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***“An Analysis of Differing Attitudes Toward the AICPA’s  
Proposed Global Credential”***

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By Mary L. Crocker

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Student Name (print or type):

Mary L. Crocker

Faculty Supervisor (print or type):

Dr. Sally Webber

Faculty Approval Signature:

Sally Ann Webber

Department of (print or type):

Accountancy

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## Abstract

This study investigates the opinions of accountancy, marketing, and management majors toward the "XYZ" Credential proposed by the American Institute of Certified Public Accountants. This global credential, which is intended to encourage broad business knowledge among a variety of professionals, has resulted in extreme controversy among members of the accounting profession. The research discussed in this paper was conducted through a survey instrument distributed to students at Northern Illinois University. This study found that all three majors showed clear agreement with the statement, "The XYZ credential is a great idea." Furthermore, accountancy and management majors indicated that they would be interested in obtaining the XYZ credential. However, accountancy majors would be more interested in the current CPA designation, while management majors were more interested in the proposed XYZ credential. Also, results varied based on major for many of the questions presented. When asked which credential holder they would hire in a given situation, accountancy majors were more likely to select a specialist, while management and marketing majors were more favorable toward the broad knowledge of the XYZ credential holder. Finally, this study demonstrated that previous knowledge of the XYZ credential did not affect the opinions held by accountancy majors.

# **AN ANALYSIS OF DIFFERING ATTITUDES TOWARD THE AICPA'S PROPOSED GLOBAL CREDENTIAL**

**Mary L. Crocker**

## **INTRODUCTION**

The American Institute of Certified Public Accountants (AICPA) has recently proposed a new global credential that has caused extreme controversy among its membership. This credential has been referred to as "XYZ," because an appropriate name has not yet been determined. Initially, the AICPA intended to call this certification "Cognitor," but the name was not well regarded and has therefore been dropped.

This paper seeks to determine whether students believe that the new credential will benefit them in their future careers. The study evaluates the opinions of accountancy majors as well as students who are majoring in management or marketing. It is important to consider the opinions of accountancy majors because they will be the future holders of this proposed credential. If accounting students do not see a benefit from the XYZ proposal, the AICPA may need to reconsider its position. Strong opposition to the global credential on the part of accountancy students may lead them to choose other career paths. Furthermore, it has been suggested by the AICPA that an educational campaign about the XYZ credential would result in more favorable opinions. This study compares those accountancy majors who had prior knowledge of the credential with those who did not, testing the AICPA's claim.

Marketing and management majors were also surveyed because of the additional insight that their opinions can provide. These students will eventually become customers purchasing the services of those who hold this new credential. Because this credential will not be limited only

to accountants, these students may also be future holders of the credential. If this group of students does not feel that the credential will benefit their future businesses, the AICPA may be on the wrong track with this proposal. The key element of this analysis is a comparison between the attitudes of these two different student groups.

This paper is organized as follows: a discussion of the background of the global credential and other research that has been conducted on the subject, followed by a summarization of the methodology used and demographic information about the research subjects. The next section explains the hypotheses tested and the results obtained. The paper concludes with sections that discuss the results, provide conclusions, and explain the limitations of the study and potential areas for future research.

## **BACKGROUND**

### ***The AICPA's Definition of the Global Credential***

The XYZ credential is not intended to replace existing certifications; rather, the AICPA believes that it “would enhance existing graduate degrees, certifications, and professional organizations like MBA, CPA, or Business Lawyer” (Global Credential website 2001). The AICPA wants to create a credential that will be recognized the world over. According to AICPA literature, the XYZ credential will contain four key elements. First, it will be interdisciplinary; this is not intended to be another credential exclusively for accountants. The AICPA wants this global credential to require its holders to learn to integrate knowledge from a variety of business disciplines and cultures. Second, the credential will require that its holders have several years of work experience. Third, the XYZ will be recognized across the globe. Fourth, continuing learning and assessment will also be a requirement. Finally, holders of the new credential must adhere to ethical standards (Global Credential website 2001).

The global credential would require that applicants pass an exam that will test their skills in these interdisciplinary areas, demonstrating competency as business advisors. Those who pass this exam will become members of an organization of business experts that will be recognized worldwide. To maintain this credential, holders will be required to participate in continuing education and be periodically tested. A global institute will regulate the credential (Global Credential website 2001).

