as the most important criterion for tenure. Furthermore, they are of the impression that the current system places publication record above teaching effectiveness. A reasonable interpretation of this response could be the fact that many academic Accountants lack doctoral qualifications.<sup>7</sup>

Statistics Canada indicates that on average, only 60% of Management and Administrative Studies faculty had doctorates in 1986-87.<sup>8</sup> As a result, they may not believe as much in academic research. Teaching competence and activities may be

their first priority. That is, one's academic background and personal experience may shape the preference between publication record and teaching effectiveness.

The necessity of a doctoral degree for university teaching in the preference category dropped to number three position from the number two position it occupied in the current practice category.

It is noteworthy to recognize that the mean scores attached to preferred criteria for granting tenure are consistently higher than the mean scores attached to the criteria as they currently apply. This may reflect the general tendency of assigning higher values to our opinions, especially when the practice contradicts them.

If one was to ignore the ranking of the criteria and to focus exclusively on the raw scores, some interesting observations would be made. The preferred importance assigned to a doctoral degree registered a mean score of 5.61, ranking the doctoral degree third after teaching effectiveness and scholarly publications. However, this third ranking score is higher than the first ranked criterion (scholarly publication) under the actual current practice. This may indicate a greater agreement among the respondents as to how the evaluation criteria should apply than how they actually apply. The high degree of diversity in perception of the relative importance of the criteria used for performance evaluation could have ramifications on the acceptability of decisions

reached using these criteria of disputed importance.

According to the preferences of academic Accountants, service to the profession and discipline should be ranked ahead of the service to the university community. This finding is not surprising. Faculty in a discipline that prepares students for specific professions, at least in some proportion, have to be themselves part of this profession. In order to achieve maximum teaching effectiveness, for example, a nurse should be involved in teaching others to become nurses and Accountants should be involved in teaching others to become Accountants. Professional schools, in general, subscribe to this idea by including practitioners in their faculty. However, this practice may not be popular in traditional disciplines where general education and values are emphasized.

### 3.10 ACCOUNTING AND BUSINESS SCHOOLS WITHIN THE UNIVERSITY

There has been considerable discussion about the level of power that Accounting departments have within the administration structure of the university.<sup>9</sup> It is not an unusual view among Accounting faculty that Accountancy as a sub-discipline of Business Administration does not command the same attention and/or influence as other Business disciplines within the school of Business Administration or within the university. This argument is often used to promote the

creation of a separate School of Accounting (Savoie, 1971; Reeve, 1983).

The results of this research, overall, somewhat supports this sentiment. A good proportion of respondents 18 (42%) agreed in general with the statement that the Accounting department as an academic body enjoys a lower level of power than an average academic department. The mean score of 3.34 places the average response in the "somewhat agree" range.

A possible explanation for those responses is that not all respondents were from the Accounting ranks. The questionnaire was addressed to the Dean, Director, or Chairperson of each Business School who in most instances were not Accounting academics. Although some individual responses indicate that the questionnaire was passed on to an Accounting faculty for reply, in several instances it is not known who actually replied. Non-Accounting Deans, Directors, or Chairpersons with responsibility over the entire School of Business would likely present a picture of balanced power among different Business disciplines rather than openly admitting superiority or inferiority of a given discipline. It is worth noting that the modal value, the answer that received the most replies (12) was "somewhat disagree with the statement". The median value was disagree and the standard deviation .89.

$$\sigma^2 = \sqrt{\frac{\sum (x - \bar{X})^2}{n - 1}} = \sqrt{\frac{31.76}{40}} = \sqrt{.79} = .89$$

Taking into account that the present statistics indicate an unfavourable allocation of university resources to the Accounting discipline, in an attempt to look at the future of Accounting, the following question was asked: Is it likely that in the immediate future there will be a significant increase in budgetary allocation for Business schools (Accounting departments) from the overall university budget?

The answer was a resounding "no".<sup>10</sup> Thirty-two of the 42 respondents indicated that they did not expect any significant increase in budgetary allocations. The most popular answer (modal value) was "strongly agree" and the median value "agree". Only ten expected a more favourable budgetary allocation for Business and Accounting. Furthermore, the mean score of 5.29 predicting no changes in budgetary allocation leaves no margin for doubt. It appears that, in the near future, Accounting is not going to gain any new and/or significant ground. University tradition formulated over many years is hard to break. It will take time before the Accounting discipline earns the prominence and attention it is seeking.

The standard deviation of this question produced the following value:

$$\sigma^2 = \sqrt{\frac{39.62}{40}} = \sqrt{.96} = .98$$



### 3.11 ACADEMIC ACCOUNTING AND THE ACCOUNTING PROFESSION

Question 11c was an interesting one. The answers (Table 23) to the question whether "Accounting programmes have a major obligation to align academic requirements with those of the professional Accounting bodies" was split right in half. The average score was 4.02 and the standard deviation was .83. The median value was neutral and the modal value was shared between the "agree" and "somewhat agree" responses. There is no unanimity among academics as to the degree of independence a university programme should adopt from the profession it intends to serve. Considering that some of the respondents may not have been from the Accounting discipline, one would expect them not to be able to fully understand the special link that exists between the profession and academic Accounting. It would be interesting to consider the same question addressed to two separate groups; Accountants and non-Accounting faculty.

The responses to Question 11d (Table 24) are more cohesive and clear in direction. "The professional Accounting bodies of CA, CMA, and CGA should support, financially and otherwise, university Accounting programmes". Half of the respondents (median) gave a strong endorsement to this statement. Furthermore, the agreement is evidenced by an average score of 5.76 points out of a maximum of 7, and the modal value (most popular answer) of "strongly agree". The

standard deviation is 1.1. The response to this statement may be somewhat contradictory in nature to the response of the previous question (11c). While academics overwhelmingly agree that the Accounting profession should support university programmes, at the same time, they seem to differ in serving the educational requirements of the profession. The author finds it difficult to reconcile the two answers. The professoriate seem to guard academic sovereignty and independence from the outside interference of the profession. At the same time, though, they seem to be willing to open the doors to the university treasury wide sacrificing the university's financial independence.

### 3.12 PROJECTIONS OF FUTURE PRODUCTION, DEMAND, AND SUPPLY OF ACCOUNTING DOCTORATES

Table 25 provides a clear picture of the supply (production) side of academic Accountants in Canada. The question "How many faculty do you presently have on leave pursuing their Ph.D. in Accounting", indicates that there are some 39 faculty members from 16 different universities today who are pursuing an Accounting Ph.D. degree. This number in comparison with the number of Accounting faculty that do not have a doctorate is very small. That is, only a small fraction of non-doctoral Accounting faculty is pursuing a doctoral degree. Considering the length of doctoral studies,

and the small number of non-Accounting faculty pursuing their doctorate, the annual supply of Accounting Ph.D.s in the near future will be rather small. Perhaps 5 or 6 faculty will be graduating in each of the next 5-6 years. If the supply of Accounting doctorates was to increase, doctoral students would have to be attracted from other sources, not non-doctoral faculty. If one further considers that 20% of those pursuing their doctorate are not expected to return back to their position, the net gain to the Canadian university system may not be as high as the absolute numbers indicate.<sup>11</sup>

Question 13 "Do you think there is a shortage of Accounting Ph.D. programmes in Canada?" resulted in 30 answers in the affirmative and 12 answers in the negative. That is, 10 out of 14 respondents believe that there is a shortage of Accounting Ph.D. programmes in Canada. This is further supported by the answer to Question 16, where only five universities reported offering a Ph.D. in Accounting. In summary, it seems that there is no major dispute about the shortage of Accounting doctoral programmes in Canada, although some may disagree about the size or degree of shortage.

The most frequent cited reason for the shortage of Accounting doctoral programmes is the lack of interested students. In the words of a particular respondent, "the shortage of Accounting Ph.D. programmes is due to a lack of interest by students, many of our Ph.D. students are not

Canadian", another respondent blames tradition for the shortage of Accounting doctorates, "a historical perception in this country that Accounting is largely a professional body of knowledge which can adequately be conveyed to students by non-Ph.D. faculty members (eg. MBA, CA) results in a shortage of academic Accountants."<sup>12</sup>

Another university reported, "we have a Ph.D. programme but no students yet! Either graduates are moving to the U.S. for higher salaries or the U.S. graduates are not coming to Canada for the same reason. As a result, shortages of Accounting professors, doctoral programmes, and students exist."<sup>13</sup> That is, shortages of Accounting doctoral students and programmes are interlinked. Shortages of qualified professors and/or students cause a shortage of Accounting doctoral programmes and a shortage of programmes produces fewer Accounting students. It is not clear what is the cause and/or effect of this relationship.

One respondent claimed lack of qualified professors as a reason for few Accounting programmes. However, another respondent was convinced the lack of an adequate number of Ph.D programmes caused fewer students to enter Accounting doctoral studies. "The difficulty of training even one Ph.D. implies the more programmes, the more output."<sup>14</sup> The very existence of a Ph.D. programme could create its own demand. Therefore, the more programmes, the more students, and hopefully more graduates will be produced.

There are 12 Canadian universities that offer a doctoral programme in Business Administration.<sup>15</sup> Accounting doctoral programmes though, are not as common as similar programmes in Business Administration. In fact, less than half of these doctoral programmes in Business Administration offer a specialization in Accounting. The survey results indicated that only five of these twelve universities offer a Ph.D. in Accounting.

To the reply to Question 15, "Does your university plan to offer a doctoral programme in Accounting within the next five (5) year?", only one university (Calgary) indicated so. That is, in the near future, to the extent that production of Accounting Ph.D.s depends on the number of programmes available, the supply of Canadian Accounting doctorates is not expected to be significantly improved. Furthermore, the answer to the Question (18) "How many Ph.D. Accounting students do you expect to admit in your doctoral programme over the next five years?", was equally disappointing. A total of 31 students are expected to be admitted by all five universities. Some indicated high costs, availability of doctoral supervisors, and length of doctoral studies as prohibitive factors for admitting more students. In fact, no university projected admitting more than two student per year!

Question 17 "How many Ph.D. students majoring in Accounting are presently in each stage of your programme?", produced the following answers:

10 students at the thesis stage

3 students at the comprehensive examination stage

16 students at the coursework stage

Those numbers are also discouraging. They are not expected to significantly increase the supply side of the equation. If one was going to exclude foreign students from these numbers, the projected supply (production) of Accounting doctorates would be even more disappointing. Furthermore, the stage of the programme in which these students are in may influence their success-completion rate. One normally would expect a greater completion rate for those students at the dissertation than those at the initial coursework stage. As a student proceeds over the hurdles of the doctorate degree, natural attrition allows only the fittest to reach the final stage of the programme. Considering that only 10 students are at the thesis stage of the programme, the number of Ph.D. graduates may be much smaller than the total Ph.D. student number demonstrates.

TABLE 2

(QUESTION 2 DATA)

Size of Full-time Accounting Faculty at Canadian Universities  
1987-1988

Number of Faculty	Number of Schools Reporting
less than 5	16
6 - 10	16
11 - 15	5
16 - 20	1
21 - 30	2
more than 30	2
	-----
Total	42

TABLE 3

(QUESTION 3 DATA)

Full-time Accounting Faculty Hired by Canadian Universities  
1988-1989

Number of Schools Reporting	Number hired	Total Faculty Hired
21	none	0
9	1	9
6	2	12
3	3	9
1	4	4
2	6	12
-----		-----
Total 42		Total 46

TABLE 4

(QUESTION 4 DATA)

Frequency Distribution of Schools That Lost Accounting Faculty  
in 1987-1988

Number of Schools Reporting	Number Left	Total Faculty Left
27	none	0
12	1	12
2	2	4
1	3	3
-----		-----
Total 42		Total 19

TABLE 5

(QUESTION 4 DATA)

Full-time Accounting Faculty Leaving Canadian Universities  
per Reason of Exit 1987-1988

Reason for Exit	Number of Faculty Left
Retirement	5
Resignation to accept position at another Canadian university	6
Resignation to accept position at a foreign university	6
Resignation to pursue a non- academic career	2
Resignation due to other reasons (health etc.)	0
	-----
Total	19



TABLE 6

(QUESTION 5 DATA)

Expected Attrition of Full-time Faculty at Canadian Universities For the Five Year Period Between 1989-90 and 1993-94

Reason for Leaving	Estimated Number of Faculty
Retirement	15
Resignation to accept a position at another Canadian university	17
Resignation to accept a position at a foreign university	6
Other reason (health etc)	2
	-----
Total	44

TABLE 7

(QUESTION 5 DATA)

Expected Attrition of Full-time Accounting Faculty for the five year period between 1989-90 and 1993-94

Number of Schools Reporting	Expected Attrition	Total Attrition
19	none	0
8	1	8
9	2	18
6	3	18
-----		-----
Total 42		Total 44

TABLE 8

(QUESTION 6 DATA)

Approved But Unfilled Full-time Positions in Accounting  
That Require a Ph.D in Accounting

Number of Schools Reporting	Number of Unfilled Positions	Total Positions Available
15	none	0
6	1	6
8	2	16
10	3	30
1	4	4
1	5	5
1	8	8
-----		-----
Total 42		Total 69

TABLE 9

(QUESTION 7 DATA)

Accounting Ph.D.s Needed to Replace Current Part-time  
and Not Tenured Track Accounting Faculty

Number of Schools Reporting	Number of Ph.Ds Needed	Total Number of Ph.D.s Needed
15	none	none
9	1	9
4	2	8
7	3	21
2	4	8
3	5	15
1	8	8
1	not reported	
-----		-----
Total 42		Total 69

TABLE 10

(QUESTION 8 DATA)

Projected Additional Needs for Accounting Doctorates  
for the Period 1989-90 to 1993-94

Number of Schools Reporting	Number of Projected Ph.D. Faculty	Total Projected Need
10	none	0
10	1	10
5	2	10
6	3	18
2	4	8
3	5	15
2	6	12
1	20	20
-----		-----
Total 42		Total 93

TABLE 11

TOTAL NEEDS OF ACCOUNTING PH.D.s BY THE CANADIAN  
UNIVERSITY SYSTEM 1989-90 TO 1993-94

PRESENT NEEDS	HIGH PROJECTION SCENARIO	LOW PROJECTION SCENARIO
Approved but un- filled full-time positions in Accounting that require a Ph.D. in Accounting	69	69
Accounting Ph.D.s needed to replace current part-time and not tenured track Accounting faculty	69	69
Total Accounting faculty leaving Canadian univer- sities	13	13
<b>TOTAL PRESENT NEED</b>	<b>151</b>	<b>151</b>
5 Year projections (1989-90 to 1993-94)		
Expected additional needs for Accounting faculty (1989-90 to 1993-94)	44	27
Expected additional needs for Accounting doctorates (1989-90 to 1993-94)	93	49
<b>TOTAL PROJECTION</b>	<b>137</b>	<b>76</b>
<b>TOTAL PROJECTED NEED</b>	<b>288</b>	<b>227</b>

TABLE 12

(QUESTION 9 DATA)

Importance of Ph.D. Degree in Accounting  
for University Teaching

Degree of Importance	Number of Schools Reporting
Very Important	15
Important	10
Somewhat Important	9
Neutral	5
Somewhat Unimportant	2
Unimportant	0
Not Important At All	1
Unable to Judge	0
	-----
Total	42

TABLE 13

(QUESTION 10 DATA)

Importance of Teaching Effectiveness in  
Making Tenure Decisions in Accounting Departments

Degree of Importance	Actual Importance	Preferred Importance
Very Important	15	24
Important	3	8
Somewhat Important	12	4
Neutral	12	5
Somewhat Unimportant	0	0
Unimportant	0	0
Not Important At All	0	0
Unable to Judge	0	1
	-----	-----
	Total 42	Total 42

TABLE 14

(QUESTION 10 DATA)

Importance of Scholarly Publications in  
Making Tenure Decisions in Accounting Departments

Degree of Importance	Actual Importance	Preferred Importance
Very Important	15	17
Important	12	12
Somewhat Important	3	7
Neutral	5	4
Somewhat Unimportant	7	1
Unimportant	0	0
Not Important At All	0	0
Unable to Judge	0	1
	-----	-----
	Total 42	Total 42

TABLE 15

(QUESTION 10 DATA)

Importance of Service to University Community in  
Making Tenure Decisions in Accounting Departments

Degree of Importance	Actual Importance	Preferred Importance
Very Important	2	0
Important	6	5
Somewhat Important	6	12
Neutral	7	17
Somewhat Unimportant	7	2
Unimportant	12	4
Not Important At All	2	1
Unable to Judge	0	1
	-----	-----
	Total 42	Total 42

TABLE 16

(QUESTION 10 DATA)

Importance of Service to the Profession in  
Making Tenure Decisions in Accounting Departments

Degree of Importance	Actual Importance	Preferred Importance
Very Important	0	0
Important	5	5
Somewhat Important	6	18
Neutral	3	11
Somewhat Unimportant	15	6
Unimportant	8	0
Not Important At All	4	2
Unable to Judge	1	0
	-----	-----
	Total 42	Total 42

TABLE 17

(QUESTION 10 DATA)

Importance of Service to the Public in  
Making Tenure Decisions in Accounting Departments

Degree of Importance	Actual Importance	Preferred Importance
Very Important	0	0
Important	3	0
Somewhat Important	0	7
Neutral	4	5
Somewhat Unimportant	8	12
Unimportant	9	6
Not Important At All	18	11
Unable to Judge	0	1
	-----	-----
	Total 42	Total 42

TABLE 18

(QUESTION 10 DATA)

Importance of Doctoral Degree in  
Making Tenure Decisions in Accounting Departments

Degree of Importance	Actual Importance	Preferred Importance
Very Important	18	14
Important	6	12
Somewhat Important	5	9
Neutral	3	3
Somewhat Unimportant	5	0
Unimportant	5	0
Not Important At All	0	3
Unable to Judge	0	1
	-----	-----
	Total 42	Total 42

TABLE 19

(QUESTION 10 DATA)

Ranking of Actual importance assigned to major  
Criteria in Making Tenure Decisions

	Mean Score	Standard Deviation
Scholarly Publications	5.55	1.05
Doctoral Degree	5.52	1.01
Teaching Effectiveness	5.50	1.03
Service to the Community	3.69	.84
Service to the Profession and Discipline	3.43	.87
Service to the General Public	2.24	1.07



TABLE 20  
(QUESTION 10 DATA)

Ranking of Preferred Importance Assigned to  
Major Criteria in Making Tenure Decisions

	Mean Score	Standard Deviation
Teaching Effectiveness	6.24	1.26
Scholarly Publications	5.88	1.15
Doctoral Degree	5.61	1.07
Service to the Pro- fession and Discipline	4.38	.84
Service to University Community	4.22	.84
Service to the General Public	2.78	.98

TABLE 21  
(QUESTION 11 DATA)

Degree of Agreement With the Statement That "Accounting  
Department as an Academic Body Enjoys a Lower Level of  
Power Than an Average Academic Department"

Degree of Agreement	Number of Schools Reporting
Strongly Agree	1
Agree	5
Somewhat Agree	12
Neutral	1
Somewhat Disagree	3
Disagree	8
Strongly Disagree	11
Unable to Judge	1
	-----
Total	42

TABLE 22

(QUESTION 11 DATA)

Degree of Agreement With the Statement That "A Significant Increase in Budgetary Allocation for Business Schools (Accounting Departments) from the University Budget is Unlikely in the Immediate Future"

Degree of Agreement	Number of Schools Reporting
Strongly Agree	12
Agree	11
Somewhat Agree	9
Neutral	0
Somewhat Disagree	3
Disagree	6
Strongly Disagree	1
Unable to Judge	0
	-----
Total	42

TABLE 23

(QUESTION 11 DATA)

Degree of Agreement With the Statement That "Accounting Programmes Have a Major Obligation to Align Their Academic Requirements With Those of the Professional Accounting Bodies (CA, CMA, CGA)"

Degree of Agreement	Number of Schools Reporting
Strongly Agree	1
Agree	8
Somewhat Agree	8
Neutral	6
Somewhat Disagree	6
Disagree	6
Strongly Disagree	6
Unable to Judge	1
	-----
Total	42

TABLE 24  
(QUESTION 11 DATA)

Degree of Agreement With the Statement That "Professional Accounting Bodies (CA, CMA, CGA) Should Support Financially and Otherwise University Accounting Programmes"

Degree of Agreement	Number of Schools Reporting
Strongly Agree	21
Agree	6
Somewhat Agree	6
Neutral	4
Somewhat Disagree	3
Disagree	2
Strongly Disagree	0
Unable to Judge	0
	-----
	Total 42

TABLE 25  
(QUESTION 12 DATA)

Canadian Faculty Presently pursuing a Ph.D. in Accounting

Number of Schools Reporting	Faculty Pursuing an Accounting Ph.D.	Total Number of Faculty Pursuing an Acct. Ph.D.	Faculty Expected to Return After Completion of Ph.D.
26	none	0	0
8	1	8	5
5	2	10	6
1	3	3	3
1	4	4	3
1	14	14	14
-----		-----	-----
42		39	31

## NOTES TO CHAPTER THREE

1. This number is an estimate. There were 367 full-time Accounting faculty reported in the survey. It is estimated that another 72 Accounting faculty are employed by the 8 non-reporting universities (8 times the average size of Accounting faculty in each university in Canada in 1988;  $367/42$ ).
2. See Table 2.
3. See tabulation of survey results to Question 3B.
4. See Table 4.
5. See Table 10.
6. See Table 18.
7. See Table 37.
8. The lowest proportion of Management and Admin. Studies faculty with a doctorate degree was recorded in Atlantic Canada (42%) and the highest in British Columbia (87%).
9. See Table 20.
10. See Table 21.
11. See the survey results to Question 12B.
12. Quotes taken directly from the survey questionnaires.
13. Since the survey was completed anonymously, these quotations cannot be attributed to any particular individual.
14. Taken from comments made on the questionnaire.
15. See Tables 25 and 28.

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## CHAPTER 4

DEMAND AND SUPPLY FOR ACCOUNTING EDUCATION  
IN CANADA

## 4.1 THEORIES OF SUPPLY AND DEMAND FOR EDUCATION

The economic value of education has been long established. A substantial body of research showed a high correlation between formal education and income (Wilkinson, 1966; Blaug, 1970).

However, unemployment of highly educated people has caused many educators and policy makers to wonder how students respond to labour market conditions in deciding the course of their educational plans. Considering the large investment in university education, if there were no jobs for graduates in certain fields, the investment in those disciplines would be wasted. Thus, to avoid such waste, some manpower planning is needed to predict the future workforce needs for every occupation. The effectiveness of manpower planning may depend upon the extent to which students in deciding the type and amount of education they acquire take it into account.

Student demand may not fit the manpower plan by merely providing information about future labour market opportunities. Student preferences for university programmes may be different than the "wise" choices suggested by manpower planning. Financial and other incentives may be needed to

direct students' demand for education to those disciplines suggested by manpower planning. Another option would be to apply interventionist policies like communist run states. Students in those states are placed in certain disciplines and training programmes without giving them the option to choose. Such a policy though, may be repulsive to a country like Canada where individual freedom is cherished as the cornerstone of democracy. Analysis of the demand for Accounting education is based mainly on economic theories.

They center around how people make decisions as to what type and amount of education they acquire. There are several economic and non-economic theories explaining the demand for education.

The non-economic theories are mainly psychological and sociological in nature. Psychological theories try to predict individual career choices based on the psychological profile of the student. These theories are not particularly useful to predict aggregate behaviour. Psychological theories cannot predict demand for education (Schultz, 1961; Bowen, 1963; Blaug, 1965; Bowman, 1966).

Sociological theories study social behaviour with regards to many aspects of education. Participation rate in university education, drop-out rates, career choices, educational attainment for various (minority) groups are typical of the sociological approach. These studies, while are useful for policy making, cannot be used to predict

demand for education (Schultz, 1961; Bowen, 1963; Blaug, 1965; Bowman, 1966).

Given the inefficiency of psychological and sociological theories, along with the complexity of non-economic motivators involved in forming a decision to pursue a certain career, there is some justification for concentrating on economic theories.

### Consumption Theory

The consumption theory considers education as consumption of goods and services. The main reason, motive for consumption is the satisfaction one derives from it at the time of consumption. The future benefits to be derived from education are ignored (Becker, 1962).

The dependent variable is demand for education (enrolment/number) ( $De$ ) and the independent variables are the price (cost) of education ( $Pr$ ), income per capital or per family ( $y$ ) and eligible population ( $P$ ).

$$De = F [Pr, Y, P]$$

Price ( $Pr$ ) may or may not include in the educational cost or the foregone revenue (opportunity cost).

Income ( $Y$ ) per capita is appropriate where a student finances his/her own education while income per family makes more sense when family resources are dedicated to a student's education.

Eligible population ( $P$ ) may include the traditional group of students between the ages of 18 to 20 years of age not in



the armed forces or prison or may include provisions for including continuing adult education. Dissegregating eligible population by socioeconomic group, preferences for different educational programmes and years of study would define the population variable but could complicate the model.

### The Investment Theory

The second principal economic theory of the demand for education considers it as an investment (Shultz, 1961).

The motive for pursuing education is the future direct or indirect benefits to be received. In the consumption model, education is in demand because it gives some kind of current satisfaction. It should be apparent that the motive for pursuing education may include both present and future benefits. Therefore, the labelling of education as the pure consumption or investment function is somewhat arbitrary and inaccurate.

The investment model understates the rate of return of education as an investment good, by ignoring the consumption benefits. Nevertheless, it is far more explicit with regards to motivation for acquiring education. The consumption model does not define the motive of satisfaction explicitly. The two models should not be viewed as mutually exclusive alternatives. One need not forego the benefits associated with consumption of education in order to enjoy the returns of investment.

The investment theory considers demand for education as a function of the expected ex ante rate of return. The expected rate of return depends on: 1) the expected costs of acquiring education and the probability of completing the programme, and 2) the expected future stream of earnings taking into account the demand-supply factor of graduates and the (working) life expectancy of the individual.

A student is assumed to pursue a certain degree in the belief that the expected rate of return of completing the programme would be higher than the cost of capital. A rational investor would choose the programme (Arts, Business, Engineering etc.) that promises the higher return.

Dodge and Swan (1971) reported irrationality in career choices. Almost one third of the sample of students they sampled preferred careers with expected lifetime earnings lower than other choices, while 18% choose careers with lower lifetime earnings and nonpecuniary values. Student perceptions related to labour market opportunities, lack of full and complete information about careers, starting salaries, lifetime earnings, and inflated or underinflated expectations may explain the irrational investment behaviour.

Net present value, internal rate of return, or cost/benefit ratio (profitability index) can be used to rank alternative programmes.

Several studies have calculated the ex post rate of return of education (Stager, 1968; Dodge and Stager, 1970).

However, ex post returns fail to prove that ex ante investment decisions maximize returns on investment. That is, maximization of returns on investment in education and the projected amount of lifetime earnings of graduates do not convince students to invest in a given university degree.

### Price Theory

The main purpose of the price theory is that price adjusts accordingly, in order to produce an equilibrium between demand and supply of a given good (Smith, 1939; Schumpeter, 1934).

In primary and secondary education where students have to stay in the school system, the supply of available student places, always adjusts to accommodate demand. More students, more student places are created to accommodate the increased demand. At the post secondary level such a statement would be supported only under unrestricted funding of educational resources.

In the 1960s, the decade of unmatched growth for Canadian universities, supply of university student places possibly expanded proportionately to meet the demand. Because of cutbacks in the last 15 years or so though, the above statement does not pass the test of general acceptability. The principle of universality and accessibility, whereby university admission is guaranteed to all those who are qualified and willing to pursue university studies may be more a normative than practical idea today.

Not only price (tuition fees) but admission requirements can be used to bring equilibrium between demand and supply. As admission requirements are raised, the number of students eligible for admission drops. Thus, demand and supply are equated. Pressure for higher admission requirements is higher in disciplines with higher demand. Business and Accounting schools besieged by applications had to raise admission standards higher than less vocationally oriented disciplines (Sullivan, 1978). It would be inaccurate for one to claim that standards were raised uniformly across the university system. More prestigious universities facing greater demand had to set the cut off admission grade average higher than other universities not experiencing as strong the same demand pressures.

Cutbacks forced universities to accept a public policy of less resources and more students. This resulted in a lower per capita expenditure per student. This adjustment, in contrast with the first one (higher admission requirements), lowered the overall quality of university education. With limited public financing, the cost burden shifted somehow to students. The tuition students have to pay continuously increases year after year in monetary and in most instances also in real terms.<sup>1</sup>

Economic theory teaches us that price increases, depending on the elasticity of demand, are accompanied by lower demand and higher supply. This axiom, however, may not

withstand an empirical test in the industry of university education. A number of complex interrelationships and interventionist market policies may result in the paradox of higher real prices (tuition) and lower supply (student positions available). The price of education (tuition less grants) is not market determined, it is set administratively. Thus, there is little likelihood that the actual tuition would bring equilibrium between demand and supply.

It may be suggested that tuition, against the conventional price theory, has been used to restrict the demand for education rather than equate demand and supply. Furthermore, university education would be in demand, even with near zero returns. Non-economic motivation may lead students to request and acquire university education. That is, the price theory cannot be blindly applied to analyze the demand and supply for university education. Furthermore, all (consumption, investment, price) theories are general in nature applying to all products and services. They are no specific theories explaining the demand and supply of Accounting education.

#### 4.2 DEMAND AND SUPPLY OF ACCOUNTING DOCTORATES

##### AT CANADIAN UNIVERSITIES

The following analysis is based upon the premise that, in the long run, there is a direct relationship between

university enrolment and demand for university faculty. The higher the student enrolment, the higher the demand for faculty (Von Zur-Muehlen, 1977). However, there are some forces that could disturb this relationship. Employment of part-time instructors, for example, could reduce the demand for full-time faculty. Similarly, increasing the size of classes could also reduce the demand for faculty. On the other hand, retirement and death rate of academic Accountants would increase the demand for faculty. Exit from the industry - faculty may switch career paths from university education to something else - could also increase the demand for faculty.

Obviously, the demand for faculty is not the same for each discipline. Faculty demand increases in one discipline may mean faculty demand decreases in another.

Regional and institutional variations should also be expected. Universities in the Maritimes, for example, may experience a disproportionately higher demand for Accounting doctorates than British Columbia universities. The lower proportion of Accounting faculty with Ph.D.s in the Maritimes may generate higher demand for Accounting doctorates than the actual enrolment dictates, as some non-Ph.D. faculty are replaced by doctoral faculty.<sup>2</sup>

A programme of early retirement for university professors could also fuel the demand for Ph.D.s. Older faculty without doctorates hired some years ago during severe shortages of

qualified instructors may wish to leave the university system early. Carter (1971) indicated that "higher education and research could stagnate if we do not find some means of making room for a constant influx of bright young scholars."

Strengthening advertising and promotional strategies of Ph.D. programmes and career paths they open, should attract new doctoral applicants. Admittedly doctoral programmes and universities in general, are not always doing a good job in advertising their products.

On the supply side, the output of Ph.D.s produced at Canadian universities is augmented by Canadian Ph.D.s earned abroad and professors with doctorates immigrating to Canada. This overall supply of doctoral faculty available to universities though, may be reduced by the demand from industry, government, community colleges, and high schools. The employment pattern of Ph.D.s to this date indicates that a great majority of Ph.D.s are recycled back into the university system. Expectations of large numbers of Ph.D.s being hired outside the university system have not materialized. This may be reinforced by the preferences of the Ph.D. graduates themselves who may prefer and pursue university employment (Groneman and Lear, 1987).

The supply of new Accounting doctorates may not be as high as the numbers of doctoral students indicate. Many doctoral students already hold a faculty position.<sup>3</sup> Therefore, they do not represent new blood of additional

Accounting faculty. They do not add to the supply side of the equation. Also, the time lag it takes someone to become a Ph.D. graduate from a doctoral student should be taken into account. Doctoral students are at different stages of completion. Their aggregate number represents the supply of doctorates in the next 4-5 years. The annual supply depends on the assumptions related to completion time. The length of completion time cannot be objectively estimated. While 4-5 years seem to represent a reasonable time for completion, part-time studies and university regulations allowing up to 8-10 years completion time make any prediction unreliable.

Drop-out rates also reduce the potential supply of doctorates. Drop-out rates fluctuate among different universities and/or certain academic years.

Foreign students studying in Canada who are not eligible or do not wish to stay in the country must also be excluded from the supply side.<sup>4</sup> On the other hand, Canadians studying abroad should be included in the aggregate supply number.<sup>5</sup> Drop-out rates, length of completion of studies, and the proportion of those studying abroad who would actually return to Canada at the conclusion of their studies complicates the accuracy of estimations.

Ph.D. graduates who either are underemployed or who are employed in industries outside the university system but who wish to teach at university add to the supply side of the equation. In the Accounting area this market niche is rather



insignificant (Stone, 1974; Woodrow, 1983).

The supply of Accounting doctorates may also be increased by increasing the number of doctoral programmes. Considering the limited resources and the attitude of provincial governments, expansion of the number of programmes may not be a realistic approach. However, the small output of Ph.D. graduates each programme produces could increase if some consolidation of programmes took place. Instead of a number of universities struggling to offer their own doctorate programme, a centralized commonly run programme, drawing resources from all existing schools could become a better alternative. A united effort would improve the quality as well as the quantity of output. Economies of scale could also reduce the costs associated with running a centralized Ph.D. programme. Non-price competition among different schools would be eliminated and almost automatically the new entity would gain fame and acceptance. The common Ph.D. programme in Montreal among the three universities, McGill, Concordia, and Montreal could supply a model for imitation to other schools.<sup>6</sup>

The analysis of demand and supply of doctoral degrees in a dynamic environment is very difficult. Furthermore, shortages or surpluses can be reversed in a "regulated" or controlled industry by government. Political decisions may tip the scale in any direction. For example, insisting that all those teaching at Canadian universities should have

Canadian citizenship may create shortages of Accounting doctorates, while an open immigration policy may reduce the existing shortage or even create a surplus. Wide availability of financial assistance or lack of it could also change demand/supply projections. Demand and supply for Accounting doctorates can definitely be manipulated creating a volatile situation in the market.

Economic factors (unemployment level, employment opportunities for graduates), political decisions (immigration provisions, fiscal and monetary policy), and behavioural patterns of Ph.D. graduates (drop-out rates, length of programme completion) make projections of demand and supply tentative and valid only under certain assumptions.

Finally, post industrial manpower requirements for Ph.D. graduates may not be the same as the ones during the industrial era. It may be necessary to reappraise the overall value of Ph.D. graduates and question their role and nature within and outside the university system.

Universities have produced large numbers of Accountants in the last few years, at least enough to meet the needs of the Canadian economy. Promising job opportunities and earning power has attracted enough students to Accounting programmes to provide a steady supply of Accountants.<sup>7</sup>

Although the demand and supply of Accounting graduates has not always been balanced, one can claim that the supply of Accountants has been large enough not to cause any concern.

As long as Accounting graduates are produced, nobody seems to be interested in the production process. Yet, the production process at the universities around the country, where Accountants are educated, face a major problem, lack of academic Accountants. Unless the shortage of academic Accountants is addressed, the problem, in a delayed fashion, will filter down generating a more visible shortage of Accounting graduates (Von Zur-Muehlen, 1971, 1987).

Significant shifts in university enrolments from non-accounting to accounting, which occurred over the last few years, has created a number of new faculty positions.<sup>8</sup> Many of these accounting faculty positions remain vacant and/or unfunded.<sup>9</sup> The difficulty of the university system to adjust and make the necessary budget transfers from other academic areas is the main reason behind it. As Accounting enrolment continues to increase, the demand for Accounting doctorates will increase even more, due to the unfulfilled "backlog" demand. That is, attempts to predict and evaluate the demand of Accounting doctorates without taking into Account the "backlog" demand will underestimate it.

Likewise, there is a similar danger to underestimate the supply of accounting doctorates. The high number of Accounting baccalaureate degree holders has the potential to create an unprecedented enrolment growth of graduate Accounting students. While this has not happened as yet, the compound influence of many macroeconomic variables may very

well cause an unexpected increase in the number of entrants to Accounting doctoral programmes in the near future.

#### 4.3 PREVIOUS RESEARCH ON THE DEMAND AND SUPPLY OF ACCOUNTING DOCTORATES

Various studies have been undertaken over the last few years regarding the demand and supply of Accounting doctorates in U.S.A. and Canada.

The 1980-81 Report on Supply and Demand for Accounting Professors of the American Accounting Association reaffirmed the disturbing trend in Accounting education: An inadequate, stable, low supply of Accounting doctorates and an overwhelming demand for the select few Accounting Ph.D.s.

The American Assembly of Collegiate Schools of Business Taskforce in 1982 also identified the continued shortage of Accounting doctorates "while all business fields are experiencing this shortage, Accounting seems to have a particularly severe imbalance between the demand and the supply of qualified faculty" (Caplan, Porter, and Smith, 1982).

Furthermore, the same report calculated that it would take over 22 years of the current doctoral production to fill the 1980-81 vacant Accounting faculty positions in the American Assembly of Collegiate Schools of Business (AACSB) member schools. With the production (supply) of Accounting

Ph.D.s still lagging behind the demand one can argue that the shortage is still here today.

Campbell and Hermanson (1982) also reached the same conclusion that the demand for Accounting doctorates was far greater than the supply. However, they also concluded that the expanding number of doctoral programmes will produce an increased supply of Accounting doctorates.

Mounting worldwide demand for Accounting courses and Accounting majors on the demand side, and annual relative stable number of conferred Accounting doctorates on the supply side has produced a disturbingly large gap between demand and supply.

Brown, Geiser and Tedford (1979) concluded that inadequate starting salaries and general economic incentives keep many capable students away from doctoral Accounting studies. They exhibited that in real dollars. Starting salaries of Accounting faculty between 1970 and 1977 declined while annual salary increments, on average, were below the inflation rate.

In addition, starting salaries for MBA graduates in the industry more often than not exceed the initial salary offers to new Accounting PhD's. The university reward structure in comparison to the remuneration accountants earn in the industry and public practice is certainly bearing some of the blame for attracting inadequate PhD candidates in Accounting.

The costs associated with earning a doctorate are considered prohibitive. A typical doctorate student will spend 4-5 years at university with limited income working as a teaching or research assistant. Most of the time, their assistantships do not run over the summer months. If the opportunity costs (foregone revenue) are added to the list of out of pocket educational expenditures, the aggregate costs of earning a doctorate are staggering. However, one can always argue that PhD candidates pursue a doctorate degree because of conviction and a desire to teach at university, not for the financial rewards expected from the degree. This argument is probably too purist in its inception. Realistic decisions to embark on an academic career do include monetary considerations. PhD candidates, no matter how idealistic and committed to their discipline they may be are attracted to a given career, at least partially, by these financial considerations. Increased (more competitive initial) academic salaries could attract more qualified applicants to PhD programs and to the academic Accounting profession.

The perceived difficulty of getting through the program may very well be a factor curtailing the supply of Accounting doctorates (Wright, 1964). Availability of faculty within their area of interest to supervise their research may also be a problem.

Max Von Zur-Muehlen and C.J. Weidmark (1979) reported over 200 full-time unfilled university positions in Business

and Commerce. Many of these positions are still to be filled with tenured staff. As almost all Business schools are now requiring a doctorate degree for tenured track appointments, these positions are frequently filled with temporary terminal appointments of less qualified applicants.

Since the demand for Accounting and business faculty is an international one, there is severe competition for available qualified candidates. In fact, there is an increased danger that some Canadian faculty may be lost to American schools where Business and Accounting education is at a more prominent level than that of Canada. The brain drain of Canadian medical doctors, going to United States for the perceived or real higher earning and/or work advantages may repeat itself with Business and Accounting faculty. A relative brain drain is experienced already with Canadian doctoral students in the field of Business Administration studying in the U.S.A. Some Canadian Ph.D.s after graduation are offered positions at U.S. universities and never return to Canada.<sup>10</sup>

As far as Canadian doctoral enrolment is concerned, it is clear that given the small number of students involved, the demand in the foreseeable future would exceed the limited output Canadian universities produce. Furthermore, one third or so of the full time doctoral business students are foreign students.<sup>11</sup> Under Canadian immigration law foreign students should leave the country after graduation. Therefore, it is

difficult to keep competent foreign students in Canada. In addition, some Ph.D. students already hold teaching positions at university so the net gain of Canadian production of doctoral graduates is minuscule.

### Federal Government

The role of the federal government in post secondary education is limited. As a result, a national policy for manpower manager training is difficult to implement. Consultation with the provinces could develop an area of common/mutual responsibility for management training. Development of managerial talent and entrepreneurship has long been recognized as a pivotal power behind economic growth. However, political considerations by the two levels of government limit the potential of such initiation by the federal government. Unless the quality of management becomes a national concern, it is doubtful that it will receive serious and continuous support.

### Financial Support

Max Von Zur-Muehlen (1979) estimated "that only one out of ten full time doctoral students at Canadian Management Schools have been supported in recent years by fellowship (SSHRC) program, as compared with one third in many of the other disciplines of the Social Sciences and Humanities".<sup>12</sup>

### Universities Structural Problems

One could argue that the traditional university structure is rigid and self-centred. While in the private sector,



decisions to reallocate resources are made relatively easy, in the university system, it is almost an impossible task. One could counter argue that the student's choice by selecting one programme over another, in a sense, pre-empts the decision of the university. The university simply responds to the student's demand. If the university does not respond, it loses relevance with the societal needs as they are conveyed to the university by the students.

Shifts in student preferences from Arts and Science to professional programmes reflect a societal value for vocationally oriented university education. These shifts, as much as they take away from the traditional disciplines of liberal arts and sciences, cannot be totally ignored. Recognition of market dynamics is a necessary prerequisite for realistic and reasonable decisions. High participation rates in student population who study Business subjects warrants attention and redirection of university resources. The slow reaction of universities to market-societal changes does not do much for the image of universities. The author is aware of cases where students are forced into other programmes hoping that they may be given the opportunity to transfer into Business programmes later on in their second or third year of studies.

One of the reasons often regurgitated within the university community, that resists restructuring and re-allocation of resources, is that the trend towards

professional programmes is only cyclical and temporary. Formal and/or informal quotas instituted by many Business schools may provide temporary solutions avoiding more permanent restructuring. Needless to say, the explosive growth of Business students will not be sustained to perpetuity. However, even with zero future growth, the restructuring and reallocation needed to reflect the recent and current demand for Business education has yet to come.

As long as the employment opportunities and earning power remain higher for Accounting and Business graduates than that of Liberal Arts the demand for Accounting and Business courses will continue to be strong.<sup>13</sup> Business graduates and more so Accounting graduates enjoy a comparative advantage in the booming industrialized economies of the mid 1980s. The cost conscious, productivity oriented business sector, looks favourably on the specialized training of Business graduates. The sizable group of Liberal Arts graduates hired by business entrepreneurs in the affluent 1960s did not have the same good fortune in the 1980s. Business graduates replaced them in the highly specialized labour market of other times.

#### 4.4 REASONS FOR THE SHORTAGE OF ACADEMIC ACCOUNTANTS

Over the last two decades, enrolments in Accounting and Business programmes escalated beyond the most optimistic expectations.<sup>14</sup> Several factors contributed to this enrolment

growth.

The creation of four year (honours) Commerce, Business, Management and Administrative Studies programmes as opposed to three year degrees provided an additional interest in university Accounting education.

The establishment of new MBA programmes across Canada increased the demand for Accounting courses. From two MBA programmes in 1960 there are 27 master programmes in Canada today.<sup>15</sup> Although the MBA degree is normally a general Business degree not requiring a concentration in Accounting, two to four 3 credit Accounting courses on average is part of the MBA curriculum.

The apparent emphasis of the Accounting profession on university education also fuelled the enrolment growth in Accounting. The Canadian Institute of Chartered Accountants made graduation from a university a prerequisite for admission to the profession back in 1971 (Evans, 1974; DeCoster, 1974). The Society of Management Accountants just recently (April 1988) announced that a university degree will be a requirement for achieving the CMA designation.<sup>16</sup> The Certified General Accountants are still accepting community college and high school graduates in their organization. Yet, the great majority of their graduates possess post secondary qualifications. Competitive considerations among the three Canadian Accounting organizations is expected to lead CGAs in adopting a similar as the CMAs.

The influx of non-Accounting, non-Business majors into Accounting courses is another contributing factor to high enrolments in Accounting. More and more students from other disciplines wanting to enhance their job prospects have seen Accounting as a good practical complement to their academic knowledge.<sup>17</sup>

The recession in the late 1970s and early 1980s displaced many professionals and brought a new approach to management. Cutting measures, budgetary accountability, rationalization of expenditures, labour concessions, bankruptcies, and the like gave Accountants a more prominent role in business organizations. Organizations streamlining their operations, retrenching and preparing for the new cycle utilized Accounting expertise to the extent that Accounting became almost a recession proof profession. The new found prominence of Accounting seems to have attracted additional students to the profession.

Earning power is another reason. A Globe and Mail article placed Accountants at the top of the professional category for income growth in the 1970s. Using 1971 as a base of 100, the income index in 1979 was 213 for Accountants, 154 for lawyers and 117 for the medical profession. Although similar data are not available for the 1980s, Accountants have fared very well in the 1980s. In the 1960s, production was prominent among the Business functions. In the 1970s, the market function took over and in the 1980s the Accounting

function seems to be the front runner.<sup>18</sup>

Professional status is also a contributing factor. In recent years Accounting, although still ranked behind the law and medicine, has gained a lot of ground. In spite the fragmentation of the Accounting profession, the CA, CMA, and CGA designations command great professional dignity and status. Unification of the profession is expected to greatly elevate the professional status of Accountants.

With the above reasons attributed to the enrolment growth of Accounting students, one would expect to find many students pursuing academic careers in Accounting. Unfortunately, this has not happened. As a result, the demand for Accounting professors exceeded the supply for almost 20 years. The American Assembly of Collegiate Schools of Business Task Force on Doctorate Demand and Supply concluded that at the current rate of doctoral production it would take 22.2 years to fill the 1980-81 vacancies in the U.S. In other areas of Business the supply (production) was only 5 to 8 years away from meeting the demand.<sup>19</sup>

Calculating the demand and supply equation of academic Accountants is a cumbersome task.

The supply side of the equation is easier to establish and verify. The number of doctoral graduates from Accounting programmes is easily obtainable, published information. To that number, one has to add the net brain drain effect. Some graduates at Canadian universities are foreign students who

return to their country after graduation. This reduces the actual supply of Accounting doctorates, which may be offset by the return of Canadian students studying abroad. That is, a positive brain drain effect may increase, while a negative one may reduce the actual supply of Accounting doctorates.

Likewise, immigration of Accounting professors to and from other countries affects the overall supply of academic Accountants. Assuming a neutral brain drain effect, the annual supply of Accounting doctorates is equal to the doctoral Accounting graduates.

The demand side of the equation is more difficult to estimate. It is calculated mainly by the recruitment advertisements appearing in the CAUT Bulletin (Canadian Association of University Teachers) and University Affairs, the two major magazines where vacant academic positions are advertised. Surveys addressed to university officials in charge of Accounting programmes provide additional clarification of the demand picture.<sup>20</sup>

Demand cannot always equate supply. Academic vacancies would always exist, even when the total available supply of academic Accountants is high enough to satisfy the overall demand. For example, regional disparities in Canada may make some school locations unattractive to some academic Accountants. Furthermore, the type of programmes offered by a given school may not entice high calibre candidates. A vacancy in a school with an undergraduate programme may not

be considered as desirable as a graduate one by some candidates. Therefore, only a disturbingly larger demand over supply of academic Accountants is considered as a shortage.

#### 4.5 THE ECONOMICS OF A PH.D.

Education, in general, is a form of investment (Shultz, 1961). The investment can be measured in out-of-pocket expenditures, opportunity costs (foregone revenue and leisure time) of the person becoming educated, and society's investment in education, when the education is received in publicly supported institutions.

The returns on investment are measured in terms of pecuniary (salary, wages, any kind of remuneration) and nonpecuniary benefits (status, prestige, lifestyle). As with any other kind of investment, a decision to embark upon an Accounting Ph.D. programme is based upon the expected returns. If the returns exceed the costs of the investment, the investment is desirable. More accurately, the present value of the life time earnings differential with and without the Accounting doctorate should exceed the net out-of-pocket expenditure paid to cover the costs of receiving the education. The output (returns) over input (investment cost) provides the rate of return on investment.

An individual contemplating application to a doctoral Accounting programme may very well discover that at least the

pecuniary doctoral benefits (returns) are not enough to justify the investment. If this was true, the shortage of Accounting doctorates and Accounting applicants to Ph.D. programmes could be easily explained on the basis that investment costs exceed the financial returns.

In an economic sense, to close this type of shortage of applicants two things can be done. First, to reduce the cost of obtaining a doctoral degree in Accounting and second, to increase the monetary rewards from receiving an Accounting doctorate. Both measures applied at the same time would compound the positive effect on returns on investments.

To begin with, the amount of investment required by the prospective doctoral student is reduced when the degree granting university is supported by public funds. The out-of-pocket expenditures required by the individual are further reduced by grants, scholarships, bursaries, assistantships and the like. Financial aid, in general, reduces the investment required by the prospective student. However, only financial aid from external sources (outside the university) paid directly to students reduces the investment required by the university. Universities, since they operate under limited budgets, cannot provide financial aid to everyone but only to a few of the needy better students. Therefore, reduction of investment costs in obtaining an Accounting doctoral degree could be achieved by securing financial aid from outside sources.



Accounting doctoral programmes can play a role in securing such outside funding (scholarships, fellowships etc.) However, their role is limited in increasing the returns of Accounting doctoral education. They cannot dictate to employers to increase the salaries offered to those who have obtained a doctoral degree in Accounting. Salaries are determined by the marketplace. When doctoral salaries are very close to those without a Ph.D. degree there may not be an incentive for prospective students to pursue their doctorate. The return on investment - the increased life time stream of benefits that a Ph.D. student is expected to enjoy - has to be drastically higher than the return on investment of an MBA student for the economics to work in favour of pursuing a doctorate.

#### 4.6 ECONOMIC INCENTIVES FOR UNDERTAKING AN ACADEMIC ACCOUNTING CAREER

In 1981, the AACSB Task Force in doctoral supply and demand documented the shortage of Accounting faculty in the U.S.A. as follows:

Unfilled vacant positions in 1981		511
New Accounting Ph.D.s hired during the year	172	
Less:		
Accounting Ph.D.s that left their academic positions during the year	149	
	-----	
Net gain		23
Years to fill the available positions (511/23)		22 years

Since 1981, the supply (production) of Accounting Ph.D.s has lagged behind the demand consistently.<sup>21</sup> Therefore, Accounting doctorates continue to enjoy a sellers market even today. In recent years when not only workers but many professionals were displaced by adverse economic conditions, individuals pursuing doctoral degrees in Accounting need not worry about job security. Favourable labour market conditions provide a first class incentive for those interested in an academic career to pursue an Accounting Ph.D.

Another incentive to an Accounting academic career is the overall status of the professoriate. University professors, although, not as visible by the general public as other professional groups (doctors, lawyers), do enjoy a high status in the society. Depending on the ego and social needs of an individual, the social status of the professoriate can be a very attractive incentive for one to pursue an academic career.

Financial considerations may be another pole of attraction to academia. There seems to be no unanimity among the professoriate on this matter. Most faculty would debate vehemently that starting salaries for young lecturers are grossly inadequate. Salaries for more senior faculty may be similarly low. Although there is strong evidence in support of these arguments, university professors in Canada do moderately well financially.<sup>22</sup> The salaries for certain specialists in short supply might be even higher than the

published averages.

Shank (1983) reported an average starting salary of about \$41,000 annually, for a new assistant professor in the U.S.A. This salary included a \$34,000 salary for the regular academic year plus a provision for summer teaching. One could debate that the actual salary was only \$34,000 and summer teaching should not have entered the calculations at all. In Canada, the median salary of all academic ranks in 1982/83 was \$42,800 for Management and Administrative Studies and \$44,900 for all other disciplines. The same figures for the 1986/87 academic year showed a median of \$51,200 and \$51,300 correspondingly (Table 51). Nevertheless, salary level alone is not a criterion for entering an academic career. Other more complex factors having to do with the philosophy, values and goals of the candidate, are possibly more important in deciding to pursue an academic career.

#### 4.7 DISINCENTIVES FOR ENTERING AN ACADEMIC

##### ACCOUNTING CAREER

There are always market forces that prevent or hamper the growth of a given profession. Social perceptions - right or wrong do not matter - traditions and/or image problems may cause chronic shortages for certain jobs and/or professions.

Accounting has been viewed by many as a trade unworthy of advanced academic considerations. It has not been seen as

an intellectually stimulating discipline (Canadian Club of Toronto Proceedings, 1930-31). Listed with many other specializations under a Business programme, it seldom receives the attention it deserves. Even at university some academics view their Accounting colleagues as practitioners of a discipline with limited intellectual stimulation (Welsch, 1966). Furthermore, the portrayal of Accountants in literature, movies, and newspapers is rather unflattering. The image of Accountants is less than glamorous. This may constitute a disincentive for someone who considers following an academic Accounting career.

Another disincentive is the salary differential between doctoral assistantship and salary earned by applicants at the time of application to a doctoral programme. Good doctoral candidates are often considered those with undergraduate or graduate degrees in Accounting, professional Accounting designations, and some experience working as accountants in public practice or industry. No matter how interested they are in an Accounting career, they cannot afford the drop from their present salary to the level of doctoral assistance. For married applicants with dependent children, the drop in income is even harder. Therefore, desirable candidates with bright minds, qualifications, and experience are not easily attracted to Accounting doctoral programmes.

Highly desirable candidates perhaps will not be attracted to Accounting doctoral programmes without full financial

support; as a result, many new doctoral recruits may lack the field experience, the Accounting designations, a masters degree or a combination of the three. Accounting doctoral applicants who lack any of these qualifications may be less than optimal doctoral candidates.

The impact of work experience or lack of it seems to be serious not only in terms of the quality of doctoral recruits but also in terms of the type of dissertation research they will perform. Applicants without significant work experience may not direct their research efforts on the problems facing the practice of Accounting. The likelihood is that they will be attracted to more analytical, theoretical dissertation topics. Since research orientation depends largely on experience, failing to attract into doctoral programmes accountants with considerable work experience may cause Accounting practice oriented research to suffer.

For financially independent individuals or those with a supportive working spouse, the salary differential between doctoral assistantships and previous salary may not be a crucial factor in their decision making process to enter Ph.D. studies.

#### 4.8 ADMISSION CRITERIA AND SUCCESS RATE

The issue of shortage of Accounting doctoral faculty can be addressed in many different ways. Diagrammatically, it

could appear as follows:

The horizontal axis measures the graduation criterion and the vertical axis measures the admission criterion.