### ***Support for the Global Credential***

The AICPA is confident that the global credential it has proposed is the appropriate avenue for the accounting profession to take in order to emerge as the business leaders of the future. The organization has provided reasons why establishing the XYZ credential and allowing individuals other than accountants to pursue this designation will be beneficial to the profession. The AICPA states, "Many professionals from different disciplines are currently providing business consulting and strategic advice to their clients and employers...It would not be credible for CPAs to exclusively claim this market space and exclude qualified professionals from other disciplines" (Reed and Cameron 2000, 7-8). Because CPAs do not have a unique claim to providing business advice, the AICPA believes that other professionals should also be permitted to obtain the global credential. However, CPAs will be the first to have access to the XYZ credential, and the AICPA believes that this will provide a competitive edge for current CPAs.

The AICPA also believes that the global credential is important in achieving the "CPA Vision" that has been recently adopted. The Vision project was established to determine the direction that CPAs would take in the future and what qualities they would need in order to be successful in the ever-changing business world. The AICPA found that CPAs "enthusiastically supported chartering a new direction for [the] profession," and they developed a Vision

statement that utilized ideas from CPAs all over the country (Reed and Cameron 2000, 2). The

Vision statement reads as follows:

CPAs are the trusted professionals who enable people and organizations to shape their future. Combining insight with integrity, CPAs deliver value by:

- Communicating the total picture with clarity and objectivity,
- Translating complex information into critical knowledge,
- Anticipating and creating opportunities, and
- Designing pathways that transform vision into reality (Reed and Cameron 2000, 2).

The significance of the CPA Vision, according to the AICPA, is that it changes the focus of CPAs to generating value by using analytical skills, rather than simply gathering and presenting business information (Reed and Cameron 2000, 2). The AICPA believes that a new credential that is not limited to accounting is necessary in order to achieve this vision.

### ***Opposition to the Global Credential***

Although the AICPA is very optimistic about the XYZ proposal, it has met strong opposition from many parties, including its own membership. Many of the state CPA societies have voted to oppose the global credential. Among those who have chosen to do so are the New York and Illinois CPA societies. These organizations have conducted research, discussed below, and have found that their membership is strongly opposed to the new credential. Therefore, these state societies will not support the AICPA in this endeavor.

Furthermore, the Big 5 firm PriceWaterhouseCoopers has expressed opposition to the XYZ credential. In a memo to their members on the AICPA Council, PwC outlined several concerns. First, they stated that the XYZ credential is unnecessary. They continue, "...we do



not believe a new professional credential is needed to recognize or validate knowledge-based competencies that professional services firms, including their CPAs, possess or seek to acquire... We have not discerned any remarkable interest in the marketplace for another 'class' of professional advisor" (O'Connor 2001, 1). Another concern that PwC noted is that the profession's attention is needed elsewhere. They list several different areas on which they feel that AICPA should focus, rather than the global credential. A third concern is that the AICPA should devote more time to developing the CPA Vision initiative that was recently introduced. Fourth, PwC notes that because of the time and resources the AICPA is devoting to the XYZ proposal, it may prevent the profession from achieving the CPA Vision. Many people would rather see the accounting profession work on stretching the current CPA brand, rather than creating a new credential. Fifth, the financial resources that must be committed to the XYZ credential are very large and risky. PwC notes that the start-up investment for the XYZ credential may approximate \$210 million, which is 5 times the net assets and 1.3 times the operating revenues of the AICPA and related organizations, as reported in 2000. Finally, PwC is concerned that the XYZ credential may have a negative impact on the profession. They note that because of a new credential, fewer students might become CPAs. Also, they fear that if XYZ is established, the CPA will become diluted; eventually, it may become a credential only for those who wish to specialize in audit, rather than for all accountants who wish to serve as business advisors. PwC "is reluctant to support any initiative that may exacerbate current profession issues or give rise to new significant issues" (O'Connor 2001, 4).

Another problem is that not all countries are interested in this new credential. If it is to be truly global, then it must be recognized everywhere, and it appears that this will not be the case. In the fall of 2000, all of the countries in the United Kingdom abandoned the AICPA's

proposed credential. In late September, both the Scots and Irish pulled out of the task force devoted to this scheme. The Scottish accounting institute stated, "there is insufficient market demand for an all-embracing qualification of the sort proposed" (AccountingWEB 2000). They instead are choosing to push their own credential, the "Chartered Accountant," as a global certification. The Ireland organization is concerned about the business plan for the new credential, and it does not think that the current plan is viable. They still support the goal of a global certification, but they do not feel that the XYZ credential is the appropriate measure (Accounting WEB 2000).

Following the Scottish and Irish, the Institute of Chartered Accountants in England and Wales (ICAEW) also withdrew from talks regarding the proposed credential. The president of this organization, Graham Ward, said "We do not believe that the current Cognitor (XYZ) proposals represent the best way forward to continue to develop the international reputation and profile of our members, some 10% of whom already practice internationally. We will continue to develop our own plans for a global qualification for Chartered Accountants" (Accounting WEB 2000).