Admission  
Criterion

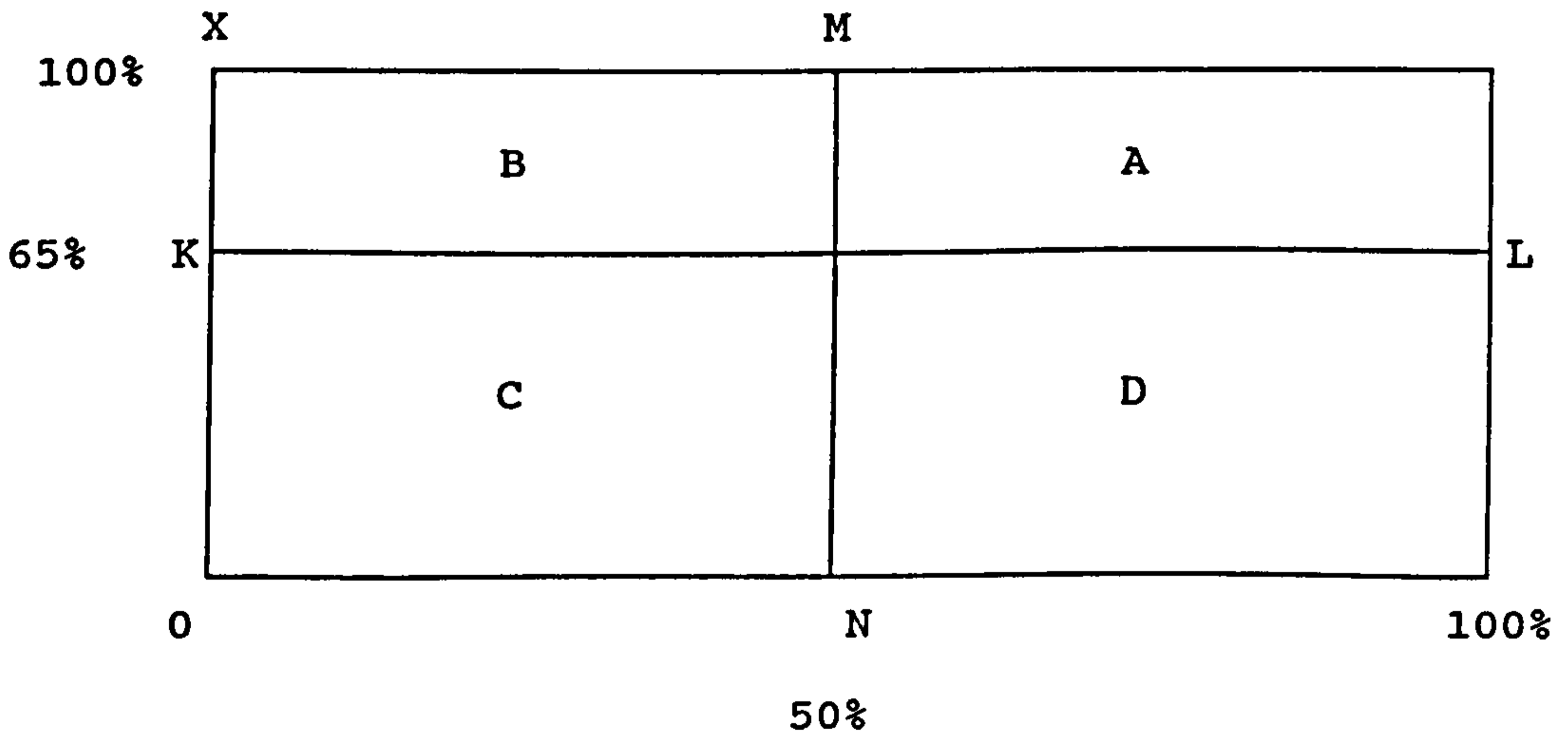


FIGURE 1

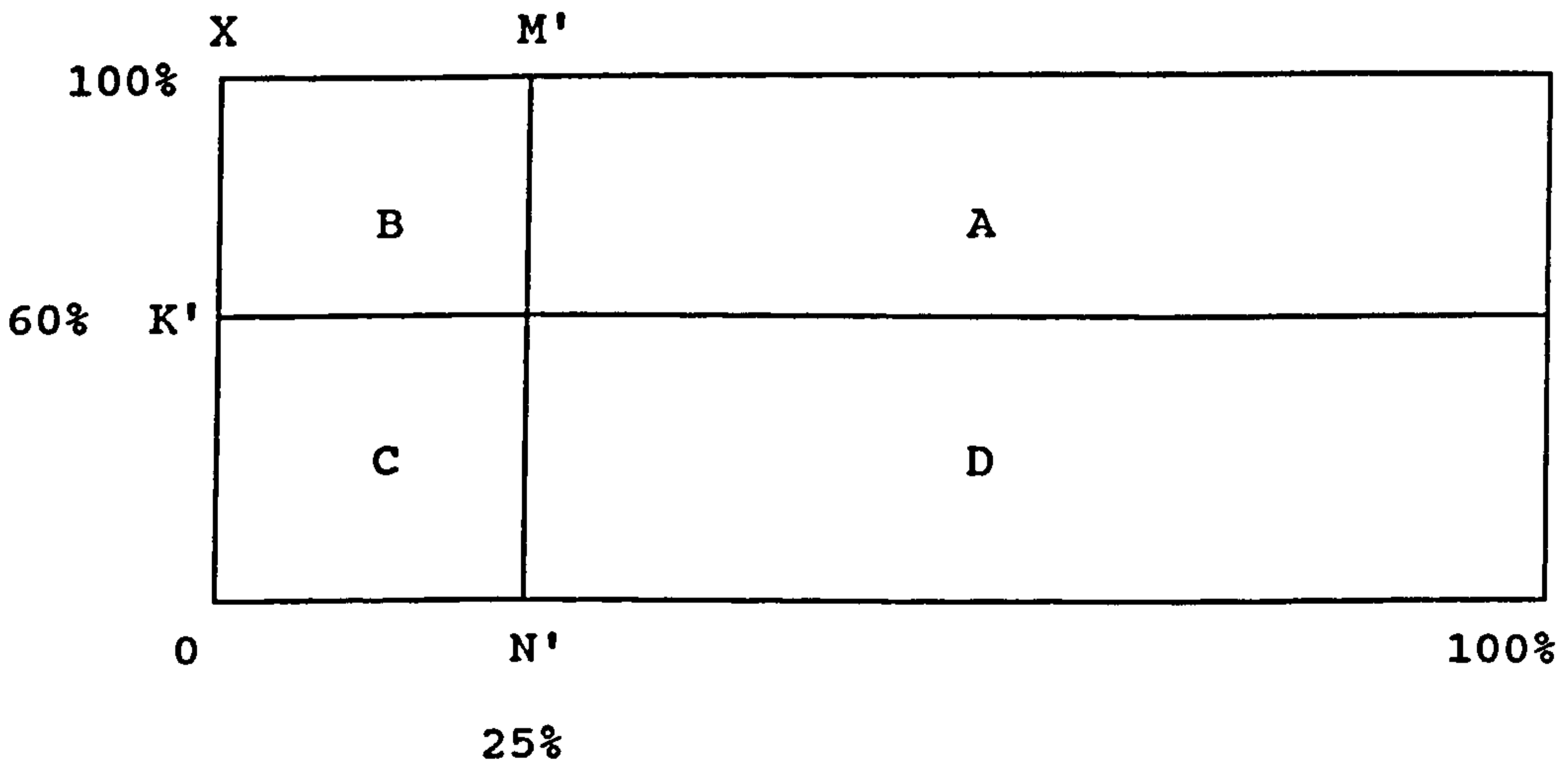


FIGURE 2

- Region A: Successful doctoral graduates
- Region B: Unsuccessful doctoral graduates
- Region C: Admission rejects who would have failed if admitted
- Region D: Admission rejects who would have succeeded if admitted

Assume that the admission criteria are set at 65% (KL line). This means that only the top third of the applicants are admitted. Then, the upper part of the graph represents the admitted applicants and the lower part those who were denied admission.

If the successful graduates represent 50% of those admitted, the right hand side of the MN line represents the successful admits and the left hand side the unsuccessful ones. The objective of An Accounting doctoral programme would be to maximize the A region.

Region A can be maximized in two ways. First, if 75% of the admits succeed as opposed to 50% (MN) the A region expands to the left. (M'N' in Figure 2). Measures that will increase the number of students completing their graduation requirements will increase the supply of Accounting doctorates. Second, if schools were able to identify admission rejects who could have succeeded if they were admitted, Region A would have expanded by lowering the KL limit to K'L' (Figure 2).

The first method to maximize the production of Ph.D.s is easier than the second one. Schools can always initiate measures to stimulate scholarship, motivate students to try harder, and closely monitor the progress of students. The productivity of the school depends on the maximization of output (number of graduates) given the input (number of admissions but also faculty and other resources).

The second method of increasing the admissions (presumably by those who would have succeeded if they were given a chance) is a speculative one. There is no clear, quantifiable evidence that some of the admission rejects would have succeeded if admitted. This assertion is simply a reasonable expectation without anyone being able to define this group. A general lowering of admission standards would be necessary to allow in those who would have succeeded. Lower standards and extra admissions would further lower the school's productivity (number of successful graduates to number of admissions). Furthermore, some of the extra admissions would fail anyway.

The foregone analysis demonstrates what a difficult job it is to increase the production of Accounting Ph.D.s by manipulating admission requirements. Admission criteria have to be established very carefully to allow increased Ph.D. production.

Myers and Weil (1983) explored the success of "observed" and "non-observed" candidates in doctoral programmes. Observed students (by doctoral faculty) were bachelors and MBA degree holding students before admission to the doctoral programme of the same school. Non-observed students were doctoral applicants from other universities.

Using data from other published studies, Myers and Weil reported that the proportion of observed candidates completing the doctoral programme is over 3.5 times larger than the



proportion of non-observed candidates completing the doctoral programme. However, when they studied their own school they "found no difference in the completion rates of the observed and non-observed pool. Twenty-seven percent of the observed admits completed the programme while twenty-nine percent of the non-observed completed it."

Doctoral faculty who teach at the undergraduate and master level have the opportunity to identify students that could become good doctoral material. First hand knowledge about the capabilities, motivation, and performance of students may be superior to transcripts, grade point averages, GMAT, and letters of reference. As far as applicants from other universities are concerned, indepth campus interviews before they are granted admission to the programme may be necessary. These personal interviews are possibly the closest admission criterion to personal "observation" suggested by Myers and Weil.

Accounting faculty in the face of severe shortages of academic Accountants may have to tap this market of undergraduate and master level students and facilitate their admission to doctoral programmes.

#### 4.9 DEMAND AND SUPPLY OF ACCOUNTING GRADUATES

##### A MULTIPLE MARKET ANALYSIS

This section explores the demand/supply for Accounting graduates from a different perspective. It contends that there is not only one but a multiple market, each deserving its own analysis.

Continued large growth of enrolments in Accounting programmes raises the probability of an excess supply of Accounting graduates. The crucial consequence of these increases is that an increasing number of Accounting students will not find satisfactory employment opportunities upon graduation. Although this is a relatively reasonable forecast, it could be false, based on a foregone conclusion. A more careful exploration of the market is essential in forecasting demand and supply of Accounting graduates.

On the demand side, one must recognize that there is not one market. There are many market segments different from one another, with different behavioural patterns. In some instances, these market segments are independent while some other times they are interdependent.

Four major demand markets for Accounting graduates are:

- A. Chartered Accounting firms.
- B. Other professional Accounting firms.
- C. For profit business organizations (the private sector, business firms excluding Accounting firms)

D. Non-profit organizations (government, health care, and educational institutions)

On the supply side, there are many sources supplying Accountants. The six major supply markets are:

1. Community college (graduates from two or three year programmes)
2. Non-Accounting major B.A. graduates.
3. Accounting B.A. graduates.
4. Non-Accounting concentration M.B.A. graduates.
5. Accounting concentration Master graduates (MBA, M.Sc.)
6. Accounting doctoral candidates/graduates.

These segmentations of demand and supply can be put in a four by six matrix, generating 24 different markets. Each market necessitates its own analysis and forecast.

Non-Accounting majors (market 2 and 4 in the matrix) were included in the matrix for the following reason. It is not strange for non-Accounting graduates to be hired in an Accounting capacity. In fact, for Chartered Accounting (CA) firms in Canada, a university degree, not necessarily an Accounting major, is required for employing CA students. Nevertheless, a non-Accounting major, in order to proceed for the CA designation, must complete 51 specified credits mostly in the Accounting area. That is, while a bachelor major is enough for admission, in essence, a second degree is required to progress on in the Accounting profession.<sup>23</sup>

TABLE 26

## Demand and Supply Matrix

Demand :	A CA Firms	B Other Acct. Firms	C For Profit Organ.	D Not For Profit Organ.
Supply :				
1. Community College Acct. Graduates	inactive	limited	very strong	strong
2. Non Acct. Bachelor Graduates	select- ive	insignifi- cant	moderate	strong
3. Bachelor in Accounting Graduates	very strong	strong	strong but decreasing	moderate
4. Non Acct. MBA Graduates	select- ive	limited	very strong	moderate
5. Master in Accounting Graduates	moderate	selective	strong	limited
6. Doctoral Graduates/ Candidates in Accounting	insigni- ficant	insigni- ficant	selective	strong

NOTE: The demand for professional accounting designations is not included in this market analysis. Today, all professional accounting bodies rely on post-secondary education graduates to augment their membership. Almost all the new professional accountants have some post secondary education. For example, according to the January 1988 CMA Mentor, 77% of the 1987 CMA graduates were university and 18% were college graduates.

Graduates with a bachelors degree already pursuing a second bachelors degree need 60 credits (10 full year courses) to graduate.<sup>24</sup> The 51 specified credits for the CA designation may provide the credits necessary for a second degree. In most instances, these credits come close enough to a second degree-depending on the university regulations-so a student may be motivated to complete the remaining second degree graduation requirements anyway. That is, for graduates with a bachelors degree, a second bachelors degree may be the byproduct of studying towards the CA, CMA, or CGA designation.

#### 4.91 Demand for Community College Graduates

##### A) By CA Firms

This market has been inactive since 1971 when the Institute of Chartered Accountants established a policy of hiring and training only university graduates as CA students (Evans, 1974; DeCoster, 1974). Accounting technicians with a community college background may be hired as data entry operators and clerical staff. These positions are limited in numbers and are often characterized as "dead end" jobs in terms of career development.

##### B) By Other Accounting Firms

This market presents limited activity. Accounting firms (other than CA firms) are mainly run by Certified General Accountants (CGA), Certified Management Accountants (CMA) and

practitioners of undetermined backgrounds. Firms run by CGAs and CMAs, although not always have a formal policy, tend to favour the CA policy of hiring university graduates. Competition among the three professional Accounting organizations in Canada does not allow any of the competitors to fall behind by applying, perceived or actual, lower standards. Perceptions are very important in the struggle for prominence among the three competitors, so, CGA and CMA firms prefer to hire either university graduates or members of their own profession. Community college Accounting graduates, unless they join a provincial professional organization and work towards their CGA designation, have a very limited opportunity to break into this market.

Practitioners of Accounting and bookkeeping offices, servicing mainly small business establishments, tend to be small operations. They rely on the work of the principal owner/manager and the clerical/secretarial services of limited staff. They engage in limited hiring, possibly hiring seasonal staff at the end of the taxation year. Many of the persons employed by practitioners and bookkeeping services are community college Accounting graduates as often as they are the owners of these establishments themselves.

There is no evidence that in the future the present hiring practices will change. In fact, since most CGA graduates come from a university rather than a community college, and both CA and CMA designations require a university

degree, the future of community college Accounting graduates in non-CA Accounting firms is rather bleak.

#### C By The Private Sector

This has been and will continue to be a strong market. Quite often, post secondary qualifications are the main requirement for employment in the private sector. Accounting training in community colleges seems to be a good qualification to have when one seeks employment in the Accounting department of a business firm. With the expansion of most community college Accounting programmes from two to three years, the marketability of their candidates and their appeal is expected to improve.

#### D By Not For Profit Organizations

Like the previous market, this is also quite strong. Many not for profit organizations operate on a limited budget. Funding often seems to be an issue and college graduates come cheaper than university graduates. Community college graduates prevail, at least, in the price competition.

Furthermore, community college Accounting graduates, who may, contrary to their university counter-parts, have some training in office procedures and secretarial functions, are able to perform more diversified duties. This further increases their value to not for profit organizations, especially the smaller ones which cannot afford to hire specialists. The "generalist" college graduate may closer meet the needs of small not for profit organizations than the

university graduate. The proliferation of social agencies and organizations for every conceivable cause is expected to further support the demand for community college Accounting graduates.

#### 4.92 Demand for Non-Accounting Bachelor Graduates

##### A By CA Firms

Selective recruitment of non-Accounting major graduates appeals to many CA firms, as it is evidenced by past practices. There are two sides in the functions of a typical CA firm. One is to provide competent Accounting services and the other-not necessarily independent from the first-is to deal with the public properly and promote the marketability of the firm. Positive interaction with clients and the public in general, requires special communication skills not always found in Accountants purely trained to deal with things rather than people. Non-Accounting majors with humanities and social sciences backgrounds may meet the needs of this other dimension of public Accounting. The main contribution of non-Accounting bachelor graduates may very well be in customer relations/business-client relations. In any case, this market demand is selective.

The supply in this market segment will substantially increase. Liberal Arts students wishing to make their education more practical, increasingly turn to Accounting and



Business departments for Business courses. As a matter of fact, they account, to a large extent, for the new highs in Business course enrolments.

#### B By Other Accounting Firms

At the present time, this demand is insignificant. CGAs, CMAs, and other Accounting practitioners in public accounting have to continuously emphasize their Accounting competence to shift the market away from the dominant CA firms. They cannot afford the luxury of training non-Accounting graduates. Given the opportunity to hire bachelor graduates with or without an Accounting major they, more often than not, opt for the latter. This trend in all probability will continue at least until the auditing function licence is extended from the CA to CGA and CMA Accounting bodies. Since such a licence does not seem forthcoming in the near future, the demand for non-Accounting bachelor graduates in this market will remain insignificant in the years to come.

#### C By The Private Sector

The demand will moderately increase. Business leaders repeatedly and publicly have complained of the highly specialized university graduates with limited perspective and inadequate communication skills. Liberal Arts graduates with some Accounting and Business background may have an excellent opportunity to position themselves in this market as an attractive alternative.

#### D By Not For Profit Organizations

This market is currently very strong and will maintain momentum in the future. In the experience of the author, it is quite common today for Psychology, Sociology, and Social Welfare majors to enrol in Business and Accounting elective courses. Graduates with the above majors return to university to upgrade their Accounting and Business skills. The reason behind such an action is the discovery that beyond their major duties in the not for profit agencies they serve, they have to perform some administrative functions. They have to organize volunteers, manage and administer the affairs of the organization, finance and budget projects, maintain an Accounting system for their operations and be accountable to their funding sponsor as well as their membership/clientele. A typical non-Business/Accounting major may not be effective in conducting these duties without taking some courses at the Business school of the university.

The supply of bachelor graduates with a few Accounting courses may hinge upon a) the attitude of Liberal Arts colleges and universities to permit their students to take Accounting and Business courses, and b) the realization of the students that organizational and managerial skills beyond their major discipline are needed for a successful career.

#### 4.93 Demand For Bachelor Graduates With Accounting Majors

##### A CA Firms

CA firms have traditionally recruited from this market. As long as the main recruiting efforts of CA firms continue to aim towards undergraduate Accounting majors, the market demand will remain strong. University campuses are the traditional recruiting grounds for CA firms. The comfortable existing interaction between university campuses and major CA firms and their long mutually beneficial relationship promises that the recruiting tradition of Accounting majors will continue. As local CA firms consolidate into larger national units, some of the traditional undergraduate recruiting may switch to the graduate level. To that effect, as the demand for master majors in Accounting increases, it may slow down the demand for the bachelor majors in Accounting. Nevertheless, the overall demand for bachelor in Accounting graduates will remain strong.

##### B By Other Accounting Firms

Other Accounting firms also have a strong interest in undergraduate Accounting majors. As in the case of the CA firms, university campuses are the major recruiting grounds for other accounting firms. There is no evidence that this practice will change in the near future. In fact, the demand for university Accounting graduates by non-CA Accounting firms

will increase in the near future.

#### C By The Private Sector

This demand has always been strong and it will continue to be so. However, it may be losing some of its strength. The expected moderate growth of the Business sector in the next few years although promising a steady demand for undergraduate Accountants does not offer the great opportunities of the past. Accounting majors may face the same experience as lawyers; an oversupply of professionals and a decline for their services. As the brighter Accounting undergraduates continue on for their master degree, the supply side of Accounting undergraduates may keep pace with the expected moderate demand in this market sector.

#### D By Not For Profit Organizations

The direction and focus of not for profit organizations does not favour large recruitment of Accounting majors. Sponsoring and funding governmental agencies promote accountability by standardizing forms and reporting which somewhat reduces the Accounting function. The social nature and objectives of the not for profit organizations also deemphasizes the Accounting function to spending accountability, often without the counter balance Accounting function of revenue generating activities. As a result, the expansion of the sector promises a moderate demand for Accounting majors.

#### 4.94 Demand For The Non-Accounting MBA Graduate

##### A By CA Firms

When CA firms recruit outside the Accounting area they are very selective. The role of non-Accounting MBA graduates in a CA firm is more administrative and promotional in nature than functional within the Accounting parameters. Some recruits may pursue Accounting studies after they are hired but most are assigned non-Accounting functions. As CA firms expand the menu of services they offer to include Financial Planning, Estate Planning, Investment activities, and the like, they may hire more non-Accounting MBA graduates. However, the demand for this type of graduate is and will remain selective.

##### B By Other Accounting Firms

Provided that most MBA programmes are of a general nature and offer no specializations, there is no surprise that other Accounting firms have a very limited desire for this type of graduate. Other Accounting firms aspiring to become like CA firms have to follow the natural evolution by first attracting competent undergraduates, then when their business and credibility are established, to expand in other functions which may necessitate the hiring of graduate students. Therefore, in this evolution stage of non-CA Accounting firms demand for non-Accounting MBA graduates will continue to be limited.

### C By The Private Sector

This is the market for which the MBA is designed. The need for good managerial and entrepreneurial expertise in a capitalistic society guarantees a strong demand for MBA graduates. On the supply side, a proliferation of MBA programmes will increase the supply of MBA graduates.<sup>24</sup> However, in our society where credentials are emphasized and required for professional admissions, it seems that demand capacity will grow along with supply. Increasing the entry standards from undergraduate to graduate in a progressive and sophisticated country like Canada is accepted as a step forward. Therefore, market demand for MBAs will remain strong as the country improves its economic fortunes and elevates the sophistication of its infrastructure.

### D By Not For Profit Organizations

The pressure on not for profit organizations to run their affairs in a more business-like manner has been mounting for some years. As a result, more and more non-profit organizations adjust their practices to that of the private enterprise. This is partially done by admitting to their administrative ranks the traditional MBA graduate. As more MBA graduates are employed, the demand by this market segment will continue to increase. Moderate increases are expected in the future, reflected by the gradual transformation of the not for profit organizations to business-like approaches and the effort of governments to limit the growth of public and

pseudo public enterprises.

#### 4.95 Demand For Accounting Master Graduates

##### A By CA Firms

The demand for Accounting masters by Chartered Accounting firms will continue its upward movement.<sup>25</sup> Three elements may support and sustain such a demand; the consolidation of many CA firms to larger entities, the real growth of these firms, and the increased number of students pursuing a masters degree. The consolidation of CA firms to larger entities allows firms to probe into research related areas more than before. Analysis of legislation trends, tax measures and the like are favoured activities by economies of scale for a larger CA firm. As a result, larger CA firms tend to hire more graduate students than before.

As better students, in general, choose to continue on with graduate studies, CA firms that remain selective in choosing their new recruits inevitably will find Master in Accounting holders preferable to undergraduates.

##### B By Other Accounting Firms

With the evidence already established in the explanation of previous market segments that other Accounting firms more or less follow the hiring policy of CA firms, one needs not debate the demand of this market. Demand in this market segment may increase moderately, lagging behind the demand

growth of CA firms in both real numbers and time. It will take a longer time for non-CA firms to significantly move into hiring Accounting masters.

#### C By The Private Sector

The strongest growth in demand for masters in Accounting, in the past, has been the private sector. As the financial system increases in volume, importance, and complexity, the life of Accountants has become more complicated and their role has been more demanding. Complexity requires a greater degree of sophistication and sophistication is developed with advanced learning and education. The demand for graduates with a master in Accounting, under these developments, is expected to increase.

#### D By Not For Profit Organizations

Government, educational institutions of higher learning (community colleges and universities), and larger health organizations (mainly hospitals) account for most of the demand for master in Accounting graduates in the not for profit sector of the economy.

With the federal government emphasizing professional Accounting designations as opposed to graduate degrees in Accounting, in this market, the demand for Accounting masters seems limited.<sup>26</sup>

The same can be said for post secondary schools. University Schools of Business in Canada no longer hire graduates with master degrees for tenure track positions.



They insist on doctoral degree holders, therefore, the demand for master in Accounting graduates will be limited. Community colleges will continue to hire master in Accounting graduates but as they loose Accounting students to universities their enrolments are expected to drop. The overall demand in this market segment, for master in Accounting graduates is expected to be limited.

#### 4.96 Demand For Doctoral Candidates/Graduates

##### A & B By CA Firms and Other Accounting Firms

Since the demand for doctoral candidates/graduates by CA firms and other Accounting firms is not formed in two distinct markets, they are both examined together. The demand for Ph.Ds by CA firms and other Accounting firms has been and will continue to be insignificant in the foreseeable future. Experience has shown that accounting firms are not prepared to employ, on a large scale, Accounting doctoral graduates. These students are often seen as trained for little else but pure research which may not be the main focal point of Accounting firms.

Accounting firms, however, have focused more over the past years upon encouraging and financially supporting the production of Ph.Ds in Accounting. Accounting firms and all three professional Accounting bodies are concerned with the lack of qualified Ph.Ds in Accounting to teach at the

university level future members of these professions (Rosen, 1978). One may say that the lack of Ph.Ds in Accounting on its own sets the priority to first fill the vacant faculty positions at university. When these vacancies are filled, then Accounting firms may reconsider their practices of hiring Accounting doctorates. Possibly the demand in these markets is insignificant because of the first hand knowledge. Accounting firms have that the supply is simply not there.

### C By The Private Sector

The demand for doctoral graduates in Accounting by the private sector has been rather weak and it will be, at best, selective. The image of Ph.Ds in accounting is somewhat exotic. Doctoral graduates are perceived to be university research oriented who themselves aspire to be recycled into the university environment that produced them. Even those Ph.D graduates who are explicitly prepared to work in industry often experience difficulties in obtaining employment (Groneman and Lear, 1987). During the last few years, the Canadian economy has been operating considerably below potential, which has limited the employment prospects for highly qualified doctoral graduates. Moreover, foreign ownership seems to have affected research and development activities. It appears that foreign controlled companies have deemphasized research and development in Canada, which might have meant a loss of potential jobs for Ph.Ds. With the implementation of the free trade agreement, such R&D

activities may be further centralized to headquarters of American conglomerates. This centralization in all likelihood will erode the demand for doctorates in Canada.

#### D By Not For Profit Organizations

The demand for Ph.Ds by the not for profit sector which includes universities will continue to be strong. While many educators accept the premise that the doctorate does not necessarily add to ones teaching ability, in Canada, a doctoral degree is required for a tenured track position.

The pressure to hire Ph.Ds to teach Accounting comes from tenure and promotion practices. Accounting education programmes do not enjoy the autonomy to establish their own standards for tenure and promotion. Thus, the general academic community values weigh heavily. Professional certification and relevant experience are frequently disregarded in the evaluation process for tenure and promotion. The emphasis is placed upon doctorate degree research and publication.

## NOTES TO CHAPTER FOUR

1. For example, Algoma University College's tuition has almost doubled in 10 years (1980 to 1989) from approximately \$900 to \$1800 a year.
2. See Table 37.
3. See Table 24.
4. Table 36 indicates that foreign doctoral students of Management and Administrative Studies are an important force.
5. Table 32 indicates a relative large number of Canadians who obtained a doctorate in the USA.
6. Table 42 provides an analytical list of all Management and Administrative Studies degree programmes in Canada.
7. See the data from Table 53.
8. See Table 40.
9. See Tables 7 and 8.
10. Table 32 demonstrates a relative large number of Management doctorates awarded to Canadian citizens by U.S. universities.  
Table 38 indicates that the majority of all Management and Administrative Studies faculty in Canada (53.8%) has received their doctorate in the USA.
11. See Table 36.
12. The data of Table 30 and 31 support this quotation. Fellowship applications in Business Administration are low relative to the total applications, however, they are higher than past years. Furthermore, the success rate of Business Administration applications is as good or better than applications from other disciplines.

13. A number of reports have consistently indicated that Accounting and Business graduates are hired at a higher salary than Humanities and Liberal Arts graduates (University of Western Ontario Annual Supply of University Graduates; Technical Service Council; and Statistics Canada).
14. See Table 53.
15. See Table 54.
16. Announced in CMA Directions, Volume 6, 1988.
17. The July issue of University Affairs (page 12) reported that among male university graduates, the most common field of study was Business.
18. Globe and Mail, April 2nd, 1979, p.7.
19. AACSB Newsletter, August 1981.
20. Tables 7 and 8 provide a measurement of this demand as it was determined by this research effort.
21. See Tables 32 and 33.
22. See Tables 41 and 43.
23. ICAO recently announced that the credit requirements for the CA designation changed from 45 to 51 credits, effective November 1989.
24. University regulations allow a student to graduate with a second Business degree by completing only 50% of the normal credit requirements.
24. There are 27 Canadian universities in Canada offering Master degrees in Management and Administrative Studies. Statistics Canada reported 2,729 such degree graduates in 1985.
25. The recent creation of a Master Accounting programme at the University of Waterloo by the ICAO constitutes a strong

evidence of the desirability of Accounting Master graduates by CA firms.

26. The federal government for the past several years has set a programme with the Society of Management Accountants of Ontario where civil servants in Ottawa can pursue the CMA Accounting designation. Also, recent recruiting by Revenue Canada on Canadian university campuses emphasized professional Accounting designations not master in Accounting degrees.

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## CHAPTER 5

## THE ACCOUNTING DISCIPLINE IN ACADEMIA

## 5.1 ACCOUNTING EDUCATION AT CANADIAN UNIVERSITIES

Accounting university education in Canada was a late starter. It was after the turn of the century that Accounting courses were introduced to the university programmes. In contrast, some European countries such as Germany, Italy, and France introduced the Accounting discipline to universities much earlier (Brown, 1968).

The University of Toronto, McGill University, and L'Ecole des Hautes Etudes Commerciale were the front runners introducing Accounting and Business subjects between 1900 and 1910. The University of Saskatchewan, University of Alberta, and Queens University, between 1910 and 1920, were able to establish schools of Business as part of their Liberal Arts and Sciences curriculum (Beechy, 1980).

A two year course leading to a diploma in Commerce was started at the University of Toronto. However, it was not until 1921 that the University of Toronto established the degree of bachelor of Commerce. The first school of Commerce was established in 1905-1906 at McGill University in Montreal. The first bachelor of Commerce programme was founded in 1920 at Queen's University (CFDMAS, 1988).

Accounting instructors before the First World War were practitioners. They were employed by industry or government and were teaching on a part-time basis. There were almost no full-time Accounting faculty. This practice of hiring practitioners as part time instructors continues even today. Practitioners are hired as part-time faculty to assist full-time professors with their teaching load.

Increased demand for Accounting and Commerce graduates during the inter-war period but especially after the second world war fuelled the growth of many more Business, Commerce, and Accounting programmes. Many Commerce and Accounting programmes were established in the '60s.

The first doctoral programme in Business Administration in Canada was established at the University of Western Ontario in 1960. However, the first doctoral graduate with an Accounting concentration did not graduate before 1969. In spite of its small Accounting faculty (four; one full professor, one associate, and two assistant professors) it has produced seven Ph.D.s in Accounting since then (Beechy, 1980; CFDMAS, 1988).

The University of British Columbia began its Ph.D. programme in Business Administration in 1969. Accounting was placed under the heading, Accounting and Management Information Systems (AMIS) and the first graduate of AMIS graduated in 1975. Only three Ph.D.s in Accounting and one in Information Systems had graduated by May 1980 (Beechy,

1980).

Today, Accounting at the University of British Columbia (UBC) is a separate division from Management Information Systems with six full time faculty members (2 full professors, two associate professors, and 2 assistant professors) (Hasselback, 1988).

Presently at UBC, 19 Ph.D. students are registered in Accounting and MIS (Mattessich, 1988).

## 5.2 ACCOUNTING RESEARCH IN CANADA

It seems the first academic Accounting journal was the Accounting Review (USA) established in 1929. Another early journal, the Accounting Forum, was established in 1933 as an undergraduate journal at Baruch College City University of New York, USA. In England, the Accounting Research journal was established in 1948 (Accounting Review, 1954).

In Canada, there is only one pure academic Accounting journal, Contemporary Accounting Research. It was established in 1983/84 by the Canadian Academic Accounting Association, which itself was established in 1976. The Canadian Chartered Accountant established in 1911 by the Canadian Institute of Chartered Accountants (CICA) is a professional trade journal. Since 1974, it is published as the CA Magazine. There are two other Accounting trade journals in Canada today; the Management Accounting Magazine published by the Society of

Management Accountants (from 1926 until 1985 was published under the name Cost and Management) and the CGA Magazine established in 1966 published by the Canadian Certified General Accountants (Allan, 1982).

Before the Second World War, Accounting research in Canada was minimal. Most of the Accounting instructors were practitioners teaching on a part-time basis. Most Accounting publications were in trade journals and textbooks. An additional reason for the limited Accounting research is the fact that most Accounting education in Canada until the mid 1960s was at the undergraduate level. Undergraduate programmes, as a rule, are not expected to generate great research activity, although there are few exceptions to the rule.

As Business graduate schools were created, academic Accounting research increased. The first school to offer graduate work in Business Administration was the University of Toronto (1938) followed by the University of Western Ontario in 1948.

Besides university/faculty sponsored research, professional Accounting bodies, few other organizations sponsor and/or foster Accounting research in Canada. The Administrative Science Association of Canada (ASAC) founded in 1972/73 originally included Accounting on its list of administrative disciplines. However, a few years later when the CAAA was established, Accounting was dropped from the

list. Presently, the only ASAC research close to Accounting is in the area of Information Systems and Management Education.

The Canadian Academic Accounting Association (CAAA) was established under the initiative of Professor L.S. Rosen in 1976. Since 1969 it operated as a regional group of the American Accounting Association. CAAA publishes Canadian Accounting Education and Research News and Contemporary Accounting Research Journal (CAR). Furthermore, it supports the publication of monograph series and administers research funds provided from the Canadian Institute of Chartered Accountants, Society of Management Accountants, and Certified General Accountants. In addition, it holds annual conferences facilitating communications and intellectual exchanges among Canadian Accounting academics.

The Canadian Social Sciences Humanities Research Council (SSHRC) financially supports research and Ph.D. studies in many areas of Business Administration as well as Accounting.

The Institute of Chartered Accountants, besides its regular publication (CA Magazine) sponsors mostly professional research carried out internally usually by study groups or committees. Academic research is also sponsored and financial assistance is provided for those CAs pursuing doctoral studies in Accounting.

The Research Foundation of the Society of Management Accountants of Canada also supports research through its

monograph series and its Management Accounting magazine published ten times a year. It also sponsors annual symposia in conjunction with the CAAA annual conference. The Society of Management Accountants also supports members who are pursuing doctoral research.

The Canadian CGA Research Foundation sponsored by the Certified General Accountants Association of Canada, beside the CGA Magazine, supports research published in the working papers series and monograph series.

Finally, public Accounting firms, such as Clarkson Gordon Foundation, Arthur Anderson and Co., Deloitte Haskins and Sells and their agencies support scholarly and professional research.

### 5.3 ACCOUNTING AS AN ACADEMIC DISCIPLINE

Every year thousands of university students in Canada choose Accounting as their major. Their motivation level varies: Professional enthusiasm, potential earning power, employment opportunities for Accounting graduates are some positive forces behind their choice. Most students do not consider Accounting the same way they see literature (English), Mathematics, Physics, and Sciences, in general. This is due at least in part to the fact that at the high school level Accounting and Business subjects are mostly offered for the "general" level students. Those students that

are considered university bound are encouraged to take "advanced" level courses in English, Math, and Science.<sup>1</sup>

Only at university do students start to appreciate the scholarly and academic element of the Accounting discipline.

Accounting as an academic discipline can be seen as a number of knowledge-learning layers. The first, lower level of the Accounting discipline, is that of quantifiable measurement. At this stage the focus is on numbers and the quantity they illustrate. What is measured is not as important as the accuracy of the numbers themselves.

At the second, higher level of the Accounting discipline, the emphasis is on the economic resources measured. The numbers themselves have no significance unless they are assigned to specific resources. How the resources are defined, what they represent, along with the numbers attached to each and every one elevates Accounting to the second level.

At the third level of the Accounting discipline, the human element is added to the previous two levels. Quantifiable measurement of well defined resources have a purpose. The interests of many parties depend upon them. Economic reality has some consequences on the political, social, and personal arena. The numbers and measurements are not passive but dynamic in nature, influencing human behaviour and creating intricate relationships.

At the fourth level, the system of numbers, resources, and human elements is analyzed. It starts with the



development of criteria to evaluate the Accounting data, then it proceeds with the evaluation. How well does the present system work? How far is it away from where we want it to go? What can be done to expedite its growth and development?

At the fifth level, a comparison of parallel Accounting systems is examined. The Accounting discipline usually reflects the socioeconomic and cultural factors prevailing in each country. Therefore, various countries have developed different Accounting systems. A comparative analysis among the existing systems elevates our understanding of the discipline and allows us to recognize the multidimensional system approaches a country can take. International perspectives, analysis of strengths and weaknesses of one country's system over another brings the discipline into an international forum.

At the sixth level the Accounting system is mature enough to allow a comparison through time: the point(s) of origin, the developmental stages, the success and turbulations are reviewed from historical perspective. The evolutionary process of Accounting is studied and new insights are gained as to why we have arrived at the current stage.

At the seventh and final stage of Accounting, the numbers measuring resources look distant. People, their Accounting practices in other countries, their systems developed throughout time seem to be closer. The realization that Accounting is part of Social Sciences, or that broader

considerations (History, Political Science, Economics and Sociology) were part of the Accounting discipline sets in. Now, Accounting, with all of its seven layers, is a full academic discipline worthy of research and scholarship, a discipline that can induce academic aspiration in any serious student.

#### 5.4 PROFESSIONAL ACCOUNTING EDUCATION AND THE LIBERAL ARTS

The relative merits of professional education have been the subject of a long standing controversy among academics. Traditionally, university education has aimed towards cultural as opposed to career-building approaches. The cultural approach encompasses concepts like the following: "education is to better ourselves and improve our understanding of ourselves and society", "education teaches us to be good citizens", "education is to cultivate our talents and maximize our abilities". There is no emphasis on career-building (vocational) orientation. The primary objective is not to prepare one for a given profession but to retain some flexibility within a broadly defined field of endeavour.<sup>2</sup>

Professional education emphasizes a vocational approach. It consists of "bread and butter" courses in a systematic sequence that prepare an individual for a defined career and a good living upon graduation. The first two years of study

rely heavily on traditional cultural aspects. A broad selection of courses from the Humanities is encouraged to sharpen the student's critical thinking and understanding of our environment. The last two years or so emphasize depth in one's chosen discipline and a hands-on approach. Applied cases, practical and empirical approaches involves learning by doing. Resourcefulness, entrepreneurship, decision making and "how to" skills figure prominently on the menu of professional education.<sup>3</sup>

In essence, there is no major clash between the two approaches, one complements the other. However, the differences are often exaggerated. To suggest that a course has to be impractical, to be eminently worthwhile is absurd. To consider vocational courses as requiring lower intelligence and proficiency is ignorant. Proficiency in one's job is required even in the most ordinary and limited occupations. Intelligence and clear thinking is required in every complex activity in which people engage. It is not the exclusive prerogative of "cultural education". University education cannot afford but to recognize both concepts-objectives, the cultural and the professional. Producing "jack-of-all-trades and a master of nothing" graduates would be detrimental to the long term interests of the university. There is nothing uncomplimentary in preparing people to get a job and climb the career ladder.

Unlike most other academic disciplines, Accountancy and other "professional" programmes are inextricably bound to a pragmatic social role. The musings of researchers and theoreticians are necessarily secondary to the process of education for professional competency. It is certainly inappropriate to encourage the undergraduate student to approach Accountancy without an understanding of what he/she needs to know. Besides theory, Accounting procedures and methods, laws and regulations, as well as currently accepted practices, constitute the bulk of what must be learned, if the student is to enter practice or understand the data produced by Accounting. The essential "practical" or applied nature of Accountancy places the discipline in a role which is sometimes regarded as inferior to other disciplines in the spectrum of higher education.

Both academic prestige and respectability are necessary ingredients of higher education. Prestige largely arises from the complexity of the body of knowledge to be studied and other people's opinions, generally among peers, of that body of knowledge. Respectability stems from linking the objective of the area of study to proven success in accomplishing its objective. A continued development of theoretical and conceptual knowledge, Accounting research, and development of graduate Accounting programmes overtime may eventually improve academic Accounting's prestige. Likewise, respectability may be earned through the success of the Accounting schools in

meeting their objectives and the success of their graduates in the market place.

### 5.5 ISSUES IN ACCOUNTING EDUCATION

The problems and opportunities in Accounting education are due to the complex interaction of many variables. Several of these variables are environmental in nature, beyond the control of academic Accountants and the Accounting community, in general. The social, economic, political, and educational events that make up the environmental factors need to be considered in order to develop an appreciation of the issues.

In the 1960s and early 1970s, a major factor in education was the growth in the size of the universities itself. Large numbers of students led to large classes, teaching methodologies of closed-circuit television, and utilization of graduate student instructors. General thirst for education and the large number of undergraduates allowed for the creation of many graduate programmes at both the master and doctoral levels. Education was accepted as the long term solution to poverty, discrimination, and all other social problems (Anderson and Bowman, 1966). The perceived benefit of higher education generated an unrealistically high level of expectation and massive government expenditures in education.

Business schools flourished. Larger than ever enrolments fueled the proliferation of MBA programmes. Separate schools of Business and/or faculties of Business were created outside the traditional faculty of Arts. New recruiting of highly qualified Business educators and Business research elevated the Schools of Business to prominence.

However, the dominant thrust of Business schools was in disciplines outside the Accounting area. Historically, Accounting as a Business discipline, was not always recognized and accepted. Professional Accounting designations, and the organizations awarding them, perhaps, contributed a lot to the identification and recognition of the Accounting discipline. Furthermore, the relative high production of non-Accounting to Accounting graduates contributed to a greater marketability of the small contingent of Accounting graduates. Marketability, in turn, created room for educational specialties in accounting. Tax accounting, government Accounting, Public Accounting, and Management Accounting emerged.

In the seventies and on, with the "baby boomers" at maturity, university enrolments increased slightly. World-wide economic decline shifted public priorities to health and social-welfare programmes, the traditional competitors of education. Budget constraints provided for reduced educational expenditures.

The funding formula based on enrolment levels did not allow universities to finance new programmes. Expansion of

one programme had to be matched against a contraction or elimination of another. Tradition, unionization of faculties and a tenure system could not realistically provide for drastic organizational changes, reallocation of resources among various disciplines. Universities were bureaucratized with all disciplines and segments treated alike. The universities' approach although democratic lacked the entrepreneurial will to move on with the challenges of the times. Individual faculty members' interest gradually shifted from the overall university entity to the school, to the academic area or department, to the research and teaching interest of the individual faculty member. Every member of the academic community seemed to care more for his/her narrow domain of influence than the broad general interest of the university. Traditional disciplines with their numbers dominated and overpowered the emerging Business discipline. The current status of Accounting education and the issues it faces are, for the most part, explained by the above analysis of environmental factors and power within the structure university system.

## 5.6 ACCOUNTING CURRICULA

Accounting, as an academic discipline, finds its place within the context of Business Administration. As a matter of fact, an Accounting major is built on a number of required

Business Administration courses. Likewise, a general Management and Administration major relies upon a number of Accounting courses. Thus, the Accounting curriculum is designed to serve both the Accounting and Business school educational requirements. Furthermore, Accounting courses can be taken as electives by students of all disciplines and as such Accounting curriculum serves the general university educational requirements.

Accounting education consists of three layers of courses: general Arts and Sciences course requirements, a core of Business course requirements, and specific Accounting course requirements. Both graduate and undergraduate programmes seem to recognize this three layer course distinction.

The general Arts and Science course requirements are designed to meet the general educational objectives of university education. Numerical, verbal, written and computer literacy are typical areas of required competency by all university graduates. This type of education is necessary for all students regardless of what their subsequent area of concentration might be. Math, Computers, English, Humanities and Social Science courses are among the most common required general Arts and Science requirements.

The main objective of Business courses is to complement the specialized learning and knowledge of the major subject area. Accountants need to know what their colleagues do in other functional areas of Business. Goal congruence, good



communications among different departments, productivity, and effectiveness require general Business knowledge beyond the specialized expertise obtained in the area of concentration.

A typical undergraduate Accounting programme in Canada requires 24 to 36 semester hours of Accounting courses. Table 27 summarizes the Accounting curriculum requirements of all Canadian universities as they were surveyed by the author.

Most universities offer more than 36 credits in Accounting. However, many courses are optional and can be taken as electives. Accounting Information Systems, Accounting for the Not For Profit Organization, and International Accounting usually qualify as such elective courses. Considering that 120 semester credits are required for graduation with a baccalaureate degree, the 24 to 36 credits represent 20%-30% of the total course work requirement. Since the 6 to 9 Accounting credits are typically required by all Business students, irrespectively of the area of concentration, the Accounting courses required for Accounting majors amount only to 15 - 24 additional Accounting semester credits in Accounting. This translates to only 12.5%-20% of the total amount of course work required for a baccalaureate degree.

At the master level (MBA), the maximum Accounting course requirement is limited to 9 semester hours. Three to six semester hours is more typical. The MBA is a general degree

TABLE 27

TYPICAL UNDERGRADUATE ACCOUNTING CURRICULUM  
REQUIREMENTS AT CANADIAN UNIVERSITIES

Principles of Accounting credits	6
Intermediate Accounting-Accounting Theory credits	6
Cost Accounting/Management Accounting credits	3-6
Personal Taxation/Corporate Taxation credits	3-6
Auditing credits	3-6
Advanced Accounting Topics credits	3-6
Total credits	----- 24-36

without provisions for specializations. Since non-Business, non-Accounting graduates are admissible to the programme, the aim of the programme is to provide a general Business education and not a specialization in a functional area such as Accounting.

In specialized master programmes such as Master of Science in Accounting, the Accounting graduate has to complete a total of 24 to 36 semester hours in Accounting. Most non-Accounting Business course requirements are common for all types of concentrations and are known as core Business courses.

Given the wide range of options that students have in selecting elective courses, one important question comes to mind. In what subject areas should students exercise their options?

Williams (1970) found that students when given an option, avoided mathematical and statistical courses. His findings ranked average course deficiency as follows: First, Mathematics and Statistics; second, Economics; third, Computer and Information Systems.

#### 5.7 ACCOUNTING EDUCATION, THE LEARNER, AND LEARNING THEORIES

The vast number of variables related to learning, and the staggering number of volumes written dealing with these variables can never provide a complete explanation of the learning process. Yet, Accounting educators need to understand some fundamental learning issues. The success or failure of Accounting educators does not only depend on their Accounting competence but also on the understanding of these learning issues.

##### Individual and Personality Differences

Individual differences are beyond physical characteristics. People differ also in intelligence, abilities, personality, vocational interests, and motivation all can affect educational progress and performance. There are

several personality and learning theories (Thorpe and Schmuller, 1954). Each one explains the behaviour of few or several but not all individuals. There is no dominant personality theory that can be generally applied.

Individual differences and different motivators (reward, punishment, approval/disapproval, fear, anxiety, guilt) simply recognize the individuality of students. Consequently, Accounting educators to be effective should try to stimulate classrooms of students with varying personalities by assessing each student's personality. Yet, personality is made up of a set of very unique characteristics such as intelligence quotient (I.Q.), aptitudes, talents, interests, temperament, and character traits. No personality definition can be applied with any generality to each and every student. Analysis of students' individual differences may go beyond the professional competence of Accounting educators. Principally, Accounting professors are expected to be competent in their subject matter.

#### Intelligence and Ability

Like individual differences, ability and intelligence is inherent, are not learned or experienced. Given the IQ differences among students, Accounting educators may be mostly concerned with students realizing their potential. IQ signifies potential rather than accomplishment. Students need to be motivated to reach their potential (Bruner, 1968).

Nevertheless, the higher the IQ score, the greater the educational achievement. The higher the educational credentials of a student, the greater the chance for him/her to be employed in his/her chosen career. That is, intelligence plays a role as to who will eventually be hired in a desirable occupation. If occupational and economic success depends heavily on IQ, one wonders if it is possible to create superior IQ students.

The argument of nature (heredity) or nurture (environment) as factors determining IQ scores has been long debated by psychologists with convincing evidence from both sides (Thorpe and Schmuller, 1954). Heredity based intelligence leaves the (Accounting) educator with very little to do. Students IQ is determined before they reach the university classroom.

High IQ individuals are likely to reach their potential or fall short of it with or without education. At the same time, low IQ individuals seldomly will reach the upper echelon of the socioeconomic scale. That is, the basic nature of IQ cannot be changed by Accounting professors. What Accounting professors can do, though, is to provide a challenging environment to motivate each student to reach his/her potential. In general, university professors have the luxury of teaching students with supposedly superior intelligence. Attrition, and low participation rates of students studying at universities presumably places in the hands of university

professors, students of the highest available quality.

Ability of Accounting students is determined mostly with uniform accreditation examinations held for Accounting graduates by all three professional Accounting bodies.

### Vocational Interests

In general, vocational interests develop, change, and transform over a period of time until a child's early twenties. Family influences, upbringing, environment, teachers, courses taken, and other incidental factors form perceptions that affect their vocational preferences. Students considering a career in Accounting before entering the profession may wish to determine whether their vocational preferences match with those of successful practising Accountants.

Accounting educators have an important role to play in it since students are seriously affected by their professors. Not only should they present a realistic view of the Accounting profession, but they also should assist students in exploring possible matchups with their vocational interests. Miss-matches result in high turnover which is detrimental for the Accounting profession. However, only trained professionals (counsellors, psychologists) can interpret personality and aptitude tests.

## NOTES TO CHAPTER FIVE

1. Provincial regulations in the province of Ontario specify the advanced academic credits necessary for those planning to attend university. Although many high schools may offer Accounting at the "advanced" level, most Accounting courses are classified at the "general" level. General level courses are aimed at those with limited academic aspirations and/or ability.

2. There are several dictums associated with Liberal Arts education. They can be found in university calendars everywhere. They are often used to epitomize the philosophy of Liberal Arts education and possibly to differentiate it from professional education. McDonnell, 1923 and the Canadian Club of Toronto Proceedings of 1931 provide an excellent source of information on this matter.

3. For example, the new CMA programme that applies to all students registering starting in the fall of 1989 requires ten full courses in general education. Then the prospective Accounting student must complete technical syllabus requirements in a number of specialized areas such as Management Accounting, Financial Accounting, Legal Dimensions of Accounting, Management, and Computers.

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## CHAPTER 6

## ACCOUNTING DOCTORAL PROGRAMMES IN CANADA

## 6.1 THE PH.D. SCENE IN CANADA

The spectacular expansion of universities and university enrolment during the sixties, and to a lesser degree subsequent enrolment increases, caused an extraordinary demand for university faculty. The 6,250 university faculty of 1960-61 increased to 21,430 in 1969-70, 24,575 in 1979-80, and 26,110 in 1984-85. During the 1960s, the average annual enrolment increase was 12% while the annual growth of enrolment at the doctoral level for the last several years averaged over 25% (Statistics Canada, 81-204).

This rapid enrolment expansion had as a result the potential imbalance of demand and supply of Ph.D.s in several disciplines and/or geographic area. The National Research Council almost 20 years ago expressed a preference for an imbalance in favour of supply. A surplus was considered preferable to a shortage of Ph.D. graduates (NRCC, 1969).

The general optimistic mood of the sixties was supporting the notion that new employment opportunities would absorb the surplus. It was a matter of time (structural unemployment) before Ph.D. graduates would be able to find challenging and rewarding jobs.

Ph.D. graduates traditionally are employed by universities (Mehl and Lammers, 1979; Stone, 1965). The recycling of student graduates to the university is reinforced by many factors. The training of doctoral students is often narrowly focused on their dissertation topic. Lack of a broad based training limits the opportunities available to students to work in a number of alternative fields when outside the university. The type of pure research often followed by Ph.D. students, may have limited applications in the real world environment. The suggestions and directions of doctoral advisors although well intended, often are self-serving conveying their own interest, and perpetuating the narrowness and scope of doctoral training and research. The students themselves often aspire to become what they perceive their doctoral advisors and professors to be. That is, a Ph.D. programme often becomes a closed system of recycling university professors not permitting much outside input. Yet, the expectation that government and industry would willingly provide employment to Ph.D. graduates is evident in academia. Almost every Ph.D. catalogue purports to prepare graduates for employment in government and industry.

This expectation has largely not been materialized. The Canadian - and world economy - from approximately 1973 to 1983 operated below potential. During that period, the demand for highly educated personnel by the industrial sector dropped. Foreign ownership in the Canadian industrial sector worsened

the effects of economic inactivity. Industrial research and development, an area where a great many doctorates are hired, was consolidated into home headquarters depriving Canadian Ph.D.s from an excellent employment opportunities in industry (Financial Post, 1988). Other countries, especially the U.S.A. where foreign scientists were once welcomed, instituted measures limiting Canadian doctorates from employment opportunities in the United States.

The employment opportunities of doctoral candidates were not better in the government sector. Reduction in government revenue increased the calls for curbing government spending. Research funds and positions were eliminated. The newly elected Conservative government in 1984 hoped that government laboratories were to be replaced by private ones. Various incentives offered to industry (e.g. investment tax credits) motivated by a free enterprise philosophy, were to create an environment where more doctorates were to be absorbed by the private sector. Unfortunately, there is no evidence to support this optimistic assumption.

Community colleges and high schools were always expected to employ a number of doctoral graduates. Although this may have happened to a certain extent, the expectations have not been fully met (Statistics Canada, 81-254). Community colleges and Boards of Education often view doctoral candidates as over qualified, unsuited for their institutions. They often feel unable to justify paying higher salaries for

doctoral candidates when candidates with lesser qualifications, can perform equally well on the job. Furthermore, even if they could attract doctoral candidates at the salary level available to those with master degrees, there is always the risk that doctoral candidates may leave for better (paid) positions should they afford the opportunity in the future. Also, many doctoral graduates may not want to teach at the high school or community college level considering them as beneath the level of their expertise.

In the final analysis, Canadian universities end up absorbing most of the Ph.D.s they produce. It is estimated, that 90 percent of doctoral graduates in Humanities and Social Sciences are employed by universities. For the Physical Sciences (Physics, Chemistry, Biology, Computer Science, Engineering) this number is between 70 and 80 percent (Statistics Canada, 1984). The type and place of employment of Ph.D. graduates in Management and Administrative Studies from the Universities of Toronto, Western Ontario, and British Columbia in 1980 was estimated as follows:

With such a large proportion of doctoral graduates being employed by universities, one should not wonder about the university career orientation - recycling philosophy prevailing in the Canadian university system.

TABLE 28	
TYPE AND PLACE OF EMPLOYMENT OF DOCTORAL GRADUATES IN MANAGEMENT AND ADMINISTRATIVE STUDIES	
University placement in Canada	73.6%
University placement outside Canada	12.6%
Non-university placement in Canada	9.2%
Non-university placement outside Canada	4.6%
TOTAL PLACEMENTS	100.0%

Source: SSHRCC, 1980.

The ability of the Canadian university system to absorb its own production of Ph.D.s along with those Canadian graduates studying abroad who return to Canada is a matter requiring further analysis.

The enrolment decline of the seventies and structural shifts of enrolment from Humanities and Social Sciences to professional schools and vocational disciplines made it impossible for universities to absorb all Humanities and Social Science doctoral graduates soon after their graduation. The proverbial Ph.D. taxi driver was the creation of that particular era. A general disillusionment with graduate education has a long term lasting effect. Perceptions are difficult to change in the short run.

Decline in job opportunities for university graduates, fewer summer jobs for university students reduced both the

number of students entering and returning to university. A decline in university enrolment further impacted upon the oversupply of Ph.D.s. New teaching positions not only were not generated but the vacancy rate of existing positions declined. This is due to the age profile of Canadian faculty. A relatively young faculty with a median age under 40 in the early 1970s did not generate much hope for large retirements and replacements (Statistics Canada, 81-229).

This discouraging factor may have kept promising potential doctoral students away from Ph.D. programmes in the last few years. The impact of their decision and the potential shortages in many disciplines would be felt when existing faculty reach the retirement age in the 1990s.<sup>1</sup> Not all disciplines were equally affected. While Humanities and Social Sciences were experiencing a surplus of Ph.D. graduates, Accounting, Business, and other professional disciplines were experiencing shortages. One hundred percent of Business, Marketing, and Commerce doctoral graduates were employed full-time in June-July 1984 (Statistics Canada, 1984). The inability of the university system to restructure its academic units to meet the new needs of students did not allow reallocation and balancing out of the forces of demand and supply.

Most early Canadian doctoral programmes were in the areas of Physical and Biological Science. For example, two thirds of all 1960-61 Ph.D. graduates (201 out of 306 graduates)

received their doctorate in Physical and Biological Science. Ten years later 1970-71, in spite of the fact that the major expansion of doctoral programmes was in Humanities and Social Science, still Physical and Biological Science graduates represented 69.6 percent of all doctorates (1,131 out of 1,625 graduates) (Statistics Canada, 1974).

It generally takes many years for a new doctoral programme to reach maturity and reputation. Faculty, library resources, and research output are not built over night. The length of doctoral studies, (3 to 4 years) also adds to the time that it takes from instituting a doctoral programme, to producing a significant number of graduates to make a difference on the demand/supply equation. By the time some doctoral programmes started producing doctoral graduates (undergraduate) student enrolment was already levelling off.

That is, the supply of doctoral degrees in Canada is uneven and varies substantially among disciplines. Furthermore, the time lag necessary for the education process to establish and produce doctoral degrees in short supply to catch up with the demand is too long. By the time supply increases, the demand may have already declined.

On the other hand, quick and unplanned proliferation of graduate programmes can be a cause of concern. Most new doctoral programmes have been patterned after the established ones. The rationale against innovative design appears to be "if the recipe worked for others, do not experiment with it,

it should work for us too." Excessive supply of doctoral graduates and/or doubtful quality of graduates mainly from newly established programmes are two main focal points of academic concern. An industry concern is built around the narrow research focus of most doctoral programmes which limit the job mobility of these graduates. If indeed there was an oversupply of doctoral graduates, broad research focus and scope would provide alternative career paths and job mobility among related occupations.

The growth of doctoral programmes has been supported by federal granting agencies (National Research Council, Medical Research Council, and Canada Council), as well as provincial agencies. Although the support has not been uniformly praised as adequate, it may have assisted or even induced students to pursue doctoral education. Also grants have not been evenly applied among different disciplines.<sup>2</sup> Some imbalances are striking. In 1966-67, only three of the doctoral grants went to Business Administration students, while 132 went to History students (Canada Council Report, 1971).

The magnitude of the imbalance can be appreciated if one considers the shortage of Business Administration doctorates versus the abundance of History doctorates. An explanation for this type of imbalance is that grants are awarded on a request/application basis. The Canada Council is limited in its ability to direct applications to particular disciplines where doctorates are mostly needed. On the other hand,



priorities could have been established by discipline and all worthwhile applications from designated disciplines could have been honoured before grants were approved to low ranking discipline applicants.

One of the reasons for the dramatic expansion of doctorate programmes was the influx of foreign faculty at Canadian universities.<sup>3</sup> Canadian universities today continue to hire to a larger extent non-Canadian born academics.<sup>4</sup> The danger that foreign trained immigrant faculty does not match the Canadian social fabric is ever present. Immigrant faculty may also feel alien to the Canadian environment, face a long period of integration, potential language problems, and may have more difficulties in following important developments in their disciplines.

Also, the moral and economic issue of the "brain drain", especially when immigrant academics come from developing nations, cannot be ignored. Accepting highly qualified individuals trained at the expense of other countries, although benefits Canada, may also harm the graduate schools, educational infrastructure, and the countries they come from.

Another reason for introducing doctoral programmes at university is that, in general, universities gain in prestige from graduate studies. Public perceptions are difficult to measure, but one cannot question the common wisdom that it takes additional, higher quality of university resources to deliver a graduate, rather than undergraduate programmes.

Faculty also is motivated by self-interests to introduce doctoral programmes. Faculty research is difficult to separate from graduate education. Therefore, it is in the interest of research oriented faculty to see the establishment of graduate programmes. Financially, faculty may not gain much. Teaching at the doctoral level may not be more financially rewarding than teaching at the undergraduate or master level. Some tutoring and/or advising of doctoral students may also be part of the general duties of faculty without additional remuneration being provided for the performance of these duties.

The ratio of Canadian to non-Canadian full-time doctoral students has increased during the last few years. Full-time international doctoral students in Management and Administrative Studies in 1979-80 represented 26.8% of the total student population. In the 1985-86 academic year, this percentage was down to 22.3% (Statistics Canada, 1986). Tuition differentials whereby foreign students pay much higher tuition than Canadian students, and tougher immigration requirements have reduced the number of non-Canadians studying in Canada. Naturally, this ratio varies from one discipline to another.

On the other side of the coin, fewer Canadians study abroad today than a few years ago. At one time, capable Canadian undergraduate students were encouraged to continue their graduate studies abroad. U.S.A., England, and France

were and still are the three major destinations of Canadian graduate students.<sup>5</sup> Many of those students, especially those studying in the U.S., never return to Canada. Many accept appointments abroad. The large number of Canadians studying abroad inhibited the growth of Canadian graduate schools. However, as Canadian graduate schools started establishing and building a name for themselves, Canadians increasingly started stay and study at home.

Finally, one can speculate about the employability/marketability of doctoral graduates coming from well established versus those coming from less known, possibly newer and smaller programmes. Theoretically, established programmes attract better qualified applicants. Therefore, one can claim that graduates from established programmes enjoy a competitive edge. This argument, in the opinion of the author, is not correct. The individual, personal abilities that one brings into and cultivates at a graduate school are more important than the school itself. The name of a school can carry a graduate up to a certain point. The competitive advantage of the individual graduate is more dependent on personal attributes and characteristics, than the size, age, and reputation of the university from which the doctorate is obtained.

#### Doctor of Philosophy Degree in Accounting

The doctor of philosophy degree is the mark of highest achievement in preparation for scholarship, teaching, and

research. It is the highest degree conferred by the university.

The programme is research oriented and it is directed toward the education of teachers/scholars. The degree is not awarded on the basis of time spent in residence or following the completion of any specific number of formal courses; nor is this degree granted on the basis of miscellaneous course studies and research effort. The entire Ph.D. programme is related to the wholesome experience of exclusive commitment to scholarship, interaction with faculty and other students, culminating in a dissertation of scholarly and literary merit.

It involves a high degree of specialization coupled with a broad understanding with the area of concepts, trends, problems and problem-solving techniques.

#### Admission Requirements

The principle criterion for admission to the doctoral programme is evidence of superior achievement in prior academic work and the promise of potential contribution to scholarship. Additional prerequisites may include the ability to learn independently, and a commitment to intellectually demanding advanced studies.

An admission decision is based upon the applicants prior academic record, standardized admissions tests, the applicant's stated purpose for pursuing a Ph.D. degree, and letters of reference. Minimum admission requirements, although differ from one institution to another, usually

require a grade point average (GPA) of at least 3.25, a score on the Graduate Management Admission Test (GMAT) of at least 520, and a minimum score of 600 on the Test of English as a Foreign Language (TOEFL) for foreign students.<sup>6</sup> More often than not Accounting doctoral applicants are expected to surpass the minimum admission requirements.

Admission procedures is usually a two-step process. First, the Graduate Studies Office recommends admission or rejection based on application of the established minimum criteria. Then, the department performs its own evaluation, rank applicants and consider student number quotas, faculty supervision available, faculty research interests, and the like.

#### Programme of Study

This entire section is based on information derived from university calendars and doctoral programme brochures.

Foundation coursework usually is prescribed to those who are admitted to a doctoral programme without a master degree in Accounting or an MBA.

All students have to succeed in a major field, supporting (minor) field, and research (thesis) requirement. The dissertation research is normally expected to be in the major area of research. The supporting field may or may not be from the Business Administration area.

Following completion of coursework, a comprehensive examination in each of the student's major and minor area

takes place. An oral examination may be necessary in the major area, usually after the written comprehensive exams are passed.

Comprehensive exams, usually take place in the semester following completion of the coursework, can be deferred and/or repeated in full or in part with appropriate permission. Normally, failure to pass a retake results in dismissing the student from the programme.

After successful completion of the comprehensive examination, a student is allowed four to six years to complete the dissertation. The dissertation represents significant scholarly research in the student's major area of study and represents the culmination of doctoral studies.

Selection of a dissertation committee and chairperson is usually made jointly by the student and the programme co-ordinator. The chairperson is normally a tenured (senior) faculty member in the student's major area of study. The committee may include members outside the student's major field or school. The three or four members of the dissertation committee once constituted and approved cannot be changed without further approval of the appropriate Dean.

The dissertation proposal is normally defended by the candidate at an open meeting. Abstracts of the research are widely distributed to the school, and other doctoral students and faculty are invited to attend. Input from other students and faculty usually is taken into consideration by the

dissertation committee which may ask for dissertation modifications. However, the committee is under no obligation to adopt criticisms and recommendations. The committee's evaluation, a "pass" or "fail" is considered final.

Written certification that the candidate passed his/her dissertation defense is provided by the dissertation committee to the appropriate academic body, that the candidate passed the dissertation defence, which approves the candidate for graduation.

Administrative policies, deadlines, and procedures differ from one programme to another and there is no need to be dealt with in this study. Continuous full-time enrolment and residency requirements, although different, are necessary by all North American doctoral programmes. Part-time enrolment is usually allowed only at the dissertation stage. Time limitations for each stage of the programme also vary. Teaching ability as evidenced by actual teaching is not uniformly required by all programmes. The foreign language requirement is not as popular as it used to be but it still continues to be a requirement in a few schools.

Many schools require that a study plan, approved by the advisory committee, be filed with the school by the end of the first year of admission into the programme. The study plan usually provides a timetable of activities, courses, seminars, and research papers to be completed.

Research proposals must be accepted and approved prior to commencing the dissertation research.

## 6.2 PROFILES OF CANADIAN UNIVERSITIES OFFERING ACCOUNTING DOCTORAL PROGRAMMES

### University of Alberta

The University of Alberta has a deep Accounting tradition. Its School of Accounting was established very early in 1915. Besides its undergraduate Accounting and Business education, the University of Alberta offers an MBA and a master in Public Management, both of which provide an emphasis in Accounting. Since 1984 it also offers a Ph.D. programme in Business Administration with an Accounting concentration.

In addition, since 1984 the university has a Centre for the Advancement of Professional Accounting Education. Furthermore, the Windspear Foundation Distinguished Chair in Professional Accounting was established in 1987 to honour Francis G. Windspear a professor at the University of Alberta since 1930.<sup>7</sup>

### University of British Columbia

The University of British Columbia (UBC) is the second Canadian university to establish and offer doctoral programmes in Business Administration. UBC established its Commerce programme in 1929-30. In the early 1950s the School of



Commerce was created which has become today the Faculty of Commerce and Business Administration. UBC offers an MBA and M.Sc. in Business Administration programmes. Its Ph.D. programme in Business Administration started in 1969 with emphasis in Accounting and Management Information Systems (AMIS). Accounting became a separate division from Management Information Systems (MIS) in 1987 (CFDMAS, 1988).

### Universite Laval

The University of Laval is the oldest university in Canada, established in 1852. It is also one of the largest with some 36,000 undergraduate and 5,000 graduate students. The Faculte des Sciences de d'Administration and its predecessor Academie Commerciale de Quebec was established in 1924. The Accounting department offers Accounting programmes in undergraduate and graduate levels. Laval's Ph.D. programme in Accounting is separate from the joint Ph.D. programme shared by other Quebec universities (AUCC, 1986).

### McMaster University

McMaster is the latest university in Canada to introduce a Ph.D. programme in Accounting and Finance. The university with a strong tradition, offers Hons. B.Comm and MBA degrees, also since 1985 operates an Accounting Research and Education Centre. McMaster is offering a Ph.D. programme with a major in Management Science (AUCC, 1986).

### Queens University

Queens University offers a full menu of Business degrees at all Business levels, B.Comm., MBA, and Ph.D. Accounting emphasis or concentrations are available at both B.Comm. and Ph.D. levels. Queen's University was the first university in Canada to offer a B.Comm. degree (1920). Their Ph.D. programme was established in 1978 (AUCC, 1986).

### Simon Fraser University

Simon Fraser University is a relatively new university established just in 1963. It offers an undergraduate programme in Accounting as well as an MBA degree and Executive MBA programme. The MBA programme began in 1968. In 1983, a Ph.D. programme in Accounting was established within the department of Economics.

### University of Waterloo

The University of Waterloo's Management Science programme started with a co-op programme in Mathematics and Accounting in the Faculty of Engineering in 1970. In the early years it offered an Honours B.A. degree in Math/Accounting and since 1980 a B.A. in Economics/Accounting. In 1985, it introduced the Masters of Accounting programme and in 1987 its Ph.D. in Accounting programme. The University of Waterloo has pioneered a number of innovative programmes. Besides its reputable co-op programme in Accounting, under its School of Accountancy it offers a unique four year honours programme in Accounting and a master in Accounting. These programmes are

the only ones in Ontario accredited by ICAO. Also, they meet the education requirements of both the ICAO and SMAO.

#### University of Western Ontario

The University of Western Ontario was the first in Canada to offer a doctoral programme in Business Administration (1961). Also, it was the first to start an MBA programme in Canada in 1948. However, the university has been offering Business education courses since 1922. The university prides itself in having a graduate programme modelled after the Harvard Business School. The case method or the clinical empirical approach is the corner stone of the University of Western Ontario's philosophy.

#### York University

York's programme in Administrative Studies was established in 1966. It offers a B.A. in Administrative Studies, an MBA, an MPA programme, and a Ph.D. programme in Management. Although York's Ph.D. programme started in 1972, it does not offer a doctoral specialization in Accounting.

#### Concordia University

Concordia has the fourth largest Accounting faculty in Canada (after Universite Laval, Universite du Quebec a Montreal, University of Waterloo). It is a bilingual university offering a very large evening programme. The Faculty of Commerce and Administration offers an MBA programme along with a Ph.D. in Administration degree in collaboration with McGill, the University of Quebec, and Ecole des Hautes

**PAGE  
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TABLE 29

GRADUATE DEGREES IN THE AREA OF ACCOUNTING  
AND ADMINISTRATIVE STUDIES

Ph.D.	Doctor of Philosophy
D.Comm.	Doctor of Commerce
D.Es.L.	Doctor of Letters
D.Phil.	Doctor of Philosophy
D.Sc.	Doctor of Science
D.Sc.Admin.	Doctor of Science in Administration
D.Sc.Comm.	Doctor of Science in Commerce
D.A.	Doctor of Arts
M.A.	Master of Arts
M.Admin.	Master of Administration
M.P.A.	Master of Public Administration
M.Comm.	Master of Commerce
M.B.A.	Master of Business Administration
E.M.B.A.	Executive M.B.A.
M.H.A.	Master of Health Administration
M.I.R.	Master of Industrial Relations
M.Ph.	Master of Philosophy
M.Sc.	Master of Science
M.Sc.Admin.	Master of Science in Administration
M.Sc.Comm.	Master of Science in Commerce
M.M.S.	Master of Management Science

Quebec. Universite du Quebec has campuses in Abitibi-Temiscamingue, Chicoutimi, Hull, Montreal, Rimouski, and Trois Rivieres. The Montreal campus offers an undergraduate degree (BBA), an M.Sc., and MBA at the graduate level, and a Ph.D. degree jointly with the three other Montreal universities.

### 6.3 PHILOSOPHY OF ACCOUNTING EDUCATION

There is no single generally accepted philosophy of Accounting doctoral education. Philosophies differ from one doctoral program to another. They also evolve and change over time for a particular programme. University tradition, programme tradition, faculty background, programme size, and a variety of other factors shape the philosophy of an Accounting doctoral program. No matter what the underlying philosophy is each doctoral Accounting programme must have a philosophical basis for setting educational objectives and trying to achieve them.

Admission criteria, required course work, comprehensive examinations, financial assistance, research work, and every other element of the programme reflect the adopted basic philosophy of the programme.

A philosophy placing emphasis in teaching competence and ability might result in teaching requirements and graduate teaching assistantships.

A philosophy focusing entirely on research competence might result in substantial quantitative and computer course requirements as well as graduate research assistantships.

Theoretical, analytical programme orientation may have some implications for the admission requirements requiring strong theoretical background and good Graduate Management Admission Test (GMAT) scores on the verbal section. Likewise, a practical orientation may result in admission requirements of work experience and/or Accounting professional qualifications. Critical to the success of a doctoral programme is the process by which Accounting applicants become Accounting students and then Accounting graduates.

Encouraging quality applicants to apply, providing them with appropriate information and application material, timely processing of applications, and making offers to those admitted is an important initial step of the process.

Developing a personalized schedule of appropriate courses for each student, accommodating each student's research interests, providing adequate financial support and facilities, and developing an egalitarian and close relationship with each doctoral student is the another important second phase of the process.

The final phase of the process of a successful doctoral programme requires assisting the graduate with seeking out university placement, providing for him/her a faculty mentor, and maintaining a continuous relationship for future research

projects.

#### 6.4 IS A PH.D. A MUST FOR AN ACCOUNTING CAREER?

The pressure to hire Ph.D.s to teach Accounting courses at university comes from two main sources: University "accreditation" considerations and tenure and promotion practices.

##### Accounting Accreditation

Accounting accreditation is a process, by which schools that wish to offer recognized Accounting programmes, have to meet certain minimum standards set by some accreditation agencies. No formal Accounting accreditation agency is in place in Canada. Provincial government agencies and/or officials evaluate all proposed programmes, Accounting or not, and periodically use assessors to assess their quality. In professional education (Law, Medicine, Dentistry, Engineering) the relevant profession is a controlling agent of the university educational programmes. Organized professions have a great influence in determining and measuring the quality of university programmes and graduates.

The Accounting profession in Canada, due to philosophical differences over the accreditation roles with academia, is more or less a minor player in setting standards.<sup>8</sup> University Accounting courses are exempted one by one, separately by the three Accounting bodies. Full exemption for a course means



a student successfully completing the course receives credit towards the equivalent course required for the professional designation. Course exemption for a course means that the student is only exempted from taking the equivalent course offered by the professional programme. He or she must write and pass the written course examination administered by the professional group. A "C" is normally set as a minimum acceptable mark for each course. Coverage of a minimum of 80% of the course content specified by the professional group is necessary for a university course to be exempted.<sup>9</sup> That is, there is no programme exemption (accreditation) but course by course exemption.<sup>10</sup> The fragmentation of the Accounting profession in three separate organizations makes the accreditation process by the profession an almost impossible task. Although the profession is mature enough to become master of its own destiny, fragmented activism has limited its prospects for success.

The first accreditation for Business schools in North America was set in 1919 by the American Assembly of Collegiate Schools of Business (AACSB, 1980-81). There was no specific accreditation for Accounting schools' programmes. Accounting was evaluated as a part of the entire Business school.

The accreditation process in Accounting started as a result of the dissatisfaction of the Accounting profession with the education process in general. Growing frustration over perceived deterioration of Accounting education prompted

the American Institute of Certified Public Accountants (AICPA) to create a Board of Standards for Programmes and Schools of Professional Accounting in 1974. Since then, the Board contemplated establishing an accreditation mechanism for a five year professional Accounting programme feeling that the traditional baccalaureate programme was inadequate (AICPA, 1976).

The efforts of the AICPA (professional group) to establish minimum standards for professional Accounting programmes met the hostility of the AACSB (academic group). Academic autonomy and tradition refused to yield to professional pressures for more control over accreditation. This initial reaction was subsequently somewhat softened. In 1980, the AACSB adopted its own standards of Accounting accreditation for three programmes: undergraduate degree in Accounting, master degree in Accounting, and master in Business Administration (MBA). The main thrust of accreditation standards focus on faculty qualifications. Certain minimum percentages for Accounting doctorates, faculty with professional designations, and relevant experience are set (AACSB Newsletter, 1981).

The proportion of faculty holding doctoral degrees has always been a factor in appraising and accrediting programmes. A good number of Accounting faculty with Ph.D.s will do a lot to "accredit" an Accounting programme.

The values of the general academic community weigh heavily to gain academic respectability. Accounting faculty members are expected to have a doctorate. Lack of autonomy prevents Accounting programmes from establishing their own standards. The oddity is that while professional designations and experience are required for hiring, Accounting faculty, are often not taken seriously by the general academic community. This may point to the need for autonomous Schools of Accounting with their own academic standards.<sup>11</sup>

## NOTES TO CHAPTER SIX

1. The CAUT Bulletin in February 1988 reported that 15% of Business professors would reach age 65 within the next ten years. This percentage is low in comparison with the expected retirements in other disciplines. For example, 25% of Education professors will reach age 65 in the 1990s.
2. See Tables 30 and 31.
3. See Tables 57, 58, and 59.
4. See Tables 57, 58, and 59.
5. See Tables 46, 57, 58, and 59.
6. These criteria are more or less common for every institution. The GMAT and TOEFL data are reported in the GMAT 1988-89 information brochure.
7. See the University of Alberta calendar.
8. The segmentation of the Accounting profession in three autonomous organizations weakens the clout of the Accounting profession.
9. See the Society of Management Accountants of Ontario exemption guidelines.
10. The University of Waterloo is the only university that has been accredited by the institute of Chartered Accountants of Ontario and the Society of Management Accountants.
11. See Chapter 14, Section 3.

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## CHAPTER 7

RECRUITING, ADMISSION, AND COURSEWORK STAGE OF  
ACCOUNTING DOCTORAL PROGRAMMES

The main purpose of an Accounting doctoral programme is to extend the intellectual foundation of Accountancy. Scholarship itself, and training of future scholars is the centre of doctoral activity. Both activities have a long term horizon. The training of new Accounting scholars capable of conducting research and fostering scholarship are long term propositions. To recruit and retain committed, capable faculty and set up a production process of producing Ph.D.s requires plenty of resources and creativity.

## 7.1 WHY CANDIDATES SEEK A DOCTORAL DEGREE IN ACCOUNTING

Each candidate may have his/her unique reasons for entering a Ph.D. programme in Accounting. Nevertheless, there are some common denominator reasons which induce candidates to seek a Ph.D. in Accounting.

1) Educational Background and Work Experience

The Accounting Ph.D. applicant is likely to have an undergraduate degree or a masters degree in Accounting and/or Business. He/she may also have work experience as an Accountant. Sometimes applicants enter doctoral studies with

some Accounting teaching experience either at the community college or university level. Such candidates may view an Accounting doctorate as a natural extension of their prior education and/or teaching experience.

## 2) Practical Career Goals

Accountants in public Accounting practice may see the Ph.D. as a escape ticket from the frustrations of public Accounting.

Accountants in industry or government may consider a Ph.D. as a way to acquire job mobility, autonomy and power within the organization. Young graduates look at the doctoral degree as the security blanket for an academic career. University instructors may view the Accounting Ph.D. as the vehicle for tenure, promotion and salary increase.

## 3) Personal Philosophical Beliefs and Values

Some purist candidates may see the doctorate as the avenue to the upper echelons of knowledge, scholarship, and research. Fulfilment, challenge, intellectual development, independent thinking and achievement may be all they are after.

One of the reasons why students are able to successfully complete coursework but not their dissertation maybe due to some fundamental differences between the two stages of the Ph.D. programme.

The coursework stage is highly structured. Required courses are spelled out, the timetable is administered by the



school, evaluation is performed at the end of each course. The dissertation stage is unstructured. The requirements of scholarship are subject to interpretation, the time frame of research work is more or less open-ended, the scope, the nature and orientation of research is overall the candidates responsibility.

Coursework requires regular class attendance. The dissertation allows work in absentia. The out of sight, out of mind syndrome and lack of personal discipline are potential consequences of absentia.

Coursework provides periodic if not continuous feedback on performance. Furthermore, the feedback is quantified with marks measuring both absolute and relative performance. The dissertation does not provide for objective feedback. Although partial submission of chapters does take place, the feedback is subjective, tentative, and dependent on a number of variables still under development.

Finally, while coursework sets as an objective the mastery of existing knowledge, a dissertation sets as an objective the creation of new knowledge.

## 7.2 EDUCATIONAL POLICIES AND PRACTICES OF ACCOUNTING DOCTORAL PROGRAMMES

The educational policies and practices of Accounting doctoral programmes differ from one university to another.

Although these differences may be attributable to a variety of factors, the heterogeneity of the Accounting doctoral process may be due to the adoption of different education theories. Most Accounting programmes seem to subscribe to the human capital and/or screening education theory. Under "human capital" theory the educator seems to induce doctoral students to invest time, effort and money in order to develop their human capital (Becker, 1962). Assuming a) a direct relationship between investment and returns of investment, and b) doctoral students aim to maximize their economic returns (maximize their marketable academic expertise), Accounting doctoral students would invest the best of their abilities in order to successfully complete the programme. Under this theory, each course, test, comprehensive exam, and the thesis is viewed as an investment which yields the returns of economic opportunities associated with holders of Accounting doctoral degrees.

Under the "screening" theory, the educator seems to "screen out" incompetent candidates from the pool of student ranks (Spence, 1973 and 1981; Stiglitz, 1975; Reeve, 1983; Johnson, 1985). This "screening" or assessment of a particular candidate must be efficient and reliable. Efficiency in this context means that the number of candidates incorrectly passing the criteria must be close to zero. Reliability means that the "screening system" must have credibility and be trusted by the labour market. Successful

completion of the means used to assess doctoral candidates courses, tests, comprehensive exams, and thesis provides evidence to the market of their competence. That is, each successful test, passing of a course provides a third party with a piece of evidence that the student is a competent one. Competent candidates have an easier time than not so competent students in passing tests and courses. Thus, the cost of earning a doctorate is the lowest for the most competent candidates.

Both the "human capital" and "screening" theories have been supported in the literature. However, adoption of one over the other in an Accounting doctoral programme may result in two very different sets of policies and practices. The "screening" theory may support greater freedom, broad based education, and fewer restrictions in choice of courses and thesis topics. Competency may be determined more accurately by using many diversified criteria as opposed to a few specialized and restricted criteria. Since specialists tend to earn more money than generalists and specialization requires specialized, restricted study and specialized curriculum, maximization of economic returns to investment in education is supported by the "human capital" theory. Furthermore, the "human capital" theory is focusing more on the individual candidate. The objective is to maximize the individual's returns to education. In contrast, the screening theory focuses on a class of candidates, trying to distinguish

between competent and incompetent candidates.

Doctoral programmes may exclusively adhere to one or another theory or they may adopt elements of both. However, particular leanings have specific ramifications on policies. This adoption of the human capital theory implies more individualized, specialized curriculum and thesis requirements. It is also characterized by less standardized requirements for progressing within the programme and finally completing it.

Emphasis in hiring only doctorally qualified individuals for Accounting faculty may support adoption of the "screening" theory. The doctorate degree provides evidence of general competence. Accounting candidates who feel they do not maximize their returns by pursuing Ph.D. studies are not given consideration for faculty appointments.

In contrast, the prevalence of the All But Dissertation (ABD) phenomenon may not support adoption of the screening theory. The screening theory advocates greater freedom and flexibility, fewer programme restrictions that may contribute to lengthier study terms and even no completion of the degree (ABD).

Adoption of the "human capital" theory, in general, will outperform the "screening" theory programmes if a work experience requirement is part of the doctoral programme. Work experience requirements aiming at learning by doing improves the academic skills and the individual candidate

improves the expected and actual returns on investment.

### 7.3 ADMISSION TO AN ACCOUNTING DOCTORAL PROGRAMME

Universities in Canada and United States allow students to enter Ph.D. programmes directly from the undergraduate level or master level. Some other students enter doctoral programmes after several years in accounting practice as a ticket to further advancement or career change. Depending on a student's background the problems they may face be quite different.

An applicant asking for admission to an Accounting doctoral programme fresh out of university with an undergraduate degree may be younger than the applicant who comes from Accounting practice with several years of experience. In the latter case, the application for admission to a doctoral programme may be one of many other career options available to that applicant. Such an applicant may require more "processed" information than the information contained in the standard university brochures. "Processed" information, in this case, would mean detailed information that is broken down into its elements, information relative to before and after the focal point of inquiry.

Applicants from undergraduate programmes sometimes are underadvised, as if they were not serious or desirable applicants. This might be an error. It is more productive

to explain the virtues and perils of an academic career to an undergraduate student, that contemplates doctoral study in Accounting, than doing it later on when he/she applies as a mature applicant who considers a career change. This is not to say that Accounting careers requiring graduate education should be "oversold" to undergraduate applicants. Simply it suggests a selective approach of encouragement to undergraduates who want to become academics.

Applicants with an MBA degree may be more certain about their career choices and options available to them. With more years of university experience they may have a better idea than the undergraduates as to what an academic career entails. The issue with the MBA applicants is that "most MBA programmes tend to emphasize professional development and pragmatic problem solving rather than scholarly development and research skills. Clearly, both sets of skills are necessary for an academic career, but the typical MBA student may not understand the required emphasis on the latter in doctoral education and in the academic career that follows" (Smith, 1983).

Applicants from Accounting firms and the private sector, in general, basically aim to a career change. The main issue with this category of applicants is the drop of income that they will experience from a good salary to a limited doctoral assistantship. In addition to income adjustments, the MBA professionals and other practitioners who pursue doctoral

studies in Accounting may have some difficulty adjusting from a practical to a conceptual mode.

If applicants are sure of their desire for a career change, their determination is the insurance policy against the aforementioned risks.

The importance of producing high quality doctoral graduates is of great consequence to the future of Accounting education.

There are many determinants of quality in the Accounting doctoral output. It is the belief of the author that there is a cause-effect relationship between the admission criteria and the overall quality/performance of an Accounting doctoral programme. Admission criteria may be used as predictors of successful or unsuccessful doctoral programmes. Admission criteria should be such that only candidates with a high probability of succeeding in their studies will be admitted to the programme.

In general, one can define a successful Accounting programme as one that achieves the highest possible quality at the lowest possible cost. The trouble with such a definition is that the highest possible quality and the lowest possible cost cannot be defined (quantified). Furthermore, both figures will be drastically different from one school to another depending on the unique characteristics and cost structure of each school.

Alternatively, a successful Accounting doctoral programme can be considered one that produces the type of graduates it is designed to produce. One that produces graduates of a consistent quality desired by the market place.

A useful approach would be to define the objectives of an Accounting programme and then try to set up admission criteria that will accomplish these objectives. That is, performance standards should be set prior to establishing the admission criteria.

The general university educational objectives of self-betterment, disseminating knowledge, and developing ones ability for creative thinking, more or less apply to undergraduate and/or master educational levels. At the doctorate level, the general educational objectives are elevated and focused on more specific and unique targets.

Most doctoral programmes in Accounting share the same educational philosophy.<sup>1</sup> The typical objectives of North American doctoral programmes are to prepare students for:

- 1) college and university teaching
- 2) advanced research and scholarship
- 3) to enter high level administrative positions in  
business, government, and other organizations

Many educators tend to emphasize the development of research competence objective over the other objectives (Smith, 1983).



Others stress the need for good Accounting teachers and focus on the ability to teach as a central point of doctoral education.

The typical criteria used for admission to Accounting doctoral programmes are:

Objective Factors of Performance Measurement

- 1) Graduate Management Admission Test (GMAT)
- 2) Average marks - performance at the master level
- 3) Average marks - performance at the undergraduate level (or at the last two years of studies)

Intangible Factors Performance Evaluation

- 4) Letters of reference
- 5) Applicants interview by the Admission Committee or officials
- 6) Statement of Purpose. An essay on the rationale, desires, and objectives of the candidate applying for admission (statement of purpose)

It is not clear as to what weight universities are assigning to each criterion. It is probable that various admission committees do not, in fact, have a system of weights. Instead they tend to create a total composite picture of all six criteria to define the admissibility of candidates.

A predetermined questionnaire-letter of references allows for the comparability of different answers provided in a given question. An open ended letter of reference may not provide

such answers.

Considering that the GMAT score is the only world-wide standardized criterion in the above list, it usually receives greater attention than others. Averages from different schools, different professors, and different marking schemes lack the standardized element. A given mark from a "strong" school does not have the same intrinsic value as the same mark from a "weaker" institution. As a result, admission officials may look at the GMAT scores with greater confidence.

Letters of reference could be provided by the referees in a form which asks the referees specific questions. If referees themselves hold a doctorate degree, they should be in better position to comment on the ability of individuals they recommend for admission to successfully complete the doctoral programme.

Letters of reference as a rule are expected to be positive. Candidates select as their referees individuals who will report positively on them. The evaluation of the applicants then, through the letters of reference, is based on the degree of the enthusiasm by which the candidate is recommended and how convincing the presentation of the applicants qualities is. Admission committees often have to read between the lines of the reference letters. They will often have to connect reference letters with their criteria of evaluation such as the applicants performance in specific courses, career progress etc.

Application of foreign students from a variety of countries magnifies the lack of standardization issue. Reliability on grade averages and letters of reference alone are inadequate. Again the GMAT test alleviates some of these problems by ranking all students according to their test score achieved in a standard world wide test.

Under these circumstances, there is no wonder that GMAT scores are so prominent as a criterion for admission. High GMAT scores simply indicate an increased probability of success in graduate studies, nothing more than that. It is a known fact that lower score applicants sometimes outperform higher score applicants or higher score applicants fail to perform as they are expected. Although many universities do not specify the cut off GMAT score for admission, as a rule, an upwards score of 500 is needed for doctoral admission. The minimum GMAT score of admitted applicants may differ from one year to another.

In summary, what it takes to become a successful Accounting doctoral student depends on many variables. The abilities or inabilities of an applicant are not always reflected in the criteria used for admission. There are many intangibles that some schools try to discover through a personal interview with the applicant.

Personal interviews on campus allow the candidate to see and evaluate the place where he/she could spend the next 3-4 years of his/her life. At the same time, questions could be

asked and information probably missing from the brochures and calendars would be supplied. An admission decision based on that additional face to face information will probably be wiser. Admissions officials and department heads can make a more thorough evaluation of the applicant using personal interviews. Open, candid discussion enables both the school and the applicant to see if they are a good match for one another.

Charles Smith (1983) has developed the following list of intangible factors as to what makes a good Accounting doctoral student:

1. Willingness to accept the development of research competence as the major objective of the programme.
2. Willingness to accept the need to study in non-Accounting disciplines such as Economics, the Behaviourial Sciences, Statistics, etc.
3. Willingness to accept the challenge of preparing oneself in a reasonably broad manner while at the same time committing oneself in no uncertain way to the development of an area of specialization.
4. Willingness to accept the challenge of expanding the boundaries of knowledge as opposed to studies that focus mainly on the acquisition, synthesis and analysis of existing knowledge.
5. Ability to deal with unstructured problems.

6. Willingness to accept the fact that proper preparation for
  - (a) courses,
  - (b) the qualifying examination,
  - (c) the dissertation, and
  - (d) beyond, implies a need to:
    - (i) read beyond course reading lists,
    - (ii) be a conscientious participant in the informal aspects of the programme such as the research forum,
    - (iii) interact with peers and faculty with a view to discussing and debating a variety of issues, and
    - (iv) generally be inquisitive about Accounting issues, and new developments in Accounting and other disciplines.
7. Willingness to become a critical participant in the system as one becomes more deeply involved in the process of expanding the boundaries of knowledge.
8. High probability of being "turned on" by the nature of doctoral studies.
9. Ability to use the various stages of the programme in an effective and efficient manner.
10. Ability to pass the qualifying examinations.
11. Ability to see the programme through to completion.
12. Ability to see the dissertation through to completion.
13. Ability to adapt to the requirements of an Accounting doctoral programme.

14. Willingness to make a major time commitment to the programme.

All of the above items zero in on the candidate developing the right attitude, which along with their abilities will carry the candidates to the successful completion of the degree. An applicant need not have all the right attitudes and abilities. What is needed is an evaluation that the applicant has the potential to develop such attitudes and abilities. The statement of purpose is an important criterion in ensuring that the programme can assist the candidate to develop these attitudes and abilities.

Other intangible factors crucial to the success or failure of an Accounting doctoral student (appropriate selection of a dissertation topic, adequacy of university facilities, availability of interested and available faculty to supervise the dissertation work, availability of part-time doctoral studies, group dynamics of the dissertation committee, financial distractions, age of Accounting student) are analyzed elsewhere in this dissertation.<sup>2</sup> Nevertheless, these intangibles, in spite the presence of objective admission criteria, tend to reduce the degree of confidence with which one can predict the outcome of an applicant's doctoral studies.

The shortage of doctoral Accounting faculty places an added responsibility on the recruiting function of schools. The effectiveness of the recruiting effort may depend on the

recruiter's understanding of the preferences and priorities the candidates have. If a recruiter could identify the crucial variables considered by the candidates in the selection of a university teaching position, he/she could infer to a certain extent, what a university school needs to offer.

There are basically two sources of supply of Accounting Ph.D.s: Ph.D.s in the making (students/ graduates) and existing Ph.D.s (usually faculty). Ph.D. students represent a new addition to the existing stock of Accounting doctorates and naturally this is the type of supply everyone would want to increase. Doctoral Accounting faculty also represent a supply to the extent they are in the labour market willing to move from their present position to another. Although the profession and the academe has little to gain from raiding one school to benefit another, both sources of Accounting Ph.D.s need to be identified.

The factors that influence the preferences and priorities of the two groups in seeking job placements are expected to be similar but not identical.

Individual preferences could be grouped into the following categories:

Financial benefits

Working conditions

Geographic/Climatic considerations

Spousal considerations

Relative power, prestige and participation in decision making

Kida and Mannino (1980) elicited responses from Accounting Ph.D. students and faculty as to what were the relevant factors for selecting academic teaching positions. Mean importance scores (scale of 1, not at all important; scale of 4, extremely important) and ranking of different factors was reported in the following table:

The financial benefits category may include the following variables:

- Starting salary
- Projected growth of salary
- Fringe benefits available
- Cost of living in the area
- Opportunity to teach summer and/or overload
- Opportunity for private consulting

The opportunity for teaching overload and consulting may be of greater interest to Ph.D. faculty than Ph.D. students. New appointees may not have the time to extend themselves beyond their regular teaching and research responsibilities. Furthermore, Ph.D. students may concentrate more on what appears immediately relevant (starting salary and fringe benefits) rather than financial sources they may develop later in their career (consulting).



TABLE 30

## MEAN IMPORTANCE SCORES AND RANKINGS OF SCHOOL CHARACTERISTICS

	Ph.D. Students		All Faculty	
	Mean	Rank	Mean	Rank
Compatibility with other faculty and department head	3.40	1	3.36	1
Criteria used for promotion and tenure decision: eg.relative emphasis on teaching, research, writing, service	3.28	2	3.33	3
Library and computer services	3.19	3	3.04	7
Opportunity to teach desired courses	3.15	4	3.08	6
Teaching load	3.13	5	3.19	5
Base salary	3.12	6	3.34	2
Support available for research: eg.research assistants, release time for research, secretarial assistance	3.04	7	3.03	8,9
Spouse's evaluation of the area	3.01	8,9	3.02	10
Geographic location of the school: ie. particular part of the country	3.01	8,9	3.29	4
Background, interests, and research orientation of other faculty	2.97	10,11	2.85	14

TABLE 30 con't.

## IMPORTANCE SCORES AND RANKINGS OF SCHOOL CHARACTERISTICS

Quality, motivation of students	2.97	10,11	2.97	11,12
Existence of master programme	2.96	12	2.73	18
Likelihood of obtaining tenure	2.91	13	3.03	8,9
Cost of living in area	2.77	14	2.81	16
Salary history and salary projection for school	2.76	15	2.97	11,12
Available recreational and cultural activities	2.74	16	2.76	17
Location of the school: ie.urban vs. rural	2.70	17	2.82	15
Availability of supplemental research grants	2.65	18	2.37	27
Fringe benefits package	2.63	19	2.58	21
Prestige of school or department	2.62	20	2.67	19,20
Availability of funds for travel to meetings	2.57	21	2.87	13
Job opportunities for spouse	2.49	22	2.10	29
Availability of summer teaching	2.47	23	2.54	23

TABLE 30 con't.

## IMPORTANCE SCORES AND RANKINGS OF SCHOOL CHARACTERISTICS

Amount of committee work	2.44	24	2.53	24
Distribution of decision-making power: among schools within university; among departments within Business school	2.43	25	2.67	19,20
Existence of Ph.D. programme	2.41	26	2.24	28
Physical facilities: eg.condition of faculty offices, classrooms	2.39	27	2.56	22
Class size	2.34	28	2.50	25
Consulting opportunities	2.28	29	2.46	26
Family ties in region	1.76	30	1.91	30

The working conditions group may be analyzed in terms of facilities such as:

- Library facilities
- Computer facilities
- Physical facilities (classroom, offices, athletic facilities)

and Teaching considerations such as:

- Teaching load
- Class size
- Quality of students

Again, individual variables under the group working conditions may affect Accounting faculty and Ph.D. students differently. Students would be more deeply concerned with library and computer facilities to conduct their doctoral research, while faculty may assign greater value to travel and research support provided by the university. Faculty may also emphasize more teaching considerations than Ph.D. students who only in the periphery of their duties are involved in teaching.

Research considerations could also be grouped under working conditions:

- Availability of graduate programmes (master, Ph.D.)
- Research support (grants, release time, secretarial assistance)
- Availability of travel funds for conferences, meetings

Regional (geographic/climatic) considerations may include such things as:

- Geographic location (eastern, western, central Canada)
- Climate of the region
- Availability of cultural and recreational facilities in the community
- Family ties with the region

Regional considerations, in general, may have more impact on faculty's selection process of a university than that of students. Faculty may see an appointment in a long run time frame while students may see admission to a Ph.D. programme

within a 2 to 3 year frame. If other conditions are right Ph.D. students may modify their preference on geographic and climatic considerations on a temporary basis. It is not clear that family ties with the region are always a positive factor in selecting a university within that region. At least the student group often exhibits a desire to move away from home for studies. On the other hand, people already in the work force may grab the opportunity to return and work at home.

Spousal and dependants considerations usually include factors such as:

- Job opportunity for spouse
- Spouses preference and evaluation of area
- Educational and environmental opportunities for dependants

Spousal considerations increasingly become of greater importance in determining preferences of location because of the increase in the number of two income families. One spouse may not consider a job offer good in itself if there is no provision for an acceptable career path for the other. Offering employment to both spouses whenever feasible or assisting the second spouse to obtain employment may provide a great motivation in attracting married Accounting doctoral candidates. Dependant considerations have also become more central in the spectrum of the decision making process of selecting a job. Schooling, recreational facilities, job market, and other opportunities for dependents substantially

influence the decision of accepting or rejecting a job offer. Relative power, prestige and participation in the decision making process may include the following variables:

- Prestige and reputation of the school
- Relative power of school/department within the university
- Compatibility with faculty background, activities, and orientation
- Criteria used to award promotion and tenure
- Likelihood of obtaining tenure
- Opportunity to teach desired courses

There is no evidence that preferences between Accounting faculty and Ph.D. students would differ substantially in terms of the above variables. Yet, the likelihood of obtaining tenure and achieving promotion may be more central in the considerations of students rather than faculty who have already gone through this type of experience.

#### 7.4 THE COURSEWORK STAGE

Coursework could challenge students to discover and develop their scholarly abilities. In this stage of the programme a student is expected to master Accounting material and develop his/her teaching capabilities. Furthermore, coursework is expected to support the student's dissertation interpretation. It provides students with an opportunity to

study a variety of issues that may develop into a viable dissertation proposal.

Doctoral students often have difficulties with certain required courses. Inappropriate background and preparation of the student, limited student capabilities in the area of the course, and conflicting coursework schedules with teaching or research commitments of the student are often the reasons behind such difficulties. Sometimes students may try to convince their supervisor to drop the troublesome course and either replace it with another course or retake it at later time. Dropping a course which is a prerequisite for another required course can be detrimental to the student's progress. Whenever possible, he/she should be discouraged from doing so under these circumstances.

Course replacement also creates some problems. Students are likely to opt for either courses that require a somewhat reduced effort, or courses in areas where they are particularly strong. Product standardization and university objectives for high quality graduates would suggest that each doctoral student should experience the same degree of rigorousness in the coursework stage. Permitting students to downgrade course requirements especially at the doctoral level is contrary to the scholarly principles of the degree. Similarly, to allow students to take additional courses in their area of strength by trading away courses designed to reinforce their weak points is an academically unsound

practice.

Individually designed coursework to match the student's interest does allow some flexibility in choices. It is within the legitimate aims of a doctoral programme to try to accommodate different career objectives. Depending on the career objectives, different students may have to take different courses. However, this makes it difficult to maintain uniform standards.

Doctoral programmes designed and customised to match the needs of each student do run the risk of multiplicity of standards. This risk can be contained and limited by the adoption of a core of required courses for all doctoral students indiscriminately of their specialization. In the process, trading away some degree of customization is inevitable. A core of required courses is the only guarantee that "difficult" courses will not be avoided and suitable standards will be maintained.

Students' wishes must be respected but every precautionary measure must be taken to secure that the student's motivations and requests are not counter productive to his/her long term interests.

Consulting with the instructor who teaches the course a student has problems with is a good strategy. It may narrow down the issue in question. A poor test or assignment should not necessarily result in the student dropping the course. With some encouragement, a student may proceed on with the



course. On the other hand, in some instances, it may be wise for the course to be dropped and the coursework be redesigned.

The composition of the programme with Accounting and non-Accounting courses may also produce a problem. Many students are not clear why a specialized Accounting doctoral programme requires non-Accounting courses.

Accounting is not an island in the sea of knowledge. Legal considerations, government statutes, ethical standards, and behavioural approaches share the form and content of Accounting. An Accounting scholar needs to study and understand these forces beyond the technical programme and theoretical framework of Accounting. Furthermore, relative disciplines in other functional areas of Business (Marketing, Finance, Management) prepare a student for an academic career. An interdisciplinary approach to teaching whereby a discipline lends to and borrows from one another is after all a reflection of the real world of business. There is no question the repertoire of an Accounting doctoral graduate should include at least some minimal knowledge of other interacting disciplines.

#### 7.5 THE COMPREHENSIVE EXAMINATIONS HURDLE

Typically, the completion of coursework is followed with the comprehensive examinations. The examinations written and/or verbal in both major and minor areas of study are

possibly the most traumatic experience of the doctoral student. It is the hour of judgement. Those who make them proceed on with their dissertation, those who fail may have to rewrite the examination or leave the programme.

A failure in comprehensive examinations is an opportunity for the student to reassess the situation and examine his/her options. Failure in the Accounting major does not leave many options open. Either the student will have to exit the programme or rewrite the examination at a later date. Failure in a minor examination provides the additional option of switching to another minor area.

Dropping out of a doctoral programme after failing the comprehensive examinations could be a painful experience. Some schools award a master degree as a consolation prize to doctoral students that fail the comprehensive examinations. A well designed doctoral programme must qualify or near qualify the failed student for a masters degree.

A potential solution for a student who fails his/her comprehensive examinations would be to seek admission to another doctoral programme. This may be difficult and/or unwise. Nevertheless, the academic advisor could discuss this option with the student. Academic advisors may also be in a position to assist students who failed their comprehensive exams to obtain employment. Failing the comprehensive examinations does not substantially diminish the opportunity of a student to work in the Accounting field. In fact, many

of them, especially those who possess professional Accounting designations are very employable.

While most academics argue that research or conducting research is the main focal point of a doctoral degree, Accounting doctoral students spend most of their time at the university taking courses. This paradox may require some changes in the doctoral process. Once courses in Research Methodology and Statistics are completed, a student should be able and free to conduct research. A research paper at the end of the first year (and each other year) of coursework is probably the best indicator of the success of the programme with regard to its research objectives. Early involvement in research is the best insurance policy for a doctoral student that he/she will overcome the research hurdles of the dissertation stage. The real problem of those trapped for many years in the all but dissertation (ABD) status is that the issue of research skills was not adequately addressed during their coursework stage. A research paper in the summer after the first year of coursework will signal to both student and faculty the research weaknesses of the candidate. While no set of coursework may fully prepare a student for dissertation, a set of research papers during the coursework has a better chance to do so. Some doctoral students may be able to publish these papers before finishing their dissertation. This definitely will boost their opportunities to launch an academic career.

## 7.6 BRIDGING THE COURSEWORK WITH THE DISSERTATION - RESEARCH STAGE

Providing a learning environment which integrates coursework and research is probably the most important element in bridging the gap between the coursework and dissertation stage. Accounting coursework that involves students in conducting research from the first year of their doctoral studies undoubtedly enhances their research ability. Literature reviews, critiques on published material is a good starting point in developing one's research abilities. Research assistantships also introduce students to research issues. It would be very beneficial if Ph.D. students faced typical and varied research issues through the research efforts of their professors. "Learning the ropes" of research activity first hand without being ultimately responsible for the research outcome is an excellent learning device. Research assistantships provide this interaction opportunity between faculty and students.

Research preparation during coursework also involves taking courses, seminars, and workshops often outside the Accounting area. Courses outside the Accounting area provide the student with breadth to understand other subject areas and depth to benefit from comparisons among different disciplines. Exposure to research efforts in other disciplines provides the Accounting student with a comparative advantage of self

confidence and authority that additional knowledge brings. Conferences, workshops, and the like may also be excellent vehicles that could fill the void of doctoral students' limited research exposure during the coursework stage.

Evidence from hiring and promotional academic practice suggests that in the academic world predoctoral and doctoral research carries greater weight than coursework.

At the hiring stage, transcripts and grades are as important as doctoral and other research. However, the chances are that the candidate will encounter more interview questions about his/her dissertation than what grades he/she achieved in a variety of courses.

At the promotion stage, coursework is almost forgotten. Grades and averages, although part of the personal file, do not carry nearly the same weight as research activities. Research and publications usually are the focus of attention.

Besides hiring and promotional considerations, predoctoral and doctoral research may lead to postdoctoral research. A good dissertation often leads to a number of research papers. Suggestions for further research can be followed by the author. Offshoot dissertation topics, topics that were just touched upon in the dissertation are ideal subjects for postdoctoral research.

## NOTES TO CHAPTER SEVEN

1. This conclusion was arrived at by studying the doctoral information kits of more than 50 North American universities.
2. Chapters 8 and 9 deal with these topics.

## SOURCES FOR CHAPTER SEVEN

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## CHAPTER 8

### THE DISSERTATION STAGE

#### 8.1 FROM COURSEWORK TO RESEARCH WORK

An almost absolute priority to coursework, during the first two years or so of doctoral study, establishes a behavioural pattern that might be quite different than the one conducive to research. Coursework is completely programmed, research work is unprogrammed. Regular class schedules, specific timetables for assignments, tests and other class activities sets the mode of a student's behaviour. In contrast, it is up to the individual candidate to define the research problem, investigate it and document the results of the research there.

It is not uncommon for Accounting doctoral students to find the transformation from coursework to the research stage difficult. First, an acceptable research topic is hard to come by. Without or limited experience in research, a research proposal is a big hurdle to overcome. Coursework theoretically provides training that allows a student to pursue research. However, this is not the same as doing original research.

Almost always a student may feel uncertain about a research topic. A typical feeling a student may have is that he/she does not know enough about it. Yet, it is perfectly



alright for a student to undertake research having this feeling of limited knowledge. Research is a learning process, by the end of it the chances are that the student will be an expert in it. Furthermore, good research topics evolve, receive acclaim, and lead to further research beyond the dissertation. Research topics do not have to be spectacular and/or esoteric. They can be mundane and solid. Both prose and poetry, have their own place in literature. They are different but both are on equal literary footing. Likewise, empirical and theoretical research are equally acceptable.

Second, financial considerations become increasingly important at the research stage of doctoral studies. The personal financial resources of a typical doctoral student are almost exhausted by this time and the pressures to undertake full employment responsibilities are there. The diversion of focus from research to employment complicates the research effort.

Procrastinating commencement of the dissertation looking for the "perfect" research topic is unwise. There is no such thing as a perfect topic. Topics that have been "beaten to death" provide many bibliographical sources, but they are not suitable for an original dissertation. Others topics may be considered original but are too weak to constitute a major research undertaking such as a doctoral thesis.

Full-time jobs are usually more demanding than the candidates think. As a result, the dissertation languishes.

Off campus difficulties and lack of continuous consultation lead many students to stress and anxiety. Many students drop out not finishing it, others finish after many years of frustration.

## 8.2 DISCOVERING A RESEARCH TOPIC

The discovery of a viable research topic is not easy. It is not clear where to look for ideas. Ideas when formed may not be closely related to the personal research interests of the student. Faculty suggestions may be self-serving to their own interests not fully addressing the needs of the student. Published papers, articles, and literature in general are too extensive for one to probe for an interesting unanswered question.

Inhibitions about selecting a topic are natural. A commitment to a given research topic involves two risks. The inherited risk of the unknown factors of every research project plus the risk of leaving out another research topic with greater potential. For many research topics the question "Can it be done?" may not be adequately answered until some point later when the research is already in progress. Projects that appear to be viable may be proven "hollow" and projects that appear weak may gain momentum and develop into important landmarks of literature.

The choice of research design may be another headache. Is the research design adequate and sufficient to produce the data that will actually test the hypothesis? Inappropriate research design could discredit the findings of an honest research effort.

### 8.3 SELECTION OF A DISSERTATION TOPIC

The selection of a dissertation topic is a crucial stage in the life of a doctoral candidate. Usually a preliminary research report is required and submitted to the doctoral supervisor and/or doctoral thesis committee. Quite often an adequate bibliography on the subject matter needs to be submitted as well. Finalization of the dissertation topic may require the completion of substantial empirical data. If the topic is finally judged to be unacceptable, no matter what the rationale for the judgement, the doctoral candidate has been dealt a major blow. Dropping a dissertation topic after the painstaking task of data collection prolongs the course of the doctoral study and frustrates and demotivates the doctoral candidate. Parker and Ford, in their 1972 study on dissertation experiences of doctoral graduates in Accounting, reported that twenty-three percent of the doctoral graduates/respondents to their survey indicated that they spent "substantial time on one or more topics that were later dropped." To alleviate this problem doctoral supervisors have

a responsibility to evaluate the viability of a dissertation topic as early as possible. New frontier topics may not always allow the luxury of an early evaluation. However, every effort must be made to reduce the time wasted experimenting with a series of topics.