On May 2, 2001, the AICPA Council passed a resolution that puts the XYZ credential on hold until after the fall council meeting in October 2001. This resolution was sponsored by the California and Texas state CPA societies. It instructs the AICPA to increase its efforts to educate its membership about the global credential. It also directs the AICPA to further study the attitudes of its members toward this proposal. The development of the global credential program can continue until the October 2001 meeting of the AICPA council, when the proposal will be reevaluated and possibly prepared for a vote by the AICPA's membership. The board

and management of the AICPA may not mail a membership referendum on the global credential until after the council meets in October (Accounting WEB 2001).

### ***Other Research on the Subject***

Both the AICPA and the state CPA societies have been conducting research in order to determine whether current and future CPAs believe that the global credential will benefit the profession. The AICPA has already recognized the importance of the opinions of college students regarding the global credential. The AICPA hired the Taylor Research and Consulting Group to test two hypotheses among college students. These two hypotheses were as follows:

- 1) That effectively communicating to students the range and depth of the opportunity offered by the CPA credential (the Vision CPA) would, by itself, boost interest in accounting as a major and in the CPA credential.
- 2) That the establishment of XYZ would not only strengthen the profession by bringing into the fold many who might otherwise opt out of seeking the CPA, but could grow to further the ranks of those seeking the CPA as well (Taylor Research 2001).

The Taylor Group conducted telephone interviews with 945 college students nationwide. The sample included accounting majors, non-accounting business majors, former accounting majors, undeclared majors, and a random sample. The Taylor Group found support for both the hypotheses listed above. They developed several findings from their research. First, they found that the appeal of XYZ is significant among college students. They found that more than 67% of college students found XYZ to be somewhat or very appealing. Second, they found that XYZ appeals to college students because it is interdisciplinary, involves a strong ethics component, could increase their earnings potential, and contains an element of prestige. The third finding of this research was that significant numbers of students would consider pursuing the profession.

Overall, 28% said they would consider pursuing the XYZ credential; 41% of accounting majors and 51% of non-accounting business majors would consider pursuing this credential. The Taylor Group discussed several other findings, and concluded: "Offering both the Vision CPA and XYZ would attract more students to both professions than either would alone" (Taylor Research 2001).

The AICPA also hired consultants from the Interpublic Group of Companies to survey individuals who are in a position to hire future XYZ credential holders. According to the May 2001 issue of *The CPA Letter*, 83% of CEOs and human resource professionals indicated that they would be more likely to hire someone for a senior strategic position if the person held the new XYZ credential. Furthermore, 56% of those surveyed said they would be willing to pay more for a person who held the global credential. Also, 61% of CEOs said that the new credential would have a positive impact on their perception of the CPA. Only 1-3% of respondents believed that the new credential would diminish any existing credential.

Research conducted by the state CPA societies produces very different results. This research has focused on current CPAs who are members of the state societies. According to the surveys conducted by the Illinois and New York CPA Societies, their membership for the most part is strongly opposed to this new credential. The first problem is that many CPAs do not believe that they have a sufficient understanding of the XYZ concept. The Illinois survey results indicated that 86.5% of their sample did not have a clear understanding of the XYZ credential. Similarly, the New York survey indicated that 72.2% of respondents did not clearly understand the credential. However, those who were educated about the new credential were not more positive toward the idea. One of the questions asked was whether the additional credential would be advantageous for CPAs. In Illinois, those who claimed to have a clear understanding

of the concept were only 19.8% positive; the overall response was 29% positive. The ICPAS noted that this result suggests that an educational campaign would be a waste of resources (Gabrielse 2001).

Further, 76.2% of the Illinois CPA sample and 77.0% of the New York CPA sample did not believe that the new credential would better define the range of services provided by CPAs. Also, 71.0% of the Illinois CPA sample and 68.8% of the New York sample did not believe that the credential would be advantageous for CPAs. Over 70% of both groups indicated that they would not seek the new credential if it were developed (Gabrielse 2001).

The Illinois CPA Society sent its survey out to members in industry, public practice, and sole proprietors. They provided information about how each group responded to the given questions. I tested these proportions to determine whether there were significant differences among the industry groups. The first question that I tested read as follows:

*Do you believe an additional credential would better define for the public the range of service CPAs currently provide?*

The hypotheses for this question and the others were as follows:

*H<sub>0</sub>: The proportions among industry, public, and sole proprietors are the same.*

*H<sub>a</sub>: The proportions differ based upon in which area the members practice.*

Table 1 shows the numbers of each practice area who selected “Yes” and “No” for the above question.