There are many factors influencing the selection of an Accounting dissertation topic. Accounting courses taken during the doctoral programme offer an insight as to what will constitute a good research topic. Interaction with faculty, other doctoral students, Accounting practitioners may also provide a lead to a viable topic. Business, teaching and personal experiences of the candidates are also factors that influence the selection of a dissertation topic. Informal interaction with faculty and awareness of faculty's research interests were found the most important factors in the selection of a dissertation topic (Dietrich, Alderman and Sayers, 1984). Finding a dissertation topic may not be easy for some doctoral students. Since a correct start is half of the job, a student may be guided as to what techniques he/she may employ in discovering a dissertation topic.

Reading existing literature with a critical mind is a safe technique for discovering a potential research topic. Unanswered questions, incomplete and/or inaccurate answers, answers and approaches that may not be relevant within the parameters of today's knowledge may develop into a serious research inquiry. Libby (1982) suggests that a student record

in a notebook all elements and ideas that may be further researched.

Jensen (1982) encourages students to read not only articles but the proceedings of conferences which include questions to those presenting papers and their answers. The questions and ensuing discussion may contain a lead to very viable research proposals. It may not be advisable for the doctoral supervisor to select a topic for the student to research. The student should be allowed to develop his/her own dissertation proposal. "Experiencing the frustration and the eventual joy of creating a research idea is important for young scholars. Advisors should resist the temptation to deprive their students of this experience" (Jensen, 1982).

#### 8.4 SPECIFIC AREAS OF ACCOUNTING RESEARCH

This section discusses some general areas in which Accounting dissertation research may be fruitful.

##### Disclosure and Measurement Issues

This type of research is based on published financial information. Identification of information content, quality, and quantity of information, changes in Accounting methods, disclosure policies beyond the financial statements, and the like are research areas of prime consideration.

### Theoretical Concepts to Guide Empirical Research

Given the diversity of Accounting methods, preferences, and measurements, analysis of empirical research may not always be translated into theoretical concepts. Yet, the interpretation of empirical data and the development of a theory to guide future theoretical research provides some challenging research topics.

### Event - Type Research

This type of research is based on a particular event. The bankruptcy of a particular business firm, the impact of a new tax upon a certain industry and similar other events may produce viable dissertation research topics.

### Time Series, Forecasting Research

Elaborate statistical models may be built as a result of research activity in order to forecast future events.

### Alternative Accounting Methods

Various Accounting methods produce different figures which provide different information about the value and earning capacity of the reporting firm. Adoption of alternative Accounting methods may signal what the firm is attempting to do, eg. grooming itself in a takeover bid, preparation for merger, or launching a major equity issue.

### Model Building

Model building out of empirical data is always difficult. Restrictive assumptions place many constraints on such models. Furthermore, unobservable variables (preferences) inhibits the

actual test of such models.

### Statistical Approaches

Surveys and statistical approaches to empirical issues and practices also provide viable dissertation research projects.

### Search for New Techniques

Shortcomings of existing techniques may lead to developing new ones hopefully free of the faults the old techniques have.

### Research for Optimization of Managerial Decisions and Planning

Optimum cost allocation techniques, sensitivity analysis, and variance analysis are typical Management Accounting/ Management Science areas where dissertation research can apply.

### Budgeting Systems and Organizational Behaviour

Behavioural aspects of budgeting, participatory budgeting process, attitudes of participants, and organizational behaviour of the entire business entity has attracted the research interest of many behaviouralist Accountants.

### Auditing Research

Auditing research may focus on a number of areas. Statistical sampling, regulatory aspects of auditing, auditing standards, quality and testing of the auditors judgements, and experimental research on auditing theories are some of these areas.

### Accounting Education

Research in Accounting education is usually distinguished by level of studies (high school level, undergraduate, master and Ph.D. level). In addition, research with regards to Accounting curriculum, teachers of Accounting and Accounting students are also prominent potential research areas in Accounting education.

#### 8.5 TIME INVESTED ON DISSERTATION

It has been documented that the average time it takes to complete a Ph.D. dissertation is rather long. Those that are able to work full-time on their dissertation, in general, have a better chance of completing it in an acceptable period of time. Those that are engaged in other major duties such as full-time employment while they work on their dissertation take much longer or never complete it (Parker and Ford, 1972).

There are some measurement problems with the time spent on dissertation work. The number of calendar months a candidate has spent on the dissertation is not as relevant as the actual time devoted to it. Quite often "all but dissertation" (ABD) doctorate students seek out and obtain employment while simultaneously pursuing their dissertation research. A system of equivalent months as a measuring unit is needed in such cases for one to accurately define the time spent on dissertation work. Thus, an individual who worked



36 months devoting one third of his/her time on dissertation work has actual spent the equivalent of 12 months on the dissertation. Different assumptions and approximations on the actual time devoted to dissertation will produce varying measurements. Parker and Ford (1972) discovered that forty-six percent of the successful doctoral candidates needed between six and eighteen calendar months to complete their dissertation. Needless to say this data does not include the unsuccessful doctoral candidates.

Deitrick, Alderman and Sayers (1984) reported a median of almost 25 months and a mean of 21 months as the length of time doctoral programmes beyond the coursework. The total length of time of doctoral programmes including coursework provided a mean of 53 months and a median of 46 months.

It is a widely accepted reality that the time spent on dissertation expands when the work is preformed outside the degree granting campus. Universities tend to encourage doctoral students to stay on campus as long as it is possible. The more dissertation work students complete while on campus, the shorter the total time spent on the dissertation will be. Deitrich, Alderman and Sayers findings support this assertion. They discovered that those who left the campus ABD prolonged their doctoral programme by an average of 23 months.

Some universities require that their doctoral candidates select and defend their dissertation proposals prior to writing their comprehensive examinations. In some instances,

they may consider the research proposal as part of the comprehensive examinations. This is done with the belief that this method shortens the length of the dissertation time and speeds up the completion process. Any system where students are allowed to make it through the programme faster improves the entire picture of the programme.

There are several factors that may determine the time spent on an Accounting doctoral programme. Some are dependent on the candidate and the candidate's background, aspirations, motivation, non-academic responsibilities, research, and writing ability. Some others depend on the university such as academic standards of the programme, availability of faculty supervisors, availability of financial assistance for doctoral students and general support provided by the doctoral committee.

Almost all universities have institutional constraints regarding the maximum number of years in which the doctoral work should be completed. This sets an upper limit on the length of time of the doctoral programme. Many universities also specify the maximum length of time in which a Ph.D. thesis has to be completed. These rather generous maxima encourage candidates to exhaust all the time available instead of pressuring themselves to complete the programme quickly. The dictum that work expands to cover the time available and/or it is human nature to procrastinate until the deadline approaches could provide some satisfactory explanation for

dissertations completed close to the maximum allowable time.

Parker and Ford (1972), reporting on the length of Accounting doctoral dissertations, stated that "one half of the dissertations were between 130 and 250 pages long with the median being approximately 200 pages long". This length of doctoral dissertation, although not a measurement of the necessary time for completion or the time required to complete the research, does provide some evidence of association between amount of work and reasonable time to complete it.

#### 8.6 LACK OF DOCTORAL SUPERVISORS INTERESTED AND AVAILABLE IN THE RESEARCH AREA OF DOCTORAL CANDIDATES

At times, it seems that it is more the candidates responsibility to find a faculty member willing to supervise the dissertation research than that of the school. This means, that the potentiality is real that some doctoral students, especially those with off the main stream research topics, may be left without appropriate supervision. Eventually these doctoral students may be lead to change their research topic to secure a doctoral supervisor.

The size of the programme, in this case, may make a difference. The larger the school, the greater the pool of expertise and the more likely there will be a faculty member interested in a proposed dissertation topic. The smaller the school, the greater the risk a student is exposed to the fact

that a faculty member may not be available and/or interested at the time a dissertation proposal is submitted.

Sabbatical leaves of key faculty members who normally are willing to supervise a good number of Ph.D. candidates may have an effect on what dissertation topics can or can not be undertaken in a given year. Again, sabbatical leaves may have a more drastic depletion affect on the pool of expertise of a smaller school.

Faculty attitudes are also crucial to the progress of a candidate. Strong faculty support and encouragement to hard working students is an obligation for all faculty. Faculty that emphasize their role of facilitator/ consultant as Ph.D. supervisors are usually asked more often than not to supervise doctoral research projects. Perceptions among students as to who among the faculty is and who is not a facilitator are not always accurate. However, in the long run, faculty members earn their reputation on the basis of the frequency of confidence students exhibit, by selecting them as their doctoral supervisors.

## 8.7 ABANDONING A DISSERTATION TOPIC THAT RUNS INTO DIFFICULTIES

Sometimes a well thought out dissertation topic runs into some unexpected problems.

Perhaps the results do not support the hypothesis, the model does not work or it is discovered that the topic has been dealt with before by other researchers. To abandon such a project and search for a new one is certainly an available alternative. A better alternative, most of the times, is to work further with the topic. Dropping the hypothesis and adding a new one, modifying the model or picking up the research where previous researchers left off may prove to be a wiser approach than dropping the topic altogether.

In any event, the doctoral committee should be properly advised and the matter thoroughly discussed. Ultimately, only the student should assume the responsibility of continuing on or dropping the research work.

## 8.8 SHOULD THE DISSERTATION TOPIC BE SELECTED BY THE FACULTY?

Typically the student should be the selector and developer of a dissertation topic. Dissertation work involves such substantial effort and time that students should have the freedom to choose and initiate a research topic. Affinity

and interest in the topic is a necessary prerequisite to putting not only the mind but also the heart into dissertation work.

Since the dissertation is a joint venture, between the candidate and the doctoral supervisor, a joint selection is also appropriate. In fact, if both parties share a preference and/or interest in a topic, the likelihood is that the proposal development will be smooth sailing. Although faculty may suggest topics, especially, when a student has difficulties coming up with a topic, it is not advisable for faculty to impose research topics on students.

#### 8.9 THE DISSERTATION COMMITTEE

The composition of the dissertation committee, its evolving group dynamics and the personal, social and professional relationship between the doctoral candidate and the membership of the committee is absolutely crucial as to how much help (quantity) and what kind (quality) a doctoral candidate may receive.

Whether the doctoral supervisor has agreed to supervise the dissertation research because he/she has taken a genuine interest in the dissertation topic or he/she has simply accepted the supervision as part of his/her duties to the university can make a difference. Serving on dissertation committees can be a time consuming and thankless task. If a

faculty member serves as a doctoral advisor out of an institutional obligation, resentment may turn to an unco-operative attitude which may impede the progress of the candidate. At the other end of the scale, a professor may be supervising too many dissertations at a given time to be able to provide quality supervision to any of his/her doctoral students. The composition of the committee members may also be problematical. A doctoral student may be caught between personal antipathies or antagonism of faculty members sitting on his/her dissertation committee. Compatibility of approach and personalities involved in the dissertation committee is important for its smooth functioning.

Finally, it is important that the doctoral candidate exercise his/her personal and social skills advantageously. The course of writing the dissertation may be lengthy. The doctoral candidate will have the time to work with the committee members and especially the supervisor. Personal and social skills have a major role to play in developing rapport and a good working relationship with the committee members. On the other hand, supervisors and committee members must maintain their high standard of professionalism while they act in a humanistic sympathetic way throughout the candidate's trial of writing the dissertation.

Parker and Ford (1972) reported considerable satisfaction of doctoral candidates with the dissertation committee. Eighty-three percent of them viewed the committee members as

positively contributing to their endeavour.

Disagreement between the student and a member of the dissertation committee is neither unusual nor unheard of. First of all, in the event of a disagreement between the doctoral student and a committee member, it is advisable that the entire committee become aware of it. Both the committee member in disagreement and the student, would be wise to submit written presentations to the committee on the point of disagreement. The committee could convene and hear both arguments. The doctoral supervisor should strive for developing a common understanding and put the research effort back on the rails. If one committee member only disagrees, it would be inappropriate for the dissertation to pass with a dissenting vote. Consensus is strongly desirable. If the entire committee disagree with the student's position, the student obviously has no choice but to reconsider his/her approach.

#### 8.10 THE ALL BUT DISSERTATION (ABD) PHENOMENON

The failure of many candidates to complete the Ph.D. degree in Accounting is a disturbing phenomenon. Furthermore, the failure of those to complete their Ph.D. degree requirements on a timely basis warrants some investigation. In this section, an attempt is made to study the All But Dissertation (ABD) phenomenon.



If one reason had to be singled out for the ABD phenomenon that would be the demand for ABDs. Competition amongst the schools for Ph.D.s in Accounting spills over to the ABD market. Universities are willing to offer a vacant faculty position to an ABD candidate the same way an athletic team drafts a promising underaged player. Teams quite often sign up an underaged player before he/she is discovered by other teams which may compete for his/her talents. Likewise, a university makes an early offer to an ABD candidate trying to exclude other universities from competing for the same individual later. Naturally, universities that produce Accounting doctorates have the advantage of "inside information." Thus, quite often, promising Ph.D. students are hired by the universities they graduate from.

Shortage of Accounting faculty for doctoral degrees over the years has created a strong ABD market. Universities place a lot of faith in their ABD appointments. They consider the award of the Ph.D. degree a matter of time in spite the empirical evidence demonstrating that dissertations by ABDs are not finished on a timely manner. Universities in desperate need for Accounting expertise are often willing to take the risk of making ABD appointments. This risk is somewhat reduced when a tenure or tenure track appointment is explicitly withheld until the Ph.D. is earned by the ABD candidate.

From the candidates perspective it appears that economics top all other considerations. To a candidate with several years of schooling and an income limited to a meager apprenticeship stipend (fellowship and/or assistantship), a salary offer of four or five times as much is more than appealing. When lifetime financial aspirations can be fulfilled now, why wait? To an ABD candidate, family obligations, pressure from the spouse, outstanding students loans, and the like, augment the positive aspects of a faculty position offer.

The status enjoyed by those in academia is also appealing to the candidates. Most Ph.D. Accounting students are preparing themselves for an academic career. An offer to enter this career path earlier rather than later is an offer that most ABDs cannot refuse.

Most ABDs who accept faculty positions believe that they are in position to complete their dissertation in a timely fashion. Their argument may be that there is no difference between teaching as a graduate assistant under a doctoral supervisor and teaching on one's own as a faculty member while conducting dissertation research. The face value of this argument cannot be ignored. Yet, in reality faculty responsibilities go beyond the teaching domain. In addition to teaching responsibilities, participation in committees, meetings, curriculum planning and development, community involvement, student counselling, and the like by a faculty

member is expected and required. Teaching itself is not the same as teaching duties under someone else's supervision. A faculty member may have more courses to teach, more preparations, more advanced classes and responsibilities. Network building with other colleagues, learning how the new system operates, running the extra mile to make a positive first impression on established academics takes time. In summary, the demands on time and energy for a new ABD faculty member are far too high to allow timely completion of the Ph.D. thesis. Thus, the original argument that there is no difference between teaching as a teaching assistant under a doctoral supervisor and teaching as a faculty member appears to be a faulty one.

Adjustments in the personal, social, and professional life of an ABD faculty also needs to be considered. A move to a new geographic area, house living arrangements, major purchases, and a new socializing system are common problems when one moves from the era of being a student to the state of being a full-time gainfully employed family person. Again these changes will handicap the ABDs chances of successfully completing the Ph.D. dissertation.

Candidates expectations and confidence may also contribute to the problem. A candidate may sincerely expect to be able to perform the regular duties of a faculty member and at the same time conduct doctoral research. Confidence alone in one's abilities will not go very far without planning

and sticking to the planned research activities. Planning and allocating blocks of time on research may not be easy when the Ph.D. student is in an employer/employee relationship. The most productive time periods for the research of a given candidate may be taken up by class schedules or arranged meetings and the like. Trying to sneak in research activities at openings free from academic duties may not work well either.

Research activity is not a turn on-turn off function. It requires a proper mental set and psychological state as well as conditions conducive to creativity and productivity. "Start up" and "close down" time is part of every serious research activity. Short "fill in times" are not enough to facilitate the creative process. It takes time for a candidate to get back into research mode when most of this time is spent outside of it.

Lack of adequate preparation for research at the coursework stage (see Chapter 7) may also explain in part the "writer's block" experienced by ABDs. The intergration and application of many different cultivated and polished skills in several courses, over a rather lengthy period of time into a single dissertation project is not taught as such in any doctoral programme. As a result, ABD Accounting candidates accepting faculty positions may become complacent. They may feel, falsely, that they arrived at their destination - academic career. The returns for the additional effort

required to complete the dissertation may not be apparent or worthwhile. It is not until some years later that promotional criteria and image problems of non-doctoral faculty become realistic considerations.

The attractions of academic life may cause ABDs to develop a philosophy favouring teaching over research. The research requirements as they are set by the doctoral committee may be seen as too demanding or even irrational. Such a perception, no matter if it is right or wrong, places the working relationship of the candidate with the committee in jeopardy. The dissertation becomes a noose around the neck of the candidate and the candidate a burden on the committee.

There is no easy way out of these traps for the ABD candidate employed away from the degree granting campus. Unless they see themselves as scholars, maintaining a scholarly attitude outside the degree granting campus, they may not escape the traps they set for themselves.

Scholarship involves many different fronts beyond teaching. Doctoral research is one of them and needs to be handled as the priority. Earning a living, coping with life's demands oneself and family members, and working on a Ph.D. dissertation requires good management of time and plenty of overtime.

Ability to continue to work productively with the doctoral committee while away from campus is imperative. Absence from campus and long distances makes it more difficult

to work together. The committee may become a demanding "system" lacking compassion and understanding. The candidate may be viewed as an irreverent individual unappreciative of the efforts of the committee, incapable of accepting comments and criticisms of others. Without periodic interaction and a receptive approach to views and suggestions, it is doubtful that ABD candidates can successfully complete their dissertation.

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## CHAPTER 9

## EXPERIENCES OF DOCTORAL ACCOUNTING STUDENTS

Views and experiences of current doctoral Accounting students, doctoral graduates, and candidates who have dropped out of their programmes are very important in the effort of gaining some good insights into the supply side of Accounting doctorates.

Personal experiences may be quite different among past and current doctoral Accounting students. The fact that there are many different universities offering doctoral degrees would contribute to different experiences being reported. However, one needs to discover whether there is some commonality among those diverse experiences.

## 9.1 KNOWLEDGE GAPS OF DOCTORAL CANDIDATES

Doctoral students in Accounting have different educational and professional backgrounds. Some students may carry professional designations (CA, CMA, CGA) in their doctoral area. Others may have a specialized master degree in Accounting while others may come from an MBA or just an undergraduate programme. Different backgrounds cause knowledge gaps since students have not covered the same courses.



Admission requirements set at an appropriate level (not be too low or too high) could address this issue of differing backgrounds. Low admission requirements result in a poor quality of students attracted to the doctoral programme. Faculty is frustrated with the work of inferior candidates, the university's reputation suffers, and the candidates themselves fall short of their expectations. If, on the other hand, the admission requirements are too high, the programme may not have the student population to make it viable. A critical mass of students is necessary to establish the programme and generate the proper conducive atmosphere for advanced study. That is, properly set admission requirements may not generate as large knowledge gaps among doctoral students of different backgrounds. Another way of taking care of the knowledge gaps of doctoral candidates is by subjecting them to a common denominator evaluation criteria.

The necessary common denominator among all doctoral students presumably is achieved through an integrated doctoral programme requiring comprehensive examination after its completion.

## 9.2 DIFFICULTY IN OBTAINING COURSES ON A PART-TIME BASIS

Doctoral students have always had difficulty in obtaining a Ph.D. degree on a part-time basis.<sup>1</sup> Accounting students in particular have no such opportunity in Canada at

all. Doctoral education traditionally has been pursued on a full-time basis. Societal changes have convinced universities to open their doors to part-time students in almost all undergraduate disciplines and most master programmes. Nevertheless, the doctoral programmes are generally off limits for part-time students. Part-time study may be allowed after a strict residence period on campus and full-time study requirements are met.

Government funding cuts have placed severe budgetary constraints on universities. Universities when allocating scarce resources internally have the tendency to think in terms of full-time students. Government funding depends on full-time equivalent units. It takes 5 part-time students taking one course to replace a full-time student with a full course load of 5 courses. Support services and associated costs to service 5 students rather than one are higher. The return of a dollar spent on a full-time student tends to be greater than that of a part-time student. Thus, this tendency of the university system to automatically cater to full-time students is understandable.

Furthermore, doctoral studies in Accounting are not prevalent in Canadian business schools. Other areas such as Economics, Finance, Management Science, Business Administration, and Quantitative Methods seem to be more readily available.<sup>2</sup> Universities have an interest to channel students to those areas of specialization where qualified teaching

faculty already exist. Hiring new faculty for Accounting and establishing a specialized programme in Accounting could be an expensive proposition for universities. Funding for new programmes may also need government approval which is sometimes difficult to obtain. Thus, the spaces available for doctoral studies in Accounting are chronically limited. Resource allocation to Accounting education may not be proportional to students wishing to study Accounting.

As long as these overall considerations define the role of Accounting as an advanced discipline, it is very difficult for universities to open up doctoral Accounting programmes on a part time basis. The immediate future does not look any brighter for those who wish to pursue doctoral studies in Accounting on a part-time basis. It appears that the mismatch between student demand for and university supply of Accounting doctoral programmes on a part-time basis has many repercussions for the Accounting faculty without a doctoral degree.

Many Accounting faculty lacking a doctorate could possibly take the opportunity to study for their Ph.D. if it was available on a part-time basis. Their inability to gain access to appropriate university programmes on a part-time basis in a wider sense may be a matter of public interest. Accessibility to undergraduate university education has always been of public interest. Likewise, accessibility to advanced university programmes could and should receive some attention.

A full-time study requirement has some distinct advantages. It completely immerses the student in the studied discipline, requires a full commitment, and creates a mentality and lifestyle unique and conducive to academic progress. At the graduate level, though, full-time attendance imposes an unnecessarily heavy financial, family and social cost on most mature students. It ignores the personal, family, social, and economic realities of our times. At the time of admission to graduate programmes, students have already invested 4-5 years of their lives to full-time study. They possibly carry student loans that have to be repaid and they are eager to become full participants in life. They are willing to study for a living but they are not willing to live exclusively for studying. Without some government support for part-time graduate studies and change in the mentality of traditional university educators it is doubtful that accessibility to part-time graduate studies will improve.

### 9.3 ADEQUACY OF COURSEWORK STUDY FOR CONDUCTING DISSERTATION RESEARCH

There are quite a few past or current doctoral students who have claimed that doctoral studies do not adequately prepare doctoral candidates for their doctoral research. Parker and Ford (1972) discovered that only one third of doctoral graduates in Accounting "considered their

pre-dissertation work to be completely adequate or better, more than forty-five percent of the group felt that their pre-dissertation work was basically adequate but did contain minor gaps, while twenty percent expressed dissatisfaction."

Typical Accounting doctoral courses emphasize Accounting Theory, Personal and Corporate Taxation, Auditing Standards and Policies, Management Accounting, and several other specialized topics. Accounting research may not always be a focal point in the dissertation studies. It appears that there is a missing link between the pre-dissertation and the dissertation stage: Preparation for Accounting research. A possible solution to this problem might be an Accounting research course followed by a course in developing a doctoral dissertation topic. Thus, a student may develop a viable dissertation proposal as a part of course work while he/she is in the pre-dissertation stage.

Deadlines could be designed in such a way that a candidate moves from one stage of study to another continually without time gaps. This will speed up the completion time while eliminating preparation gaps.

#### 9.4 LIMITED ALLOCATION OF UNIVERSITY RESOURCES

Limited allocation of resources to Accounting doctoral education poses a serious problem for the Ph.D. Accounting student, the Accounting profession, and the university who

attempts to serve both.

Resource allocation is a complex decision based on relative merits of all those claiming a "piece of the pie." An attempt to rank all different disciplines in terms of input-output analysis is outside the scope of this work. Thus, the present analysis concentrates only on the Accounting doctoral programme.

Costs to support an Accounting doctoral student are difficult to estimate. Many of the Accounting doctoral costs are joint costs almost impossible to separate from other cost centres of the university. In addition, indirect costs sometimes are hard to identify let alone measure (Powell and Lamson, 1971).

Direct cost to doctoral students are tuition fees and books, along with the opportunity costs of foregone revenue while they pursue their doctorate.

Benefits of Accounting doctoral education are also difficult to measure. The prime beneficiaries are the students and the general public. The Accounting profession and the university system also benefit from Accounting doctoral education. Benefits are accumulated to the degree that the goals of Accounting doctoral education are achieved.

Since maximization of output with a given input cannot always be quantified in the educational production process, it is fair to say that the benefits should, if not maximized, at least commensurate with incurred costs.

Given the diversity of emphasis and/or approach and goals of different graduate schools, "benefits of a doctoral education are therefore very much dependent on the school from which one receives his degree" (Sundem and Weygandt, 1974). Sundem and Weygandt calculated full costs, depending on the school, to be 136 to 230 percent of direct costs. No matter what the measurements are, who the beneficiaries are, the total benefits should exceed the total costs in order for Accounting doctoral education to be socially desirable. Canadian society supports publicly funded universities and programmes on that implicit belief.

Allocation of resources to academic programmes is not always based on the excellence of the supported programme. Availability or lack of (government) funds, an effort to improve the prestige of the university by adding graduate programmes, and questionable judgements of university administrators may have produced less than excellent doctoral programmes.

Doctoral students often select a doctoral programme without the knowledge or recognition of the diversity of available doctoral programmes. Biased information on doctoral programmes published by the university and a strong desire by a prospective student to receive admission leads students to universities without adequate analysis of the benefits and costs of various Accounting programmes. This further complicates the resource allocation problem for doctoral

programmes. If students do not select doctoral programmes for their excellence, why reallocate university resources on the basis of programme excellence?

A victim of less than optimum resource allocation for doctoral education is Accounting faculty. A shortage of qualified faculty creates a staffing allocation problem. In Canada, the shortage of Accounting faculty is a resource allocation problem. A good part is derived from not having enough doctoral programmes to produce the necessary number of faculty to fill the needs of the Canadian Accounting education system. A realistic assessment of priorities (what the system needs most) would enhance the resource allocation process for producing more Accounting doctorates.

Without an unbiased independent assessment, individual universities would continue to be unresponsive to market needs. They will perpetuate the existing system of misallocation of resources, by producing doctorates in the academic areas of faculty they employ, no matter if they are in demand or not. An innovative approach to resource allocation, free of petty departmental academic jealousies, is badly needed to correct the existing imbalances.

#### 9.5 ADEQUACY OF LIBRARY AND COMPUTER SERVICES

Doctoral studies may require the utilization of facilities to a much greater degree than undergraduate



studies. The research portion of doctoral studies requires extensive university resources in two main areas; the library and computer services. Library resources are utilized to review relevant literature, conduct data base research, and obtain resources through inter-library loans etc. Computer services, hardware, and software are needed for tabulating, processing, and analyzing data. Office space and a general support system is also important for assisting students to successfully complete their doctoral studies.

University libraries and computer centres are the most likely used university facilities by doctoral students. The focus of the doctoral study makes both indispensable. Reputable Business schools offering graduate programmes usually maintain a collection of Accounting literature and reference materials adequate to meet the routine research needs of the students and faculty. However, it is unusual for any university library to satisfy the complete research needs of a doctoral candidate in Accounting. Each university library has its own strengths which may or may not facilitate the library research of a particular topic. Visits to other libraries, inter-library loans, and computer assisted library research is inevitable.

Also with the increased demand for computer services by virtually the entire student body, graduate and undergraduate students have to fight for computer service privileges. Doctoral students unless they are given some special access-

ibility and/or privileges to support their research effort face stiff competition for computer time. Difficulties in obtaining computer time can be very discouraging when pursuing research excellence. Computer services for Accounting education and research should have "sufficient capacity and accessibility to encourage development of computer skills on the part of students and to encourage computer related research and pedagogic development where appropriate on the part of faculty" (CICA, Fall 1981).

#### 9.6 THE PROBLEM OF OVER OR UNDER ADVISING

Doctoral advisors by definition have to advise the student on every matter of concern to them. Advising assists students to gradually build their skills and confidence to work on their own under minimum supervision. Advising has to be gradually elevated as the student progresses into the programme to a more balanced relationship: Less direction by the supervisor, more input by the student. The advisor/advisee relationship may eventually mature to a relationship on equal terms which is based on discussion and interaction between the student and the supervisor.

Over advising may be defined as unnecessary intervention by the supervisor in the progress path of the doctoral student. Over advising may be well meaning and benevolent yet it may be disruptive to students' efforts. Especially good

students may be damaged and misdirected by over advising.

Under advising usually occurs when the supervisor overestimates the student's strengths and abilities and abstains from or limits his/her interaction with the student. Like over advising, under advising can be harmful to students' interests. Without proper guidance, students may drift aimlessly and finally they may abort their effort.

### 9.7 AGE AS A DETERMINANT OF DOCTORAL SUCCESS

One may follow two different approaches with regard to the age of Accounting doctoral students as a determinant of doctoral success.

One approach suggests that older students who bring into the programme more than 3 to 5 years of Accounting experience have a greater probability of success. They are presumably capable of conducting "Accounting practice" oriented research. They also know where they came from and where they want to go. Financially, they may be more secure by relying on savings from their previous work experience.

The other approach suggests that younger students with short term or no work experience have greater probability of succeeding in doctoral studies. Experience may be an inhibiting factor to the successful completion of a Ph.D. Doctoral candidates that have seen the "real world" may have lost their "innocence" as aspiring scholars, and pure research

may not be of interest to them. To give up a rather comfortable living, for some years of spartan doctoral student living, with the frustration that accompanies it, may not be an attractive - motivational force for an experienced Accounting practitioner. Older students, due to sociological reasons, may lack the degree of commitment, the energy, and time necessary to succeed. Family pressures or pressures to start a family, social values that call for adults to be gainfully employed, shorter projections of lifetime employment may take away energy that otherwise could be committed to doctoral study.

Myers and Weil (1984) researched a number of articles written on the success or failure in doctoral programmes and provided the following summary of their findings.

The earliest age an Accounting student may enter a doctoral programme is between 22-25 years of age, the typical age an undergraduate is awarded his/her degree. There is no upper age limit. All qualified applicants can be admitted regardless of age. Deitrick, Alderman and Sayers (1983) discovered that almost 65% of doctoral students begin their studies before the age of 30, with a median and mean of 29 years of age. Furthermore, 18.7 percent of all candidates were reported to be above the age of 34.

On the basis of the studies noted on the previous pages, one could contemplate as a typical profile of a doctoral

TABLE 31

AGE AT ENTRANCE AS A CORRELATE OF SUCCESS IN DOCTORAL  
PROGRAM OR SUBSEQUENT CAREER

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Age as a Correlate of Completion of Program

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Date & Author

1964 - Wright

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Objects Studied

72 students in first semester of study in Winter 1951. Success defined as completion of Ph.D. within 11 years; 31 succeeded. (n=72 includes 61 initially enrolled in Ph.D. program and 11 who initially entered MA program but switched to Ph.D. program.)

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Findings

< 22 yrs. old at entrance: 92% finished (n=12); 22-30 yrs. old at entrance: 38% finished (n=45); > 30 yrs. old at entrance: 20% finish (n=15).

Also, of 115 who started in MA program 11 eventually received Ph.D.

Of successes, 2 had prior degree from same university and 1 from different university; of failures, 29 had prior degree from same university and 40 from different universities.

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Date & Author

1970 Wright

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Objects Studied

84 students admitted to doctoral program in Education at Education Dept. of University of North Dakota, 1962-1967; 33 graduates; 51 nongraduates.

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TABLE 31 con't.

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 Findings

Graduates - 39.3% Age at entrance: Mean 35.06 years Std. Dev. 5.94 years Previous undergraduate degree: 64%; Std. Dev. 48%

Non-graduates - 60.7% Age at entrance: Mean 34.82 years Std. Dev. 6.86 years Previous undergraduate degree: 28%; Std. Dev. 44%

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## Date &amp; Author

1975 Rock

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## Objects Studied

930 applicants to NSF in Psychology in 1958-61; success defined as completion of Ph.D. by 6/68.

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## Findings

< 25 yrs. at entrance: 40.5% finish (n=709) 25-26 yrs. old at entrance: 48.7% finish (n=138) > 26 yrs. at entrance: 29.8% finish (n=83) Correlation of age/completion = -.04

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## Objects Studied

845 applicants to NSF in Mathematics in 1958-61; success defined as completion of Ph.D. by 6/68.

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## Findings

< 25 yrs. old at entrance: 58.6% finish (n=68) 25-26 yrs. old at entrance: 42.3% finish (n=89) > 26 yrs old at entrance: 35.2% finish (n=73) Correlation of age/completion = -.16

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## Objects Studied

643 applicants to NSF in Chemistry in 1958-61; success defined as completion of Ph.D. by 6/68.

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TABLE 31 con't.

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 Findings

< 25 yrs. old at entrance: 80.2% finish (n=207) 25-26 yrs. old at entrance: 77.1% finish (n=364) > 26 yrs. old at entrance: 43.1% finish (n=72) Correlation of age/completion -.28

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## Date &amp; Author

1979 Pristo

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## Objects Studied

129 students admitted to a doctoral program at an Arizona university during 1966-1977. 60 received degrees; 60 dropped out; 43 still active. Success defined by a combination of completion of Ph.D. and grade point average.

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## Findings

Age at entrance had canonical correlation of  $-.527$  with criterion, which appears to be more heavily weighted by GPA than by complete/not complete program.

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Age as Correlate of Subsequent Scores

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## Date &amp; Author

1970 Gertler and Meltzer

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## Objects Studied

47 Ph.D. graduates of GSIA Carnegie-Mellon University 1950-1967, publication records scored and regressed on various criteria.

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## Findings

In regression equation to explain publication record, age at entrance had co-efficient of  $-1.5$  with t-statistic of  $-1.78$ , indicating that the younger the entrant, the longer the eventual publication record

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TABLE 31 con't.

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Date & Author

1979 Dole and Baggaley

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Objects Studied

61 Ph.D. graduates in Education, 1975-76, ranked by faculty as to scholarship and professionalism.

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Findings

Correlation coefficients: Entrance Age/Scholarship=  $-.45$   
 Entrance Age/Professionalism and =  $-.47$

(Entrance age has largest Correlation of 8 predictor variables.)

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student a mature adult, possibly married with an average of 5 to 7 years work experience.<sup>3</sup>

Younger as well as older candidates may succeed or fail. However, there is evidence (Table 31) that age correlates negatively with doctoral success. The older the candidate, the lower the chance of successful completion of the programme.

#### 9.8 POTENTIAL CONFLICT BETWEEN ACADEMIC AND PROFESSIONAL CONSIDERATIONS IN THE MATTER OF CURRICULUM DEVELOPMENT

The academia and the Accounting profession (CA, CMA, CGA) do not assign the same significance to technical, procedural, conceptual, and professional matters of Accounting education. Obviously, there is a great deal of commonality between the academic curriculum and what is considered



desirable by the profession. Nevertheless, there are universities that approve of and follow professional orientation while others follow a more or less independent course. The needs of the Accounting profession as they are perceived and expressed formally by academics are secondary to the university mandate.<sup>4</sup>

Doctoral Accounting students may not have sufficient practical knowledge entering their Ph.D. studies as the profession would like them to have. Such candidates as they become better educated they may better fit the theoretician's mode. Universities, in general, tend to emphasize a more conceptual than applied approach. This general impression is reflected in the private sector's attitude to consider fresh doctoral graduates of limited usefulness initially, until they are indoctrinated into professional, practical training. Although this may be true for all Accounting specialties, it is more so for Auditing and Taxation. These are typical areas where practical experience is of paramount importance regardless of the educational background.

Today, many Accounting faculty in Canada hold professional Accounting designations. Seventy-eight Accounting faculty have a doctorate and one or more professional designations, 145 have a master degree and one or more professional designations, and 45 have an undergraduate degree and a professional designation. That is, 318 Accounting faculty in total out of 419 (75.9%) hold a

professional Accounting designation.<sup>5</sup> With so many professors holding Accounting designations, one would expect a better alignment between the university and the profession. Perhaps the fragmentation of the profession into three different Accounting designations hinders such an alignment. Faculty having to deal with a fragmented Accounting profession often feels that the three Accounting bodies do not do a sufficient job relating to and communicating their concerns to their academic colleagues. A detailed outline of the educational priorities as they are seen by the profession may allow the academics to better understand the needs of the profession and develop a programme with a greater common orientation. Greater co-operation between the profession and academia would be mutually beneficial.

## NOTES TO CHAPTER NINE

1. There is no university in Canada that offers a doctoral programme in Accounting on a part-time basis.
2. Table 35 provides a breakdown of doctoral specializations as they exist in Canadian universities.
3. Statistics Canada reported an average age of marriage as 27. That means the "average" doctoral candidate who enters the programme in their late twenties/early thirties is usually married. Considering the first degree is received between the ages of 22 and 25, it is reasonable to assume that the "average" doctoral candidate has 5 to 7 years of work experience.
4. The University of Waterloo and its School of Accounting is the only university programme accredited by the ICAO and the SMAO. The other universities receive course by course exemptions if in the opinion of the profession the university course is equivalent to their own syllabus.
5. See Table 56.

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## CHAPTER 10

## THE ACCOUNTING PROFESSORiate

## 10.1 A CAREER IN THE PROFESSORiate

The professor has earned a place in the galaxy of true professionals. Professors enjoy exceptional independence and academic freedom, have high prestige and profile in the community, work with rather interesting intelligent people (students and faculty) in a collegial fashion, enjoy job security, and they earn a decent salary (Carpenter, Crumbley, and Strawser, 1974).

Prestige is not something to be sought or fought for. It comes with the job, more or less automatically, through the collective reputation of the profession. Although the collective reputation is difficult to measure, it is safe to say that university professors, in general, rank quite high in comparison with other professionals. Here is a short analysis of other professions.

One can claim that medical professionals (doctors and dentists) are probably rated higher than university professors. Everyone uses the expertise of the medical profession. Doctors are visible in the community, and part of important aspects of life (birth, marriage, death). In contrast, approximately 1/4 of the population-mainly those with university education-is in direct contact with university

and the professoriate.

The same argument can be made for the Law professionals. Trials and therefore lawyers are always in the news. Litigation becomes increasingly part of the North American commercial and family life. As a result, lawyers receive a lot of public attention. Furthermore, a large number of politicians come from the ranks of the law profession. This may further enhance the image of lawyers. However, those who are disillusioned with the judicial system, lawyers, and how justice is carried out, often have a cynical view of lawyers and/or politics.

Engineers, in the post industrial society, dominated by service industries, may have lost some ground and prominence. Declines in engineering enrolments may provide some evidence of the problems facing this profession (Statistics Canada, 81-204).

Clergy, generally speaking, enjoy a high standing in the community. Religious and denominational boundaries though, limit and confine their prestige within their constituency.

Individual outstanding artists (writers, musicians, actors) may enjoy considerable societal prestige. Nevertheless, the entire class of artists suffer from chronic unemployment and underemployment which somewhat reduces their prestige.

Professional athletes are enjoying fame and substantial earning power. However, their professional career is limited

to a few years. Every season produces new heroes of the day and the older ones soon fade to relative oblivion.

The Accounting profession has a definite image problem which negatively affects its prestige. The image of Accountants especially in literature is not flattering for the profession. Furthermore, business executives, although powerful, may not enjoy a better standing in societal prestige. Their goals are often viewed as selfish and against those of the community and the working people.<sup>1</sup>

In conclusion, besides the medical profession, artists and athletes, the professoriate appears to ride very high in societal prestige.

#### Independence and Freedom

The professor enjoys a great deal of independence and freedom. Independence is a recognized prerogative of the professor. Professors are generally free to develop their own instructional methods and employ learning tools and material as they see fit. Preparation for courses and course material is an independent function not prescribed by the university administration or another intervening authority. Course description and syllabus approved by various academic bodies of the university are the very guidelines that have to be observed. The university system places a lot of confidence, trust and good faith in the professoriate, which allows them to work independently and free. In many ways one may consider academic freedom and independence as an extension of the

autonomous nature of the university. As government does not interfere with the administrative and academic affairs of the university, the university does not interfere in the academic work of the professoriate.

### Job Security

Job security is manifested by a tenure system. Briefly, under a tenure system a new faculty appointment at a university receives a thorough and rigorous examination. The successful candidates are appointed on a probationary basis usually lasting three to five years (policies differ from one university to another). At the end of the probationary period, the candidate's performance and credentials are reviewed by an appropriate committee. The committee consists of other tenured professors. This peer evaluation results in granting or refusing tenure. Tenure in practical terms means that the successful candidate in order to be fired, just cause must be established and due process must be followed. That is, tenure is a form of job security.

Demand for university professors has provided fertile ground for job security. Continuous and increasing public and government support for higher education has also contributed to job security for the professoriate. Independence and academic freedom go hand in hand with the concept of tenure. Only tenure can guarantee freedom of thought and teaching. Without a tenure system, faculty could risk their jobs for academic activities which did not meet



with the approval of those (university administration) able to initiate the dismissal.

### Work Environment

Even with dropping academic standards, the university student body is considered a fairly bright group, intellectually elite. They come to university by choice and, in general, are motivated at a much higher level than high school students. It is a great joy and opportunity for a university professor to become a major contributing factor in their educational development.

The principle of collegiality, on which relationships among university professors is built, is further insurance for a productive and pleasant work environment. A strict code of ethics dictates all the professional relationships among faculty members. Both groups, students and the professoriate, contribute to a stimulating work environment.

### Earning Capacity

The earnings of a university professor come from two sources, possibly three: the regular salary received from the university, the royalties-remuneration from writing (research), and professional activities (consulting).

Elsewhere in the study, the issue of unattractive faculty starting salaries has been discussed.<sup>2</sup> Is the university professor grossly underpaid?

First of all, one must differentiate between collective bargaining arguments and tactics used by the professoriate to

obtain additional funds from government and/or university administration, and an independent assessment of the entire benefit package available to the professoriate.<sup>3</sup>

While the earnings of doctors, lawyers, business executives, and other professionals may be higher than that of the professoriate, one should not concentrate exclusively on monetary values. Job security, paid sabbatical leaves, a shorter than calendar academic year, opportunity to work independently, academic freedom, lifestyle, and the like, all of which are part of the benefit package cannot be ignored. An attempt to attach a monetary value to these items would create a long debate. It is not easy to attach value to opportunities to study, travel, enjoy the lifestyle of university teaching. The question is not whether these benefits have some monetary value but, whether this value is high enough to compensate for the earning power of other professionals over the professoriate.

The length of time required to obtain a doctoral degree, the length of the probationary period before one is admitted in the professional ranks, and the opportunity cost they imply may or may not be adequately compensated by the current salary structure. If the market place was free to decide-without outside intervention-the salaries of the professoriate, given the short supply of academics, the "right"-equilibrium-salary level would increase. Limited government funding and faculty unionization are two forces that prevent the market from

setting the "right" salary price for the professoriate. In the absence of such intervening powers, salary levels for each and every academic speciality would be different; according to the demand and salary forces of each discipline.

Professional development, the need for continuing education has increased the participation rate of the adult population in university education.<sup>4</sup> The "lifelong" education trend is expected to continue. The demand for university education will increase in the future. Continuing demand for university education, and an aging university faculty may produce the conditions necessary for improvements in the professoriate's salary.

#### Drawbacks

Admittedly, the academic profession, as in every other profession, has its own drawbacks. It is a high energy-consuming profession. The stress factor is high. Facing a new group of students in each term adds variety but also a strain on the nervous system. Not every student is bright and promising. Problem students exist in almost every class. Discipline problems, although infrequent, may reduce the teaching effectiveness and learning taking place in a given class. It is amazing how the poor attitudes of a few may influence the entire class. In spite of the student's limitations, students are clients and it is the job of the professoriate to serve them the best possible way, not to blame them for their deficiencies.

Furthermore, there are some aspects of the profession that may not be considered very exciting. Preparing examinations, invigilating and marking them, reading and evaluating term papers, and calculating the final grades could be the least popular tasks among university teachers. Delegating such jobs to teaching assistants is not always wise nor an available option to all university teachers.

Politics and internal strife is not foreign to academia. Personal prejudices, false impressions, and gossip can be found on campus in spite the collegiality principles. Personalities can clash with or without a code of ethics. The peculiarity of the tenure system tends to perpetuate personal conflict. In contrast, in the private sector transfers and dismissals tend to provide a radical solution to such an issue.

## 10.2 THE FACULTY

What type of faculty is needed for a good Accounting doctoral programme?

A competent, committed faculty always helps building a good university programme. What constitutes a competent, committed faculty needs some interpretation.

First of all, a competent faculty member involved in an Accounting doctoral programme should be knowledgeable. Knowledgeable not only in theoretical but practical current

Accounting issues. Secondly, he must be computer literate with a good understanding of Research Methods and Statistics. Thirdly, he must have a good understanding of the literature in Accounting and related disciplines. Finally, he should be interested and willing to work and supervise doctoral students.

Whether or not a competent faculty member should be more and foremost a teacher or a researcher is a difficult question to answer. Those who see the doctorate degree as a research oriented degree argue that a competent faculty is a researcher of some reputation with several major publications. The "publish or perish" dogma is a natural extension of the belief that a university teacher, above all, must be a researcher. Others, who see faculty first and foremost as university teachers consider the doctoral degree as evidence of the highest level of knowledge achieved (Bazley, 1975; Andrews, 1978; Long, 1981; Von Zur-Muehlen, 1978). University professors, to be effective as disseminators of knowledge, first must be in possession of it. Whether or not a Ph.D. degree is necessary to accumulate a high level of knowledge or whether a Ph.D. is needed for a university teacher to be able to properly transmit his/her knowledge is a separate argument.

Research competence is promoted through coursework by competent teachers. Without competent teachers it is doubtful if researchers will ever evolve. One cannot teach "research".

Research is the natural extension of teaching and learning about the available knowledge.

### 10.3 TEACHING AND RESEARCH

It is possibly true that some good researchers are also good teachers. They are able to do scholarly research, write the results of their research work, and teach them to others. In general, though, few are able to do both well, research and teach. It is rather rare for one person to possess the necessary set of qualities and abilities to do both. Teaching and research are not siamese twins. It takes a different personality, or at least temperament besides abilities to teach and to conduct research.

The pure researcher is a person that lets his/her mind wonder away from the set of known, where reality is dominant, to new areas where imagination prevails.

The person that does good work teaching has to focus his/her attention on developing students. Besides the time a teacher has to spend in the classroom, lecture preparation, preparation and marking exams, student consultation and guidance require many hours of work each week. Furthermore, additional time is required for designing new courses, planning academic programmes for the new term, selecting material and filling library requisitions, attending committee meetings, and participating in the governance of the

institution. All these functions are extensions of the function of teaching. They require a lot of time that leaves virtually no time for serious research. If a teaching faculty has to conduct publishable research, he/she would have to trade away teaching time.

Canadian universities today seem to have adopted a philosophy that hardly facilitates and promotes excellence in teaching. University status and prestige is often associated with the number of prominent researchers employed by the university as opposed to teaching scholars. Academic administrators are more fascinated by the number and amount of research grants that their faculty attracts to the university than teaching experience.<sup>5</sup> The teaching function more or less is taken for granted. Obscure and often irrelevant research is given prominence over teaching. Often, it is assumed that a faculty who does research and writes for publication is also a good teacher.

Faculty, on the other hand, taking to heart the slogan threat "publish or perish" scramble to conduct research at all costs. It does not seem to matter how distracting research activities may be to teaching. Research is a prominent factor in tenure and promotion considerations and every faculty member has to produce research.

Research output produced under the publish or perish regime has not always been of high quality. Memorable, innovative articles that create inroads in a given discipline

are few and far between. Yet, a relatively unknown "average" researcher in all likelihood would have an impressive list of publications. The race for publication has forced academics to form all kinds of organizations which have as their mandate to publish the research work of members. Many periodicals have come and gone replaced by others often with a narrow focus serving specialized interests and research which is nothing more than a channelled effort of academics to facilitate their colleagues to publish.<sup>6</sup> This is not to say that all academic research and publication is an inept activity of self-serving proportions. There are many scholars who are committed to high quality research. There is evidence that research for academics peaks before their tenure decision is made and levels off there after (Windal, 1981; Mautz, 1970).

Faculty at small undergraduate programmes tend to be generalists. They are expected to teach most of the courses in the field. In large and/or graduate schools, with a greater number of students and faculty, more specialization is allowed. Faculty may concentrate in specific courses within their discipline. The greater the opportunity for specialization, the greater the advantage to explore and research the area. Small undergraduate institutions may form a model of "teaching institutions." Student development is their preeminent goal. Allocation of faculty resources between teaching and research supports first and foremost



teaching. Research is encouraged but not emphasized.

In graduate programmes, the opportunity for student-teacher interaction is greater. The student numbers are a small fraction of the undergraduate student population, and research is a workable proposition. Graduate faculty deals with an elite group of students who have already been taught the fundamentals of their discipline. They have mastered research methods, and in all likelihood, have the maturity to go beyond the sphere of the known to the unknown. At the graduate level, faculty have a duty to promote research. In fact, they expect to be evaluated on the basis of their research and that of their students.

At one time, when the participation rates of the general population who pursued a university degree was lower and the baccalaureate degree had a much greater face value than today, the equilibrium between teaching and research was somewhat different. Eventually, the small bright university graduate elite was substituted by the not so exceptional everyone. Accessibility to university education by every student meeting some minimum admissibility requirements brought to university more than excellent minds. As a natural consequence, faculty had to concentrate in teaching the large, less than thoroughly prepared student population. A larger student population who desperately needed more teaching, placed or deferred the research activity to a more selective group of graduates. The graduate programmes assumed this responsibility. In both

undergraduate and graduate education, student needs are the focal point of attention. The different needs of students at each level of studies need to be treated differently; emphasis in teaching at the undergraduate level and emphasis in research at the graduate level. Research is considered an extension or an elevated function of educating and teaching. This type of research is supported by the belief that independent research that does not center around education can be better undertaken outside educational institutions. Only research results which translate to educational content are directly valuable to the university. If the student is not a participant, or a direct beneficiary of the research effort, why should this research be conducted by faculty teaching within the university? It would probably be less expensive to have such research undertaken by institutions outside the university.

In our democratic society, that accessibility to university education is an undisputed individual right, serious research cannot and should not be expected at the undergraduate level. Academic administrators of undergraduate institutions may be better off if they honestly proclaim their schools as teaching institutions and concentrate on building their teaching reputation. Recognition that most undergraduate schools cannot distinguish themselves as research centres and at the same time serve as institutions of teaching excellence is imperative.

#### 10.4 SUPPLY OF ACCOUNTING RESEARCHERS (PUBLISHERS)

One measure of "success" of a doctoral programme often is considered to be the publication (research) record of its graduates. The rationale appears to be, that since Accounting Ph.D. programmes emphasize research, the ability of the programme to produce Accounting researchers is an indicator of "success".

Studies on the publishing record of doctorates differ with respect to approach, time frame of measurement, and the selection of measurement itself.

Bazley and Nikolai (1975) focused their study on measuring the publications appearing in four Accounting academic and professional journals: Journal of Accountancy, Journal of Accounting Review, The Accounting Review, and Management Accounting.

Andrews and McKenzie (1978) also ranked faculty and doctoral programmes on this mixed group of journals. No effort was made to separate the journals to either professional or academic orientation. Ranking was based on "total output" - total number of articles published in the aforementioned four journals.

Miller and Tollison (1975) and Bell and Seater (1978) disagreed with the "total output" approach. They suggested that ranking of doctoral programmes should be based on

productivity (total output) and efficiency (average output per graduate). Ranking on productivity alone create biases towards large doctoral programmes. Naturally, a greater number of graduates is expected to produce (publish) a greater number of articles. On the other hand, ranking on efficiency (average output per graduate) alone, while corrects the large school bias, creates a new one. A small school with a prolific researcher may indicate a very productive school when in fact only one researcher is productive. Under these circumstances, a bias in favour of the small school is created.

Koch, Merino and Berman (1983) recognized that the above biases cannot be eliminated and suggested the use of a dual performance measure. Along with production and efficiency measures, they focused on the percentage of each programme's graduates who were able to publish. In addition, they classified doctoral programmes by separating their publications appearing in academic or professional journals.

Koch, Merino and Berman examined the individual publishing patterns of 520 doctoral graduates between 1972-1974 in the subsequent six years after graduation. If Accounting doctoral programmes are designed to produce researchers, the record is discouraging. Only 23.1% and 29.1% of the sample population published articles in the selected 15 academic and professional journals respectively. The corresponding average number of articles per publisher was

just 2.2 and 2.14.

Considering that most doctoral dissertations result in published articles and assuming that the first article published was the result of dissertation research 73.4% of all graduates did not produce any on going research (published articles) in six years after graduation (Koch, Merino and Berman, 1983).

#### 10.5 FACULTY AS DOCTORAL ADVISORS

There is a tendency at many schools for a few faculty to work with many doctoral students. Committed and well liked senior members are swamped with doctoral students while others may be idle. A disproportionate share of duties among available faculty should be a reason for concern.

Overloading certain faculty members is not only unfair to these faculty members but to students as well. The capacity of a faculty member to advise and supervise the research work of many students at the same time is questionable. Therefore, students may not have the full benefits they are entitled to from a doctoral supervisor.

Some relief from teaching responsibilities seem to be an answer to doctoral advisors in that predicament. At the same time relief from teaching responsibilities may be an incentive to those not presently inclined to undertake doctoral supervision to do so. Limited university resources due to

cutbacks may not make such an approach-relief from teaching duties-a very pragmatic one. Nevertheless, it might be a step in the right direction.

Another way to release some pressure from overworked faculty advisors is to allow junior faculty to supervise doctoral dissertations. Traditionally, senior faculty members are considered as prime candidates for doctoral supervisors. Yet, newly appointed faculty members bring in talents, research skills and enthusiasm that may improve their rapport with doctoral students and therefore their efficiency as doctoral supervisors.

Junior faculty should be allowed to immerse themselves into the doctoral programme by being allowed to integrate their teaching with research. Since research is a criterion for promotion, it seems natural to provide a junior faculty member with the opportunity to indulge in research activities. Possibly supervision of a dissertation should be considered a criterion for promotion for junior faculty to provide them with an incentive to undertake doctoral supervision.

To provide a faculty member with incentives to put in the time and effort necessary to work with doctoral students, a creative rewarding system is needed. Perhaps, advising a certain number of doctoral students should count as the equivalent of teaching a course. Thus, an active faculty advisor can do a better job of advising doctoral students by teaching less. Any attempt to quantify and equate a number

of dissertations supervised with one course taught is, of course, an approximation. Equivalence of this kind can never be accurately calculated.

A natural gravitation of doctoral students to certain faculty members will always create allocation problems. Candidates want to work under faculty that are viewed or perceived as helpful and/or good researchers. Students asked to switch over to other faculty will not always be happy, nor will the faculty who may be asked to supervise research in areas not totally within their field of preference.

Doctoral programmes in Accounting, generally, are made up of two distinct stages. The coursework stage and then the dissertation stage. The first stage emphasizes the accumulation of knowledge in the Accounting and related disciplines; the second, cultivates the students' ability to apply their knowledge to conduct publishable research.

Can one advisor serve a student efficiently and effectively throughout both doctoral stages? Given the two different goals and perspectives of the two stages, would it be better to assign two different persons? How can the student/advisor relationship suffer or improve in the presence of more than one advisor? Should decisions of one advisor be binding on another? How does one resolve a conflict of approach or opinion between two advisors? Should the student be allowed a choice of a supervisor? If yes, should a student continue on the dissertation stage with the coursework stage

supervisor?

In programmes where research work is emphasized throughout the doctoral programme and coursework is limited to a supportive activity, only one advisor may be necessary.

In programmes, like Accounting, where one or two years of coursework are mandatory a "total supervisor" for both coursework and dissertation seems to be a nonfeasible proposition. The structure and length of the programme does affect the advisor-advisee relationship. Some Accounting doctoral programmes may work around the two stage advisor problem by not assigning students to a faculty advisor until the dissertation stage. The "advising" during the coursework is centralized in the office of an academic administrator (programme director, dean of students, admission or doctoral supervisor). The rationale for this approach seems to be that students at the coursework stage do not really know what kind of research they want to do. They may choose something that they may drop later. Thus, choosing a doctoral advisor at this stage may seem a premature act. A general advisor may be sufficient over a student's coursework stage. One problem with one individual acting in an administrative capacity as doctoral advisor to many students is the potential uniformity in his/her advice. Preference for one type of research or another may direct all or a disproportionate number of students to one area at the expense of others. For example, a programme director with an auditing background and interest



may promote a number of dissertations in that area. Regular rotation of such general advisors may resolve this problem. However, rotation of advisors may create cyclical research interests in the advisor's areas of expertise.

Rotating the advice responsibility from one faculty member to another regularly may decentralize the advising function. This system of rotation also has the benefit of not producing stale, professional academic administrations. Academic administrations, after some time, may find themselves removed from developments taking place in their own disciplines. Preoccupation with administrative responsibilities may leave too little time to follow the latest in research and development and, therefore, may handicap their ability to advise doctoral students.

The nature of advice also needs to be considered. "Advice", "suggestions", "recommendations", and "direction" have varying degrees of influence on students. The advisor's philosophy and posture towards students, the personalities of both advisor and advisee, and their type of professional relationship may yield high or low acceptability of "advice". Low acceptability of "advice" obviously does not result in undesirable high uniformity of research direction. It does, however, question the overall advising function.

Advising, quite often, is mingled with recruiting. Programme directors or others charged with the advising responsibility often act as recruiting officers. In this

case, the advising may become a tool for successful recruiting. Trade-offs between impartial objective advising and maximization of new recruits may result in admitting students with goals incompatible with those of the programme. The schools must be careful to protect the long run interests of the programme by not making doctoral advising subservient to the recruiting function.

#### 10.6 THE DOCTORAL ADVISOR AS MENTOR

In its narrowly defined role, a doctoral advisor is responsible for advising students on the various academic requirements that need to be met from the admission to graduation time. A doctoral advisor, in a broader sense, is a teacher, a mentor and a peer who doctoral students can turn to for more than advice or academic requirements. A narrowly defined role of an academic advisor reduces the investment in time, effort, and monetary costs for the university, in general. A broader defined role increases the available benefits to the students but simultaneously increases the risks the mentors must be willing to undertake. Narrow or broad definition, the doctoral advisor is in the business of interpersonal communications. Successful interpersonal communications require a genuine human interest for the other party and ability to communicate well. Some experience and charisma may also be helpful.

The doctoral advisor as a teacher disseminates information and assists in the development of the intellectual skills and knowledge of students. As a peer, the doctoral advisor is aware of the particular apprehensions (personal, family, financial) of the supervised student and assists him/her so these issues will not become inhibiting factors to the successful completion of the programme.

As a mentor, the doctoral advisor tries to facilitate the student to find the appropriate placement in the academic world of elsewhere. Levinson (1978) reported that a mentoring relationship usually last two-three years but sometimes is extended to more than that. According to Levinson, the mentorship is a function very important and beneficial to the young adults. "His (mentor's) primary function is to be a transitional figure. In early adulthood, a young man must shift from being a child in relation to parental adults to being an adult in a peer relation with other adults. The mentor represents a mixture of parent and peer; he must be both and not purely either one."

Like most of our relationships, mentorship often generates many feelings and emotions, sometimes positive and sometimes negative. Both mentor and mentored should be aware that mentoring relationships may sometimes end in bitterness and bad feelings on both sides.

Students' expectations often cannot be met by the mentor. Either they are inflated beyond realism or the supervisor has

his/her own limitations as to the amount and type of assistance he/she can provide. Likewise, supervisors often are demanding and over critical. Inflated professional egos may prevent them to come down to the candidates level and respect their individuality of approach and expression. In theory, originality is supported but in practice it may be difficult for supervisors to move away from tradition. In most instances, a mentorship terminates in a civil manner, usually soon after the mentored completes the programme and establishes his own professional identity.

## ENDNOTES TO CHAPTER TEN

1. The Free Trade Agreement between Canada and the U.S. produced an interesting debate. Opposition to Free Trade somewhat tarnished the business sector image as an uncaring selfish-motivated group.
2. See Chapter Four.
3. Tables 61 to 69 provide salary details for the Canadian professoriate.
4. The full-time university enrolment in Management and Administrative Studies from 1980-81 to 1985-86 increased from 42,308 to 49,545 students. The same figures for part-time students show a much greater increase from 27,513 in 1980-81 to 41,812 in 1985--86.
5. Evidence of this could be provided by the announcements of research grants routinely reported in the CAUT Bulletin and University Affairs. Also individual universities compile and maintain a list of publications of their faculty which are often used as a recruiting promotion package.
6. Table 36 provides a list of major Accounting journals.

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## CHAPTER 11

## THE ACCOUNTING PROFESSION IN CANADA

This chapter is concerned with the Accounting profession as it is represented by the three formal Accounting organizations; the Canadian Institute of Chartered Accountants (CA), the Society of Certified Management Accountants (CMA), and the Association of General Accountants of Canada (CGA). All three organizations have contributed to the evolution of the Accounting profession in Canada and have brought dignity and repute to it.

## 11.1 PROFESSIONAL ACCOUNTING

One of the characteristics of the Accounting profession in Canada is the distinct number of competing Accounting organizations. The formation and development of various past and existing Accounting organizations can be found in studies by Mann (1976) and Richardson (1985). The fragmentation of the Accounting profession was noted as early as 1933 (Carr-Saunders and Wilson, 1933). There are many explanations as to why there are so many Accounting organizations. The difference between public practice Accounting and industry/government Accounting are often cited as reasons for among more than one Accounting body (Mann, 1976; Allan, 1982). Functional specialization in general is cited as justification

of this fragmentation (Siegel, 1977). Administrative informal developments and poor interaction among different Accounting groups is offered as another reason for this segmentation (Carey, 1969; Affleck, 1980; Allan, 1982; Bentley, 1938).

The segmentation of the Accounting profession is not a unique situation confined only to Canada. The American Institute of Certified Public Accountants (1975) looked at some thirty different countries, where as of 1973, an average of 2.5 nationally organized professional Accounting associations existed per country. Developed countries such as the U.S.A. and England have experienced the same phenomenon; the emergence and growth of different Accounting groups (Carey, 1969; Previt and Marino, 1979; Stacey, 1954; Howitt, 1966). The proliferation of such groups may be seen as a positive indication of development and soul-seeking. The evolution of any profession justifies different orientation and possible conflict among different groups who want to gain and maintain control. It is safe to claim that each Accounting association was created to provide shelter and support to practitioners from a particular niche of the market who wanted to advance their interests. This evolution possibly created a duplication of services and inefficiencies. At the same time, competition among Accounting organizations improved standards for the betterment of the entire profession.



On the other hand, professional maturity is characterized by a reverse development. Creation of new groups has stopped. Recognition of common ground, reconciliation and/or resolution of conflicts have become dynamic forces fostering amalgamation and merger. There is ample evidence that, in Canada, the Accounting profession has reached this state of maturity. First, there have not been any new Accounting groups created in the last three decades or so. Second, there have been many discussions and overtures for unification of the three Accounting bodies. In fact, under government pressure, unification may become a reality soon in the province of Quebec. Also, amalgamation of the CA and CMA organizations into one came very close in British Columbia in 1988. A proposal was approved in principle by both parties. However, pressures by traditional organizations (CICA and SMAC of Canada) have now shelved this proposal.

There are many factors which fuelled or limited the creation of different Accounting organizations in Canada. Some are generated by exogenous and some by endogenous forces. Here is a good sample of them.

#### Legislative Restrictions

As has already been stated, education in Canada is a provincial responsibility. An Accounting organization of some repute that wishes to offer its own educational programme is bound to be organized at the provincial level. Accounting organizations at the federal level without being incorporated

at a given province may be restricted by the jurisdictional rights of that provincial government. Typically, ten regional, provincially organized groups affiliated with one common national body are legislatively necessary for an Accounting organization to operate across Canada.

### Local Markets

Canada is a very big country with distinct regions and markets. The sheer size of the country alone may cause some communication problems among the local and provincial bodies. Beyond the provincial legislative restrictions which create provincial markets, there are the natural market boundaries (eg. Maritime provinces) which foster and support distinct regional and somewhat independent interests. When local and regional concerns are manifested in almost every aspect of public life, how can national Accounting bodies escape this political reality? The recent experiences of the Society of Management Accountants (1981) in changing their designation/name from Registered Industrial Accountants (RIA) to Certified Management Accountants (CMA) is evident to the power regional considerations have. Every provincial legislature had to vote and approve the designation change. It took years for the change to be implemented. Similarly, the more recent unilateral decisions of the B.C. and Quebec societies (1988) to merge with the other Accounting bodies in their respective provinces shows that regionalism is alive and well even today.

### Functional Differences

There is no doubt that Accounting practice has many distinct functions. Whether or not there are three distinct functions justifying the creation of the three existing Accounting organizations is a matter of opinion. There have been many arguments in favour and against this segmentation (Siegel, 1977).

One view is that there are three distinct Accounting functions or disciplines within the general framework of Accounting; Financial Accounting, Management Accounting, and Auditing. Each one is represented by a separate Accounting body CGA (Financial Accounting), CMA (Management Accounting), and CA (Auditing).

At the other end of the spectrum there is the view that there is only one Accounting discipline and the above segmentation is purely artificial. Accounting specializations have more in common than not. No Accountant can be competent in one specialization without being an over all competent Accountant.

The three existing professional associations have gone to great pains to articulate and define their activities as separate and distinct from that of competing organizations. It would appear that the division between Financial Accounting (public practice) and Management Accounting (industry/government accounting) is, more or less, uniformly accepted. This may legitimize to a certain extent the existence of two

Accounting bodies, the CA and CMA organizations. The fact that CGAs like CAs are licensed to perform audits in certain provinces (eg. British Columbia), at least on a functional basis, creates some questions whether there is justification for these two separate Accounting bodies within Financial Accounting.

### Ideological Differences

It is difficult to identify a complete list of ideological differences among different Accounting organizations. Yet, each Accounting organization was formed and remains as a separate entity by articulating a somewhat different philosophy about the Accounting profession. For example, the on going dispute between Chartered and General Accountants is based on fundamental ideological differences. Chartered Accountants require a university education for their members. Certified General Accountants accept community college or high school graduates as long as a prescribed list of post-secondary education courses is successfully completed. Chartered Accountants require their students to gain experience in public practice by being trained with predetermined CA firms. Many (smaller) CA firms are not allowed to train students. Furthermore, Accounting training in industry and/or government is not recognized. Certified General Accountants consider and accept experience in industry and government as equivalent to public practice.

Ideologically, at least after 1971, the CICA devoted its

resources to Accounting research, developing Accounting standards and promoting the professional status of their membership. They do not see themselves as educators. The education of potential CAs is left in the hands of the university system. Certified Management Accountants and Certified General Accountants though, emphasize the educational role of their organizations by maintaining expensive correspondence programmes. Recruiting and building up of their membership are major objectives in adopting this ideology. Recruiting and admission to the profession is facilitated by maintaining an educational programme. Some control is lost when the education of membership is completely left up to the universities. The Society of Management Accountants having reached a desired membership size and maturity recently approved the move out of the field of education. By 1992, when the present group of students graduate, the Society will no longer offer its correspondence programme. The job of educating the membership will be left to the universities.

Among the factors that limit the development of different Accounting organizations one can identify the following:

#### Political Pressures

Public policy pressures for unification of the profession have been applied for many years. Provincial governments are not totally happy with the on going fragmentation and institutional competition among professional Accounting

organizations. No matter how justified it may be in the minds of the professional Accounting organizations, diversity is confusing for the public who is unable to differentiate among the three types of Accountants. Undoubtedly politicians and governments want to see the profession united. The pressure is on, in varying degrees, in each province for a unified profession. Fragmentation and diversity is against the long term interest of the Accounting profession

The 1987-88 discussions of unification in British Columbia and Quebec largely reflect that government sentiment. In Ontario, all three professional organizations have made a number of submissions to the Attorney General's office with regards to their respective positions in the last few years.

#### Convergence of Accounting Programmes

Many revisions, educational, functional and ideological, adopted by all three organizations may help to eliminate many of their outstanding differences. For example, the newly announced revisions to the CMA programme makes it strikingly similar to the CA programme. The common university education requirement means that both CA and CMA students will now study in the same classes. Universities are not going to offer separate Accounting and other courses to students of each organization. The content and length of studies would be more or less identical. The uniform final examinations for CAs are very similar to the uniform accreditation (professional) examinations. The CMA professional accreditation require-

ments over and above the "technical requirements" could be a version of the summer school of Accounting that CA students have to attend.<sup>1</sup> Although nobody should expect the two Accounting organizations to list and enrol their commonalities, the indicators of commonality are there. Anyone who wishes to study them will discover a convergence of approach, style and content between the CMA and CA organizations.

### Mergers and Amalgamations

The mergers of existing Accounting organizations coupled with the infertility of the profession to give birth to new organizations in the last few years is another indicator of maturity and unification forces. The most recent merger (1983) was that of the Institute of Accredited Public Accountants with the Certified General Accountants. In the more distant past, one can point to the merger of the Certified Public Accountants Association with the Institute of Chartered Accountants of Ontario. In addition, the merger of the Controllers Institute and Financial Executives Institute with the Society of Management Accountants could be mentioned to further attest the trend of mergers and amalgamations. Richardson (1985) attributes the mergers to the increase of homogeneity and professionalization of Accounting organizations.

### Accounting Standards

The Canadian Institute of Chartered Accountants (CICA) has established itself as a legislative authority for

Accounting standards within the domain of the Accounting profession in Canada. The CICA handbook has become the "bible" for the entire Accounting profession. The Canada Business Corporations Act and relevant pieces of provincial legislation recognize its "legal" status with many references to CICA pronouncements and guidelines. A common set of Accounting standards for all professional Accounting organizations is a sensible approach. This does not mean that only the CICA can develop Accounting standards. All three professional Accounting Associations are allowed to do so. Both CMA and CGA organizations increasingly emphasize research, have created research foundations, and have produced a number of research monographs.<sup>2</sup> The first Management Accounting guidelines by SMAC was published just in 1984.<sup>3</sup>

In concluding this section, one can safely claim that the factors limiting the proliferation of Accounting organizations have prevailed for some years now. Societal demands for uniform Accounting standards transcending in public policy has encouraged interaction and communication among the Accounting groups, setting a stage for convergence and political mergers. Memberships in each of the three Accounting bodies is more even now than it has ever been. As a result, a more balanced political power among the three Accounting organizations has emerged. Professionalization of Accountancy, maturity and attainment of a more balanced political power has eased tensions. Survival and growth



through differentiation may no longer be necessary. Self confidence has replaced past insecurities and an umbrella Accounting organization could in fact accommodate the particular interests of each group the same way the medical specialists are accommodated under one medical association.

## 11.2 PROFESSIONALIZATION OF ACCOUNTING IN CANADA

Whether or not Accounting is or should be a profession has been debated for a long time. Legislative debates and hearings in each Canadian province, such as the Public Accountancy Act of 1949/50 in Ontario, over public policy towards Accounting usually provide a comprehensive approach of the issue.

Professionalization may be viewed as a process of evolution. The occupation develops and transforms certain key dimensions which form a distinct framework of professional status (Caplow, 1954; Wilensky, 1964).

There are different criteria or professional attributes by which the professional status of an occupation can be judged. It could be classified in three categories: Criteria for admission - "prequalifications" - are used to evaluate the members of the profession at the entry level. The level of education, years of experience, articling with or without a registered member of the profession, are typical admission criteria to all three major Accounting bodies.

Training criteria look at the content, delivery and standards of education. Lecture, correspondence, university credit courses, and professional schools are again typical programmes employed. Uniform qualified examinations are used to secure that no matter what the process of education is a standardized product-Accountant is produced by each of them. Continuing professional competence criteria is the third category of professional attributes. Establishing and following rules of conduct, adhering to professional ethics, exercising collective control over professional development, and peer evaluation are typical criteria for determining professional competence. Their aim is to instil a sense of responsibility and standards of excellence in their members while protecting them from possible liabilities. In addition, they assist in elevating the dignity and social standing of the profession.

That is, a professional is a practitioner who requires prolonged education/training, needs to be admitted to an organization of peers who are in a position to judge his/her competence and quality of work, and who practices under conditions of uncertainty where a substantial amount of subjective judgement, opinion, and discretion is part of the regular duties.

Given a list of professional features, one could attempt to determine the status of an occupation by testing it against the list. This simplified approach to professionalization always leaves an unanswered question. What features from the

list are adequate and absolutely necessary to define an occupation as a profession? The answer is difficult. One cannot identify professional occupations using such a list. A general understanding of professionalism and a more complex process is needed to evaluate whether an occupation constitutes a profession.

Traditional views on the professionalization of occupations saw it as an inevitable consequence of technological advancement and the particular relationship between the practitioner and the client (Carr-Saunders and Wilson, 1933). The transformation of an occupation into profession can also be seen as the result of historical circumstances (Johnson, 1972).

The sociological perspectives of professionalism have not always been seen as positive. Pointed questions have been raised about the position professions have attained in society and the significance of their status and its social and economic implications.

Accusatory overtones that professionalization is "an attempt to translate one order of scarce resources - special knowledge and skills into another - social and economic rewards" have been articulated and documented (Larson, 1977). Professionals are seen as obtaining and maintaining power over clients and the market, in general, by controlling, as a group, the technology and body of knowledge necessary to practice (Johnson, 1972; Reiff, 1974).

The counter argument, of course, is that each and every profession possesses knowledge and technical skills that a layman does not. This reality may provide sufficient rationale to enact laws which restrict practice to professionals in order to protect the public interest from the charlatans. Public policy of licensing and exclusively providing rights to professional organizations further strengthen the relative power of professionals.

There is no doubt that the distinct professional attributes dealt with in the previous pages are in fact part of a profession. Rigorous admission criteria, prolonged training, continuous professional competence, and a code of ethics are all there in the Accounting profession. However, could they be tools to gain professional status rather than indicators of it? Clearly, the two perspectives of professionalization are one of interaction and relative position of the pro- or anti-professional.

Perhaps a more effective way to define professionalization is to measure the professional status and prestige as it is reflected in the public's view and confidence they exhibit towards the profession.

The Accounting profession has always sought out models of professionalization to follow. Medicine and law are cited as such models. Medicine, in particular, has been considered an exemplary ideal for Accountants in terms of organization, power and control, professional knowledge and skills, social

status, and economic rewards.

Gorelik (1973) suggested that a "new organization of Accountants could be possibly patterned after the organization of the medical profession." Wide acceptance of medicine as ideal model for developing the Accounting profession warrants some comparison of the two.

First of all, the medical profession in Canada was organized and licensed some two hundred years before the Accounting profession (Heagerty, 1928). Therefore doctors' social status and prestige is more deeply rooted in the Canadian culture than that of Accountants.

The M.D. designation was created by public authorities not by the medical board of that time (Heagerty, 1928). The Accounting designations were created by the sponsoring Accounting bodies. Medical doctors were first licensed then became organized. Accountants first organized themselves then pursued special licensing privileges.

Licensing competent medical practitioners as a means of protecting the public's health and medical concerns was always considered of paramount importance. In contrast, the quality of the Accounting professionals was never a concern of the general public. Some concern with regards to bankruptcies was more or less limited to public practice only (Mann, 1976). The proliferation of Accounting bodies is another worthwhile contrasting point. Although medical specialties require different training, medical doctors are more or less part of

the same organization. Accountants in Canada are fragmented into Public Accountants, Chartered Accountants, Management Accountants, and General Accountants. Yet, for the public, the specialties of each Accounting body are not always distinct and separable from one another. Many Accounting organizations were developed over the years, many disappeared, some others merged, some evolved in scope, name and membership forming a group of three truly professional associations today.

Finally, the medical profession has distinct schools of medicine while Accounting is taught mainly under the authority of business schools.

In spite these differences, the evolution of professional Accounting organizations has followed, in general, a similar pattern with that of the medical profession. Organizationally, both groups are organized along the local, provincial and federal levels. They both publish reputable professional journals, support continuous research, and set standards of practice. Admission requirements for both require university education (CA introduced this requirement in 1970 and SMAC announced the university degree requirement in 1988) and practical training.

Unified accreditation examinations with very rigorous standards, after completion of the educational and experience requirements are also common in both professions.

The two professions share similar ideas in terms of professional conduct, subscribing to a moral code of ethics, and they are subject to evaluation and discipline by their peers.

That is, the Accounting profession in Canada, as it is represented by the three Accounting organizations, has most of the attributes of the medical profession. Differences in the evolution of the two professions are not significant considering that both, at their maturity stage, adopted similar consistent and cohesive approaches to professionalism.

Critical interpretations of professionalism, opposition to close professions, actual and potential abuses of professional privileges, and extension of anti-trust laws to professionals may place all professionals under public scrutiny and independent inquiry. In the near future, the Accounting profession must prepare itself for that scrutiny. Professional status, power and authority, and public trust have to be earned, not taken for granted. A first good step to opening up the profession and starting to earn public trust, may be to allow volunteer appointments of prominent laypersons of the community on governing bodies of the Accounting profession.

### 11.3 CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS (CICA)

The Chartered Accountants represent the largest (22,000 members) and possibly the most prominent Accounting organization in Canada. The first provincial association of Accountants, in fact, the first one on the North American continent - the Association of Accountants in Montreal - received its charter from the Quebec legislature on July 24, 1880 (Quebec Act, 1879). Shortly after, in 1883 the Institute of Chartered Accountants of Ontario received its own charter (Quebec Act, 1882-83).

The Quebec Act (1879), in general, entitles only the members of the corporation to use the designation "Chartered Accountant" and sets a goal of the association to "promote the efficiency and usefulness of its members and to afford opportunity for giving concentrated expression to their opinions upon all questions and laws bearing upon or affecting the business of their profession." Although the charter was provincial, the Association de Montreal kept its name until 1927 when it changed its name to the Society of Chartered Accountants of the Province of Quebec.<sup>4</sup>

The Ontario Institute Charter, very similar to that of Quebec, provided for two classes of Accountants; Fellows and Associates. The Fellows designation required a minimum practice of three years, an age of thirty and a thesis.

Richard Brown (1968) traces the first Charter of an



organized Accounting body - Institute of Accountants - in Edinburgh, Scotland in 1854. The Institute of Accountants and actuaries in Glasgow (1855) and the Society of Accountants in Aberdeen (1867) are also frontrunners in formal Accounting organizations.

There is some evidence that the Montreal Chartered members were familiar with the Accounting organizations in Scotland. James Riddel, the father of one of the original Montreal members, Alex Riddel, was practising in Edinburgh with Samuel Raleigh who was a founding member of the Edinburgh Institute (Riddel & Co., 1925).

It is possible that some Scottish Accountants of that era immigrated to Canada as it is certain that some others were Canadian born and trained. A good number of the founding Chartered members for example, Phillips Ross, Alex E. Riddel, and E. R. C. Clarkson are the cofounders of the well known CA firms Touche and Ross; Thorne Riddle, now Thorne, Earnst and Whinney; Clarkson and Gordon (Leach, 1976; Crate, 1970; Little, 1964).

Two more Canadian provinces established their own provincial chapters by the turn of the century. The Institute of Chartered Accountants of Manitoba (in 1886) and Nova Scotia (in 1900). A few years later, British Columbia (in 1905) and Saskatchewan (in 1908) received their own charters. Alberta followed in 1910, New Brunswick in 1916, Prince Edward Island in 1921 and Newfoundland in 1949.

Efforts to form a Canadian Association of Accountants between Ontario and Quebec, before the turn of the century, were futile. For one reason or another it did not materialize. According to Edwards, provincial jurisdiction over education made the Montreal Association especially reluctant to proceed (Edwards, 1915). Perceived loss of education rights for the province of Quebec along with francophone vs anglophone issues could have been a contributing factor too. One should not forget that at that time Montreal was the hub of economic activity in Canada with most head offices of major business firms located there. The Montreal Association, perhaps elitist in its attitude, thought of a Canadian wide Accounting body as a threat to their privileged position.

The Federal Charter of the Dominion Association of Chartered Accountants was finally established by Federal Charter in 1902. Quebec (Montreal), Ontario, Manitoba, Nova Scotia, and a small group of Accountants not affiliated with any provincial organization formed the original members (Mann, 1976).

Although the federal charter provided that all members of existing provincial institutes could become members of the Dominion Association of Chartered Accountants, a number of conflicts and disputes arose in the first few years of the national body. Various administrative and membership issues were resolved in 1909 when it was agreed that all provincial

members would belong to the national organization while all national members would be entitled to provincial membership at the province of their residence. Admission, tuition fees, examination membership fees, conduct and discipline of CAs was placed under provincial authority. Part of the fees were to be allocated to the national office. Two years later, in 1911, the Dominion Association of Chartered Accountants started a quarterly publication - The Canadian Chartered Accountant - a predecessor to today's respectable professional journal, the CA Magazine (Canadian Chartered Accountant, October 1920).

Full unification of the CAs across Canada, complete reciprocity among provincial CA organizations, was tested numerous times over the years. Standardization of service, education and examinations across Canada was attempted in 1919 but it was much later in 1939 when uniform examinations were accepted in all provinces except Quebec (Thompson, 1939). Quebec joined the rest of the provinces in 1954.

Originally, students aspiring to become CAs were on their own as far as preparation for the examination was concerned. Practising CAs would assist students, informally or formally, with lectures organized on an ad hoc basis but there was no formal instruction for CA students. Such courses were first established at the L'ecole des Hautes Etudes de Montreal, McGill University in Quebec around 1910. In Ontario, Queen's University at Kingston in 1921 was the first to collaborate

with the Institute to prepare, not lecture, but correspondence courses (Thompson, 1939).

Later on, in the '30s, evening courses were introduced at McGill, whereby attending CA students could qualify to write the final examination. In 1941, Laval University in Quebec City became the third university in Quebec to be officially recognized through an agreement with the Society of Chartered Accountants of the province of Quebec as a place of study for the CA designation.

All other Canadian provinces, at one time or another, relied on Queens University's correspondence course for the education of their CAs. British Columbia and Alberta used the Queens' correspondence programme until 1964. Then they substituted it by correspondence and lecture courses by their own provincial universities. Saskatchewan and Manitoba, although joined the Queens' correspondence network, also employed their own universities for supplementary courses. In 1966, all four Western provinces (British Columbia, Alberta, Saskatchewan, and Manitoba) formed the Western Canada Chartered Accountant Course of Instruction.

The Maritime provinces (Nova Scotia, New Brunswick, and Prince Edward Island) also used Queens' correspondence courses. In addition, Dalhousie University started offering evening CA courses in 1955. Like the Western provinces, the Maritime provinces in 1906 formed the Atlantic Provinces Association of Chartered Accountants (APACA Handbook, 1969-

70). As a result, the Queens course was dropped and a APACA correspondence course was developed. Summer school requiring full-time attendance at a university campus was also established.

Newfoundland, when it joined Canada in 1949, also joined the Queens correspondence network. Uniform, Canada wide, course of instruction, body of knowledge, admission standards and final examination was adopted by all provincial institutes by 1970. Under this agreement, only university graduates can seek admission to the profession.

#### 11.4 THE SOCIETY OF MANAGEMENT ACCOUNTANTS OF CANADA

In 1921, eight Canadian Chartered Accountants, each representing a Canadian province (the Institute of Chartered Accountants in P.E.I. and Newfoundland were not formed yet at that time), formed the Canadian Society of Cost Accountants (Cost and Management, 1970).

This development was in line with similar developments in England and in United States a year earlier. In 1920, the Institute of Cost and Works Accountants and the National Association of Cost Accountants were formed in England and the United States correspondingly (Allan, 1982). The split in the Accounting profession was mainly necessitated by the realization that preparing the firm's statements and reporting was only one function of Accounting. Accounting information

can be directed not only to outsiders but also to management for effective planning and control. Organizational structure and management style itself affects Managerial Accounting in a major way.

The Society of Industrial Accountants of Canada was established to promote Cost Accounting as a distinct type of Accounting, different from public Accounting. Within its mandate was to sponsor correspondence courses, lectures, classes in Cost Accounting topics, while bringing together those working and interested in Industrial Accounting.

An attempted affiliation with the US based National Association of Cost Accountants in 1924, to strengthen the newly formed Canadian organization failed (Allan, 1982). Possibly as a result of the Society's determination to succeed, a monthly publication of the Journal Cost and Management started in the same year. The reputable professional journal continues today as the CMA Magazine published ten times a year.

By 1928, the Society under separate agreements with McGill University of Montreal and the University of Toronto, started offering university course towards the "Certificate of Efficiency". In 1930, the Society's name change to the Canadian Society of Cost Accountants and Industrial Engineers and again in 1948 to Society of Industrial and Cost Accountants of Canada. In spite the name changes, the Society in the early 1940s started and continued to offer

correspondence courses towards the designation of Registered Industrial Accountant (RIA) (Allan, 1982).

Unlike the Institute of Chartered Accountants which developed a national organization with great difficulties from its provincial groups, the Society started as a national organization. The organization, on a provincial basis, was necessitated by the fact that education is a provincial responsibility and, therefore, RIA courses to be offered in a given province required provincial incorporation. Basically, all provincial societies were incorporated within ten years in the 1940s (British Columbia-1945, Alberta-1944, Saskatchewan-1948, Manitoba-1947, Ontario-1941, Quebec-1941, New Brunswick-1950, Nova Scotia-1950, Prince Edward Island-1951, and Newfoundland-1951) (Allan, 1982).

The growth of the Society was rapid. The industrialization and economic activity after the war improved the reputation and value of the RIA designation. As a result of the enrolment increase, the Society became more visible, the body of knowledge evolved, the curriculum expanded, and almost every university and community college started offering RIA equivalent courses.

Major contributions to the Society's growth were the absence of major conflicts among provincial bodies and the rather harmonious co-existence between the Society and the Institute of Chartered Accountants.

In 1968, the name changed again to the Society of Industrial and Cost Accountants in Canada and in 1984, once more, to the Society of Management Accountants (Richardson, 1985). The last change was deemed necessary to reflect the post industrial economic era and the changing role of industrial Accounting to management Accounting.

Today, there are some 17,000 Certified Management Accountants across Canada and 18,000 students enrolled in a programme of studies leading to the CMA designation.<sup>5</sup> Two provincial CMA organizations under separate proposals took steps and actively pursued a merger with the Institute in British Columbia, and all three Accounting organizations in the province of Quebec. While unification of the Accounting profession is considered desirable by many, there is no unanimity as to the method and process of unification. Under the controversy generated by these two proposals, the merger plans were put on indefinite suspension in August of 1988. Further developments will be of great interest to follow.

#### 11.5 THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION (CGA)

In 1908, the Canadian Accountants Association was formed by a group of railway Accountants (Bentley, 1938). John Leslie, the first president of the association was vice-president and controller of the Canadian Pacific Railways. The main reason that brought about this Accounting body was



to upgrade the skills and careers of its members and to offer a dignified alternative to the CA designation. Those Accountants employed by non-CA firms who were unable to obtain the CA designation because of the apprenticeship requirements were to be served by the new Accounting association.

The Institute of Chartered Accountants strongly opposed the association from the very beginning. This opposition first delayed the incorporation of the association until 1913, and secondly resulted in changing the proposed name from Canadian Accounting Association to General Accountants Association. This early friction between the two organizations has continued, more or less throughout the years to the present time. The association increasingly demands the auditing function to be extended to its members while the Institute tries to maintain its monopoly over the attest function. Although the CGA programme requires at least two years of practical experience, the training does not have to be with a CA firm. The CGA educational requirements are very similar to those of the Institute and the Society. Perhaps the CGA programme places less emphasis on Management Accounting than that of the CMAs, similarly, the CGA programme is not as intensive in the auditing area as that of the CAs.

TABLE 33

## EVOLUTION OF THE ACCOUNTING PROFESSION IN CANADA

## I EVOLUTION OF CHARTERED ACCOUNTANTS OF CANADA

1908 Dominion Association of Chartered Accountants (DACA)

1952 Canadian Institute of Chartered Accountants (CICA)\*

\* Provincial organizations (like ICAO) belong to the federal organization.

## II EVOLUTION OF CANADIAN MANAGEMENT ACCOUNTANTS (CMA)

1920 Canadian Society of Cost Accountants (CSCA)

1930 Canadian Society of Cost Accountants and Industrial Engineers (CSCAIE)

1948 Society of Industrial Cost Accountants of Canada (SICAC)\*

1968 Society of Industrial Accountants of Canada (SIAC)

1984 Society of Management Accountants of Canada (SMAC)

\* Controllers Institute and Financial Executive Institute were completely merged prior to the creation of SICAC.

## III EVOLUTION OF CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION

1908 Canadian Accountants Association (CAA)

1913 General Accountants Association (GAA)

Compiled from different sources: Watt, 1982; Allan, 1982; and Mann, 1975.

CGA courses are available through correspondence from the Association and lecture courses. Exemptions are also granted to courses offered at various universities and colleges. Provincial charters have been issued in all provinces and local chapters operate in almost every major population centre.

Today, throughout Canada, there are 14,000 Certified General Accountants.<sup>6</sup> The Association is particularly strong in British Columbia where they are licensed to perform the auditing function.

#### 11.6 FACTORS INFLUENCING CAREER CHOICE DECISIONS OF ACCOUNTANTS

There are several studies which explore the factors influencing career choice decisions of Accountants (Ashworth, 1969; Carpenter, Crumbley, and Strawser, 1974; Evans, 1974; Paolillo and Estes, 1982). Identification of the factors that influence men and women to follow an Accounting career are important. If it was desirable to induce high quality university recruits to pursue studies in Accounting, knowledge of these factors would guide the establishment of successful recruiting policies.

Unlike other professions, Accounting as a career is not emphasized in high school. In fact, Accounting in academic high schools does not enjoy a high academic status. In the

province of Ontario, the student population is separated into three levels; advanced level (university bound students), general level (community college bound students), and basic level (all other students not fitting into the other categories). Advanced level students are directed mainly to English, Math, and Science subjects. Very seldomly are they advised to take Accounting courses. General level students are encouraged to take Accounting and Commercial subjects and make up most of the enrolment in Accounting classes. As a result of this streamlining of students, few students enter universities with an Accounting career in mind.

Most students discover the option of a professional career in Accounting and exercise it while already in university. The timing of the decision for most students is sometime during the first year of their studies. A good number of them may delay their decision until their second year at university. A substantial number of students pursue Accounting education after the completion of the baccalaureate degree.

The factors of possible career choice identified by Ashworth (1969); Carpenter, Crumbley, and Strawser (1974); Evans (1974) were classified by Paolillo and Estes in 1982 in terms of relative importance as follows:

TABLE 33

FACTORS AFFECTING CAREER CHOICES OF ACCOUNTANTS	
FACTORS	CLASSIFICATION COEFFICIENT*
1. Availability of employment	.08
2. Years of formal education required	.58
3. Teacher influence	.79
4. Aptitude for the subject	.80
5. Association with others in the field	1.01
6. Social status attainment	1.08
7. Earning potential	1.22
8. Pervious work experience	1.22
9. Peer influence	1.76
10. Cost of education	2.05
11. Parental influence	2.26
12. Job satisfaction	2.94

\* the smaller the coefficient, the stronger the association between the factor and the profession.

Accounting has been a field with good employment opportunities for many years. This may explain the highest ranking given to this factor. Availability of employment as the number one factor influencing career choices for Accountants is puzzling when it applies to Accounting doctorates. Although the vacant academic positions are there, they do not seem to entice many Accountants to pursue Ph.D. studies. Perhaps, the availability of employment does not influence academic Accountants the same way it influences Accounting practitioners.

The second factor, years of formal education, perhaps provides a supplementary explanation to the first factor. Accountants are not prepared to follow a lengthy course of

study. At the undergraduate level it takes fewer years (four) to become an Accounting professional than a lawyer or physician (five-six years). Long formal study discourages Accountants from pursuing doctoral education. The comparative advantage of Accounting over lawyers and physicians, in terms of years of study, is eliminated when Accounting doctoral studies are pursued. It takes longer to achieve a doctoral degree in Accounting than it takes to become a lawyer or medical doctor.

Teacher influence scored over peer and parental influence as a factor of choosing an Accounting career. Considering the timing of the decision to follow an Accounting career-while the student is at university, this is understandable. Parental and peer influence is not as great for a university student as it is in his/her earlier years. The high ranking of teacher influence places a lot of responsibility on (Accounting) faculty. Proper guidance and direction by competent teachers is very important to attract good recruits in the Accounting ranks. The high ranking of aptitude for the subject may imply that a candidate needs to have what it takes to become a professional Accountant. Recruiting strategies should not be directed at every one but those with the appropriate aptitude. Aptitude tests for high school and university students may be needed to attract competent students. Paolillo and Estes discovered that Engineers are influenced by more or less the same factors as Accountants.

That is, the engineering ranks and/or potential Engineering recruits may be an area of growth of Accountants. Especially during the present decline of employment opportunities for Engineers, Accounting schools could find fertile ground in recruiting from Engineering ranks. Further proof of this commonality between Engineers and Accountants is evidenced by the field of Industrial Engineering. Industrial Engineering is largely based on Business and Accounting education. Furthermore, Cost Management Accounting is based on industrial (manufacturing) Accounting.

The factor of association with others in the field as a factor affecting career choices of Accountants should be interpreted as a desired aspect of professionalism. Organized professional Accounting associations provide ample opportunity for association. Those with strong psychological needs for association and belonging may fulfil them by joining the Accounting profession.

The placement of social status as a sixth choice indicates that Accounting has not reached the level of reputation and eminence associated with doctors and lawyers. Both doctors and lawyers ranked social status third in the same survey.

Earning potential as the seventh factor influencing the career choice decision of Accountants in comparison with availability of employment (first) demonstrates something very interesting. Opportunity for employment for Accountants is

more important than earning power. High ranking of previous work experience (eighth) may reflect the fact that many university Accounting students come to university with some Accounting experience or are already Accounting practitioners. The fact that practical work experience is a requirement for a professional designation/career could further explain the importance of this factor.

Finally, job satisfaction as the least influential factor in the decision to follow an Accounting career may reinforce the conventional view that Accounting is a boring, dull profession. Perhaps students perceive and rank job satisfaction low as a result of the poor image Accountants have been stereotyped with.



## NOTES TO CHAPTER ELEVEN

1. For more information see the new CMA programme syllabus, SMAO, August 1988.
2. Information provided in the CGA Canada, Ontario 1988/89 calendar.
3. Information provided in the CMA Management Accounting guidelines.
4. Under the provisions (Section 93) of the British North America Act, education is under provincial jurisdiction. Thus, professional Accounting bodies are organized on a provincial basis for education purposes (courses, tuition etc.). The patriation of the Constitution in 1982 by Prime Minister P. E. Trudeau also recognizes provincial jurisdiction over education.
5. These statistics can be found in the SMAO 1988/89 calendar.
6. Information provided in the CGA Association of Canada 1987/88 calendar.

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## CHAPTER 12

## THE RELATIONSHIP OF THE UNIVERSITY AND THE PROFESSION

## 12.1 EDUCATION AND OCCUPATION

The demand for labour at different educational levels is fundamentally determined by the educational requirements of a job as they are defined by the technological factors under which the job is performed. That is, the educational attainment for a profession is determined by the technological demands of the profession.

The educational requirements of an occupation further depend on the employment and occupational structure of the industry studied. This hypothesis about demand of labour at different educational levels is the foundation of the premise that there is a close relationship between education and occupation. This relationship between education and occupation, whereby demand for labour is explained on technical factors, constitutes the technological model of demand for labour.

There is another approach; the economic model, whereby earnings can determine the optimum level of education for an occupation. The individual that acquires more education is able to enter higher paying occupations. The educational attainment makes a difference in an individual's earnings. In some occupations, however, it does not pay to acquire more

(higher) education (Schneitzer, 1971; Podoluk, 1961).

The demand for labour at different educational levels may be determined by the wage level each commands and wage differentials among different educational levels.

High entry educational requirements for lucrative professions can be viewed as a screening device, whereby they function as a barrier to entry. Lack of an "appropriate" level of education serves as a barrier to entry in all high paying professions. If this educational barrier did not exist, the rate of return of education for an educated individual would be much lower than it is. Lower returns (earnings) would not provide a good incentive to an individual to receive higher education. The concentration, though, of better educated individuals to better paying occupations may indicate that returns to education (earnings) are attributable to education. However, the existence of lower educated individuals (eg. Accounting professors without doctorates) in high paying positions indicates the existence of other factors which may compensate for the lack of "appropriate" education. Experience, drive, and social skills may enhance the productivity of such individuals and provide them with the ability to perform well without full educational qualifications. If entry into various professions was free, ability and personal characteristics could be determinants of income not education alone.

The main reason why educational requirements are set high or higher than the functional responsibilities of those hired is that the level of education is positively correlated with ability (Gintis, 1971). The higher the level of education, the greater the ability to comprehend and follow-up work related issues (productivity, safety, retraining etc.).

Employers may be able to save in recruiting costs by subscribing to the axiom, "better educated, better applicant." Thus, the benefits of education may accrue to both those who obtain a higher education and those who hire educated individuals.

Acceptance of the premise that education could be used as a barrier of entry to benefit the membership of a profession has some implications on societal income distribution: educational level, not productivity level, determines earnings differentials. Income is redistributed from the less to more educated. The assumption that earnings differentials based on education also represents productivity differentials may not always be correct. Thus, a mis-allocation of resources may take place when education is used as a sole screening device for entry to a profession. This may encourage individuals to overinvest in education to take advantage of higher earnings while it may prevent others with less education from joining professions where their talents can be utilized. Social expenditures on education may be questioned under these circumstances, since public funds

should not be used to create social inequalities and misallocation of resources.

The high concentration of highly educated individuals into high paying professions may reflect the rise of average societal educational attainment over the years. The aggregate labour force is more educated today than yesterday.<sup>1</sup> Another possible explanation of the high concentration of highly educated individuals into high paying professions may be that highly educated recent entrants into the labour force join professions which already have a highly educated membership. David Sewell (1972) reported that "educational upgrading within occupations accounted for roughly half of the rise in the educational attainment of the labour force". However, the educational attainment of a professional appears to make little difference in his/her earnings within a given profession.

## 12.2 ACADEMIC PREPARATION FOR AN ACCOUNTING CAREER

Academic preparation consists of many different variables. To identify them and assign weights of importance is to rely more on judgement than on evidence. Ability, talent, and brainpower appear to be the most important. The presence of this element is necessary for all other variables to work. Good teaching ability of the professoriate, carefully selected course content and ideal curriculum may not



work alone without some basic student ability. Next to ability is possibly the motivation of the individual student to succeed. A strong desire on behalf of the student to make it fuels and propels a synergy of student activities.

An academic preparation factor of paramount importance for an Accounting career is curriculum relevance. Accounting curriculum considerations need to be based on career relevance. Curriculum rigidity is undesirable for Accounting which changes, evolves and develops continuously. Career relevant knowledge qualifies academics to introduce curriculum innovations. Organizational structure, whereby practitioners are allowed to contribute to the curriculum committee, would go a long way in achieving and maintaining relevance of Accounting curriculum. Valuable source input is lost when practitioners are denied participation. Furthermore, Accounting curriculum decisions made by non-Accountants in schools where Accounting is not an autonomous school may reduce the relevance of Accounting education to the professional career. Professional considerations may be ignored by non-Accounting academics designing Accounting curriculum.

Accounting curriculum relevance does not mean that Accounting education should be equated with training Accountants for Accounting practice. Career relevant courses are not a new phenomenon at university. Professional schools (law, medicine, nursing etc.) encompass such sources in their

curriculum.

Theoretical, conceptual courses may be as relevant as practical procedural courses. Relevance does not depend on how one labels them. While every course has the potential to contribute to the breadth of education, academic time and cost tradeoffs limit the number of choices available. However, choices would have to be allowed for a blend of both kinds of courses.

Next to curriculum relevance, the ability of the professoriate to deliver it affects the academic preparation of prospective Accountants. Teaching competence may not be demonstrated by a doctoral degree alone. Practical grasp of the issues the Accounting discipline is faced with is as important as doctoral research. Therefore, professional designations and practical experience are very important. However, given the faculty reward system, determining tenure, promotions, salary increases, and the like, Ph.D. attainment is recognized while often the "real world" professional designation is not. Overemphasis on academic research and publication introduces the possibility that Accounting professoriate is not versatile in the common body of knowledge of Accounting practice. Accounting faculty members often respond to the reward system by which they are judged, missing out on an important dimension of university Accounting teaching.

Performance of graduates can be used to judge the success rate of a given Accounting programme. The graduate's ability to perform at entry level positions is crucial. The profession and employers in general are expected to provide further on the job training for middle and upper level positions. Nevertheless, the training for entry level positions is a fair share of the university's responsibility in the preparation of Accountants.

A perfect mixture of the aforementioned academic preparation variables for professional Accounting education may never exist. A sensible approach would be to try to improve each of these variables in the hope that it will lead eventually to better arrangement academic preparation for an Accounting career.

### 12.3 PERVASIVE PROBLEMS FACING ACCOUNTING EDUCATION

Practitioners often complain - and many educators agree - that undergraduate Accounting curriculum does not adequately prepare graduates to pass accreditation examinations (CA, CMA, CGA) (ICAO, 1988). There is no common philosophy shared by both groups whether undergraduate education should actually prepare students for professional examinations. Educators believe that in undergraduate schools, students should be educated for life not for a particular job (Bolla, 1978).

With the difference in philosophy being established, the dilemma is; should the Accounting profession pursue the establishment of Accounting schools at the undergraduate level with revised curriculum to meet the accreditation requirements or should it be done at the graduate level? If one is to accept the analogy of legal and medical schools, the answer is clear. Follow the pattern of law and medicine by establishing graduate schools of Accountancy.

Another problem is that the present system is promulgated by general educators rather than the Accounting profession. A new system designed to better meet the needs of the Accounting profession rather than the business education establishment will have to be somewhat more independent from the existing university structure.

Most practising Accountants are preoccupied with their jobs and, in essence, have delegated the responsibility of educational matters to the professional Accounting organizations. The CICA has been active advocating professional schools of Accounting (ICAO, 1981). The Certified Management Accountants and the Certified General Accountants have only made lukewarm efforts to change the present system. Fragmentation of the Accounting profession has not helped in mobilizing its resources for a separate Accounting school, yet, there is a separate need for a curriculum which will emphasize Accounting pronouncements, regulations, laws and code of ethics that affect an Accounting practitioner.

In the United States, where there are some schools of Accountancy, experience shows that even at the graduate level Accounting courses are not emphasized as much (Reeve, 1983; Porter, 1971). Yet, at medical and law schools coursework is almost exclusively related to the professional needs of the respective groups.

### Student Problems

A university based CA, CMA, CGA programme has some important ramifications for the Accounting organizations as well as Accounting students.

Potential CA and CMA students must meet the admission criteria of the university. The profession has no control as to what type of students are admitted to the university. Therefore, a university degree requirement to enter the Accounting profession and/or acceptance of university courses as equivalent to courses offered by the professional Accounting organizations amounts to the profession relinquishing its rights over admission of students to the profession. Non-Accounting graduates who return to university to take the required Accounting courses may be subject to admission requirements for a second degree. Second degree requirements may include courses that are not necessary for the Accounting programme. Other times a student may not meet the course prerequisites for the university courses equivalent to CA and CMA courses. In this case, the student will have to take extra courses to meet the university prerequisites

before he/she progresses towards the Accounting designation he/she aims for.

Availability of required courses may also be a problem. University graduates pursuing an Accounting designation may be gainfully employed and/or raising a family studying on a part-time basis. Not all courses required for a professional Accounting designation are offered in the evening or weekends. Potential conflicts may discourage students pursuing a professional Accounting career. Even when courses are readily available, working, raising a family, and night classes may produce considerable academic difficulties to students. Time off for study from professional practice is not always easy.

Students pursuing an Accounting designation have the advantage to study Accounting in many different universities in Canada, and transfer the credits from one institution to another. However, this advantage of choice may be offset by the disadvantage of a uniform cohesive Accounting programme. Each university may offer a complete integrated programme but combining parts of one programme with another risks the omission of some topics.

The Accounting organizations more often than not do not have a chance to screen students while they are studying at university. Most students seek admission with a professional Accounting organization towards the end of their university studies when they have accumulated most of the required credits.<sup>2</sup> Some students may never take any course from the

CMA or CGA organizations. They may complete all course requirements at university. Their first contact with the professional standards and requirements may be the final accreditation examinations. The high failure rate among those writing the final exams indicates that the profession screens students very late as they are progressing through the programme (ICAO, 1988).

Late screening of students - after they have spent considerable time pursuing a professional designation amounts to "too little, too late" as far as career planning is concerned.

The university "pass" mark, usually 50%, is lower than the generally accepted pass mark of 60% required by professional Accounting organizations.<sup>3</sup> That is, a university course for which a passing grade is achieved may have to be retaken in order to achieve the higher passing grade required by the professional.

Not all Accounting jobs meet the work experience requirements for CA and CMA students. Authorization of job placements before and not after completion of work experience places an extra strain on students who may find an Accounting job which is not accepted as appropriate for practical training.

Costs to students for university education may be higher than taking courses directly (by correspondence) from the Accounting organizations. Increased tuition and relevant

costs may result in greater expectations for salaries upon graduation.

### University Problems

The trend towards university educated Accountants is clearly established in Canada. Since 1970, CAs have to be university graduates. New changes in the CMA programme (April 1988) also require university education (CMA Directions, 1988). CGAs, although have not yet legislated university education in their requirements, draw the majority of their students from the ranks of university graduates.

Since the education of professional Accountants is placed exclusively in the hands of the university system (by excluding community colleges, and abandoning correspondence programmes sponsored by professional Accounting organizations), the demand for university faculty will increase. It is difficult to meet Accounting faculty shortages in the short run. Part-time faculty, often with limited qualifications, have to be hired. Calls for reallocation of university resources to meet this increased demand remain virtually unanswered given the non-professional orientation of the university and the tenured structure of faculty ranks.

Pressures by some students to raise marginal passing university marks to meet the higher passing grades required by the Accounting organizations puts unnecessary strains on the professoriate. Quite often students in this predicament



repeat university courses to make a higher grade placing some additional strain on the limited faculty resources.

Although officially universities accept the role of educating the Accounting professionals, professional pursuits are not always accepted as criteria for faculty evaluation. Accounting faculty has to deal daily with the practical issues of professional education yet, does not receive appropriate recognition or credit for it. As a result, some Accounting faculty concentrate only on traditional academic pursuits while the professional Accounting side suffers. Other academic Accountants continue to perform an active role between academia and the profession hoping that eventually universities will recognize the unique pursuits of professional Accounting education.

Curriculum conflicts between university courses and professional Accounting course requirements may also arise. Although a substantial overlap between university courses and professional Accounting courses is expected, differences in orientation and approach may exist. Conceptual, theoretical considerations of university courses sometimes may not totally satisfy the practical procedural professional needs.

#### Problems for the Employers

University lecture based programmes increase the need for time off work. Scheduling work around course schedules is difficult and irritating to many employers. Yet, work experience is a necessary ingredient of Accounting training.

University based professional education without practical experience may not provide students with the entry level knowledge expected by employers.

Employers of university graduates pursuing an Accounting designation are under pressures to provide them with tuition, assistance of some kind. It is not uncommon for major employers' to reimburse employees tuition fees for university courses successfully completed. The extra fringe benefit cost may not always be a welcomed addition to cost conscious employers.

Salaries for university graduates as Accounting trainees may be higher than that of community colleges. Business firms may reduce the number of the former they hire in favour of the latter. In the minds of some employers, the "cheaper" community college graduates hired as Accounting technicians may be as good as professional Accountants. They may fail to distinguish among those who possess an Accounting designation and those who do not.

#### Accounting Association's Problems

Many of the above mentioned problems are two-way problems affecting more than one group. Naturally, all professional Accounting organizations are affected by most of the aforementioned problems facing students, universities, and employers. In addition, they must be vigilant in securing support for professional education by the government.

From the Institute and the Society's perspective, the main issue with regards to students is to screen them early enough in their pursuit for an Accounting designation, and to increase the success rate of those who pass the final exams; Uniform Final Examinations (UFE) and Professional Accreditation Examinations (PAE). Early screening is expected to improve the passing rate since only the "strongest" students will reach the final examinations.

The main ongoing problem with regards to universities is how to build better relationships, communications, and more bridges between academia and the profession. Many universities now have established an office to oversee this relationship and act as liaison between the university and the profession. The typical titles they carry are Co-ordinators or Directors of Professional Programmes. Continuing education of professional Accountants, and the role that universities have to play in upgrading professional Accountants increasingly becomes a great concern of professional Accounting organizations vis avis universities.

Building a co-operative approach with employers who provide Accounting students with training and practical experience is the main concern of all three professional Accounting organizations. Unlike law and medicine where courts and hospitals are few and highly organized entities, practical experience for Accountants is earned in thousands of different business firms which may not always be efficient

and/or organizational wise. Thus, the continuous efforts to secure uniformity and standardization in the training of Accountants is taxing especially to the CMA and CGA Accounting associations. The CICA has the advantage over the other two Accounting bodies by having a list of preauthorized public Accounting firms where CA students can earn their practical experience requirements. Thus, it is easier for CICA to secure uniformity and standardization in training. The CMA and CGA that allow their students to earn their practical experience in more diversified Accounting environments, in the private and/or public sectors, have a tougher time in securing uniformity and standardization of training.

#### 12.4 PROFESSIONAL EXPERIENCE AS A PART OF ACCOUNTING EDUCATION

Professional experience has been a traditional requirement for admission into major professions. In ancient times, prior to the institutionalization of education, professional skills were acquired by practice (eg. medical practitioners) given, of course, a certain amount of talent and inclination. Later on, when formal education became a requirement for practising professionals, experience (internship) became a part of the educational process.