The industry members were primarily negative toward this question, but the public practice members and sole proprietors were even more negative than those in industry. Therefore, when performing a two-proportions test, two of the groups were found to be significantly different from one another; a p-value of .011 was obtained when comparing public

**Table 1: Proportions for ICPAS Survey: Better Define Range of Services**

<i>Practice Area</i>	<i>Yes</i>	<i>No</i>
Industry	69 (31.4%)	151 (68.6%)
Public	65 (21.3%)	240 (78.7%)
Sole proprietor	31 (18.9%)	133 (81.1%)

to industry, and a p-value of .006 was obtained when comparing sole proprietors to industry. Therefore, the null hypothesis is rejected; both public practice members and sole proprietors were more negative toward this question than were industry members. However, sole proprietors were not found to be significantly different from members in public practice; the p-value was .055. The null hypothesis cannot be rejected for these two groups.

Another question that the Illinois CPA society presented to its membership read as follows:

*Do you believe it is advantageous for CPAs to obtain an additional credential that is broader and more encompassing in scope than the CPA designation?*

Table 2 displays the membership's response to this question.

Respondents again were very negative toward this question. However, industry members were again more positive. A two proportions test demonstrated that the industry proportion was again significantly different from the sole proprietors' proportion. The p-value for this test was .003. Therefore, the null hypothesis is rejected; the opinions were different based upon whether

**Table 2: Proportions for ICPAS Survey: Additional Credential Advantageous**

<i>Practice Area</i>	<i>Yes</i>	<i>No</i>
Industry	77 (35.3%)	141 (64.7%)
Public	88 (28.9%)	217 (71.1%)
Sole proprietor	35 (21.1%)	131 (78.9%)

a member was in industry or a sole proprietor. However, responses did not differ between industry and public practice. The p-value for these proportions was .127. Also, responses did not differ between public practice and sole proprietors. The p-value for this comparison was .078. The null hypothesis cannot be rejected for the comparisons between these groups.

Another question included in the ICPAS survey was the following:

*Would you seek an additional credential that is broader and more encompassing in scope than the CPA designation?*

Table 3 displays the membership's answers to this question.

The responses shown above demonstrate that only around 20% of all respondents were interested in pursuing the XYZ credential. Furthermore, these responses did not significantly differ among the practice areas. When comparing industry to sole proprietors, the p-value computed was .374. When comparing industry to public practice, the p-value was .604. Finally, when sole proprietors were compared to public practice, the p-value was .131. Therefore, for all three comparisons, the results fail to support rejection of the null hypothesis; it appears that there

**Table 3: Proportions for ICPAS Survey: Would You Seek an Additional Credential**

<i>Practice Area</i>	<i>Yes</i>	<i>No</i>
Industry	50 (22.6%)	171 (77.4%)
Public	75 (24.8%)	227 (75.2%)
Sole proprietor	30 (18.5%)	132 (81.5%)

is no one group that would be more interested in obtaining the XYZ credential.

The Illinois CPA Society research published comments from their membership regarding this credential. These included strong statements such as “I strongly disagree with the AICPA and think that they are ruining the profession.” “If Cognitor is approved, I will withdraw from the ICPAS and AICPA! I will devote my time and political dollars to see that the Congress, SEC, and government regulator agencies have total control and regulation and power over cognitors, AICPA, and ICPAS!” “This is the stupidest idea I’ve heard in years” (Gabrielse 2001).

After taking in this information from its membership, the Board of Directors of the Illinois CPA Society voted unanimously to oppose any support, financial or otherwise, of the XYZ credential. They noted four main reasons for this decision. First, the random survey of its members demonstrated strong opposition to the XYZ credential, as noted above. Second, the Illinois CPA Society stated that advocating or even being neutral toward this credential would be disregarding the opinion of a majority of the organization’s members. Third, members see the



AICPA and the Illinois CPA Society as complementary organizations, and the negative attitude toward the AICPA's proposed credential is spreading to include a negative attitude toward the ICPAS. Finally, the ICPAS board felt that strong public opposition to the credential would help to lessen the risk of losing a substantial number of memberships (Watts 2001).