In the early years of the Accounting profession, professional skills were obtained exclusively through

practical experience. Today, practical experience is still an integral part of Accounting education. Although the value of experience in the development of the Accounting profession is undisputable, very few Canadian universities have made it a requirement for graduation. Only Accounting co-operative programmes require that the student work in an Accounting position, either concurrently while attending classes or on an alternate work-study basis. Most Accounting programmes do not list a practical experience requirement for graduation. However, after graduation students must do an internship in an Accounting position before they receive any of the three professional designations. While all three professional Accounting bodies in Canada require internships, they strongly endorse practical experience as a bonafide part of the academic curriculum.<sup>4</sup>

Practical experience as part of academic studies is believed to bring more meaning and substance to subsequent courses. CICA, although considers some exposure to actual Accounting operations and procedures highly desirable as part of the formal degree requirements, still requires practical experience with a CA firm after graduation. Student internships are generally considered to be educationally advantageous. The greater the diversity of actual experience the better. The prime beneficiary of internship, of course, is the student who with practical training commands more employment opportunities, a better starting salary,

opportunities for advancement, and the like. Employers also favour internship programmes as providing them with an opportunity to attract high quality entrants into the profession. Schools, through the acceptance and success of their graduates, also gain from incorporating practical experience in their educational requirements. However, the additional financing required to adopt a tri-semester system necessary for co-op studies, to hire placement officers and institute a support organizational structure limit the ability of universities to establish co-operative programmes in spite their desirability. Furthermore, Accounting co-operative education may not be viewed necessary as long as Accounting graduates from traditional programmes are in great demand.

The length of internship for a professional designation varies among the three professional Accounting bodies. It depends on a number of factors such as title and the authority the title commands. The higher the position, the greater the exposure to Accounting functions and the shorter internship is accepted. On average, a student should plan for a minimum of two years internship.<sup>5</sup>

CA students have to receive their practical experience in national and local CA firms from a preapproved list. Small size CA firms which are judged not to perform enough auditing functions and/or not to have diversified clientele to adequately train CA students in all aspects of public Accounting are not included on the list.

CMA students starting in 1989 will also have to seek approval by the Society of their planned placement with an employer prior to doing their internship. Job title, responsibilities, functions and authority of the job, as well as a formal job description, must be supplied to the Society before training placement approval is received. Until now, CMA students had to apply for their designation after the completion of their practical experience. A previous, instead of a subsequent approval of placement and experience, will help to alleviate mutual misunderstandings and disappointments and somewhat standardize the job experience requirement.

#### 12.5 THEORY (INTELLECTUALIZATION) VS. PRACTICE (PROFESSIONALIZATION) ANALYSIS AND CONCLUSIONS

The shortage of academic Accountants and the competition among schools for the limited number of faculty has created a professor centred Accounting education system. In the minds of many practitioners, this has lead to an over intellectualization of Accounting education.

Mautz (1970) observed "there has been an almost total absence of criticism of educational content and processes by practitioners, many of whom have been led to believe that the great developments since they left school have rendered their education largely obsolete." Thus, for practitioners to criticize academic programmes not only would be interference

with academic freedom but might also be an embarrassing display of ignorance. At the same time, there has been no absence of criticism of practice by educators who, by and large, have far less acquaintance with the world of the practitioner than that individual has with the world in which the professor reigns supreme.

It seems that indeed the interests of the individual professor are given some priority. "Moonlighting" (part-time employment and consulting) of Accounting professoriate may have an impact upon scheduling times of classes, available time for student consultation, and the like. Furthermore, the "publish or perish" dogma puts a premium on publications. The successful publisher becomes the equivalent of a successful researcher and a successful professor. The emphasis upon publication skews the entire curriculum in favour of professors' research interests. The issues of their research become the topics of their lectures regardless of how relevant they might be to the educational and career goals of the student. The temptation to produce something "new" and publishable brought into Accounting mathematical, statistical, behavioural, and other elements peripheral to Accounting. These deviations from practice are never justified in terms of the actual needs of the student, they are simply an extension of the Accounting professions interests.

The emphasis on a normative approach "how it should be" rather than a realistic approach "how it is" coupled with the



concept of academic freedom may produce some criticism and mutual dissatisfaction among academics and Accounting practitioners. The views of the individual professor, as long as they are considered esoteric in nature, new, and publishable, obtain legitimacy no matter how unrealistic they may be.

One would have a hard time building defences against new developments. The ever changing world certainly dictates that students must remain current, and knowledgeable of new concepts and approaches. However, things have to be kept in perspective. Not all new research deserves attention nor introduction into curriculum. Above all, professional education (Accounting) must remain professional. Its main mandate is to prepare students to enter Accounting practice, public or private. Preparation for a career may require more doing than over-intellectualization of Accounting concepts.

Perhaps the entire matter can be explained on the basis that the career Accountant places more emphasis on technical and procedural approaches than the educator Accountant. Practical solutions to the problems facing the practitioner is the most important contribution academics can make. New approaches that facilitate the Accountant's work, improve its accuracy, make it more reliable, rationalize its form and reporting mechanism, restore or improve order in a sloppy procedure could be highly regarded by career Accountants. They may be viewed as minimizing the cost of potential

mistakes and thus, maximizing the professional reputation. Appropriate solutions to mundane daily problems are often appreciated more than esoteric theoretical considerations.

Where the educator Accountant seeks a logical explanation, the career Accountant seeks out an applicable technique. Sometimes logic and technique may amount to the same thing. Another time, the educator Accountant may not carry the logic to its natural conclusion of developing a technique. Thus, the link between the two is not established.

The educator Accountant may appear to be irreverent to the needs of the career Accountant. He/she develops a theory without regard for the difficulties of applying it in practice. Grand generalizations supersede practical details, circumstances, and situations where concepts and theory may apply. The educator Accountant may even become a critic as opposed to a colleague and partner.

Accounting as a legitimate discipline undoubtedly needs to be constructed on a theoretical basis. A theory which embraces certain concepts based by generally recognized principles is organized by identifiable procedures, operates under several methods and techniques, and is controlled by standards. In this sense, Accounting intellectualization is desirable and appropriate.

Accounting practice, though, may need more than that. It needs identification of actual issues facing an Accountant.

It needs an elaborate discussion of the options/solutions available. Practitioners need to know what works and what does not, what method needs to be chosen and applied under given circumstances, what are the pros and cons, and how he/she can protect his professional reputation by being up to date, efficient, and accurate. If Accounting education has a responsibility to the Accounting profession, it has to be responsive to their needs. Accounting education does not have to be "how to do it" but it does not have to be "ought to be done" either. Theory (intellectualization) should not be neglected in favour of practice (professionalization) and vice versa. If a trade-off exists between the two, a balanced approach is needed.

The Accounting educator should teach not only concepts and theories but also real world applications. Both technical and conceptual aspects of Accounting need to be part of Accounting education. An Accounting graduate should know what the current practice involves, why it is so, how the current situation developed over the years (historical perspective), and what are the strengths, the weaknesses and the likelihood for the future orientation of the Accounting profession.

There is a danger, that under the pressures of the academic environment Accounting professors may indulge too much in their own research, publication, and self-advancement. This over-intellectualization of Accounting at the expense of professionalization does not recognize the nature of

professional education of which Accounting is a part.

Professional education prepares students for a career in a profession and profession implies practice and service to clients. How can professional (Accounting) education depart from it?

Accounting research is another area where Accounting educators and Accounting practitioners usually differ. Accounting research for most practitioners who try to solve a client's problem is a reference to readily available sources such as the CICA Handbook, Income Tax Act, Income Tax Budgeting, Accounting Pronouncements, and the like.

Accounting research for Accounting educators is active participation in developing these sources of reference by examining and studying issues facing the Accounting profession.

To the extent that the latter type of research has some usefulness and application to the former type of research, one can claim that there is only one type of research. Simply there are two stages of research. The developmental stage (true original research) and the secondary application research.

Original Accounting research has perhaps been neglected over the years because many Accountants have adopted the narrow view of secondary research. Another reason possibly is the fact that society and its institutions support research that is viewed as generally beneficial to all its members.

Societal benefits of Accounting research, though, may not be that visible. Yet, Accounting research is important and needs to be supported. Accounting educators must dedicate a good part of this research to the needs of the practising professional. Professionalization of research is as important as the intellectualization of research. Advancement of the Accounting profession requires (needs) both.

The professional education approach has some other dimensions often neglected by the intellectual approach. Accounting graduates are charged with the responsibility to advance their profession. To do so, students must become familiar with the organization(s) of their profession. The structure of professional organizations, their activities, and their historical development over the years needs to be explained in the classroom beyond the casual comment during the course of a lecture.

Professional Accountants must abide by a set of rules of professional ethics and standards. Yet, the intellectualization of Accounting education may have prevented these concepts of professional responsibilities and obligations from being adequately dealt with in school. If social, ethical, and professional responsibilities are incorporated in the curriculum, graduates will not have to learn about these responsibilities (often the hard way) while in practice. The Accounting students should learn along with the theoretical concepts the mundane reality of the consequences

of not living up to the responsibilities placed upon the Accounting professional by society.

Accountants have a variety of responsibilities not limited to the ultimate preparation of financial statements. In today's complex world, they have to balance their responsibility against the interests of many parties using financial statements. Clients, creditors, shareholders, government tax authorities, environmental institutions, and others place many responsibilities on the modern professional Accountant. Compliance with disclosure and reporting requirements, loyalty to employer, confidentiality of information, consideration of conflicting interests, and professional courtesy and relationship requires a delicate balancing act that more often than not is not covered in Accounting schools. The risk of law suits and the increasingly litigious atmosphere supporting individual and class action are far too serious matters to be ignored.

The university environment is ideal for teaching the ethical side of the Accounting function. Familiarity with the regulatory bodies, their mandate, and their relationship with the practising Accountant is imperative. Above all, knowing the present rules and procedures well would assist the professional Accountant to measure up to them.

## NOTES TO CHAPTER TWELVE

1. Statistics Canada reports consistently indicate that a greater proportion of Canadians possess high school diplomas and/or post-secondary education.
2. CA students are not accepted for membership prior to completing at least 39 of the 45 credits required.
3. CGAs require a minimum mark of 65%. CMAs require a minimum mark of 60% for undergraduate courses and 70% for graduate courses. Different universities may require different "pass" marks per course, average in major and minor fields of study.
4. Such evidence may be provided by the School of Accountancy at the University of Waterloo where integrated sequence of studies in Accounting is required (one year work internship).
5. Experience requirement guidelines for CMA, CGA students are rather general. Both organizations evaluate experience on a case by case basis. It appears that the onus is on the applicant to prove that he/she has met the experience requirement.

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## CHAPTER 13

## THE PROFESSIONAL SCHOOL OF ACCOUNTANCY

13.1 THE UNIVERSITY AND THE PROFESSIONAL  
SCHOOL OF ACCOUNTANCY

The rapid growth and expansion of the Accounting profession in public practice, industry, and government has triggered a debate as to which educational structure and what type of curriculum is appropriate for the preparation of professional Accountants (Grimstad, 1976).

Most higher Accounting education now takes place in schools of Business Administration. Schools of Business Administration offer a number of majors (concentrations) in the functional areas of Business, Accounting being one of them. In bigger schools, Accounting faculty is organized in Accounting departments within the school (Whitham, 1974).

Such Accounting departments are not autonomous. They have no control over establishing their own curriculum, budget, admission, and academic policies. Most of the characteristics associated with professional schools are absent from Accounting education. As a result, Accounting is often taught as a tool used in the decision making process not as a distinct discipline. Accounting specializations, within Accounting programmes, do not exist or at best are rare in Canada.

A good part of Accounting education has been and is performed outside institutions of higher learning. All three major professional Accounting bodies in Canada have been very active in the field of education, providing their own Accounting programmes. No other profession has relied so much on correspondence courses (CMA, CGA), summer schools (CA), lectures, seminars, and workshops (CA, CMA, CGA). The void created by the absence of a professional school of Accounting is often filled by temporary ad hoc educational measures taken up by the profession.

Central to the mission of a university is the pursuit of learning at the highest level and the advancement of knowledge in all disciplines. This mission is achieved through excellence in teaching, research, and publication. While all schools, faculties, and departments share this philosophy, academic units involved with professional education may place different emphasis on individual elements of this philosophy. That may create some tensions between purely academic interests and the practical mundane issues facing the profession. How does "professional" education differ from general academic education? William J. Vatter (1964) offers the following answer:

"...the whole process of systematic pursuit of knowledge - academic education - is something quite different from professional education. Professional education arises from the application of basic disciplines to problems..."

Programmes of professional education are two-way channels

of communication between universities and the real world. In one direction flow the accumulated concepts and patterns of intellectual disciplines, in the opposite direction there is a stream of ideas, observations, and conditions which serve informational, experimental, and hypothesis testing needs of the university.

A number of emerging issues, the dramatic increase in technical developments and the rapidly expanding role of Accounting, has produced many calls for the establishment of professional schools of Accounting. The Institute of Chartered Accountants of Ontario Council has approved in principle the concept of establishing professional schools of Accounting within the Ontario system since 1978 (ICAO, 1978).

A professional school of Accounting is a separate and autonomous academic unit within the university. Its main objective is to offer programmes leading to professional degrees in Accounting. The school of Accounting aims to produce highly qualified Accountants for public practice, government, service sector, commerce, and industry.

Besides educating Accounting students, the professional school of Accounting may also have the following generally accepted objectives:<sup>1</sup>

Develop and produce Accounting education course materials.

Support and conduct pure and applied (academic and professional) Accounting research.

Develop graduate, especially doctoral Accounting programmes.

Develop and conduct appropriate professional development programmes for the continuing education of professional Accountants.

Act as a resource centre and support organization for promoting professionalism in the Accounting profession.

Offer educational courses to non-Accounting university students seeking Accounting knowledge and provide guidance and co-operation to all other academic units within the university system.

To achieve the above objectives the professional school of Accounting needs a similar organizational structure to schools of law or medicine. Independence and autonomy would mean substantial nevertheless not absolute freedom to determine admission, retention, and graduation standards, course content and curriculum structure, faculty appointments, tenure and promotion policies, and budgets.

Objectives of the Professional School of Accounting have to be consistent and in line with the university purpose and objectives. Furthermore, professional schools need to operate under the same principles recommended by government agencies and other organizations such as the Ontario Council on University Affairs.

While it is important for universities to preserve their legislative and traditional autonomy in the professional school of Accounting, the school is expected to maintain strong ties with professional Accounting organizations, take into account their concerns, and co-operatively promote Accounting professionalism.

Professional Accounting education has a mandate and an obligation to the Accounting profession to contribute and to further develop the body of knowledge of the discipline. Training future Accounting professionals while contributing through scholarly research to the advancement of knowledge are two dimensions of success of Accounting education. In fact, the primary reason for its existence and its legitimacy depends on the relevance it exhibits to the profession and the university community.

Professional education can be narrowly or broadly defined. The former definition refers to the mundane, pragmatic Accounting training provided in the community colleges. The latter definition refers to the university Accounting education which offers a conceptual framework within an academically accepted concept. Graduate and doctoral work in Accounting is the epitome of a broadly defined professional education in the academic world.

Professional education for a career in Accounting does not only include the Accounting education necessary to produce competent specialized Accountants, but rather, education of a broad scope of socio-economic framework within which Accountants operate. This framework encompasses an appreciation for the of historical developments of the profession and importance of the professional code of ethics. Furthermore, cultivation of the Accountant's analytical ability, critical thinking, and decision making goes beyond

the narrow definition of vocationalism.

Professional education broadly defined does not deny the right for specialization to Accountants. Accountants need to be, above all, competent in their discipline. However, it also recognizes that there are considerable substantive principles in a formal educational process on which specialization should be founded.

Because professional (Accounting) education has a responsibility to the (Accounting) profession, it does not mean that the school curriculum has to be designed according to the requirements of accreditation examinations. The university as an autonomous independent entity should be in a position to define its own objectives without assuming a subservient nor a superior role to servicing those of the profession.

This is not to say that universities can afford to ignore the changes and developments that take place in the profession. Universities that fail to respond and adjust to continuously changing socio-economic factors fail in their mission. However, universities are autonomous enough to decide on their own as to what is the appropriate response to societal changes. The university has a responsibility to all academic disciplines and education in general, not only to professional education. A balancing act to preserve the viability of many disciplines may cause false perceptions sometimes that universities are unresponsive to the needs of

the (Accounting) profession. Long run interests of the Accounting profession may not be served well by transforming universities to educational agents of the profession.

The delicate matter of association between the school of Accounting and the Accounting profession needs further elaboration. When a university school provides professional education, the profession must be assured that the quality and requirements for admission to the profession are met by the school. Traditionally, the standards to be followed by a university school are set and approved by the university senate. This means that either the university senate recognizes and espouses the standards required by the profession by making them part of their own or simply the professional school of Accounting has to meet both. This is not say that the standards would necessarily be different. It simply indicates the need for a cooperative symbiotic approach between the Accounting school and the profession, especially in the formative years of the school. Once the school is established, the degree of involvement of the profession in the affairs of the school may be limited. Periodic assessments through an appropriate committee from both parties (universities and the profession) could deal with various issues arising from time to time.

### 13.2 FACTORS IN SUPPORT OF AUTONOMOUS PROFESSIONAL SCHOOLS OF ACCOUNTING

The most forceful argument in favour of professional schools of Accounting was presented by the Institute of Chartered Accountants of Ontario (ICAO). In their study Professional Schools of Accounting in Ontario, a greater emphasis was given to the new identity an autonomous School of Accounting would give to the Accounting profession, Accounting faculty and students, and the public at large (ICAO, 1981).

Proponents of the argument claim that an autonomous Professional School of Accounting would provide a better defined identity of those teaching and those graduating from the school (Ellyson, Nelson and MacNeill, 1985). The separate schools of law are often used as paradigms to advance this argument. A higher profile will assist both faculty and students. Faculty recruiting, morale, and Accounting faculty power within the university system will be improved. Likewise, recruiting of higher calibre students, students' academic performance, and preparation for the profession will also improve.

The argument of Accounting schools achieving greater power and financial strength is built on the following grounds (Reeve, 1982; Grimstad, 1976). At the present time, Accounting faculty is a minority within the Business faculty.



The Business faculty is also a minority within the university faculty. As a minority within the Business faculty, academic Accountants are often denied the satisfaction of their needs being met. In turn, the Business faculty, as a minority within the university system, does not receive its fair share of the university resources. Tradition and self-governance allows the majority of Arts and Science faculty to often ignore the changes imposed on universities by market forces. This inhibits the growth of Business departments. Academic Accountants seem to be convinced that a fair/proportionate share of the university resources could be assigned to Accounting under an autonomous school of Accounting.

Besides the financial autonomy, Professional Schools of Accountancy may provide an additional benefit to academic Accountants. Presently, academic appointments, tenure, and promotion decisions are made on general academic criteria that largely ignore the activities of academic Accountants. Professional Accounting designations (CA, CMA, CGA) are not always recognized as additional educational qualifications by various university evaluation committees. Similarly, maintaining close contact with professional practice and professional activities are not uniformly accepted. Peer evaluation of academic Accountants under these circumstances may not be fair. Yet, in autonomous faculties of law such factors are routinely recognized and professional activity is encouraged. It is argued that autonomous Schools of

Accountancy will rectify this situation, and academic Accountants would be evaluated by those who can understand and appreciate professional activities in their career.

Autonomy may also provide the Accounting profession with the benefits of greater and more effective control over the Accounting curriculum. A lawyer is not a lawyer by finishing law school. He/she must pass the bar examination to be admitted to the profession. Likewise, a professional Accountant after graduation from a university has to pass accreditation examinations to be admitted to the profession. Incoherent academic preparation and different university policies may not equally qualify graduates of each university to take the accreditation exams. The high failure rate among those who write the uniform final accreditation exams currently points to some deficiencies in the present system of education.<sup>2</sup> An autonomous School of Accountancy will have the opportunity to plan the curriculum, and better prepare students for their accreditation examination. Presently, universities often set standards and policies without fully recognizing the accreditation requirements. Unfortunately, course content and curriculum design of Accounting education is not always in the hands of academic Accountants.

Better quality of Accounting professoriate is another dimension of an autonomous School of Accountancy. The extensive use of part-time faculty to teach Accounting courses may cause serious problems. Part-timers often have inadequate

academic depth to teach university students. Their practical background can carry them so far. Then, they continue at the expense of the quality of university education. Part-time practitioners tend to deemphasize the conceptual approach to Accounting in favour of procedural practical matters. Thus, students may not be prepared to fully appreciate changes in Accounting pronouncements and current and future developments. Autonomous academic Accounting units could improve terms and conditions of appointment and concurrently attract greater resources to secure more full-time faculty.

Finally, autonomous Schools of Accountancy could attract more financial support from the Accounting profession. Donations, in general, are more generous and greater in number if the donor is convinced that the donation reaches its destination. Accounting firms and other Accounting professions could identify more with a professional School of Accounting than a university or Business school. The United States of America's experience with Schools of Accountancy and the establishment of distinguished Accounting Chairs in Canada are examples which support the argument that a donors prefer to support identifiable university units related to their own career.<sup>3</sup>

### 13.3 THE COUNTER ARGUMENT, FACTORS AGAINST AUTONOMOUS PROFESSIONAL SCHOOLS OF ACCOUNTING

The Institute of Chartered Accountants of Ontario (ICAO) under "The Chartered Accountants Act" has a responsibility to see that students are adequately prepared to write and pass the uniform final examinations to earn the CA designation. To that effect, the Institute in its 1981 report suggested that the ICAO establish an approval process for professional endorsement of School of Accountancy (ICAO, 1981). Should such schools fail to meet the specified criteria of evaluation, the ICAO would withhold approval of the school.

The danger of such a policy is that the educational programme of the university is tailored to meet the needs or perceived needs of the ICAO and as a result, university graduates are only suited for becoming Chartered Accountants. Universities, Business, and Accounting schools have a much broader mandate than educating CAs. They are expected to educate students to develop critical thinking and intellectual capacity not to make them admissible to the professional Accounting organization. The educational process is a university responsibility separate from the process of admission to the Accounting profession. Setting up admission requirements and the due process for entering the Accounting profession is, of course, the professions responsibility.

Furthermore, the autonomy self-governance of the

university system would be in danger if an outside body had control over academic programmes. Should an accreditation agency be developed for Accounting schools, it would be false to assume that it would automatically be the ICAO. Such an accreditation agency would have to be much broader in scope and participation than ICAO including representation from other Accounting organizations, educators, employers etc.

Exclusive control of Accounting schools by ICAO would reduce them to private school status and as such they should be financed exclusively by ICAO. Although increased financial support from the profession is promised and expected for autonomous professional Schools of Accountancy, it is unrealistic to expect that the profession is willing or able to assume full operational costs of the university departments of Accounting. Replacement of public funding for university Accounting programme by ICAO or the Accounting profession's general resources is a totally unrealistic proposition.

The analogy between Accounting and that of law may not be totally convincing. Students are admitted to the faculty of law after completion of their undergraduate education. The curriculum at law school is self-contained dealing exclusively with the discipline. In contrast, Accounting education, at the undergraduate level, is not restricted to Accounting courses.<sup>4</sup> It requires a number of courses in Business, as well as Arts, and Science besides Accounting. A better prototype of undergraduate schools for Accounting may be

Architecture or Pharmacy. These programmes, four to five years in duration, often require a two-three pre-professional programme and then a one-two year professional programme. The pre-professional programme is broad based on Liberal Arts and general Science courses. The professional part of the programme deals with the evident, specific needs of the students when they launch their careers. An internship (work experience) requirement is an appropriate complement to the study part of the programme.<sup>5</sup> Work experience requirements provide relevance to professional courses and reinforce the material of the course offerings. Work experience may or may not carry university credit, yet, it is always properly monitored and reported to the school.

Therefore, a professional School of Accounting can realistically be a free standing entity, as law schools are, only at the graduate level. M.Sc. in Accounting and similar programmes modelled after law schools could be more relevant in establishing autonomous and independent Schools of Accountancy. The undergraduate programmes of Pharmacy and Architecture may be better prototypes than law and medicine if undergraduate schools of Accountancy are desirable.

Professional Accounting today requires more diversified management skills. In an increasingly complex social framework, the professional Accountant uses more sophisticated management techniques. Quantitative techniques, management information systems, computer technology have significantly

altered the conventional role of the Accountant. The Accountant's role today has become more that of a business executive. Financial management controls extend into performance appraisals, management audits, behavioural sciences, and decision making requiring education and training beyond Accounting in associated areas. As the professional Accountant must demonstrate competence in many Accounting related fields, the integration of Accounting curriculum goes beyond the dimensions of the professional School of Accountancy.

The fragmentation of the Accounting profession imposes another constraint on the development of autonomous Accounting schools. Could an autonomously run Accounting school (single profession) satisfy all three professional Accounting bodies? The three Accounting programmes are diverse in nature. For example, the CGA does not even require a university degree for their certified members. Therefore, one single profession run programme would leave out a substantial portion of the present Accounting professionals.

The organization form of a separate Accounting school, in spite of some distinct benefits that it may bring to Accounting education, can be debated. Are the advantages outweighing the disadvantages of such an autonomous organization? An autonomous School of Accountancy will definitely foster greater control by Accounting faculty who can easily achieve their educational objectives. At the same

time, though, it would produce its own administrative costs and it would require linkages and communication with other academic units. So advantages are once more paired with disadvantages. Organizational form, after all, may not be as important as the substance of Accounting education.

If present Accounting staffing problems (condition of appointment, tenure, promotion, salaries) were resolved or improved, a separate organizational structure would possibly not be necessary. Then again, can substantial improvements of the ways in which universities presently operate (budget and curriculum approval) be achieved for Accounting faculty without a separate autonomous academic unit being created? Organizational structure can affect operations and the decision making process. A separate autonomous Accounting department will have a greater opportunity to influence the decision making process on the larger university constituency than remaining a minority within the faculty of Business.

The study group on Accounting, Committee of Vice Presidents Academic in the 1982 Report on Accounting Education in Ontario Universities to Council of Ontario Universities recommended that no matter what structure a university may adopt for offering Accounting education, it should guard against the following dangers:

- i. The public Accounting profession should not exercise excessive influence over Accounting curriculum;
- ii. An excessive emphasis on the "practical" as distinct from the theoretical aspects of the curriculum should be avoided;



iii. Students should be provided with appropriate exposure to fundamental subjects as well as to Accounting;

iv. Effective cooperation among academic units needs to be assured. Students in an Accounting programme will need to be able to have course available from other areas of the university, and Accounting courses should be available to students majoring in other disciplines;

v. Care should be exercised in planning the Accounting curriculum so that desirable breadth in the programme is not sacrificed.

If one uses medicine, law, and engineering as a model, autonomous Schools of Accountancy would mean autonomy in 1) admission policies, 2) curriculum design, 3) staffing function (appointments, tenure, promotion), and 4) budgetary control and possibly degree granting authority.

Ability to regulate admissions by setting policies is an element of autonomy that cannot be denied. Schools of Business Administration today enjoy such autonomy and schools of Accountancy could pursue it too.

A professional school of Accountancy must be able to decide independently what courses are required for the degree (major), what courses are required for a minor, what courses are to be offered each year, semester and term, and the content of each course. In addition, admission, continuation, and graduation standards should also be set by the school. Other policies related to the transferring of credits from one programme to another, grading, scholarship, and the like may require interdisciplinary co-operation and co-ordination among other schools and departments within the university community.

Relative autonomy in the staffing function is not

unprecedented. Typically, academic units affected by appointment, tenure, and promotion are instrumental and prominent forces behind such decisions. The peer evaluation principle allows professoriate in a given faculty a rather high degree of autonomy.

Staffing arrangements, hiring new faculty, terminating and/or renewing contracts, promoting faculty from one rank to another, allocating teaching and research loads, and assigning class and office space address the autonomy of the staffing function. Furthermore, administrators should be able to represent the school to other university administrators and academic bodies, foster relationships within the university and outside world such as alumni, government offices, business sector, corporate donors, foundations, and the community in general. All these administrative responsibilities have budgetary implications for which the school should assume full responsibility. Finding the resources to carry out the approved curriculum should not be separated from those who will deliver the programme. Faculty resources (salaries, travel and research grants, sabbaticals) building, equipment, and ancillary resources must be budgeted for and carried out by the school.

Budgetary control and degree granting authority considerations may not favour Accounting schools. Only universities not schools have the power to confer degrees. Individual schools offer degree programmes through the power

of the university charter. A degree in Accounting does not necessitate a separate autonomous Accounting entity. A Business school may very well offer a degree in Accounting. Budgetary autonomy, given the present government funding formula, is more or less a matter of cost and revenue allocation. A more fair/proportionate allocation of university revenue to the Accounting discipline would require a change in attitude and mentality of the traditional thinkers who do not accept the Accounting discipline at par with other conventional university disciplines.

The aforementioned conditions are not met by most universities where the Accounting programme is simply a part (specialization) offered within the school of Business. The concept of self control and autonomy for a proposed Accounting school would require redistribution of authority and responsibility between Accounting and Business schools. Accounting faculty would have to gain control of the graduate and undergraduate Accounting programmes away from the entire Business faculty. At the same time two autonomous administrative units with separate Deans and budgets would have to be formed.

Some debate between the advocates as well as opponents of the professional school of Accounting exist as to whether the school would be independent or an autonomous unit within the school of Business.

An autonomous Accounting unit within the Business school may be a more realistic pursuit, (easier to accept) for most Accounting programmes and departments than the complete free independent structure of an Accounting school (Summers, 1974).

First of all, an Accounting school within the school or faculty of Business would require only one Dean and one budget. This may be favoured by many university officials as a cost saving proposal requiring a less bureaucratic structure. Personnel functions for faculty (hiring, promotion, compensation) would also be handled through the Dean's office.

Secondly, Accounting faculty could, under this arrangement, be assigned full responsibility for curriculum policies. Accounting courses and content would be designed and approved exclusively by Accounting faculty with Business faculty assuming a purely consultive role. Only the first Accounting course (Principles of Accounting) and other Accounting courses required for non-Accounting majors could come under the authority of Business faculty. Admission to professional Accounting programmes could be done by the school of Accounting. Thus, a Business student wishing to transfer over to Accounting would need to be formally admitted to the School of Accounting.

In summary, an autonomous School of Accountancy may not be established with full and complete autonomy. There is a wide range of autonomy. A separate School of Accountancy is

simply expected operate at a higher level of autonomy and authority than it does now under the School of Business.

An interesting issue is whether the higher level of vocationalism/professionalism professed to be brought in education by a professional School of Accountancy is desirable. Professional education does involve more practical oriented courses than other academic programmes. Is there any need to accentuate this practicality element? Some may argue that it is doubtful that educational objectives can be served with additional practicality. While there is a lot of room for realism in Accounting education, it needs more than practical skills and operational procedures. Accounting education is also interested in the underlying philosophy of setting these operational procedures and practical approaches. Operational familiarity is not enough to understand the broader Accounting issues to develop the intellectual power to improve, change, revise, and abandon rules, pronouncements, principles, and the like.

The present system of Accounting education has three layers-requirements: the general education, the core requirements in Business, and the concentration requirements for a specialization in Accounting. A student entering university chooses from a long menu of courses for his/her general education. Presumably these courses are a good background for taking Business Administration courses. The core Business Administration courses usually cover all

functional areas of Business (Finance, Marketing, Management, Production, Accounting). Business courses are essential in studying and understanding Accounting.

This concept of layers presumes that there is a continuum of education, subsequent courses rely on the prior ones. While gradual building is commendable, such cross fertilization rarely occurs. The system is a far cry from the integrative and interdisciplinary approach to education. The question is whether the autonomous School of Accountancy would eliminate this existing deficiency in Accounting (Business) education. The answer may be a tentative no. An autonomous School of Accountancy may reinforce the status quo. Placing an accent on Accounting education may put Accounting to further organizational isolation from other disciplines because much of the strength of Accounting as an academic discipline is derived from related disciplines.

The increased educational requirements for professional Accountants were forced upon the profession by the changing nature of Accounting practice.

Public expectations have risen in the last few years. In the last decade, Accountants have been involved in a ever widening variety of areas and duties. For example, Computerized Accounting has required Accountants to immerse themselves in Computer technology and usage. Payroll, alternative compensation methods, and fringe benefits growth has increased their involvement in Manpower Planning and

pension matters. Employer ownership brought Accountants into profit sharing, and the list goes on. As the service provided by Accountants expands in size and sophistication, so are the expectations from Accountants. The generalist type of Accountant is increasingly replaced by the specialist Accountant. Although every Accountant must have a well developed sense of the entire spectrum of the business world (breadth of knowledge), the specialist knowledge in a given area (depth of knowledge) is gaining ground.

#### 13.4 A FURTHER ANALYSIS OF ARGUMENTS IN FAVOUR AND AGAINST SCHOOLS OF ACCOUNTANCY (PSA)

The need for schools of Accountancy can be demonstrated by recognizing the specific objectives of the schools and the manner in which those objectives can be carried out. Those who support the establishment of separate schools of Accounting claim that all partners, the profession, the students, and the university, will benefit from such an arrangement.

##### Professional Status, Public Image, and Practice

The public image of the Accounting profession will be enhanced by separate schools of Accounting. Visibility and professional Accounting identity will elevate the status of the profession. PSA will provide a foundation for the development of common attitudes, standards, and ethics, thus,

unifying and standardizing the Accounting professionals.

Students will also benefit from the higher professional status of the school and will have the opportunity to be immersed in professional ethics and adopt a professional code of moral behaviour. Students will probably prefer a professional school of Accounting that enhances their identity than a department of Accounting "lost" in the structure of a business school. Professional orientation of the schools probably will attract higher calibre students. Corporations, Accounting firms, and other employers would possibly prefer to recruit from professional schools of Accounting because of the perceived or real quality of their graduates. Needless to say, that recognition and public trust are not automatic but have to be earned by each school. Therefore, different PSA may be subject to varying success.

Everything that improves the quality of the education universities deliver, ultimately benefits the university. Whereas, Accounting schools enjoy higher visibility, identity, and status than Accounting departments, a separate school of Accounting would facilitate the recruitment, retention, and function of Accounting faculty. Whereas Accounting schools will serve the profession and the academic community, they will provide a better balance between theoretical and applied Accounting research.

The prestige of the Accounting profession could also be improved should PSA be established. It should be recognized



that prestige, image, and public attitudes cannot change overnight. In fact, independent PSA alone may not be sufficient to bring about a change in the public's opinion of the Accounting profession. The calibre of both Accounting faculty and students that the PSA will be able to attract would be crucial to improving the status of the profession.

#### Accounting vs. Academic Research

Mecking and Zimmerman (1976), rather convincingly point to the separate schools of education, that have not enabled themselves nor the teaching profession at large, to achieve the professional status of medicine or law, often evoked in arguing the establishment to PSA.

Furthermore, Mecking and Zimmerman hypothesize that "some Accounting facilities are now advocating professional schools because they are very uncomfortable in modern business schools. Accounting faculties and Accounting as a field of study face a fundamental contradiction in business schools today: A conflict between educational demands and academic research demands. Most Accounting programmes are oriented toward the CPA examination, much of the material taught to undergraduates and to MBAs is institutional in nature (ie. existing Accounting rules and procedures). Accounting theory courses tend to review APB opinions or FASB standards as contrasted to theory courses in Management Science, Finance, Marketing etc. which focus on analytical and empirical models where curricula content has a direct bearing on research"

(Mecking and Zimmerman, 1976).

In other words, Mecking and Zimmerman maintain that Accountants being incapable of doing "traditional" research support the establishment of PSA to provide them with an opportunity to gain control over the tenure and promotion process. They claim "many important contributions to Accounting in the past have been made by researchers outside of Accounting."

One of the objectives of an Accounting school is to advance scholarly research. However, scholarly research is an elusive term. Scholarly research may mean very different things to Arts and Sciences as opposed to Business and Accounting disciplines.

Accounting research may appear mundane by traditional academic standards. Yet, Accounting research does not have to be esoteric in nature, nor use a sophisticated technique. It may only provide a solution to a procedural problem, it can only be a short pronouncement or Accounting guideline. This type of research often is more valuable to the Accounting profession than a lengthy report is to traditional disciplines. An academic Accountant can always appreciate such work. A general academic though, may not have the same degree of appreciation. Accounting research sponsored by PSA conceivably may not be the way to improve the prestige of the profession, like medical research and findings improve the prestige of the medical profession. Then, it is not clear if

prestige of other professions is attributable to a significant degree to research conducted by these professional schools. Possibly a profession's prestige depends on the public's perception of the impact the profession has on their lives. As musicians evaluate musicians, lawyers evaluate lawyers, Accountants should evaluate Accountants. To have non-Accountants evaluating Accountants, using research criteria, foreign to Accounting research deprives academic Accountants from peer evaluation, the major evaluation ingredient for professionals and academics.

PSA as a comprehensive education research facility will engage in both traditional academic research and practical professional oriented research. A uniform, co-ordinated, practical educational programme could address issues facing the Accounting profession, largely eliminating the need for numerous in-house training programmes by Accounting firms and organizations. Continuing education should be recognized as a joint responsibility of the school and the profession. At the present time, continuing education for Accountants is exclusively in the hands of the profession. Larger Accounting firms may afford it but smaller firms and other organizations cannot. Thus, lack of a comprehensive co-ordinated approach may prevent many Accounting professionals from keeping up to date with current developments in the discipline.

Professional schools of Accounting could provide an organizational structure that facilitates the interaction

between the academe and the profession. Professional education is not limited to four years or so in university. It is a life-long process. The Accounting profession expects the academe to play an active role in higher professional development the same way the law or medical schools provide their services to lawyers and doctors. It is only logical that a continuous interaction between the school and the profession will include a routine whereby the profession will hire from the Accounting schools, teach in them, co-sponsor research, and support them financially.

Professional conduct, pride, and ethical standards can be greatly enhanced in a professional school environment. A School of Accountancy can provide a sense of professional identification to the student, which will prepare him/her to sustain it throughout his/her career. To be immersed in the School's culture and tradition is part of becoming a professional.

#### PSA: Length of School time

Implicit to the proposal for a School of Accounting is the lengthening of school time. More or less a five year programme modeled after the USA PSA is advocated in Canada (Reeve, 1971; Richardson, 1985). Questions about the appropriateness of additional Accounting education, and the extra time and costs it implies are not of limited relevance whether Professional Schools of Accounting should be established.

Students may be willing to undertake this additional investment only if the return on investment is acceptable. Starting salaries will have to increase to reflect the additional costs of education. Students unable to finance the additional length of the Accounting programme may opt for other professions unless financial assistance increases proportionately. A suggestion to create an undergraduate School of Accountancy therefore avoiding the lengthening of the programme and its time and cost consequences appears unrealistic. Students should not be expected to commit themselves to an Accounting career early in their university tenure. Limited or incorrect information, lack of experience may force them to want to switch to another career later. A highly specialized Accounting curriculum may not afford them this opportunity. A graduate PSA programme then after completion of a broad based undergraduate curriculum is a more realistic approach.

#### A Two Tier Market System: Traditional School and PSA

##### Graduates

In a hypothetical, perfectly competitive market of Accounting graduates, where two groups are competing, Accounting graduates from PSA and traditional Accounting graduates from a four year programme, both buyers and sellers of Accounting labour will be able to establish an equilibrium price (wage) for each category. The wage of each group would be equal to the value of their marginal product. Assuming

that the graduates of PSA have higher skills, they will obtain a higher wage than the traditional graduates. If, however, the buyer (employer) is unable to differentiate between the two groups, a wage equal to the average marginal product of both groups will be offered. This wage would be lower than what the PSA graduates, and higher than what traditional graduates would have received, had perfect information been available. Dissatisfied PSA graduates would try to achieve some equilibrium by either lowering their productivity so their marginal product matches their wage or by trying to enter more efficient-perfect market such as self employment.

Eventually, PSA graduate's dissatisfaction with their professional schools of origin and the market, in general, would prevent others from entering the PSA opting for traditional Accounting education.

As long as there are two Accounting programmes, the incentive for students to pursue the lengthier graduate level of PSA would depend on the interaction of the two markets and the marginal costs and revenue of each individual candidate. The wage differential between the two groups has to be high enough to justify the additional costs of the additional study period. If the buyer (employers) reacting to perfect information cannot satisfy their demand from the high productivity group of PSA may be willing to hire traditional graduates at relative higher prices than their marginal product. If on the other hand there is an oversupply of PSA graduates, the wage

offered to traditional graduates may be lower, or no offers may be made to them at all, if all available positions can be filled from PSA graduates.

The quality of the graduates and the selectivity of the employer will also play a role. An excellent traditional graduate may be preferable than an average PSA graduate. That is, other qualities beyond the degree itself (grade point average, institution attended, recommendations, experience, personality) may affect the choice of between the two types of graduates. A traditional graduate with many other employable qualifications may not have the incentive to further study on PSA. However, marginal traditional graduates may have to continue on to improve their marketability. Therefore, different combinations of variables do not provide clear discriminators of quality between PSA and traditional candidates.

Consumers (employers) of Accounting services can be confused as to the quality of the quality of the graduates. Furthermore, if one considers that family income, student grants and loans, independently of skills of the individual student effect their decision to pursue additional study, the confusion becomes worse.

Lack of perfect information in the market, could induce graduates of a four year programme to seek the additional schooling to secure a stable employment position and earn the additional wage attached to graduates from PSA. Even with

marginal wage differential between the two types of graduates, potential market confusion could possibly lead traditional graduates to PSA in order for them to exhibit their ability to excel and compete against PSA graduates.

Only the legislative imposition of an extended Accounting education can resolve this problem. All those wanting to pursue an Accounting career would have to meet the higher standards. The lower qualified graduates, as their market ceases to exist, will have to choose another profession or to upgrade their qualifications. As a result, the supply of Accountants will drop and their quality will increase. As the average quality of graduates increase and so will the wages. The resulting lower supply of Accountants at a higher cost (education cost and wage level) for the society has been characterized as a ploy of the profession to improve the employment opportunities for its members while it secures monopolistic incomes (Pichler, 1974).

Leland (1979), though, has cited positive social benefits with the imposition of higher Accounting standards. However, some condition must be present: Low elasticity of demand, low value placed on low quality service, and relatively low marginal cost to providing quality. It would appear that all these conditions are met by the market for Accounting services. Demand for Accounting information in recent years, where disclosure requirements, societal audits, and additional information are very desirable, is rather inelastic. Higher



service charges may have a little impact on demand for Accounting services. Regulatory requirements for audited financial statements further contribute to inelastic demand.

There is also no question that high quality service is preferred over low quality service. The outcry for better quality Accounting graduates justifies the additional costs of PSA. Those sectors of the economy or employers who want to hire technicians do not have to pay the extra wage for quality that they do not need. Community College Accounting technicians can fill their needs. There is only one level of high calibre, university educated professional Accountants. There is no need for an "intermediate" level Accountants.

Market forces or a free market solution may not work in setting higher standards, charlatans and practitioners would have survived in today's free market economy along with university educated medical doctors, if it was not for legislative imposition of minimum standards. In many underdeveloped countries where legislative requirements do not limit the medical practice to properly educated and trained physicians. Charlatans are still part of the free market system. Likewise, without a legislative protection the free market system, rather than supporting the better quality PSA graduates, may support self-proclaimed professional Accountants.

### Potential Models for PSA

Accounting schools could function as two-three year schools following either graduation from an undergraduate university programme (law school model) or a 5 year school requiring two years or so of broad university education followed by specialized Accounting education.

Both models emphasize the need for some preparatory-screening work, and familiarity with many academic disciplines. The benefits of general and wholesome education outside the Professional School of Accounting prior to seeking admission to it are undisputable.

Management theory, Economics, Finance, Computer Science, and other Accounting related disciplines could also be offered outside the school of Accounting, either in the preparatory stage, after admission to the professional school, or at both stages. That is, the Professional School of Accounting could be responsible for providing the entire slate of existing Accounting courses, and integrating contributing disciplines into the Accounting body of knowledge. In addition, Accounting schools could offer Accounting professional practice (internship). Transferring knowledge from practice to the classroom and building Accounting education to meet recognized professional standards could be a major thrust of the school. The interaction of Accounting theory and business practice, and the integration of different disciplines in the context of the Accountant's professional relationships with

other parties could be a focal point of instruction in such a school.

### Establishing a PSA

Establishing a professional school of Accountancy and fitting it in the university structure would require a lot of planning and delicate work.

At the lower level of the university's organizational structure, the academic departments of Accounting seems an unlikely candidate to resolutely push for the creation of a professional school. An Accounting department can in fact initiate a move towards the establishment of a professional school. However, it seems to lack the power to bring it to the implementation stage. Through the appropriate committee structure, a PSA proposal would require input by many academic departments. The Dean would have to mediate, consult, co-ordinate, and administer procedures. Yet, the office of the Dean may not be able to pursue the establishment of a professional school. The role of the Dean is largely a balancing act of academic programming within the many constraints, financial and others, under which the university operates. The Dean normally does not initiate, design, and advocate new programmes. Nevertheless, support of the Dean would be necessary in order for the Board of Governors to seriously consider such a proposal. Senate approval of the proposal on academic merits is also imperative before it goes to the Board. That is, not surprisingly, although the

initiative for the establishment of a professional school of Accounting may come from the Accounting department, the ultimate authority for approval rests with due process and the Board.

University administrators usually are inflexible or at best reluctant to change existing university structure. However, they are in principle willing to embark upon changes widely endorsed by the faculty at large. A well designed proposal for a professional school of Accounting needs that wide faculty support. The use of joint faculty appointments, cross listed courses, and interdisciplinary courses may very well be a tool of earning that support. Business Administration faculty, Computer Science and Mathematics faculty (possible interdisciplinary programme Management Information Systems), Political Science and Economics faculty (possible interdisciplinary programme Public Administration) are possible candidates for such co-operation.

Willingness of Accounting faculty to offer Accounting courses to non-Accounting students would also earn them support. Accounting for health professionals (nursing, medical schools), Accounting for non-profit organizations and institutions (Sociology, Psychology), government Accounting (Political Science, Economics) may be the type of service courses that other disciplines would welcome and appreciate. There is no need for competition among Accounting and other schools and departments. Opening new lines of communication

between Accounting and other disciplines is the best way to earn the support of university administrators.

Opposition to the establishment of professional schools of Accounting comes from many quarters: Faculty, university administrators, and Accounting practitioners.

Faculty often fear that professional schools have a too narrow educational mandate. Such schools they claim prepare students for a particular profession neglecting the wholesome broad educational approach. Yet, this is far away from the truth as far as Accounting education is concerned. Accounting education requires foundation courses in Economics, Computer Science, Political Science (Public Administration), Mathematics, Statistics, and Communication. Also, a number of courses in related Business disciplines (Finance, Marketing, Human Resource Management, Public and Customer Relations) are necessary. A well designed Accounting programme would also require courses with several electives in Social Science and Humanities courses. In fact, most courses - approximately 60% - in an Accounting programme are outside the Accounting area giving Accounting graduates a well rounded broad academic knowledge.

Another dimension of these fears is that professionalization may result in reduced academic content in Accounting programmes. As it is concluded in the intellectualization vs. professionalization sector of this work, professionalization is not to be looked down upon as an inferior approach. Some

practical vocational aspects of Accounting education are simply an application of theoretical (intellectual) concepts requiring additional not lesser skills by Accounting students.

Faculty may also fear that Accounting schools will shift student enrolment away from traditional disciplines, threatening faculty jobs. In reality, it seems that students that wish to study Accounting would enrol in Accounting programmes with or without schools of Accountancy. No major shift in student numbers should be expected. Simply schools of Accountancy may attract a better quality of students. It is probable that the establishment of schools of Accountancy would increase the number of Accounting courses offered to Accounting students. That may result in a proportionate reduction of non-Accounting Business courses otherwise taken by Accounting students seems possible. Yet, no major reduction in Liberal Arts, Humanities, and Social Sciences courses taken by Accounting students should be expected.

The formulation of PSA may also be seen as a way that Accounting faculty can claim autonomy and impose their own standards of tenure and promotion decisions. More and more, the North American society becomes "a status society where credentials are important for entry if not survival in a guild" (Davidson, 1977). An Accounting professor to advance within the faculty ranks needs to have a Ph.D. A professional Accounting designation, years of practical experience, master degrees, and teaching ability and experience often do not

weigh as much as a Ph.D. degree. The Accounting profession is forced to recognize a research oriented doctorate as a terminal qualification. Yet, both the legal and medical professions do not require a research oriented Ph.D. The LLB and doctor of medicine are recognized as terminal degrees. Many Accounting professionals perceive a Ph.D. degree as a requirement that is not actually necessary, thus, very few practitioners pursue a Ph.D. degree.

Budgetary concerns of university administrators, resulting from the splitting of the Business Administration school into two autonomous units, at first seems to be well founded. Consolidation/amalgamation as a cardinal rule results in cost savings, while division/segmentation produces additional cost expenditures. Provided that new schools of Accounting, capitalizing on their new visibility, will be involved in new fund raising activities, all these budgetary concerns can be adequately addressed.

Accounting practitioners, although in general support the establishment of professional schools, may fear that in the model of law and schools Accounting schools may reduce the number of Accounting entrants and graduates (AICPA, 1976).

There is no doubt that Accounting schools would improve the quality of Accounting education. Such an improvement of quality on its own would restrict entry and/or graduation of weaker students. Public and private Accounting firms are expected to benefit from the better educated, better qualified

Accounting graduates. Accounting schools by addressing the needs of their constituency would supply not only the quality but also the numbers necessary to provide the profession with the blood supply for sustained growth.

In conclusion, the Accounting profession and the universities need Accounting schools and should set priorities in proceeding with their establishment. Gaining support from all those affected by the establishment of Accounting schools is crucial. To attract support, a detailed proposal produced by Accounting faculty is necessary. Patient attitude, working through the established academic channels, and influential representatives from the Accounting profession need to form a mission network.

Like all other mature professions, Accounting needs an autonomous school and faculty to serve as an educational centre for the Accounting profession. Existing Accounting departments cannot fully serve professional and academic needs. Professional Accounting schools would ultimately better serve all parties involved, the profession, academia, and the public interest.

### 13.5 SCHOOLS OF LAW AND MEDICINE AS MODELS FOR THE SCHOOL OF ACCOUNTANCY

Many advocates of professional schools of Accounting in trying to emphasize their need cannot avoid the temptation of



relating the Accounting profession to the professions of law and medicine (Savoie, 1971; Volmer and Mills, 1960). Analogies between Accounting and law and medicine can be valid only when the cases are strictly analogous and comparable.

Both the law and medicine disciplines have separate professional schools based on a general education prerequisite of one to four years. In earlier times, both disciplines required the prospective doctor and lawyer to apprentice with a physician in a hospital ward or with a lawyer in an attorney's office. Gradually formal education replaced apprenticeship. The responsibility for the education of doctors and lawyers was placed in the hands of educational institutions.

Both disciplines could have become part of the general education curriculum with doctors and lawyers required to take a variety of liberal education subjects concurrently with the study of law or medicine. However, separate schools were established because of the enormous quantity and complexity of the material involved in each discipline. Rapid studies in Sciences, on which medicine is based, necessitated premed. education in Biology, Chemistry, and Physics. Knowledge of Science and scientific methods was and is thought to facilitate laboratory work in medicine studies. Some pattern of continuity, sequence, and advancement from sciences to medical schools seem to be in place.<sup>6</sup>

Pre-law education, unlike premedical courses, is not as accurately prescribed.<sup>7</sup> Political Science, History, Business, and Economics usually constitute a good launching platform to the study of law. Yet, there seems to be no clear continuity, sequence, and advancement from pre-law courses to legal education.

Like medicine and law, Accounting evolved from a training system based on apprenticeship to a discipline requiring formal education in institutions of higher learning. Similarly, the vast growth in quantity and complexity of Accounting materials has created specializations and specialists (auditors, tax Accountants, cost Accountants). The growth in quantity of Accounting literature, financial press and publications has been phenomenal in recent years. The Business Periodical Index Directory can clearly provide evidence of the volumes available in Business including Accounting. Furthermore, there is a large body of technical literature which requires interpretation by Accounting specialists who possess special techniques and skills. Accounting teaching materials, textbook cases, software, and the like and the body of knowledge is possibly large enough to support a Professional School of Accountancy.

An Accountancy school patterned after the law school would accept for admission students from every discipline. Graduate Business schools (MBA programmes) seem to have adopted this policy with success. There is no evidence that

a prescribed undergraduate study is important for continuing on with a graduate Business programme.

If the medical school model was applied to Accounting, it would require prior education in Business, Accounting, computers, and Economics for admission to the School of Accountancy. This is against the established pattern. General liberal education at the undergraduate level seems far too important to sacrifice it for a prescribed specialized knowledge.

Admission of graduates from all disciplines to schools of Accountancy may duplicate some of the present offerings at the School of Commerce. Courses in Economics, Finance, Business Administration, Management, Law, and related disciplines presently offered by the School of Commerce would also have to be part of the proposed school of Accountancy. What Biology, Physics, and Chemistry are to medicine, Business, Management and Economics is to Accounting. One can never be properly trained as an Accountant without adequate work in related subjects. To avoid duplication one could suggest that only Commerce and Business Administration graduates should be admitted into schools of Accountancy. This in turn may shape Accounting schools to undesirable over-specialized institutions.

Needless to say, there are differences of opinion among the Accounting profession as to what model (medicine, law, architecture, pharmacy) is better and what standards are

needed to be adopted in developing a school of Accountancy (Grimstad, 1976; Mecking and Zimmerman, 1976; Whitham, 1974).

There are many issues related to the establishment of professional schools of Accountancy. Most of them, though, are common to the entire professional education, not unique only to Accounting (Wink and William, 1982; Wilensky, 1964; Volmer and Mills, 1960). Professional education superimposed upon general education creates a long model requiring many years of study. Lengthy Accounting study may be proven impractical. The cost and time may be prohibitive to many who desire to pursue Accounting education. Can enough candidates be found who can devote four years to general education and another three or so years to study Accounting? Also, professional education requires practitioners (medical doctors, lawyers, and professional Accountants) to get involved in teaching the new generation of professionals. Finding practitioners with a clear perception of the problems of practice, talent, and desire to teach is very difficult for all professional disciplines. Teaching is a profession of its own and serving well two masters (the academic and the Accounting profession) is not an easy task.

Finally, one has to wonder if a four year Commerce graduate with an Accounting major and an additional one to two years of graduate work is a better product than a graduate with a general Arts education degree and professional school of Accountancy. It would appear that ideally a three layer

system consisting of a general Arts education degree, a year or so of general business education similar to the first year MBA programme, followed by a school of Accountancy addresses all concerns expressed.

No matter what the academic model, advanced professional education requires practical experience, in addition to academic requirements. No academic programme can ever replace the skills and judgement which actual practice brings into existence. Accounting is not an exception to this rule. However, certain questions still remain.

How can one plan the practical Accounting experience in a sequential manner so the trainee can work on important Accounting procedures? How often and how many times should a trainee deal with a given type of assignment to master it? Is the supervisor knowledgeable enough to communicate his/her professional knowledge to the trainee? One learns by doing what needs to be done provided that the learner has a teacher. Not all supervisors, during the term of practical experience, have teaching abilities. In the absence of teacher supervisors, are Accounting students on their own? Is practical experience based on the "swim or drown" philosophy?

### 13.6 FINANCIAL SUPPORT FOR PROFESSIONAL SCHOOLS OF ACCOUNTING

The traditional operational grants available to universities by provincial governments could constitute the basic means of support for on-going operating costs of the professional school of Accounting. Schools of law and medicine also rely on public funding for their operating costs. External support for professional Accounting education would always be supplementary under the publicly supported university system in Canada.

University funding formulas for operating costs used by various provincial governments are always evolving and are not subject to analysis in this study. A question though may be in order as to whether or not the system can provide developmental funding and start up costs.

Establishment of schools of Accounting would require new faculty recruitment, library and computer facilities, and physical facilities along with revamping and developing existing ones. Furthermore, developmental costs associated with programme development, preparation of course material, administrative compensation and the like require additional one time funding.

External support for developmental costs is crucial. Both the profession through its large membership of all three professional Accounting organizations and the private sector

business firms as major beneficiaries of the professional schools of Accounting are expected to contribute towards these developmental costs. There is no better way for Accounting organizations to demonstrate their commitment to professional education than by supplying funds to professional schools.

The profession's support for operating costs earmarked for specific purposes may have greater support among Accountants than contributing to general operating costs of the school. Sponsorship of Accounting Chairs, visiting professorships, awards for teaching and research excellence, student scholarships, conferences, symposia, and professional development activities are typical examples of specific financial support which encourage co-operation between the profession and Accounting schools.

Needless to say, whatever share or form financial assistance may take, it will be limited to a reasonable number of schools. There is no good reason justifying the establishment of Accounting schools at every university. At least at the initial stage of introducing them to the university scene.

The annual operating costs are not expected to be the same for each school. Even with similar teaching loads and full-time to part-time faculty ratios, total student enrolment, class size, and faculty and staff compensation, allocation of costs within each university would result in different figures of operating costs. Likewise, tuition fees,

and government funding formulas would determine the level of revenue for each school. Thus, a separate projection of revenues and costs is needed for each proposed school of Accounting.



## NOTES TO CHAPTER THIRTEEN

1. The list of generally accepted objectives has been compiled by a number of sources including ICAO, 1978 and AICPA, 1976.
2. In announcing the new (1989) CA education programme, the ICAO state: "It is no secret that a gap has developed between the uniform final examination (UFE) syllabus and the courses the Ontario university system have been able to provide."
3. Financially, many Accounting Chairs are supported mainly by donations from public Accounting firms. Private firms, Accounting organizations and universities themselves also provide financial support. The Arthur Anderson Alumni Chair at the University of Alberta and the Windspear Foundation Chair in Accounting and Finance at the University of Waterloo are among the first such Accounting Chairs established.
4. See Chapter 5.
5. Information is provided from the University of Toronto calendar.
6. This information was derived from the university calendar survey.
7. Information is provided from the university calendar survey.

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## CHAPTER 14

## CONCLUSIONS - RECOMMENDATIONS

14.1 SOME CONCLUSIONS WITH REGARD TO THE CANADIAN  
UNIVERSITY SYSTEM

It is clear that the Canadian universities are facing some serious problems. Cut-backs, shortage of funds, programme reductions, early retirement schemes, expanding class size, lack of modern classrooms and equipment are unmistakable indicators of the hard times universities are enduring. The universities' traditional argument that they are centres of abstract thought fostering critical thinking and intellectual excellence, although a legitimate claim, does not sell well with the public today. One of the major reasons attributable to university problems is that universities are not perceived to have delivered what the public wants of them. The public has increasingly asked, through the number of students attracted to particular faculties, for professionally oriented education. The universities' response has been inadequate. Students often do not have the opportunity to enter in the programme of their first choice. They often end up in another programme, sometimes outside the university.

Universities appear slow and reluctant to shift resources to fields such as Accounting, Management, Computer Science, Electronics, Genetic Engineering, and Gerontology and other

Health Sciences that are crucial for the job market of tomorrow.

With accountability spread (and often lost) among a number of faculty committees, and a tenure system that prevents the shifting of faculty, from one discipline to another, universities' inability to respond to public demand is not a surprise.

Solutions to the problem can develop from many areas of responsibility.

University education is a national concern, yet, it is under provincial jurisdiction. Canada's economic and productivity performance requires, in some capacity, the involvement of the federal government. A national industrial and manpower strategy can not be effectively implemented by the independent policies of ten provincial and two territorial governments. A lot of federal money goes to universities through the federal transfer system. The federal government may legitimately demand a say in how its money is spent.

The private sector has for all practical purposes abdicated its responsibility for universities, limiting its involvement to occasional fund raising contributions. The private sector will have to articulate its perceived need for the type of university graduates they need. To complain about the adequacy of university graduates to speak and write properly is not enough.

University administrators and Board members must assume their responsibilities and make hard decisions about reallocating resources. The notion that programme development is allowed and/or follows times of revenue growth is obsolete. It is crucial that desired programmes develop even when revenue growth for universities is frozen or moderate. At the same time universities should pay more attention to public relations and their interaction with the public. In the era of consumerism, the consumer (public) needs to be better informed and better treated than ever before.

Faculty may accept a ceiling for tenured faculty. Academic freedom should be truly protected. Job security, though, should not be equated with academic freedom. A 100 percent tenured faculty in certain fields and/or departments raise questions about tenure as a system rewarding academic excellence. Perhaps tenure should be treated more as an award for academic excellence than an across the board entitlement.

Students should demand excellence from universities. Students average contribution of about 15% of the university costs may explain the students' relative apathy or lack of vocal and active participation in the university administration. If they feel that they receive a good value (education) for the money they pay (tuition fees), perhaps the fees must be raised to represent a higher percentage of the total educational cost.

Finally, the public in general should accept higher entry standards to university without seeing it as going against the Canadian tradition of universal accessibility to higher education. Admission to university should be based on actual not implied merits assigned to all holders of a high school diploma.

#### 14.2 POSSIBLE SOLUTIONS TO CLOSING THE GAP BETWEEN DEMAND AND SUPPLY OF Ph.D.s IN ACCOUNTING

There three ways one can attempt to bridge the gap between demand and supply of Accounting doctorates. One is to build from the demand side, another is to build from the supply side, and the third is to build from both sides. Understanding the factors that affect the demand and supply of Accounting doctorates will assist immensely in developing recommendations for closing the gap between demand and supply.

##### Factors that Affect the Supply of Accounting Doctorates

##### **I Factors increasing the supply of qualified academic Accountants.**

1. Tenure and promotion university standards requiring a doctoral degree.
2. Rising standards as to what constitutes a qualified Accounting faculty, (from an MBA with professional designation to a doctorate degree with professional Accounting designation.)

**II Factors decreasing the supply of academic Accountants.**

1. Increasingly high salaries offered to Accounting graduates with a bachelors or masters degree by the private sector which lures them away from an academic career.
2. Exit of many academics from the university to the private sector.
3. Inadequate economic incentives for doctoral studies.

**Factors that Affect the Demand for Accounting Doctorates****I Factors increasing the demand of qualified academic Accountants.**

1. Growth of undergraduate Accounting programme enrolments.
2. Growth in the number and size of MBA programmes.
3. The development of graduate Accounting programmes.
4. Increased enrolments of non-Accountants in Accounting courses.
5. Proliferation - specialization of Accounting courses in many areas of Accounting.

**II Factors decreasing the demand of qualified academic Accountants.**

1. Willingness of existing faculty to assume extra teaching responsibilities.
2. Availability of part-time Accounting faculty.
3. Non-Accounting faculty is assigned to teach Accounting courses.



Recommendations Aiming at Reducing the Demand for Academic Accountants.

Universities can reduce the demand for Accounting courses by reducing the number of Accounting students. The number of Accounting students could be dropped by applying a combination of the measures below (Nelson, 1983):

a) raise the admission standards requirements for Accounting students to prohibit large numbers of students entering the Accounting programme.

b) raise the graduation requirements of Accounting students to allow only an elite highly competent group to graduate

c) discourage students from registering in Accounting courses.

This can be achieved by a variety of measures such as unfavourable Accounting student counselling, establishing strict and uncomfortable deadlines, scheduling Accounting classes at odd times, and raising the tuition fees for Accounting courses above that of other disciplines:

d) government may restrict financial assistance and grants to students pursuing Accounting studies. Needless to say, these measures are negative and contravening the mandate and purpose society has placed in the hands of the university. Raising admission requirements to prohibitive levels is against the principle of accessibility. All those students who meet the established criteria to enter university, at least the Canadian citizens and permanent residents of Canada should not be denied the opportunity of a university

education.

Issues of accessibility are far too important to allow for some artificial rise of admission standards aiming to exclude individuals from studying at university. Furthermore, for advocates of free market forces, intervention and reallocation of resources is unjustified and unacceptable. Raising admission standards for Accounting while keeping them unchanged for other disciplines amounts to market interference. Students unable to be accepted into Accounting may choose another discipline reallocating resources away from Accounting.

Raising standards and graduation requirements to unreasonable levels is a gross injustice to those that otherwise would qualify for graduation. In short, all aforementioned measures may be unethical and immoral. Probably university, government, and the public who supports both will not tolerate any of these blatant and severe measures.

There may be another approach to raising admission and graduation standards. Given the fact that only one in three or four Accounting university graduates attains a professional Accounting designation, why waste scarce Accounting faculty resources on those students who fail the professional Accounting designation examinations? The demand for Ph.D.s in Accounting would drop dramatically if only the top 25% or 33% of students were admitted to Accounting programmes.

Besides the cruelty of this approach, it is virtually impossible to identify the top students at the admission stage. Any attempt to screen candidates for a professional Accounting designation before they are admitted to university would be less than ideal. High school graduates entering universities have diverse educational experiences and their grade point average transmits mixed signals. Simply put, some high schools apply higher standards than others. Thus, students need to be evaluated at the university level with uniform, across the board standards, before it is quontaplated who is good enough to pursue an Accounting designation. By that time, though, "weaker" students who may not be able to make the professional Accounting designation exams have already been admitted to university. Furthermore, reduction of tuition and government funding from the fewer student head count, as a result of admitting fewer better students, would be detrimental to the university's finances.

#### Recommendations Aiming at Increasing the Supply of Academic Accountants

Universities can increase the supply of academic Accountants by applying the following measures:

- a) increase the salaries for Accounting faculty.
- b) promote Accounting education and programmes in a more aggressive fashion
- c) accept and hire as adjunct professors, qualified practitioners without a doctorate

d) establish and promote a "teaching" doctoral degree in Accounting.

Improving the financial package available to Accounting faculty may attract Ph.D. holders to academia. It may also convince those already at the university to remain there. Higher salaries are a must to reverse the trend of academics, especially those in professional schools, leaving academia for the private sector. Such a recommendation also has its pitfalls. Unionized faculty and collective bargaining may not allow financial incentives for faculty in a specific discipline. The egalitarian approach espoused by universities does not leave much room for market considerations. All faculty is paid the same salary no matter what the enrolment pattern is for their corresponding disciplines. University administrators have tried to resolve this issue with market supplements over and above their salary for those faculty members in short supply. However, in general, this measure is not totally acceptable to unions and faculty.

Many faculty members without Ph.D. credentials who have several years of academic experience could discover in pursuing a doctoral degree that is not such a difficult undertaking. Societal emphasis on credentials, demanding criteria used for faculty evaluation, and the desire of many non-doctoral faculty members not to be considered second class faculty may be enough to bring some faculty back to graduate schools.

A partially or fully paid leave, maintenance of their seniority, and the promise of a promotion may work well to convince such a faculty to pursue Ph.D. studies. The captive market of Accounting faculty without Ph.D.s makes this recommendation the least expensive to implement and probably the most attractive to follow.

A doctoral degree in teaching would be based on emphasizing teaching skills instead of research and publishing. MBA holders with Accounting accreditation and practical experience, if they were allowed to pursue such a degree, would bring the system of demand and supply of Accounting faculty much closer to an equilibrium point. The Carnegie Commission on Higher Education (1971) proposed and recommended such a degree.

The Accounting profession can also assist in establishing some kind of sabbatical or leave policy for qualified senior partners of CA firms to allow them to teach at the university. Clinical faculty with CA origins not only will enhance university Accounting teaching, but it will involve CA firms in the educational process of their future membership. Furthermore, the participating firm will gain in high profile and reputation. Another method of assisting in stimulating the supply of academic Accountants is by providing a financial assistance plan (grants, loans) for doctoral students.

On the supply side, the supply can be stimulated by a number of measures. Higher financial assistance to Ph.D.

candidates for the 3-4 years of doctoral study including the dissertation stage has the potential of drawing more students to Accounting. The financial assistance should not be in the form of repayable loans, but, in the form of grants. The closer the financial aid package comes to the salary earned by the applicant prior to being admitted into the doctoral programme, or the salary students forego by registering at university, the more successful financial aid is going to be. Practising Accountants, to return to school after being accustomed to the amenities of professional life, need more than limited handouts.

To secure that recipients of generous financial assistance will choose an academic career upon graduation, a contract could be signed between the candidate and the party awarding the financial aid. The terms of the contract could stipulate that for every year of financial assistance the candidate would be obliged to serve one or two years at a university of his/her choice.

Establishing and supporting distinguished chairs of Accountancy at different universities for serious researchers will also stimulate the research oriented doctoral programmes in Accounting.

The recommended increase in faculty salaries can be financed mainly by increased government funding. However, the private sector, alumni, educational foundations, the students themselves, or budgetary reallocations within the university

may further improve the ability of the university to pay higher salaries to academic Accountants. Under the present funding formula, universities are funded on a per student capita basis. Government does not earmark funds separately for each discipline. It does apply, though, different weights for each discipline. In Ontario, for example, arts students are financed at a 1.0 BIUs (basic income units) while Business (Accounting) students are financed at a 1.5 BIU. That is, a Business (Accounting) student provides the university with 50% more government funding than a general arts student. However, the government provides the university on the basis of a student count with a lump-sum amount for the entire student population. The government does not allocate money among academic disciplines. Thus, under the present system additional funding for Accounting education is very difficult. It would necessitate abandonment of past practices and budgetary reallocation of resources in a more favourable way for the Accounting discipline.

Additional financing from the private sector appears to be an easier task. Contributions from public Accounting firms, professional Accounting associations, and other businesses can be earmarked to Accounting (business) discipline. Likewise, Accounting alumni can specify the discipline in which their contributions are to apply. Educational foundations can also specify the study area they wish to support. A fund established for the purpose of

increasing the supply of academic Accountants could attract money from all the above mentioned private sources. An annual allocation of privately raised funds on top of the salaries earned by academic Accountants could provide the supplement necessary to bring their salaries to a more competitive level with the private sector.

Charging higher tuition for Accounting students may not be a bad idea either. In fact, it is justified in economic terms. Short supply and high demand results in higher prices. The precedent has already been set, medical schools, and law schools do charge higher tuition fees than the rest of the university. However, higher tuition fees will do no good unless the extra fee goes directly to a special account aiming to assist bridge the gap between demand and supply of academic Accountants. This may be against the established practice of having one, university wide, common account for tuition fees.

Even if budgetary allocations transferring a higher proportion of funds to the Accounting salaries was approved by the university administration, it would cause other problems. Collective agreements between the university and faculty do not allow the flexibility for salary differentials. Salary increases are set for the entire faculty across the university. That is, no matter how compelling reasons may exist, it is very difficult for Accounting faculty to enjoy more competitive salaries vis avis the private sector without increasing salaries for all faculty across the university.



Given the financial constraints of the university, raising faculty salaries across the board seems to be an unreasonable proposition. A way around this problem may be the institution of "a market supplement" for faculty in short supply in addition to the regularly negotiated salary for all faculty. Market supplements, though is a controversial matter that may undermine the spirit of a collective agreement since the majority of faculty is not entitled to it.

In conclusion, increasing the salaries for Accounting faculty is not a realistic proposition without some fundamental change in the university system and the mentality of those who operate it. Since traditional institutions - the university system is the embodiment of tradition - do not change overnight, in the short run establishing a fund from private sources earmarked for supporting Accounting faculty appears to be the only realistic alternative.

Brochures, calendars, and other printed material issued by the university should give some prominence to Accounting education. Since financial considerations are only one part of a student's decision to follow a given profession, it is necessary to emphasize the non-monetary benefits of academic Accountants. Lifestyle, the joys of teaching and research, the autonomy/independence of academic work are appealing elements of the academic profession. Accounting as an alternative to public or private Accounting may be a very attractive proposition for many Accounting professionals.

Hiring qualified practitioners without doctorates as adjunct professors does not increase the supply of Accounting doctorates but suppresses the immediate need for academic Accountants. It has been suggested in this paper (Chapters 3, 4, and 5) that hiring practitioners for certain courses is wise and inevitable. Why not then selectively assign them adjunct professorships? Candidates with master degree, professional Accounting designations and professional experience are excellent teaching resources. As long as a desirable ratio of adjunct professorships to total Accounting faculty is observed, adjunct faculty, especially in the short run, can meet the demand of additional Accounting faculty. Team teaching and appropriate timetable schedules can accommodate qualified practitioners who have to share their working life between the university and their main place of employment.

#### 14.3 RECOMMENDATION FOR CLOSING THE PERFORMANCE GAP BETWEEN COURSEWORK AND DISSERTATION

It is difficult for anyone to suggest solutions that will definitely work. However, here are some positive things that can be done in response to the problems described in Chapters 7 and 8.

1. A general framework in research design and analysis, statistics, and computing at the coursework stage will

assist immensely the scientific inquiry of the dissertation. An integrated research approach whereby a research requirement is part of every doctoral course will make the transfer from the coursework stage to the research/dissertation stage easier. Review of the literature, and critiques of published research efforts are typical research projects that can be adopted by each doctoral course (programme). Exposure to the research techniques of scientific inquiry early into the programme is imperative. The dissertation stage may never be completed unless some prior fundamental research training has taken place during the coursework stage.

2. Participation in conferences, research workshops and seminars for all doctoral candidates should be encouraged and monitored. All these activities will sharpen the research activities of the candidates.
3. Each and every candidate should identify early in the coursework stage a research area in which he/she may start developing a dissertation proposal.

A research dissertation proposal should be submitted and accepted before the candidate is allowed to write the comprehensive examinations. This measure will induce candidates to start on their thesis early.

Dissertation proposals must include a timetable of activities to be undertaken. A commitment to meet an approved timetable may shorten the length of time to

complete writing the thesis.

4. Faculty, financial and university support should be provided to candidates not only during their coursework but also during the dissertation stage. This system may prevent candidates from seeking out employment before they complete their thesis.
5. In the event that Ph.D. candidates are hired prior to completing their dissertation, sufficient pressure should be applied on the candidates by both the degree granting and the hiring institution to complete their dissertations on time.
6. Hiring schools could pay a "signing bonus" to the ABDs they hire before graduation. Under the signing bonus, they may grant doctoral candidates some release time for a semester or two to stay on the campus of the degree granting institution and work exclusively on their Ph.D. It goes without saying, that upon completion of their dissertation, graduates will have to honour their contractual agreement and report to the institution that hired them.
7. Universities should give more visibility to the recruitment of Accounting doctorates. Academic Accountants should do a better job in promoting academic careers in Accounting. Faculty is very influential on candidates during the doctoral programme. Positive interaction with them, guidance and more information

about the academic career may encourage more candidates to the academic career.

#### 14.4 GENERAL RECOMMENDATIONS - FOR CHOOSING A PROMISING DISSERTATION TOPIC

It is very difficult for anyone to come up with a checklist of "do's" and "don'ts" for developing a successful dissertation. Choosing a successful dissertation topic is a complex process that cannot be reduced to some brief rules. However, some general considerations in choosing a dissertation topic may be in order.

##### Commitment

A primary reason that candidates fail to complete dissertations is the lack of commitment to the necessary effort and time. The candidate must devote whatever time and effort is required to successfully complete the dissertation research.

##### Mental Set

A candidate should not view the dissertation merely as a final hurdle in the quest for a Ph.D. It should be considered as a scientific inquiry which will develop into at least one publication. Dissertation is a learning experience in developing one's research abilities for subsequent projects. It should not be considered a one time ordeal for the sake of receiving the doctorate.

### Sufficient and Efficient Time

Candidates are often engaged in teaching (as teaching assistants or regular faculty) while they work on their dissertation. The tendency is to trade away research time for teaching. The immediate monetary and nonmonetary awards of teaching leads candidates to justify extra time spent in teaching related activities. Days and weeks pass without accomplishing anything on their dissertation. Limiting teaching responsibilities for students at the dissertation stage, assigning them to courses that require light preparation or to courses that they have taught before, and scheduling a timetable that frees large blocks of time for dissertation research are always helpful measures.

Blocking out sufficient time, everyday if possible, to work on the dissertation is important. Mental concentration requires some consecutive hours of work each day. Short windows of time are not sufficient. Start up time to pick up where work was left, will eliminate a short time window available for dissertation research, and one may be left with the feeling that nothing was accomplished. Blocks of at least 3-4 hours a day seems more appropriate. Good time management and ability to work around employment and family schedules is crucial in securing the desirable blocks of time.

In addition, choosing to work on the dissertation during the most creative time of the day is important. Working when one is at his/her best, most alert state of mind means that

the time available is utilized more efficiently. A "morning person" should commit to morning time for dissertation research and a "night person", to night time to maximize the output of the effort.

#### Area of Research

Candidates should choose an area of research on which they want to work. If they want to follow a particular career path, certain areas of research may have distinct advantages for ultimately accomplishing their career objectives. For example, a career interest in the oil industry may be facilitated if the research topic is related to the oil industry. Familiarity with the topic, although an asset, is not always necessary.

#### Faculty Supervisor - Guidance

Since the faculty supervisor input and guidance is imperative for attaining the dissertation related goals, the availability of a faculty member interested and knowledgeable in the area of dissertation should not be ignored. Each faculty has different talents, abilities, and interests. Different topics may include or exclude certain faculty from supervising a given topic. Choosing a faculty advisor on the basis of criteria other than expertise and knowledge on the subject area may disadvantage the candidate as it may deprive him/her from efficient and sufficient guidance.

### Abandoning a Topic Too Soon

A candidate who flutters from one research topic to another is likely not to finish a dissertation. Candidates should not abandon a topic because it appears to be difficult to handle. Topics that require more time and effort to develop may be more worthwhile research pursuits than "precooked, ready to serve" ones.

In particular, a Ph.D. student must follow certain generally accepted guidelines in order to succeed in the dissertation stage.

- 1) Development of an appropriate philosophy recognizing the Ph.D. degree as a continuous process of development is a must. The coursework, comprehensive examinations, and the dissertation should not be viewed as independent hurdles one must overcome to enter the Accounting profession. Instead, each stage is a part of a long process with a unique approach to develop one's scholarly abilities. Each stage has spill-over affects into other stages. Strengths and weaknesses are carried from one stage to another, facilitating or inhibiting a candidate's progress and development.
- 2) Frequent paper writing in the coursework stage is also important, especially papers that require field research and data analysis. Mini-dissertations during coursework are very helpful. Students who learn how to go through the motions of proposal, problem identification, bibliography etc. two to three times during their coursework will encounter fewer



problems at the dissertation stage. The "practice makes perfect" dogma can easily be applied here. Although the scope of mini-dissertations is not comparative to the Ph.D. dissertation, a mini-dissertation may develop into a full fledged one with some additional work. Preliminary ideas can be blown up to dissertation. Regardless of the potential of turning previous research projects into dissertation topics, mini-dissertations provide the student with the opportunity for practice, interaction with faculty, and feedback, all very useful later on when he/she works on a Ph.D. dissertation.

3) Selection of a research topic consistent with the interest of both the candidate and the faculty resources available is another general rule to successfully choose a dissertation topic.

Familiarity with the faculty and their expertise would assist the candidate a lot. Regular workshops on current research activity in and out of the school will also be helpful.

Alignment of candidates with the most compatible topic and faculty resources available may bring the candidate outside the Accounting discipline and/or department under these circumstances. There is nothing wrong with Accounting students working outside the Accounting department. In fact, schools should encourage an interdisciplinary approach.

#### 14.5 SOME ADVICE WITH REGARDS TO DISSERTATION GRANT SELECTION PROCESS

Doctoral students should learn how to seek out grants and fellowships. Submission of proposals at the appropriate time and form is essential and requires special skills. As some of these grants often come from outside the university (agencies, professional associations, foundations) students and administrators of doctoral programmes must be well versed in the availability, terms, and conditions of their programmes. A well developed Ph.D. proposal may not qualify for grant or research funding. a proposal for funding purposes may involve different considerations than those desired by a doctoral supervisor. Candidates ought to learn more about how to successfully apply for outside university funding.

Although the selection process and criteria differ from one granting organization to another, there are enough commonalities for one to attempt to deal with dissertation grants collectively.

1. Feasibility of the proposed study is the number one consideration. Only if the proposed study is feasible there are grounds for further testing the research proposal against other criteria.

2. Research design. The research design must be matching the line of inquiry and provide sufficient data on which the

hypothesis is going to be tested.

3. Dissertation Committee - Doctoral Supervisor. Successfully written dissertations usually require the good advice and expertise of a doctoral supervisor - committee. Credible faculty render additional credits to applicants for dissertation grants.

4. Length and format of the proposal. Unnecessarily long proposals may create a negative reaction as brief, incomplete ones. The maximum length specified in the guidelines should never be exceeded. Conforming to the appropriate length is imperative. Good format, irrespective of the substance always makes the presentation more appealing.

5. Bibliography. Sometimes a bibliography list is requested as part of the research proposal. A good bibliography may indicate that some preparatory work was done for the dissertation research. Awareness of previous research in the area of the proposed topic is a plus.

6. Applying too early. Applying to a foundation that supports dissertation research while the student is early in the coursework stage is unwise. Applying far in advance of the research stage does not advance a student's case.

7. Meet deadlines. Knowing the pertinent deadlines helps in submitting the application timely. Late applications, most of the time, are not considered.

8. Education and career goals statement. A brief description of education and career goals helps the sponsoring agency to

determine if the candidates goals are also the goals that the sponsor aims to support (eg. A foundation may aim to increase the supply of Accounting doctorates by supporting only those who plan to teach at a university).

9. Budget proposal. Some funding agencies require the submission of an expenditure budget. Knowledge of the guidelines as to what is and what is not allowed as a submissible expenditure is imperative. Questionable expenditures may cause rejection of the application.

10. Full-time status. Many funding agencies require that the candidate, in order to receive financial assistance, devote full-time to coursework and/or the dissertation. No employment other than teaching or research assistantships may be allowed.

11. Coursework. A good match of coursework with the research proposal seems important. It indicates that the candidate has the appropriate background to carry out research in a proposed area.

12. Test scores. In most cases, test scores seem to be a last resort evaluation tool. When the applicant's proposal is satisfactory according to the preceding criteria, often there is no need for examining test scores. In marginal situations, though, test scores may become a crucial factor in accepting or rejecting an application.

13. Transcripts. Most universities follow the practice of sending official transcripts directly to a third party (to

the party a student directs the university). Applicants must be aware that delays and missing deadlines may result from this practice. Students should monitor the situation so that universities respond promptly to their requests of issuing and mailing transcripts.

14. Letters of reference. The quality of letters of recommendation is critical. Recommending an applicant is insufficient without some background information about his/her abilities, expertise, likelihood of completing the programme etc. Familiarity with the student and his/her endorsement as a doctoral candidate should be stated confidently. Lukewarm endorsements are not effective, as letters of reference are expected to be somewhat positive. Also, a student must make sure that the reference letters are submitted by the referees in a timely fashion.

15. Following instructions. Many applicants may ignore instructions requesting a specific type and information format. Not following the rules may be frustrating enough for the evaluation committee examining the application to disregard it.

16. Prompt response. Applicants when asked by funding agencies for supplementary information or clarification should respond as soon as possible, without delays and procrastinations. Otherwise, the evaluation process may never be completed.

17. Resubmitting applications turned down. Applications that were turned down because they were submitted too early or because there was not enough funding available to satisfy all applicants may be resubmitted at a later date. Often, funding organizations invite applicants to reapply. If the application is turned down because it does not meet the criteria, it should not be resubmitted unless the reasons of rejection are removed.

18. Multiple applications. Applying to more than one funding agency with the same dissertation proposal is an acceptable practice. Every candidate should dream about the situation whereby he/she is able to select among a number of offers.

#### 14.6 SOME GENERAL CONCLUSIONS WITH REGARDS TO ACCOUNTING DOCTORAL PROGRAMMES

Factors that could possibly improve the success of doctoral programs in attracting qualified candidates and producing PhDs may include the following:

1) Reputation of the Program and the University

High profile faculty, successful graduates, good publication record by both build up a reputation for the program and the university. Community service, public presentations, involvement in public affairs by both faculty and alumni also enhances the image of the university. A good reputation entices candidates to seek admission. Everyone

wants to join a winning team. A good reputation may also be specialized. A school may be considered too traditional, too modern or too theoretical. Its specialized reputation along with its overall reputation plays a significant role in choice.

## 2) Admission Requirements

Admission requirements, while generally appear standardized, may be drastically different from one school to another. Lower admission requirements facilitate "free entry" below par candidates and lower standards. In the short run, while it may improve the supply side of the equilibrium, in the long run, it may be detrimental for all involved. Higher admission requirements may be a hurdle that discourages candidates from entering the program. The magic balance of reasonable admission requirements is not easily achieved.

## 3) Programme Content

The programme content should be relevant to what the program professes to be and to the needs of the candidate. Not only accounting but supportive disciplines of business and economics must provide pertinent content. Various stages of the program (course work, pre-candidacy levels, candidacy level) with appropriate chronological deadlines should be provided as well.

## 4) Faculty Support and Doctoral Supervisors

Faculty support is crucial at the doctorate level more so than any other level of studies. Student-faculty

interaction and co-operation is a great part of doctoral education. Graduate students may be supervising faculty's classes while faculty is supervising graduate student's work. The student should feel welcomed, more or less, on an equal footing with faculty without being taken advantage of. These supervisors and dissertation committee members play an even more crucial role. Their attitudes should provide encouragement and assistance. It should not indicate a mentality of doing a favour to the candidate or of being drafted by the university for a task they actually resent and dislike. An appropriate role and attitude for faculty is that of facilitator. Needless to say, that a faculty member that over extends his/her services to too many candidates may in fact hinder the candidates chances for proper consultation time and support.

#### 5. Financial Support

In addition to what has already been said on this matter, the head of the programme must be knowledgeable about funding opportunities and to communicate them to candidates. Candidates need a certain level of finances to be able to survive. Unreasonable teaching and/or research load in order to provide financial support should be discouraged as counterproductive.

#### 6. Marketing of the Programme

School and departments responsible for offering doctoral programmes should improve their ways in communicating with



prospective students. Calendars and brochures should include cost projections per year, average duration of the programme, source, and amounts of financial support, remuneration in terms of employment by the university as teaching and/or research assistants, success and failure rates of those admitted at each stage of completion (coursework, comprehensive examinations, dissertations). This type of information -disclosure should be as prominent as the rules and regulations that presently dominate their university publications.

It is possible that some schools may continue to abstain from providing the information suggested, especially if these statistics do not look very good for the university. However, candidates will become aware of their absence if other schools report this type of information. Then they will be able to ask the "right" questions and make an optimal decision as to where they want to study. Also, disclosure of such information will allow schools to compare what they offer in comparison to other schools. Competition among schools and efforts to improve a particular situation can only contribute positively to graduate Accounting education.

#### 7. Climate and Cost of Living of University Area

Preferences about climate and cost of living of university areas are obvious factors that may tip the scale in favour of one programme or another. However, this factor is beyond the control of the school. At best, the most a school can do is

to promote the climatic advantages of the location and to provide for subsidized cafeterias and dormitories to lower the cost of living.

#### 8. Networking with Undergraduate Schools

Personal contacts of faculty and active relationships with undergraduate schools may provide the administration of doctoral programmes with names of bright candidates. Such a candidate can be invited to the school for a tour of the facilities and/or a presentation of the program of studies. Such a visit prior to admission may be proven wise for both the university and the candidate.

#### 9. Retrain Underemployed Existing Faculty

Faculty members from disciplines in which the student demand is low may be given the opportunity for re-orientation, retraining and re-deployment in Accounting and Business.

The late 1970s and early 1980s have displaced a large number of working people. Many of them were not blue collar workers in dying industries but professionals. Universities have sheltered themselves from such major displacements through the assistance of the tenure system, rigidity of the university structure, and normal attrition and retirement.

The author is unaware of any programmes in Canada where existing faculty was retrained in order to follow major shifts of faculty demand. Although the retraining idea is not a popular idea among faculty, especially among those directly affected by it, it might not be such an unattractive option

as many believe. Particularly, if one considers the alternative of redundancies and displacement of individuals the retraining redirection idea is not a bad one.

Some faculty in allied disciplines (Economics, Mathematics, Computers, and Social Sciences in general) will have an easier time with this recommendation, while in other cases, the plan may be difficult or even unworkable. Nevertheless, the recommendation has to be tabled before one considers it. Retraining would be an extension of the previous studies. Life long education requirements bring many accomplished professionals back to school. Faculty is not immune to the need for life long education. With specially designed training programmes over the summer months, faculty could be gainfully employed during the academic year. With reasonable costs, financial and other incentives, the plan may work very well.

#### 10. Improve the Research Environment

As it has been already said, teaching overloads, large classes, administrative responsibilities for part-time faculty are all impediments to research. Furthermore, to restate a previously made point, the definition and research criteria used by funding agencies SSHRC are unfavourable to Accounting and Business faculty. Improvements in all the above mentioned points would be necessary to allow Business and Accounting faculty to devote more time to research activities.

### 11. Make Greater Use of Visiting Appointments From Industry and Government

There are many highly qualified individuals in the private and public sector who have a lot to offer in the classroom. The wealth of experience, executives can bring to the classroom is great. A combination of the conventional academic forces with high calibre professionals is formidable. Executive programmes (mostly MBA programmes) use this combination with very satisfactory results.

### 12. Inventory of Canadian Articles

Inventory of Canadian articles which appear in American, Canadian, Australian, and British publications could be reproduced in a Canadian annual or semi-annual publication. This method may lead to a new Canadian journal to host Canadian research in Accounting and Business. Any measure of strengthening the Business research will reflect positively upon the production process of Canadian educated business doctorates.

### 13. Lobby Government and Private Sector to Improve the Support to Management Education

The direct relevance of business schools to the private sector necessitates more generous corporate support. Private Accounting firms and the banking sector, in particular, should be more supportive than they have been in the past. There are few identifiable large corporate entities in both industries, with branches across Canada which should be approached first.

As major beneficiaries of the Accounting profession, they should contribute more towards its future development. Financial support may allow students to forego employment during their studies, to increase their availability for course and/or research work, and to remain on campus longer while pursuing their degree. Accounting firms, in the long run, will suffer if universities do not produce qualified Accounting faculty in sufficient numbers.

#### 14. Introduce Part-Time Doctoral Programmes

The time for institutions to introduce part-time doctoral programmes has come. Severe Accounting shortages leave very few immediate options. To ignore the additional Accounting doctoral candidates who can be attracted to a part-time programme constitute a serious negligence for universities. Existing Accounting and Business faculty, as well as, business executives are two prime groups - candidates for a part-time programme.

#### 15. Address the ABD Problem

The solutions to the ABD problem as far as the schools that hire them are concerned are twofold. One solution is to stop the practice of hiring Accounting ABDs, this presumably will allow for the timely completion of their Ph.D. degrees. The other is to institute special time allowances in the initial academic year for the ABDs to complete their research.

The first solution appears to be too restrictive and ignorant of the market forces. The second is a more realistic

solution. It appears that when a school recruits an "Accounting Ph.D. in the process" it has faith and confidence that the new recruit will produce for the school in the future. The school is willing to accept "less" in the present for greater future dividends. This philosophy is in line with a policy whereby the candidate is released from some teaching and/or other obligations in the first year to work on the dissertation project. For example, minimizing the course preparations is a good goal to aim for. The reduction in workload will have to be made up in the future. With this policy, the university acquires faculty in short supply and the candidate continues to work on his doctorate while he/she is earning a living.

Facilitating timely completion of the degree serves the long term interests of the hiring school in the best possible way. That facilitation beyond the reduction of duties may provide a supportive research environment in terms of an office, library and computer facilities. ABDs may also be given some specific assistance when senior colleagues accept to act as a sounding board for their research report and findings. The processes of ABDs presenting and discussing their research with colleagues at the hiring school may weed out undesirable features and smooth out rough edges prior to submitting it to the doctoral supervisor/committee.

An environment where new ABD recruits share their doctoral research work with other faculty fosters long run

scholarship and research. It sets the tone of research activities to follow. The new recruits may adopt a "publish or perish" mentality early in their academic career while senior faculty will have the pleasure of providing research leadership to new Ph.D.s.

#### 14.7 SUGGESTED STANDARDS FOR PROFESSIONAL SCHOOLS OF ACCOUNTING

The American Accounting Program Standards developed through a joint effort of the American Assembly of Collegiate Schools of Business (AACSB), the American Accounting Association, and other associations. The AACSB standards in the USA could be used as a model for developing standards for accreditation of an Accounting programme in Canada (AACSB, 1980-81).

The entire academic programme within the professional school and the Accounting faculty would come under the guidelines of such standards. Accounting schools may not meet all the standards at the time they come into being. The required quality of resources (faculty, library, computer facilities) should be considered goals to be achieved within a reasonable period of time. Standards relating to faculty are of two kinds: those relating to qualifications and experience; and those relating to the number of faculty and to the proportion which are full-time faculty.

The recommended faculty qualifications refer to the faculty as a group. Standards, in terms of number of doctorates, professional designation, expertise, and recent experience, are not to be met by each and every faculty member. The aim is a desired qualification mix with minimum proportions of faculty possessing a doctorate degree.

American Association of Collegiate Schools of Business standards of Accounting faculty as percentages of full-time equivalents are (AASCB, 1980-81):

Doctorate	75 %
Professional Designation	60 %
Relevant Experience	60 %
Either Doctorate or Professional Designation	90 %

These standards should not be used as absolute. Small variances in a given category should be tolerated as schools strive towards the recommended proportions. A faculty member if qualified could be included in more than one of the tabulated categories.

A doctorate degree is desirable and necessary to enhance the scholarly capabilities of faculty. The discipline in which the doctorate is earned has to be relevant to the teaching area in which the faculty is assigned. Currently a number of non-Business doctorates have parachuted themselves into Business schools due to the shortage of Business doctorates.



Professional designation is also a desirable and necessary faculty attribute. It brings in the school the dimension of professionalism. A professional Accountant-teacher is a good raw model for aspiring professional Accountants. Because of the lack of Accounting doctorates, most Accounting faculty at Canadian universities were appointed on the strength of their professional designation. Thus, it is expected that the proportion of full-time Accounting faculty in Canadian universities with a professional designation may be quite higher than the AACSB minimum requirement of 60 %.

Relevant experience is an important measure of a faculty's ability to relate Accounting to practical situations. Ability to draw examples from personal experiences also enhances the faculty's teaching ability. Accounting faculty recruited from the practising ranks of professional Accountants (public Accounting firms, business, and government) usually possess relevant experience. To keep "current" with issues facing the practising Accountants, faculty could engage in consulting work and/or serve in a relevant capacity in academic, professional, and non-profit community organizations. Serving for many such organizations, not only provides Accounting faculty with the opportunity for community involvement but keeps the practical experience current.

The above standards (doctorate, professional designation, and experience) have a common purpose: to improve quality of teaching and expand the research capabilities of Accounting faculty. Periodic student evaluations can serve as measurements of teaching excellence. Publication of papers (in both academic and professional journals) studies, and books would be sufficient to evaluate the research output of faculty.

The extensive use of part-time, often uncommitted Accounting faculty, calls for some standards in terms of full-time faculty as a proportion to the total faculty. Part-time faculty should not teach more than 25% of all courses offered. To put it otherwise, for every three courses taught by a full-time faculty, no more than one course should be taught by a part-timer. Considering that a full teaching load is three courses (9 credit hours per semester) that means even with this proposed standard for every full-time there would be one part-time faculty.

The number of full-time faculty hired is a function of the number of students enrolled. Pedagogically, a class size of 25 to 30 students is generally considered appropriate. This translates into 75 to 90 students or 225 to 270 student credit hours taught per semester by a faculty member carrying a full teaching load (3 three credit courses). That is, a full-time position is recommended for each 225 to 270 student credit hours per semester (term). These faculty positions may include teaching, research, and administrative faculty.

Library and computer resources are necessary to support scholarly research of students and faculty. Maintenance of appropriate collection of Accounting literature and reference material should become a faculty responsibility. Faculty should secure that library holdings meet the needs of the curriculum. Total volumes, number of periodicals, degree of currency, and the library budget could be used to evaluate library standards. Adequate numbers of terminals, accessibility to computer time along with the degree of integration of computers into Accounting curriculum provides another standard Accounting schools have to measure up to. Computer capacity, ratio of terminals to students, accessibility of software, modernization of equipment are good benchmarks of measuring standards.

Physical facilities of a professional school of Accounting should be sufficient to enhance the image of the Accounting profession while facilitating the pedagogical objectives of the curriculum. Square footage available in total and per student, and specific facilities (auditorium, convention and/or athletic centre) may be used as measuring standards.

The effectiveness of the standards is contingent upon the degree of commitment of the university to professional Accounting education. Without this commitment, Accounting education would continue to struggle for a place within the professional schools.

A balanced (theoretical and practical) approach to Accounting education may include the following:

- 1) A sound educational background in Liberal Arts and Science education. (First layer, general education)
- 2) A sound educational background in all functions of Business. (Second layer, Business education)
- 3) A thorough immersion in the current Accounting theory and practice. (Third layer, Accounting education)
- 4) Sufficient knowledge and awareness of current Accounting research, and future trends. (Research requirement)
- 5) Sufficient practical experience through co-op programmes and/or practical training under the experience requirements of Accounting designations. (Experience requirement)
- 6) Sufficient knowledge of the professional Accounting bodies and the evolving nature of the profession. (Interaction with the profession)
- 7) A thorough introduction to social, ethical, and legal professional responsibilities and obligations. (Societal awareness)
- 8) Considerable studying of government and other regulatory bodies directly affecting the profession's responsibilities. (Compliance with legal requirements)

#### 14.8 SOME FUTURE TRENDS

The changes the author foresees in Accounting education may very well be the full-total evolution of the trends under way now. Most changes are also interdependent upon each other. Therefore, failure to bring about one change may prevent another one from developing or even reversing the trend. Nevertheless, the foreseeable developments are rooted in realistic interpretation of current state of affairs and the identification of the direction dynamic forces are taking.

The establishment of schools of Accountancy is inevitable. The Canadian Institute of Chartered Accountants has been pursuing this objective for several years. Their efforts seem to be successful as they have assisted in the creation of the School of Accountancy at the University of Waterloo.

The emergence of unique specialized Accounting programmes with particular character and positioning in the market is almost certain. Like medicine education, where the influence of the practice of individual doctors is profound, Accounting education will be influenced by the practice of professional accountants and it will develop specialized Accounting programmes.

Taxation has emerged as the front runner of such a specialized area. Tax accountants and tax lawyers have become very prominent professionals in recent years. Tax planning

and minimization of taxes paid by the continuously expanding and sophisticated middle class has given high profile and impetus to this Accounting specialization.

Public Accounting and the disputed auditing rights among the three major professional Accounting bodies in Canada clearly indicates that Auditing is a particularly lucrative Accounting function. Furthermore, computerization of accounting information systems requires computerized auditing procedures, and expertise in Accounting Information Systems. These developments are in effect securing a market niche for Auditing and Accounting Information Systems specialist.

The only identifiable force against specialization is the wholesome overall interdisciplinary, interdepartmental Business education concept. As long as this concept of well rounded education is not taken in a monolithic and absolute way, the establishment and growth of Accounting specializations is secured.

It is a well accepted fact that most Accounting jobs are in the area of Management Accounting. Management Accounting is emerging as a strong specialization. The management Accountant is above all a manager who is trained to perform accounting functions. The strength in numbers and influence of the Society of Management Accountants in Canada which represents this Accounting specialization indicates that the specialization of Management Accountant will influence the future of university Accounting programmes.

Government is playing a major role in the mixed economies of the western world. Government Accounting is becoming a distinct specialization. Like the specialized degree, Master in Public Administration emerged separately from the Master of Business Administration degree, government and not for profit Accounting specialization has a distinct opportunity to stand on its own in the near future.

#### 14.9 EVOLVING PATTERNS IN ACCOUNTING AND BUSINESS EDUCATION

There are a number of social and economic forces that influence the pattern of business education.

##### Population Growth

Overall population growth-earth population as of July 11th, 1987 surpassed the 5 billion mark-has been and will continue to be substantial in the years to come. This growth translates to a larger labour force, while at the same time, it changes the composition of the labour force. As we move to the post industrial society, more resources are shifted from production to the service sector. Government intervention and growth of available government services in all levels of government, federal, provincial and municipal, contributes to the trend towards a service oriented economy. White collar workers and the office revolution are mainly responsible for the reorganization of our economic structure.

While industry and the number of blue collar workers declines steadily, white collar workers increases in even larger numbers. It is obvious that business schools have a greater role to play in an office dominated society than one of blue collar, unskilled workers.

### Increase in Productivity

In spite of the persistent claims that productivity in the Far East countries is surpassing that of North American workers, the productivity (output per man hour), in North America, in absolute terms is improving continuously.

This increase in productivity is mainly attributed to better management due to educational and research accomplishments. Business schools have focused upon management techniques and styles that may result in higher productivity for a long time. Japanese style management has been Americanized for North America in many modes and fashions. As world competition relies upon productivity, business education patterns evolve closer than ever to productivity oriented concepts and theory.

### New Markets

New markets, internal and international, especially international, require expanded and more sophisticated teams of management. Producing and/or marketing goods in different countries and cultures requires special expertise and management approaches. With the bulk of international trade among industrialized countries, the challenge facing



management for expansion to third world economies are of great proportions. Business schools with some delayed reaction have introduced a number of courses in international marketing, international finance and management of multinational enterprises. In the author's opinion, the new mission of the business schools, supported by trends as well as economic reason, would be to educate the new breed of international manager.

### The Expanding Role of Government

It is a well established principle within the free enterprise economies that governments establish state run enterprises, create monitoring and controlling agencies, prioritize and protect industries of vital interests to the economy and in general get involved more and more in business activity. The paradox of governments privatising state controlled companies and deregulating industries, while at the same time initiating at a growing pace joint efforts of government and private sector for new enterprises will continue for some time. Joint efforts of the private and public sector require management with political instinct and diplomatic skills. CEO's of major international companies often command power similar to that of heads of state. They need to master strong political skills and to speak the language of politicians. Schools of Accounting and Business increasingly will have to look at public administration as an important professional pursuit and an educational challenge.

Managers working for government as well as managers who will have government as a partner or as one of their best customers needs to be versatile in the ways governments and politicians operate.

Management education, to be effective, needs to visualize the world in the years ahead and to prepare the management of tomorrow. Short sighted education based on present procedures and present circumstances alone will fail to upgrade management. Research and educational planning today is directly related to positive economic activity of tomorrow. Joint (private and public) or government-sponsored research effort will continue beyond the traditional private and public sector cooperation of space, defence, and medicine, communication and transportation fields.

Students of management should be given the opportunity to explore the new emerging issues within the new world infrastructure. Training should be provided not only for business but for government, governmental agencies, and for non-profit organizations. Management comprises much more than the management of a business enterprise. Other public affairs, societal organizations aiming at the wellness of the individual require management knowledge and education. Changes in the curriculum are inevitable to provide such training. Integration and interrelation of functional areas in business need a new emphasis to widen the scope of management study. Some priority in understanding overall

business activity as opposed to inquiring into a business related discipline is in order.

Individual faculty members trained in one discipline with specific skills have difficulties in adapting to a broader context of a business perspective. Faculty, out of necessity, tends to be specialists concerned with one function or another. While they may continue the discipline orientation, with some leadership and initiative from within the business school they may shift emphasis, seeing the school as an agent of social and economic development. A place where disciplines mix, and where social, economic, and political variables merge to prepare managers of high professional competence. Only this type of manager will be able to interpret trends of the past, plan the future, make the right decisions, coordinate development, and provide leadership to a dynamic society.

APPENDIX I  
SURVEY QUESTIONNAIRE

Dear Colleague,

This survey is being conducted as part of my study of Graduate Accounting Education in Canada.

My study attempts to provide a comprehensive portrait of Canadian Accounting Education. A special emphasis in this survey is given to demand and supply of academic accountants with a doctorate degree. I respectfully ask that you complete the survey and return it to my office by June 10th, 1988.

It is impossible to word questions that are equally relevant to all types of business schools at different universities. Wide differences in programmes and work situations may cause some questions not to be directly applicable to you. However, I hope that the majority of questions are relevant and of interest to you.

Individual responses will be held in strict confidence. All results will be numerically coded and person's identities will not be linked to the results in any way. For your convenience a self addressed, stamped return envelope has been provided.

I know that there are many demands on your time. I hope, however, that given the relevance of this study to business education you will take the time to complete your questionnaire.

Your co-operation is greatly appreciated.

Sincerely,

George Andrew Gekas  
Assistant Professor

QUESTIONNAIRE

1) Please indicate the name of the university where you are currently appointed.



2) How many full-time faculty members does your Accounting department/school have?

check one only

- Less than 5 1
- 6 - 10 2
- 11 - 15 3
- 16 - 20 4
- 21 - 30 5
- more than 30 6

3a) How many full-time faculty in Accounting, if any, did you hire to begin the academic year 1987-1988?

\_\_\_\_\_

3b) Of the above number in Question 3,  
How many came from a U.S. or other foreign institution?

\_\_\_\_\_

How many have a doctorate degree in Accounting?

\_\_\_\_\_

4) How many full-time faculty Ph.D.s in Accounting, if any, did you lose in the academic year 1987-1988 due to:

Retirement	1	___
Resignation to accept a position at another Canadian university	2	___
Resignation to accept a position at a foreign university	3	___
Resignation to pursue a non-academic career	4	___
Other reason (health etc.)	5	___

5) How many full-time faculty Ph.D.s in Accounting do you expect to lose in the next five (5) academic years due to:

Retirement	1	___
Resignation to accept a position at another Canadian university	2	___
Resignation to accept a position at a foreign university	3	___
Resignation to pursue a non-academic career	4	___
Other reason (health etc.)	5	___

6) How many approved but unfilled full-time positions in Accounting do you have which you would like to fill with Ph.D.s in Accounting?

\_\_\_

7) How many of your part-time instructors, limited contract, and non-tenure track Accounting positions would you like to fill with Ph.D.s in Accounting.

\_\_\_

8) Assuming that you could hire the desirable number of Accounting doctorates in Questions 6 and 7, how many additional positions for Accounting doctorates will you need over the next five (5) years?

\_\_\_\_\_

9) In your opinion, to what degree is a Ph.D. in Accounting necessary for university teaching?

please circle a number

very important

not important at all      unable to judge

1	2	3	4	5	6	7	8
_____	_____	_____	_____	_____	_____	_____	_____

10) Please indicate how important the following factors are in making tenure decisions in your department, and how important you think they should be.

Place a number next to each factor according to their level of importance.

very important

not important at all      unable to judge

1	2	3	4	5	6	7	8
_____	_____	_____	_____	_____	_____	_____	_____

actual importance      preferred importance

teaching effectiveness	_____	_____
scholarly publications	_____	_____
service to university community	_____	_____
service to the profession and discipline	_____	_____
service to the general public	_____	_____
doctoral degree	_____	_____

11) Please indicate your agreement or disagreement with each of the following statements by placing the appropriate number after each statement.

strongly  
agree

strongly disagree      unable to  
judge

1            2            3            4            5            6            7            8  
|\_\_\_\_\_||\_\_\_\_\_||\_\_\_\_\_||\_\_\_\_\_||\_\_\_\_\_||\_\_\_\_\_||\_\_\_\_\_||\_\_\_\_\_||

a) The decision making structure of the university is complex and involves different groups and different levels of power. Your department's faculty, as an academic body, enjoys a lower level of power than the average academic department.

\_\_\_\_\_

b) It is unlikely that in the immediate future there will be a significant increase in budgetary allocation for business schools (Accounting departments) from the budget of this university.

\_\_\_\_\_

c) Accounting programmes have a major obligation to align their academic requirements with those of the professional Accounting bodies (CA, CMA, CGA).

\_\_\_\_\_

d) Professional accounting bodies (CA, CMA, CGA) should support, financially and otherwise, university Accounting programmes that educate their membership.

\_\_\_\_\_

12a) How many faculty do you presently have on leave pursuing their Ph.D. in Accounting?

\_\_\_\_\_

12b) Of the above number in Question 12, how many do you expect to return to your university on completion of their doctoral studies?

\_\_\_\_\_



13) Do you think there is a shortage of Accounting Ph.D. programmes in Canada?

1 yes \_\_\_\_\_

2 no \_\_\_\_\_

If you answered yes to the above question, please explain the reasons, in your opinion, for the shortage.

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14) Does your university offer a doctorate programme in Business Administration?

1 yes \_\_\_\_\_

2 no \_\_\_\_\_

15) Does your university plan to offer a doctorate programme in Accounting within the next five (5) years?

1 yes \_\_\_\_\_

2 no \_\_\_\_\_

16) Does your doctorate programme in Business Administration offer a major in Accounting?

1 yes \_\_\_\_\_

2 no \_\_\_\_\_

17) How many Ph.D. students majoring in Accounting are presently in your programme?

At the dissertation stage \_\_\_\_\_

At the comprehensive examination stage \_\_\_\_\_

At the course work stage \_\_\_\_\_

18) How many Ph.D. Accounting students do you expect to admit in your doctoral programme over the next five (5) years?

\_\_\_\_\_

APPENDIX II  
PROFESSIONAL AND ACADEMIC ACCOUNTING CHRONOLOGY  
IN THE ENGLISH SPEAKING WORLD

- 1854 The first professional Accounting organization in the world is founded: The Society of Accountants in Edinburgh receives its Royal Charter.
- 1855 The Institute of Accountants and Actuaries of Glasgow receives its Royal Charter.
- 1867 The Society of Accountants of Aberdeen receives its Royal Charter.
- 1871 The Manchester Institute of Accountants is founded.
- 1874 The Accountant is first published in London.
- 1877 The Sheffield Institute of Accountants is established.
- 1880 The Institute of Chartered Accountants of England and Wales is established by amalgamation of a number of local institutes of Accountants.
- 1880 The first Canadian and American professional Accounting association is established. The Association of Accountants in Montreal.
- 1881 The first American business school is established in the University of Pennsylvania. The Wharton School of (Finance and Commerce) Business.
- 1885 The first Australian professional Accounting organization is founded. The Adelaide Society of

## APPENDIX II con't

Accountants (later renamed the Institute of Chartered Accountants of Australia).

- 1886 The Incorporated Institute of Accountants of Victoria is established (later renamed the Australian Society of Accountants).
- 1887 The American Association of Public Accountants is founded.
- 1888 The Institute of Chartered Accountants of Ireland is established.
- 1889 The Incorporated Accountants Journal renamed Journal of Accountancy in 1938) is published.
- 1894 The Incorporated Institute of Accountants of New Zealand is formed.
- 1895 The first U.K. "School of Business" is founded: The London School of Economics and Political Science.
- 1897 The Accountants Magazine first published. The Society of Certified Public Accountants is established in New York.
- 1902 Birmingham University establishes the first Chair of Accounting in the U.K.
- 1903 Institute of Chartered Accountants of South Africa is established.
- 1904 University of California at Berkeley establishes the first Chair of Accounting in the U.S.A.

## APPENDIX II con't

- 1905 Journal of Accountancy and Certified Accountants Journal (later renamed Accountants Journal) is established.
- 1911 The Canadian Chartered Accountant (later renamed the CA Magazine) is first published.
- 1916 The American Institute of Accountants was established. The American Association of University Instructors in Accounting (later restructured as the American Accounting Association 1936) is established.
- 1919 The National Association of Cost Accountants (later renamed the National Association of Accountants 1957) and the Institute of Cost and Works Accountants in England are established.
- 1920 Eight Chartered Accountants formed the Canadian Society of Management Accountants.
- 1921 The American Society of Certified Public Accountants is established.
- 1926 The Accounting Review and Cost and Management Journal are first published.
- 1928 The Institute of Chartered in Australia is established.
- 1930 The Chartered Accountant in Australia is first published.

## APPENDIX II con't

- 1936 The Australian Accountant is first published.  
The American Accounting Association is formed from the American Association of University Instructors in Accounting.
- 1940 Institute of Internal Auditors is established.
- 1944 Internal Auditor is first published.
- 1946 Journal of Finance is first published.
- 1951 The Institute of Chartered Accountants of Scotland is formed from the Edinburgh, Glasgow and Aberdeen Societies.
- 1952 The Australian Society of Accountants is formed from the Commonwealth and Federal Institutes of Accountants.
- 1957 The American Institute of Certified Public Accountants is formed from the American Institute of Accountants.  
The National Association of Accountants is formed from the National Association of Cost Accountants.
- 1962 First International Conference in Accounting Education is held at Urbana, Illinois.
- 1963 Journal of Accounting Research is first published.
- 1965 ABACUS International Journal of Accounting is published (Australia).  
South African Chartered Accountant is first published.

## APPENDIX II con't

## Main Sources:

Historical Dates in Accounting, Accounting Review, xxix (1954). pp. 486-93.

Milne, K. L. (1959). Comparative Chronological Table. In The Accountant in Public Practice. London: Butterworth. pp. 251-258.

Parker, R. H. Management Accounting a Historical Perspective. (Chapter 5 an Accounting Chronology). London: MacMillan and Co. Ltd.

Steps in the Evolution of the Profession in the United Kingdom. (1957). Accountant. pp. 544-45.

## APPENDIX III

DATA BASE IDENTIFIERS  
USED IN COMPUTER SEARCH

## ACCOUNTING EDUCATION IN CANADA

Academic Accountants  
Academic Personnel  
Academic Staff  
Academic Professors

Accounting Higher Education  
Accounting Education  
Accounting at Colleges and Universities

Graduate Accounting Education  
Graduate Accounting Studies  
Post Graduate Accounting Studies

Professional Education  
Management Education  
Business Education  
Commerce Education

Higher Education in Management  
Higher Education in Business  
Higher Education in Commerce  
Higher Education in Administration

Canadian Schools of Business Administration  
Schools of Business Administration  
Business Schools and Colleges

Education and Industry

University Teachers  
University Students



Programmes in Management and Administrative Studies  
at Canadian Universities

University	School/Dept.	Degrees Offered
Acadia U.	The Fred Manning School of Business Administration	BBA
U. of Alberta	Faculty of Business	B.Comm, MBA, PhD
Athabasca U.	Administrative Studies	B.Admin
Bishop's U.	Division of Business Administration	BBA, BA
U. of British Columbia	Faculty of Commerce and Bus. Admin.	B.Comm, MBA, PhD, M.Sc, B.Admin,
Brock University	School of Administrative Studies	B.Admin, BA
U. of Calgary	Faculty of Management	B.Comm, MBA
U, College of Cape Breton	Department of Management and Administration	BBA
Carleton U.	School of Business	B.Comm, MMS
Concordia U.	Faculty of Commerce and Administration	B.Comm, MBA, PhD, EMBA, B.Admin
Dalhousie U.	School of Business Administration	B.Comm, MBA
Ecole des Hautes Etudes Commerciale	(French)	BBA, MBA, PhD, M.Sc
U. of Guelph	Department of Consumer Studies	B.Comm
Lakehead U.	School of Business Administration	B . C o m m , B.Admin
Laurentian U. (bilingual)	School of Commerce and Administration	B.Comm, MBA

University Offered	School/Dept.	D e g r e e s
Laval (French)	Faculte des sciences de l'administration	BBA, MBA, PhD
U. of Lethbridge	School of Management	B.Mgt
McGill U.	Faculty of Management	B.Comm, MBA, PhD
McMaster U.	Faculty of Business	B.Comm, MBA, PhD
U. of Manitoba	Faculty of Management	B.Comm, MBA
Memorial U. of Newfoundland	Faculty of Business Administration	B.Comm, MBA
U. de Moncton (French)	Faculte d'administration	BBA, MBA
Mount Allison U.	Commerce Department	B.Comm
Mount Saint Vincent U.	Department of Business Administration	BBA
U. of New Brunswick	Faculty of Administration	BBA, MBA
U. of New Brunswick	Division of Administration	BBA
U. of Ottawa (bilingual)	Faculty of Administration	B.Comm, MBA, B.Admin
U. of Prince Edward Island	School of Business Administration	BBA
U. du Quebec Abitibe-Temiscamingue (French)	Departement des sciences administratives et sociales	BBA
U. du Quebec en Chicoutimi (French)	Department des sciences economiques et administratives	BBA, MGP (joint program with France)
U. du Quebec a Hull (French)	Departement des sciences administrative	BBA

University Offered	School/Dept.	D e g r e e s
U. du Quebec a Montreal (French)	Departement des administrative	BBA, MPA, MBA, MGP, PhD
U. du Quebec a Rimouski (French)	Departement d'economie et de gestion	BBA
U. du Quebec a Trois- Rivieres	Departement d'admini- stration et d'economiques	BBA
Queen's U.	School of Business	B.Comm, MBA, Phd
U. of Regina	Faculty of Admini- stration	B. Admin, M.Admin
Ryerson Polytechnical Institute	Faculty of Business	BBM, BBA
U. Sainte-Anne (French)	Departement du Commerce	B.Comm
St. Francis Xavier U.	Department of Business Administration	BBA
Sainte Mary's U.	Faculty of Commerce	B.Comm
U. Saskatchewan	College of Commerce	B.Comm, MBA, M.Sc
U. de Sherbrooke (French)	Faculte d'administration	BBA
Simon Fraser U.	Faculty of Business Administration	BBA, MBA, EMBA
U. of Toronto	Faculty of Management Studies	BBA, MBA, PhD, EMBA
Trent U.	Administrative and Policy Studies	BAS
Trinity Western U.	Division of Business	BA
U. of Victoria	School of Public Administration	MPA
U. of Waterloo	Department of Management Sciences and the School of Accountancy	BA, MA.Sc, PhD

University Offered	School/Dept.	Degrees
U. of Western Ontario	School of Business Administration	BA, MBA, PhD
Wilfred Laurier U.	School of Business and Economics	BBA, MBA
U. of Windsor	Faculty of Business Administration	B.Comm, MBA
U. of Winnipeg	Administrative Studies	BA
York U.	Faculty of Administrative Studies	BBA, MBA, PhD

**Sources:** Compiled from Statistics Canada, 1987 Directory of Full-time Faculty Members in Management and Administrative Studies at Canadian Universities, and the 1986-87 Directory of Canadian Universities, AUCC.

TABLE 35

**Canadian Universities Offering a Doctorate Degree  
in the Area of Business Administration**

University of British Columbia

Accounting, Business Administration, Finance, Industrial  
Relations, Management, Management Information Systems,  
Marketing, Quantitative Methods

Simon Fraser

Business Administration

University of Alberta

Business Administration

McMaster University

Business Administration

University of Guelph

Family and Consumer Studies

Queens University

Business Administration

University of Toronto

Business Administration, Finance, Management, Health Sciences  
Administration

University of Waterloo

Management

TABLE 35 con't

University of Western Ontario

Business Administration

York UniversityAccounting, Administration, Management Policy, Marketing,  
Industrial Relations, Organizational BehaviourConcordia University

Administration

Laval University

Administration, Relations Industrielles

McGill University

Administration, Management

- \* Many universities do not list individually all the functional areas of Business in which a doctorate degree may be attained. In most instances, Business Administration encompasses a number of specializations.

Source: Compiled from the 1987 Directory of Full-time Faculty Members on Management and Administrative Studies at Canadian Universities. Secretariate, Faculty of Administration, University of Ottawa.

TABLE 36

**List of Major Accounting Journals in the USA, UK, and Canada**

The Accounting Review (AAA, USA)

Journal of Accounting Research (Institute of Professional Accounting, University of Chicago, USA)

Journal of Accountancy (AICPA, USA)

The CPA Journal (New York State Society of CPAs)

Internal Auditor (Institute of Internal Auditing, USA)

Accounting Research (AAA, USA)

Journal of Accounting and Economics (Rochester, USA)

Journal of Accounting Literature (Rochester, USA)

The Accounting Historian's Journal (USA)

Journal of Taxation (USA)

The Advisor (AICPA, USA)

Management Accounting (National Association of Accountants, USA)

Accounting Organization and Society (Oxford, UK)

Journal of Business Finance and Accounting (Oxford, UK)

Accounting and Business Research (UK)

CA Magazine (CICA, Canada)

CMA Magazine (Society of Management Accountants, Canada)

CGA Magazine (Certified General Accountants, Canada)

Contemporary Accounting Research (Canada)

Full-time Doctoral Enrolment in  
Management and Administrative Studies  
1975-76 to 1985-86

<u>Academic Year</u>	<u>Number of Doctoral Students</u>	<u>Percentage of Female Students</u>
1975-76	97	1.0%
1976-77	113	1.2%
1977-78	126	1.3%
1978-79	132	1.4%
1979-80	154	1.5%
1980-81	144	1.4%
1981-82	167	1.6%
1982-83	202	1.8%
1983-84	235	2.0%
1984-85	259	2.0%
1985-86	301	2.2%

Source: Statistics Canada

TABLE 38

Part-time Doctoral Enrolment in  
Management and Administrative Studies  
1975-76 to 1985-86

<u>Academic Year</u>	<u>Number of Doctoral Students</u>	<u>Percentage of Female Students</u>
1975-76	48	1.3%
1976-77	32	0.9%
1977-78	49	1.4%
1978-79	33	1.0%
1979-80	45	1.3%
1980-81	74	2.2%
1981-82	63	1.9%
1982-83	58	1.8%
1983-84	76	2.3%
1984-85	71	2.1%
1985-86	74	2.1%

Source: Statistics Canada



Doctoral Enrolment in Management and Administrative  
Studies by University and Sex  
English Speaking Provinces  
1985-86

<u>University</u>	Full-time	Part-time	Total
U. of British Columbia (total)	63	3	66
Male	47	2	49
Female	16	1	17
U. of Alberta (total)	13	-	13
Male	8	-	8
Female	5	-	5
McMaster University (total)	10	3	13
Male	8	3	11
Female	2	-	2
Queen's University (total)	27	3	30
Male	19	2	21
Female	8	1	9
University of Toronto (total)	37	6	43
Male	26	5	31
Female	11	1	12
U. of Western Ontario (total)	22	17	39
Male	17	11	28
Female	5	6	11
York University	17	11	28
Male	7	10	17
Female	10	1	11
Total Number of Students	189	43	232
Male	132	33	165
Percentage of Males	70%	77%	71%
Females	57	10	67
Percentage of Females	30%	23%	29%

Source: Statistics Canada

Doctoral Enrolment in Management and Administrative  
Studies by University and Sex

Province of Quebec

1985 - 1986

<u>University</u>	<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>
McGill University (total)	15	-	15
Male	8	-	8
Female	7	-	7
Ecole des Haute. Etudes Commerciales (total)	25	1	26
Male	13	-	13
Female	12	1	13
Universite du Quebec (total)	7	7	14
Male	3	6	9
Female	4	1	5
Universite Laval (total)	37	16	53
Male	31	13	44
Female	6	3	9
Concordia University (total)	28	7	35
Male	17	3	20
Female	11	4	15
Total number of students studying in Quebec	112	31	143
Percentage of Males	37%	42%	39%
Female	72	22	94
Percentage of Males	64%	71%	65%
Female	40	9	49
Percentage of Females	36%	29%	35%
Canadian Subtotal	301	74	375
Male	204	55	259
Percentage of Males	68%	74%	69%
Female	97	19	116
Percentage of Females	32%	26%	31%

Source: Statistics Canada

TABLE 41

Legal Status of Full-time and Part-time Doctoral  
Enrolment in Management and Administrative Studies  
1980-81 to 1985-86

<u>Academic Year</u>	<u>Full-time</u>	<u>Part-time</u>	<u>Total</u>
<u>1980-81</u>			
Total	144	74	218
Canadian Citizens and Permanent Residents	114 (79%)	62 (84%)	176
International Students	30 (21%)	12 (16%)	42
<u>1981-82</u>			
Total	167	63	230
Canadian Citizens and Permanent Residents	128 (77%)	44 (70%)	170
International Students	39 (23%)	19 (30%)	58
<u>1982-83</u>			
Total	202	58	260
Canadian Citizens and Permanent Residents	164 (81%)	52 (90%)	216
International Students	38 (19%)	6 (10%)	44
<u>1983-84</u>			
Total	235	76	311
Canadian Citizens and Permanent Residents	182 (77%)	55 (72%)	237
International Students	53 (23%)	21 (28%)	74
<u>1984-85</u>			
Total	259	61	320
Canadian Citizens and Permanent Residents	205 (80%)	57 (93%)	262
International Students	54 (20%)	4 (7%)	58
<u>1985-86</u>			
Total	301	74	375
Canadian Citizens and Permanent Residents	234 (75%)	72 (98%)	306
International Students	67 (22%)	2 (2%)	69

Source: Statistics Canada

**Success Rate of New SSHRC's Doctoral Fellowship  
Applications in Business Administration  
from 1980 to 1987**

	<u>Applications</u>	<u>Awards</u>	<u>Success Rate</u>
<u>1980-81</u>			
All Disciplines	2365	728	30.8%
Business Administration	63	21	33.3%
% of Bus. Administration	2.7	2.9	
<u>1981-82</u>			
All Disciplines	2195	737	33.6%
Business Administration	62	18	29.0%
% of Bus. Administration	2.8	2.3	
<u>1982-83</u>			
All Disciplines	2251	701	31.1%
Business Administration	82	26	31.7%
% of Bus. Administration	3.6	3.7	
<u>1983-84</u>			
All Disciplines	2495	605	24.2%
Business Administration	103	22	21.34
% of Bus. Administration	4.1	3.6	
<u>1984-85</u>			
All Disciplines	2493	364	14.6%
Business Administration	119	17	14.3%
% of Bus. Administration	4.8	4.7	
<u>1985-86</u>			
All Disciplines	2561	474	18.5%
Business Administration	121	27	22.3%
% of Bus. Administration	4.7	5.7	
<u>1986-87</u>			
All Disciplines	2576	545	21.2%
Business Administration	128	45	35.1%
% of Bus. Administration	5.0	8.3	

Source: Statistics Canada and Annual Reports of SSHRCC Data

Table 43

**Doctoral Fellowships in Business Administration  
and the Success Ratio of Applicants  
1980-81 to 1986-87**

<u>Year</u>	<u>Total Number of Doctoral Fellowships</u>	<u>Doctoral Fellowships in Business Administration</u>	<u>Percentage in Management and Administrative Studies</u>	<u>Success Ratio</u>
80-81	1142	30	2.6	41.7
81-82	1177	31	2.6	41.4
82-83	1101	38	3.5	40.4
83-84	1006	34	3.4	29.6
84-85	1012	38	3.8	32.6
85-86	1041	53	5.1	36.0
86-87	1157	79	6.8	40.0

Source: Statistics Canada

Table 44

Doctoral Degrees in Management and all Disciplines  
Awarded in Canada by Sex  
1980-81 to 1984-85

	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>% Female</u>
<u>1980-81</u>				
All Disciplines	1337	439	1816	24.2
Management	19	4	23	17.4
% of Management	1.4	0.4	1.3	
<u>1981-82</u>				
All Disciplines	1290	425	1715	24.8
Management	17	1	18	5.6
% of Management	1.3	0.2	1.8	
<u>1982-83</u>				
All Disciplines	1370	451	1821	24.8
Management	21	1	22	4.5
% of Management	1.4	0.2	1.2	
<u>1983-84</u>				
All Disciplines	1350	500	1850	27.0
Management	18	3	21	14.3
% of Management	1.3	0.6	1.1	
<u>1984-85</u>				
All Disciplines	1460	510	1970	25.9
Management	25	6	31	19.4
% of Management	1.7	1.2	1.6	

Source: Statistics Canada

Table 45

**Doctoral Degrees Awarded by Canadian Universities  
in Management and Administrative Studies  
1971 to 1985**

<u>University</u>	71	72	73	74	75	76	77	78
British Columbia	-	-	1	2	7	3	4	4
McMaster	-	-	-	-	-	-	-	-
Queens	-	-	-	-	-	-	-	-
Toronto	-	-	1	1	6	3	2	5
Western	4	6	7	4	5	4	2	7
York	-	-	-	2	-	-	-	2
McGill	-	-	-	1	-	1	-	1
Ecole des Hautes Etudes Commerciales	-	-	-	-	-	-	-	-
Universite du Quebec Laval	-	-	-	-	1	1	3	-
Concordia	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>19</b>	<b>12</b>	<b>11</b>	<b>19</b>

<u>University</u>	79	80	81	82	83	84	85	Total
British Columbia	5	5	5	2	-	2	4	44
McMaster	-	-	-	-	-	1	-	1
Queens	-	-	-	-	-	2	2	4
Toronto	5	5	6	3	2	3	2	44
Western	3	1	6	6	3	4	4	66
York	1	1	2	-	-	2	1	11
McGill	-	1	1	1	4	3	4	17
Ecole des Hautes Etudes Commerciales	-	1	2	2	3	1	5	14
Universite du Quebec Laval	-	-	-	-	1	1	-	2
Laval	4	2	1	3	7	2	6	30
Concordia	-	-	-	-	2	1	2	5
<b>Total</b>	<b>18</b>	<b>16</b>	<b>23</b>	<b>17</b>	<b>22</b>	<b>22</b>	<b>30</b>	<b>238</b>

Source: Statistics Canada

TABLE 46

National Origin of Doctoral Degrees of  
Management and Administrative Studies  
1986-87

<u>Country</u>	<u>Number of Degrees</u>	<u>Percentage</u>
Canada	402	30.3
United States	714	53.8
United Kingdom	84	6.3
France and Belgium	79	6.0
Other Countries	48	3.6
	-----	-----
TOTAL	1,327	100.00%

Source: Statistics Canada



**Management Doctorates Awarded to Canadian Citizens  
by United States Universities  
1970 to 1985**

<u>Year</u>	<u>Total Management Doctorate</u>	<u>Canadian Citizens</u>	<u>Percentage of Canadian Citizens</u>	<u>Origin B.A.</u>		
				<u>Canada</u>	<u>United States</u>	<u>Other</u>
1970	584	16	2.7	11	3	2
1971	673	17	2.5	17	0	0
1972	765	25	3.3	24	0	1
1973	785	25	3.2	23	2	0
1974	796	26	3.3	24	2	0
1975	787	17	2.2	15	1	1
1976	739	18	2.4	18	0	0
1977	671	19	2.8	18	1	0
1978	713	20	2.8	17	2	1
1979	715	19	2.7	11	5	3
1980	640	7	1.0	4	1	2
1981	624	14	2.2	11	2	0
1982	685	7	1.0	4	1	1
1983	750	6	0.8	6	0	0
1984	868	18	2.1	15	1	2
1985	793	9	1.1	8	1	0

**Source:** THE DOCTORATE RECORDS PROJECT OF THE UNITED STATES NATIONAL RESEARCH COUNCIL AS REPORTED IN THE 1987 FACTBOOK PUBLISHED BY CFDMAS

TABLE 48

515

DOCTORAL DEGREES IN ACCOUNTING AWARDED BY US  
UNIVERSITIES IN THE SEVENTIES (1970-1979)

UNIVERSITY	YEAR FIRST DEGREE AWARDED	TOTAL DOCTORAL DEGREES AWARDED
University of Alabama	1953	33
University of Arizona	1970	12
Arizona State University	1968	24
University of Arkansas	1961	54
Boston University	1981	0
University of California, Berkeley	1962	22
University of California, L.A.	1962	24
Carnegie-Mellon University	1959	8
Case Western Reserve University	1966	1
University of Chicago	1922	11
University of Cincinnati	1970	16
City University of New York	1975	6
University of Colorado	1966	26
Columbia University	1957	11
Cornell University	1968	11
Duke University	--	0
University of Florida	1962	27
Florida State University	1970	18
University of Georgia	1970	26
George Washington University	1969	18
Georgia State University	1965	25
Harvard Business School	1967	30
University of Houston	1973	14
University of Illinois, Urbana	1936	83
Indiana University	1950	28
University of Iowa	1951	19
University of Kansas	1970	9
Kent State University	1970	13
University of Kentucky	1973	16
Louisiana State University	1943	48
Louisiana Tech University	1973	5
University of Maryland	1969	10
University of Massachusetts	1971	12
Massachusetts Institute of Tech.	1965	12
University of Michigan	1936	20
Michigan State University	1959	57
University of Minnesota	1936	30
University of Mississippi	1964	10
Mississippi State University	1968	15
University of Missouri, Columbia	1941	80
University of Nebraska, Lincoln	1943	29
New York University	1944	28

## DOCTORAL DEGREES AWARDED con't.

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UNIVERSITY	YEAR FIRST DEGREE AWARDED	TOTAL DOCTORAL DEGREES AWARDED
University of North Carolina	1957	17
North Texas State University	1969	18
Northwestern University	1956	24
Ohio State University	1950	36
University of Oklahoma	1967	16
Oklahoma State University	1971	33
University of Oregon	1964	12
University of Pennsylvania	1973	6
Pennsylvania State University	1967	30
University of Pittsburgh	1932	12
Purdue University	1969	6
Rice University	--	0
University of Rochester	1972	1
Saint Louis University	1970	5
University of Southern California	1963	32
University of South Carolina	1976	15
Southern Illinois University	--	0
Stanford University	1939	19
State University of New York	1957	8
Syracuse University	1970	12
University of Tennessee	1976	6
Texas A & M University	1972	20
University of Texas, Austin	1934	67
Texas Tech University	1969	18
University of Utah	1967	1
Virginia Polytechnic Institute	1976	1
University of Washington	1957	33
Washington University, St. Louis	1964	7
University of Wisconsin, Madison	1953	39
		-----
TOTAL - 71 Universities		1,435

Source: Campbell T.L. and Roger Hermanson, "Doctoral Programmes in Accounting", Business Publications Inc., Texas, 1982

TABLE 49

517

Full-time Faculty in  
Management and Administrative Studies  
by Major Academic Rank 1980-81 to 1984-85

	1981-82	%	1982-83	%	1983-84	%	1984-85	%
<u>Full Professor</u>								
Total Faculty	8240	32.9	8714	34.3	9074	35.1	9327	35.7
Business Faculty	255	23.1	269	23.0	289	23.4	305	24.1
% of Business Faculty		3.1		3.1		3.2		3.3
<u>Associate Prof.</u>								
Total Faculty	9631	38.5	9626	37.9	9608	37.2	9594	36.7
Business Faculty	399	36.1	423	36.1	437	35.4	432	34.2
% of Business Faculty		4.1		4.4		4.5		4.5
<u>Assistant Prof.</u>								
Total Faculty	5454	21.8	5368	21.1	5378	20.8	5461	20.9
Business Faculty	295	26.7	331	28.3	343	27.8	357	28.3
% of Business Faculty		5.4		6.2		6.4		6.5
<u>Lecturer/Instructor</u>								
Total Faculty	1692	6.8	1678	6.6	1783	6.9	1728	6.6
Business Faculty	156	14.1	147	12.6	165	13.8	169	13.4
% of Business Faculty		9.2		8.8		9.3		9.8
<u>Grand Total</u>								
Total Faculty	25017	100	25386	100	25843	100	26110	100
Business Faculty	1105	100	1170	100	1234	100	1263	100
% of Business Faculty		4.4		4.6		4.8		4.8

Source : Statistics Canada

TABLE 50

Doctoral Qualifications of Management and Administrative  
Studies Faculty 1986-87

Region	Number of Faculty with Doctorates	Total Number of Faculty
Atlantic Region	139 (47%)	292
Quebec	374 (56%)	673
Ontario	474 (62%)	774
Manitoba and Saskatchewan	90 (64%)	140
Alberta	119 (73%)	164
British Columbia	131 (87%)	151
TOTAL	----- 1,327 (60%)	----- 2,198

Source: Statistics Canada

TABLE 51

Teaching Specialization of Management and Administrative  
Studies Faculty in Canada 1986-87

<u>Teaching Specialization</u>	<u>No. of Faculty</u>	<u>Percentage</u>
Management/Administration	249	11.3
Business Policy	149	6.8
Accounting	413	18.8
Finance	259	11.8
Marketing	270	12.3
Production and Operations	67	3.1
Computer Science and Management Information Systems	106	4.8
Quantitative Methods and Management Science	216	9.9
Economics	117	5.3
Business Law	36	1.6
Industrial Relations, Human Resource Management, Personnel and Organizational Behaviour	273	12.4
Others	41	1.9
TOTAL	2,198	100.00%

Source: Statistics Canada

**FACULTY MEMBERS IN ACCOUNTING AND ADMINISTRATIVE  
STUDIES BY UNIVERSITY**

**1986-1987**

UNIVERSITY	TOTAL	ACCOUNTING ONLY
ACADIA UNIVERSITY	24	5
UNIVERSITY OF ALBERTA	70	9
ATHABASCA UNIVERSITY	13	2
BISHOPS UNIVERSITY	16	4
UNIVERSITY OF BRITISH COLUMBIA	90	18
BROCK UNIVERSITY	23	6
UNIVERSITY OF CALGARY	61	11
UNIVERSITY COLLEGE OF CAPE BRETON	13	4
CARLETON UNIVERSITY	26	6
CONCORDIA UNIVERSITY	106	24
DALHOUSIE UNIVERSITY	47	11
ECOLE DES HAUTE ETUDIE COMMERCIALES	152	28
UNIVERSITY OF GUELPH	8	-
LAKEHEAD UNIVERSITY	19	5
LAURENTIAN UNIVERSITY	28	8
LAVAL UNIVERSITY	80	8
LETHBRIDGE UNIVERSITY	20	6
MCGILL UNIVERSITY	53	6
MCMASTER UNIVERSITY	55	11
UNIVERSITY OF MANITOBA	53	10
MEMORIAL UNIVERSITY	38	5
UNIVERSITY OF MONCTON	26	6
MOUNT ALLISON UNIVERITY	10	4
MOUNT SAINT VINCENT	17	5
UNIVERSITY OF NEW BRUNSWICK (FREDRICKTON)	36	10
UNIVERSITY OF NEW BRUNSWICK (SAINT JOHN)	11	4
UNIVERSITY OF OTTAWA	72	10
UNIVERSITY OF PRINCE EDWARD ISLAND	11	4
UNIVERSITE DU QUEBEC CHICOUTIMI	42	-
HULL	21	-
MONTREAL	80	-
RIMOUSKI	32	7
TROIS RIVIERES	40	6
QUEENS UNIVERSITY	52	8
UNIVERSITY OF REGINA	30	9
RYERSON POLYTECHNICAL INSTITUTE	109	16
ST. FRANCIS XAVIER UNIVERSITY	11	3

TABLE 52 (con't)

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ST. MARYS UNIVERSITY	52	8
UNIVERSITY OF SASKATCHEWAN	57	17
SHERBROOKE UNIVERSITY	51	12
SIMON FRASER UNIVERSITY	49	13
UNIVERSITY OF TORONTO	75	19
TRENT UNIVERSITY	17	4
UNIVERSITY OF VICTORIA	12	2
UNIVERSITY OF WATERLOO	38	22
WESTERN UNIVERSITY	78	7
WILFRED LAURIER UNIVERSITY	56	11
UNIVERSITY OF WINDSOR	51	12
YORK UNIVERSITY	67	8
	-----	-----
TOTAL	2198	419

TOTAL ACCOUNTING FACULTY (1986/87)	419	
-----	-----	= 19.06%
TOTAL FACULTY (1986/87)	2198	

Source: Statistics Canada and 1987 Directory of Full-time Faculty Members in Management and Administrative Studies at Canadian Universities



TABLE 53

Full-time Accounting Faculty at Canadian Universities by Rank  
1986-87

Faculty members cross listed in Accounting as well as other disciplines are classified as Accounting faculty. (eg. faculty member listed under Accounting/Finance is counted as an Accounting faculty.

Typical titles under Other Rank include: Coordinator of Co-operative Accounting Programmes, Executive in Residence, Faculty Service Officer, and Professor Emeritus.

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
ACADIA UNIVERSITY	24	Full Professor	2
		Associate	1
		Assistant	1
		Lecturer	1
		Other	-
			----
		TOTAL	5
UNIVERSITY OF ALBERTA	70	Full Professor	2
		Associate	5
		Assistant	1
		Lecturer	-
		Other	1
			----
		TOTAL	9
ATHABASCA UNIVERSITY	13	Full Professor	-
		Associate	1
		Assistant	1
		Lecturer	-
		Other	-
			----
		TOTAL	2
BISHOPS UNIVERSIY	16	Full Professor	-
		Associate	3
		Assistant	1
		Lecturer	-
		Other	-
			----
		TOTAL	4

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
UNIVERSITY OF BRITISH COLUMBIA	90	Full Professor	4
		Associate	5
		Assistant	5
		Lecturer	3
		Senior Instructor	1
		TOTAL	18
BROCK UNIVERSITY	23	Full Professor	-
		Associate	-
		Assistant	5
		Lecturer	-
		Other	1
		TOTAL	6
UNIVERSITY OF CALGARY	61	Full Professor	-
		Associate	5
		Assistant	1
		Lecturer	4
		Other	1
		TOTAL	11
UNIVERSITY COLLEGE OF CAPE BRETON	13	Full Professor	-
		Associate	2
		Assistant	2
		Lecturer	-
		Other	-
		TOTAL	4
CARLETON UNIVERSITY	26	Full Professor	-
		Associate	3
		Assistant	1
		Lecturer	2
		Other	-
		TOTAL	6

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
CONCORDIA UNIVERSITY	106	Full Professor	5
		Associate	7
		Assistant	7
		Lecturer	5
		Other	-
		TOTAL	24
DALHOUSIE UNIVERSITY	47	Full Professor	3
		Associate	6
		Assistant	2
		Lecturer	-
		Other	-
		TOTAL	11
ECOLE DES HAUTES ETUDES COMMERCIALES	152	Professoeur Agrere	12
		Professeur Titulaire	5
		Professeur Adjointe	3
		Charge d'Enseignement	8
		TOTAL	28
UNIVERSITY OF GUELPH	8	Full Professor	-
		Associate	-
		Assistant	-
		Lecturer	-
		Other	-
		TOTAL	0
LAKEHEAD UNIVERSITY	19	Full Professor	1
		Associate	1
		Assistant	1
		Lecturer	2
		Other	-
		TOTAL	5

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
LAURENTIAN UNIVERSITY	28	Full Professor	1
		Associate	1
		Assistant	1
		Lecturer	5
		Other	-
			-----
		TOTAL	8
LAVAL UNIVERSITY	80	Professeur Agrere	2
		Professeur Titulaire	3
		Professeur Adjointe	2
		Charge d'Enseignement	1
			-----
		TOTAL	8
LETHBRIDGE UNIVERSITY	20	Full Professor	1
		Associate	4
		Assistant	1
		Lecturer	-
		Other	-
			-----
		TOTAL	6
MCGILL UNIVERSITY	53	Full Professor	3
		Associate	3
		Assistant	-
		Lecturer	-
		Other	-
			-----
		TOTAL	6
MCMASTER UNIVERSITY	55	Full Professor	1
		Associate	2
		Assistant	5
		Lecturer	2
		Other	1
			-----
		TOTAL	11

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
UNIVERSITY OF MANITOBA	53	Full Professor	2
		Associate	1
		Assistant	2
		Lecturer	4
		Other	1
		TOTAL	10
MEMORIAL UNIVERSITY	38	Full Professor	-
		Associate	2
		Assistant	2
		Lecturer	1
		Other	-
		TOTAL	5
MONCTON UNIVERSITY	26	Professeur Agrere	4
		Professeur Titulaire	2
		Professeur Adjointe	-
		Charge d'Enseignement	-
		TOTAL	6
MOUNT ALLISON UNIVERSITY	10	Full Professor	1
		Associate	1
		Assistant	2
		Lecturer	-
		Other	-
		TOTAL	4
MOUNT ST. VINCENT UNIVERSITY	17	Full Professor	-
		Associate	-
		Assistant	4
		Lecturer	1
		Other	-
		TOTAL	5

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
UNIVERSITY OF NEW BRUNSWICK-FREDERICTON CAMPUS	36	Full Professor	1
		Associate	2
		Assistant	2
		Lecturer	5
		Other	-
		TOTAL	10
UNIVERSITY OF NEW BRUNSWICK-SAINT JOHN CAMPUS	11	Full Professor	1
		Associate	-
		Assistant	2
		Lecturer	1
		Other	-
		TOTAL	4
UNIVERSITY OF OTTAWA	72	Full Professor	-
		Associate	8
		Assistant	2
		Lecturer	-
		Other	-
		TOTAL	10
UNIVERSITY OF PRINCE EDWARD ISLAND	11	Full Professor	-
		Associate	-
		Assistant	1
		Lecturer	3
		Other	-
		TOTAL	4
UNIVERSITE DU QUEBEC CHICOUTIMI	42	No Ranking	5
		No Ranking	-
		No Ranking	-
		No Ranking	7
		No Ranking	6
		HULL	21
MONTREAL	80	No Ranking	-
RIMOUSKI	32	No Ranking	7
TROIS RIVIERES	40	No Ranking	6

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
QUEENS UNIVERSITY	52	Full Professor	2
		Associate	2
		Assistant	3
		Lecturer	1
		Other	-
			-----
		TOTAL	8
UNIVERSITY OF REGINA	30	Full Professor	3
		Associate	4
		Assistant	2
		Lecturer	-
		Other	-
			-----
		TOTAL	9
RYERSON POLYTECHNICAL INSTITUTE	109	No Ranking	16
ST. FRANCIS XAVIER UNIVERSITY	11	Full Professor	-
		Associate	2
		Assistant	1
		Lecturer	-
		Other	-
			-----
		TOTAL	3
ST. MARYS UNIVERSITY	52	Full Professor	1
		Associate	2
		Assistant	5
		Lecturer	-
		Other	-
			-----
		TOTAL	8
UNIVERSITY OF SASKATCHEWAN	57	Full Professor	11
		Associate	2
		Assistant	4
		Lecturer	-
		Other	-
			-----
		TOTAL	17

TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
SHERBROOKE UNIVERSITY	51	Professeur Agrere	1
		Professeur Titulaire	8
		Professeur Adjointe	3
		Charge d'Enseignement	-
			----
		TOTAL	12
SIMON FRASER UNIVERSITY	49	Full Professor	2
		Associate	3
		Assistant	1
		Lecturer	3
		Other	-
			----
		TOTAL	13
UNIVERSITY OF TORONTO	75	Full Professor	3
		Associate	4
		Assistant	2
		Lecturer	1
		Senior Tutor	5
		Tutor	3
		Other	1
			----
		TOTAL	19
UNIVERSITY OF TRENT	17	Full Professor	-
		Associate	-
		Assistant	2
		Lecturer	2
		Other	-
			----
		TOTAL	4
UNIVERSITY OF VICTORIA	12	Full Professor	2
		Associate	-
		Assistant	-
		Lecturer	-
		Other	-
			----
		TOTAL	2



TABLE 53 con't

	<u>Total Business Faculty</u>	<u>Rank</u>	<u>Accounting Faculty</u>
UNIVERSITY OF WATERLOO	38	Full Professor	6
		Associate	6
		Assistant	6
		Lecturer	3
		Other	1
		TOTAL	22
UNIVERSITY OF WESTERN ONTARIO	12	Full Professor	1
		Associate	4
		Assistant	2
		Lecturer	-
		Other	-
TOTAL	7		
WILFRED LAURIER UNIVERSITY	56	Full Professor	2
		Associate	3
		Assistant	2
		Lecturer	3
		Other	1
TOTAL	11		
UNIVERSITY OF WINDSOR	51	Full Professor	4
		Associate	6
		Assistant	2
		Lecturer	-
		Other	-
TOTAL	12		
YORK UNIVERSITY	67	Full Professor	1
		Associate	4
		Assistant	2
		Lecturer	1
		Other	-
TOTAL	8		

SUMMARY OF FULL TIME ACCOUNTING FACULTY AT  
CANADIAN UNIVERSITIES BY RANK 1987

RANK	NUMBER	PERCENTAGE OF TOTAL
Full Professor	71	16.95%
Associate Professor	106	25.30
Assistant Professor	86	20.54
Lecturer	54	12.90
Senior Instructor	1	.25
Instructor	3	.73
Senior Tutor	5	1.12
Tutor	3	.73
Professeur Agrere	15	3.58
Professeur Titulaire	16	3.82
Professeur Adjointe	9	2.15
Charge d'Enseignement	9	2.15
No Ranking	34	8.12
Other	7	1.67
TOTAL	419	100.00%

Source: Survey results, University calendars, 1987 Directory of Full-time Faculty Members in Management & Administrative Studies at Canadian universities, Faculty Accounting Directory by James Hassleback.

TABLE 55

Qualifications of Accounting Professoriate at Canadian  
Universities 1986-87

<u>Qualifications</u>	<u>Number</u>	<u>Percentage of Total</u>
Ph.D., CA, CMA, CGA	3	.73%
Ph.D., CA, CMA	3	.73
Ph.D., CA	41	9.78
Ph.D., CPA	12	2.86
Ph.D., CMA	15	3.58
Ph.D., CGA	4	.95
Ph.D.	65	15.50
	-----	-----
<b>TOTAL DOCTORATES</b>	<b>143</b>	<b>34.13%</b>
MBA, CA, CMA, CGA	1	.25%
MBA, CA, CMA	18	4.28
MBA, CA	63	15.03
MBA, CPA	3	.73
MBA, CMA	22	5.23
MBA, CGA	2	.50
MBA	25	5.96
Master (other than MBA), CA	18	4.29
Master (other), CMA	3	.73
Master (other), CGA	3	.73
Master (other)	12	2.85
	-----	-----
<b>TOTAL MASTERS</b>	<b>170</b>	<b>40.57%</b>
Undergraduate Degree, CA, CMA	4	.95%
Undergrad. Degree, CA or CPA	85	20.28
Undergrad. Degree, CMA	4	.95
Undergrad. Degree, CGA	0	0.0
Undergraduate Degree CA only	11	2.62
	2	.50
	-----	-----
<b>TOTAL UNDERGRADUATE DEGREES</b>	<b>106</b>	<b>25.30%</b>
	=====	=====
<b><u>TOTAL</u></b>	<b>419</b>	<b>100.00%</b>

Note 1: DBA (Doctor of Business Administration) is included in the Ph.D. category

Note 2: It is very difficult to determine how many of the doctorate degrees are in Accountin. In fact, many of the doctorates are in other Business disciplines and some outside the Business area.

Note 3: MBA equivalents such as M.Comm (Master of Commerce) are included in the MBA category.

Source: 1987 Directory of Full-time Faculty Members in Management and Administrative Studies at Canadian Universities.

TABLE 56

COUNTRY FROM WHICH THE HIGHEST DEGREE HELD  
- DOCTORATE - BY ACCOUNTING FACULTY AT  
CANADIAN UNIVERSITIES 1986-1987

COUNTRY	NUMBER	PERCENTAGE OF TOTAL
CANADA	24	16.78%
U.S.A.	98	68.53
U.K.	12	8.39
OTHER	9	6.30
	-----	-----
TOTAL	143	100.00%

TABLE 57

COUNTRY FROM WHICH THE HIGHEST DEGREE HELD  
- MASTER - BY ACCOUNTING FACULTY AT CANADIAN  
UNIVERSITIES 1986-1987

COUNTRY	NUMBER	PERCENTAGE OF TOTAL
CANADA	127	76.05%
U.S.A.	37	22.15
U.K.	3	1.80
	-----	-----
TOTAL	167	100.00%

Source: For Tables 56 and 57, 1987 Directory of Full-Time Faculty Members in Management and Administrative Studies at Canadian universities.

TABLE 58

Country from Which the Highest Degree Held - Bachelor -  
by Accounting Faculty at Canadian Universities  
1986-1987

COUNTRY	NUMBER	PERCENTAGE OF TOTAL
CANADA	101	95.28%
USA	3	2.83
UK	0	0.0
OTHER	2	1.89
	-----	-----
TOTAL	106	100.00%

Source: 1987 Directory of Full-time Faculty Members in Management and Administrative Studies at Canadian Universities.

TABLE 59

Management and Administrative Studies Enrolment and  
Faculty Related Total to Full-time Enrolment and  
Total Full-time University Teachers 1984-85

University

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

Full-time total enrolment	8,673	Total Full-time university teachers	892
Full-time Management Enrolment	425	Full-time University Teachers in Management	33
% of Total Students in Management	4.9	% of Total Faculty in Management	3.7

University

UNIVERSITY OF PRINCE EDWARD ISLAND

Full-time total enrolment	1,720	Total Full-time university teachers	118
Full-time Management Enrolment	407	Full-time University Teachers in Management	12
% of Total Students in Management	23.7	% of Total Faculty in Management	10.2

TOTAL FOR PROVINCE OF NOVA SCOTIA

Full-time total enrolment	20,196	Total Full-time university teachers	1,669
Full-time Management Enrolment	3,758	Full-time University Teachers in Management	160
% of Total Students in Management	23.7	% of Total Faculty in Management	9.6

TABLE 59 con't

## TOTAL FOR PROVINCE OF NEW BRUNSWICK

Full-time total enrolment	13,350	Total Full-time university teachers	1,008
Full-time Management Enrolment	2,330	Full-time University Teachers in Management	84
% of Total Students in Management	18.6	% of Total Faculty in Management	8.3

## TOTAL FOR PROVINCE OF QUEBEC

Full-time total enrolment	103,659	Total Full-time university teachers	7,084
Full-time Management Enrolment	17,486	Full-time University Teachers in Management	681
% of Total Students in Management	16.9	% of Total Faculty in Management	9.6

## TOTAL FOR PROVINCE OF ONTARIO

Full-time total enrolment	180,832	Total Full-time university teachers	13,079
Full-time Management Enrolment	19,126	Full-time University Teachers in Management	699
% of Total Students in Management	10.6	% of Total Faculty in Management	5.3

## TOTAL FOR PROVINCE OF MANITOBA

Full-time total enrolment	18,496	Total Full-time university teachers	1,489
Full-time Management Enrolment	1,501	Full-time University Teachers in Management	50
% of Total Students in Management	8.1	% of Total Faculty in Management	3.4

TABLE 59 con't

## TOTAL FOR PROVINCE OF SASKATCHEWAN

Full-time total enrolment	17,659	Total Full-time university teachers	1,464
Full-time Management Enrolment	1,843	Full-time University Teachers in Management	86
% of Total Students in Management	10.4	% of Total Faculty in Management	5.9

## TOTAL FOR PROVINCE OF ALBERTA

Full-time total enrolment	41,297	Total Full-time university teachers	3,062
Full-time Management Enrolment	2,859	Full-time University Teachers in Management	150
% of Total Students in Management	6.9	% of Total Faculty in Management	4.9

## TOTAL FOR PROVINCE OF BRITISH COLUMBIA

Full-time total enrolment	29,175	Total Full-time university teachers	2,510
Full-time Management Enrolment	3,332	Full-time University Teachers in Management	145
% of Total Students in Management	11.4	% of Total Faculty in Management	5.8

## TOTAL FOR CANADA

Full-time total enrolment	435,057	Total Full-time university teachers	32,375
Full-time Management Enrolment	53,067	Full-time University Teachers in Management	2,100
% of Total Students in Management	12.2	% of Total Faculty in Management	6.5

Source: Statistics Canada



TABLE 60

University Enrolment in Management and Administrative  
Studies at Undergraduate and Master Level  
(Selected Years)

YEAR	UNDERGRADUATE		MASTER	
	Full-time	Part-time	Full-time	Part-time
1975-76	29,752 (9%)	20,854 (13.2%)	2,820 (11.9%)	2,395 (15.1%)
1980-81	42,308 (12.5%)	27,513 (13.6%)	3,527 (13.6%)	3,982 (19%)
1985-86	49,545 (12.5%)	41,812 (16.8%)	4,079 (12.07%)	4,856 (19.4%)

Source: 1987 Factbook. Canadian Federation of Deans of Management and Administrative Studies. Statistics Canada.

TABLE 61

Median Salary\* of Full-time Faculty of Management  
and Administrative Studies and of all Disciplines  
by Academic Rank 1981-82 and 1986-87

Year	All Teachers	Full	Associate	Assistant	Lecturer
1981-82					
MAS+	\$39,100	\$52,100	\$41,800	\$32,200	\$25,000
AD++	40,200	50,900	39,200	30,700	24,400
1982-83					
MAS	42,800	57,800	45,800	35,000	27,600
AD	44,900	56,400	43,800	33,900	27,100
1983-84					
MAS	43,500	59,100	46,100	36,300	28,000
AD	45,400	57,900	44,100	34,500	28,300
1984-85					
MAS	45,500	60,700	47,600	37,400	29,300
AD	47,200	59,500	45,500	35,100	29,000
1985-86					
MAS	48,700	64,400	50,500	40,000	30,600
AD	49,500	62,000	47,800	36,800	30,700
1986-87					
MAS	51,200	69,100	53,000	42,000	32,800
AD	51,300	64,500	50,100	37,700	31,200

\* Amounts have been rounded to the nearest 100 dollars

+ MAS: Management and Administrative Studies

++ AD: All Disciplines

Source: Statistics Canada, 1986-87 Salary Analysis, and 1986-87 Salary Survey, Canadian Federal of Deans of Management and Administrative Studies (CFDMAS)

TABLE 62

SALARIES OF FULL-TIME MANAGEMENT AND ADMINISTRATIVE STUDIES FACULTY  
 BY REGION AND ACADEMIC RANK, 1986-87

RANK	WESTERN PROVINCES	ONTARIO	ATLANTIC PROVINCES	TOTAL
	No. Mean Median	No. Mean Median	No. Mean Median	No. Mean Median
Full Professor	84 70958 70225	153 71095 69475	24 58200 58500	258 69906 68900
Associate Professor	99 54322 54050	183 55287 54650	69 46473 46275	348 53301 52950
Assistant Professor	57 42185 42550	165 44115 43750	63 35184 35550	285 41746 41375
Lecturers	15 38276 34450	75 35484 34000	27 28668 28450	120 34232 32900
TOTAL	255 56145 55150	576 53661 51700	180 41307 39800	1014 52065 50600

SOURCE : Statistics Canada 1986-87 Salary Analysis.

TABLE 63

SALARIES OF FULL-TIME FACULTY IN ALL DISCIPLINES  
BY REGION AND ACADEMIC RANK, 1986-87

RANK	WESTERN PROVINCES	ONTARIO	ATLANTIC PROVINCES	TOTAL
	No. Mean Median	No. Mean Median	No. Mean Median	No. Mean Median
Full				
Professor	2352 67969 66625	4530 66346 65900	831 57771 55625	7716 65913 65150
Associate				
Professor	2019 51210 50650	4416 52544 51600	1254 45948 43850	7689 51114 50350
Assistant				
Professor	1131 38956 37900	2637 40881 39100	813 37182 35000	4584 39748 37900
Lecturers	216 32557 32000	603 36770 33450	192 30462 28900	1011 34672 32000
TOTAL	5721 54965 54500	12183 54373 53250	3090 45867 43550	21000 53279 52000

SOURCE : Statistics Canada 1986-87 Salary Analysis.

SALARIES OF FULL-TIME MANAGEMENT AND ADMINISTRATIVE  
STUDIES FACULTY IN CANADA  
BY ACADEMIC RANK AND QUALIFICATIONS

	No.	TOTAL		PERCENTILE	
		Mean	Median	10th	90th
<b>Full Professor</b>					
Doctorate	219	69831	69050	56375	84000
Masters	33	69527	65575	54675	87525
Bachelors	3				
Prof. deg.	3				
Sub-total	258	69824	68900	56225	83875
Other					
Sub-total	258	69906	68900	56250	84050
<b>Associate Professor</b>					
Doctorate	258	53901	53300	44450	63200
Masters	81	51961	51500	39500	65650
Bachelors	6	54194	51200		
Prof. Deg.					
Sub-total	345	53454	53000	44225	65550
Other	9	45816	45050		
Sub-total	354	53301	52950	44025	63475
<b>Assistant Professor</b>					
Doctorate	114	44123	44350	38000	50825
Masters	135	39907	39875	30825	48450
Bachelors	15	44154	39900	34050	62350
Prof. Deg.	3				
Sub-total	270	41945	41750	32500	50150
Other	15	38181	35500	31150	48450
Sub-total	285	41746	41375	32475	50075
<b>Lecturers</b>					
Doctorate	6	39671	35975		
Masters	78	33782	32650	27000	44150
Bachelors	24	34627	33300	25700	46100
Prof. Deg.					
Sub-total	111	34151	32900	27100	44325
Other	6	33929	31950		
Sub-total	120	34232	32900	26600	44450
<b>TOTAL</b>	1014	52065	50600	33600	71825

Source: Statistics Canada 1986-87 Salary Analysis.

SALARIES OF FULL-TIME FACULTY IN ALL DISCIPLINES IN  
CANADA BY ACADEMIC RANK AND QUALIFICATIONS

	No.	TOTAL		PERCENTILE	
		Mean	Median	10th	90th
<b>Full Professor</b>					
Doctorate	6294	65104	64800	52250	78200
Masters	648	66803	66450	51750	81150
Bachelors	117	65683	64600	54650	78900
Prof. deg.	582	73559	69850	49225	99000
Sub-total	7638	65901	65150	52000	79900
Other	75	67150	64700	52150	84725
Sub-total	7716	65913	65150	52000	79950
<b>Associate Professor</b>					
Doctorate	5358	50661	50350	41250	60100
Masters	1371	50588	50225	40350	60450
Bachelors	186	51625	50975	38775	65000
Prof. Deg.	669	55142	50950	37300	84100
Sub-total	7584	51067	50350	40550	61300
Other	108	54467	50200	40125	70950
Sub-total	7689	51114	50350	40550	61350
<b>Assistant Professor</b>					
Doctorate	2481	38020	37325	30750	45825
Masters	1173	38960	38425	30000	47625
Bachelors	171	40057	39000	31650	48550
Prof. Deg.	645	47817	40000	28250	81175
Sub-total	4467	39754	37900	30200	48200
Other	117	39486	36000	29300	48750
Sub-total	4584	39748	37900	30150	48200
<b>Lecturers</b>					
Doctorate	123	34934	34100	27300	44825
Masters	540	32725	31200	25650	42225
Bachelors	195	34571	33000	24975	50275
Prof. Deg.	69	46123	36650	23600	81575
Sub-total	927	34416	32000	25375	45000
Other	81	37566	33225	25525	48700
Sub-total	1011	34672	32000	25400	45300
<b>TOTAL</b>	<b>21000</b>	<b>53279</b>	<b>52000</b>	<b>34500</b>	<b>72500</b>

SOURCE : Statistics Canada 1986-87 Salary Analysis.

TABLE 66

MEDIAN SALARY OF FULL-TIME FACULTY  
AT CANADIAN UNIVERSITIES 1980-81 and 1986-87

Academic Rank	Management and Administrative Studies		All Disciplines	
	1980-81	1986-87	1980-81	1986-87
Full Professor	\$45,700	\$68,900	\$45,300	\$65,150
Associate Professor	36,400	53,000	34,700	50,350
Assistant Professor	28,300	41,400	27,400	37,900
Lecturer	22,600	32,900	21,800	32,000
All Ranks	34,000	50,600	35,000	51,200
		% Change		% Change
		50%		44%
		46%		45%
		46%		38%
		46%		46%
		49%		46%

Source: 1986-87 Salary Report Canadian Federal of Deans of  
Management and Administrative Studies.

TABLE 67

## SALARIES OF FULL-TIME MANAGEMENT AND ADMINISTRATIVE STUDIES

## FACULTY BY TEACHING SPECIALIZATION IN CANADA 1986-87

Specialization	Total Faculty	Salary Range	Mean	Median
Accounting	349	\$20,000-\$100,000	\$48,600	\$48,000-\$49,000
Organizational				
Behaviour	178	25,000- 83,000	50,700	49,000- 50,000
Business Law	23	32,000- 36,000	48,500	45,000- 46,000
Management Inform-				
ation Systems (MIS)/				
Computer Information				
Systems (CIM)	92	27,000- 79,000	47,400	47,800- 48,000
Economics	108	28,000- 95,000	52,800	52,000- 53,000
Finance	219	26,000- 94,000	50,600	49,000- 50,000
International				
Business	27	37,000- 87,000	56,100	55,000- 56,000
Management	134	20,000- 80,000	27,600	49,000- 50,000
Marketing	230	25,000- 89,000	49,900	48,000- 49,000
Personnel	94	27,000- 84,000	48,100	46,000- 47,000
Production/Operations				
Management/Managerial				
Economics	75	29,000- 84,000	51,900	51,000- 52,000
Policy and Control	81	33,000- 89,000	55,000	51,000- 52,000
Quantitative Methods	165	26,000- 85,000	51,200	50,000- 51,000
Other	55	26,000- 88,000	51,500	52,000- 53,000
Combined				
Specializations	1830	20,000- 100,000	50,200	49,000- 50,000

Source: 1986-87 Salary Report Canadian Federation of Deans  
of Management and Administrative Studies.



## SUMMARY OF PRELIMINARY 1986-87 AACSB SALARY SURVEY RESULTS

## 1986-87 Business Faculty Salaries by Discipline

Business Disciplines	Professor		Associate Professor		Assistant Professor		Instructor		New Doctorate	
	Mean	% incr.	Mean	% incr.	Mean	% incr.	Mean	% incr.	Mean	% incr.
	\$ in 000	over 1985	\$ in 000	over 1985	\$ in 000	over 1985	\$ in 000	over 1985	\$ in 000	over 1985
Accounting	51.8	7.5	41.9	8.3	36.6	7.3	25.4	5.8	41.8	6.3
Economics	48.1	6.7	36.9	6.3	30.9	6.6	24.5	7.9	31.2	9.5
Finance	52.8	9.5	42.8	8.6	38.4	8.2	25.7	6.2	40.9	7.3
Management	47.9	7.9	38.5	5.5	33.5	6.7	24.3	4.7	36.8	9.9
Marketing	50.5	7.5	40.3	6.9	35.4	6.9	24.2	4.3	35.4	0.9
Quantitative Methods	51.1	9.2	41.0	8.8	35.5	8.2	23.2	4.0	38.7	20.2
Business Education	40.1	6.6	32.4	2.5	26.9	2.7	20.6	2.5	27.0	1.9
Business Law	46.5	9.9	35.7	5.0	30.1	6.4	23.6	4.0	29.7	0.7
Information Systems	49.1	8.9	40.2	6.9	34.7	5.2	25.4	9.0	38.9	11.5
Production/ Operations Management/ Managerial Economics	50.5	7.9	41.8	10.6	37.5	11.9	26.2	19.6	36.3	3.4

Source: AACSB Salary Survey; and U.S. Department of Labour,  
Bureau of Labour Statistics.

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