## RESEARCH METHODOLOGY

### *Research Instrument*

I developed a survey in order to test students' opinions concerning the XYZ credential. Subjects were given a one-page discussion of the proposal, which explained the credential and gave arguments for and against its adoption. This explanation of the credential is available in the appendix. The instrument requested that students indicate whether or not they agreed or disagreed, and to what extent, with seven different statements about the XYZ credential. The students ranked these statements on the following scale: 5 = Strongly Agree; 4 = Agree; 3 = Neither Agree nor Disagree; 2 = Disagree; 1 = Strongly Disagree. These statements are shown in Figure 1:

### **Figure 1: Test Statements From Survey Instrument**

- 1) *The XYZ credential is a great idea.*
- 2) *I would be interested in obtaining an XYZ designation.*
- 3) *I would be more interested in obtaining an XYZ than in obtaining a CPA.*
- 4) *The CPA designation is enough; no new credential is necessary.*
- 5) *The CPA's credibility would be undermined if the XYZ credential were to take effect.*
- 6) *I would be more interested in obtaining a CPA than in obtaining an XYZ.*
- 7) *The XYZ credential is a terrible idea.*

Additionally, subjects were asked to select which credential holder they would hire under given circumstances. The situations provided involved information system planning, managerial accounting, internal auditing, and tax planning. Each of these four questions had “CPA” and “XYZ” as answers, as well as an “Any of the above” selection. The questions were presented as shown in Figure 2:

**Figure 2: Sample Question from Survey Instrument**

*Your small but growing company has decided to implement a new computerized information system that will be used in the marketing, accounting, and management offices. You have the option of hiring an XYZ, with broad-based knowledge, a Certified Information Systems Auditor (CISA), or a Certified Public Accountant.*

*Would you hire:*

*A) The CPA*

*B) The XYZ*

*C) The CISA*

*D) Any of the above*

To view the complete survey, please refer to the appendix. The subjects were also provided with a guide that described each certification in case they were not familiar with any of them. This chart is also available in the appendix.

### ***Research Questions***

There are four main questions that this paper addresses. This research is primarily concerned with how the different groups responded to questions that asked for opinions about the global credential.

*Question 1:* Do responses to survey questions about the XYZ credential differ based on the three different majors surveyed?

*Question 2:* Do responses for each major show a clear opinion on the subject; that is, do the responses significantly differ from a mean of three, indicating that students either agreed or disagreed with the statement?

*Question 3:* Would the different majors choose to hire different individuals for accounting-related jobs?

*Question 4:* Do accounting majors' responses to the questions differ, based on whether or not they had previous knowledge of the global credential?

### ***Research Subjects***

My questionnaire was distributed in six different classes at Northern Illinois University. Two classes of accounting majors, primarily seniors, were surveyed as the accounting group. Additionally, one class of management and three classes of marketing majors were surveyed as the second student group.

The total number of students surveyed was 193. The initial sample included 75 accounting majors, 68 marketing majors, 38 management majors, and 12 students who had other majors. However, 10 subjects had to be eliminated. Six accounting majors were eliminated because they selected two answers to one or more questions. Two marketing majors were eliminated; one selected two answers to one or more questions, and the other answered "agree"

to questions that stated “The XYZ credential is a great idea” and “The XYZ credential is a terrible idea,” indicating that he did not take the survey instrument seriously. Two management majors were excluded because one subject did not provide the demographic information requested, and the other selected two answers to one or more questions. The number of valid subjects was 183. After the preceding individuals were eliminated, the sample contained 69 accounting majors, 66 marketing majors, 36 management majors, and 12 students with “other” majors. I eliminated the “other” majors when performing my statistical analysis, so the final number of subjects used was 171. The “other” majors were eliminated because I wished to divide my subjects based on whether they were accounting, management, or marketing majors.

Table 4 shows pertinent demographic information for all subjects tested. Accountancy majors were tested to determine whether or not previous knowledge of the global credential affected their opinions on the subject. Table 5 displays certain information requested from accountancy majors that is pertinent to the study.

**Table 4: Demographic Information for All Subjects**

<i>Class status</i>					
	<b>Accounting</b>	<b>Marketing</b>	<b>Management</b>	<b>Other</b>	<b>Total</b>
Juniors	1	31	7	1	40
Seniors	70	37	30	11	148
Graduate Students	4	0	0	0	4
Blank	0	0	1	0	1
<b>Total</b>	<b>75</b>	<b>68</b>	<b>38</b>	<b>12</b>	<b>193</b>
<i>Age</i>					
	<b>Accounting</b>	<b>Marketing</b>	<b>Management</b>	<b>Other</b>	<b>Total</b>
18-22	59	57	26	5	147
23-27	10	10	11	5	36
28-32	2	1	0	1	4
33+	4	0	0	1	5
Blank	0	0	1	0	1
<b>Total</b>	<b>75</b>	<b>68</b>	<b>38</b>	<b>12</b>	<b>193</b>
<i>Gender</i>					
	<b>Accounting</b>	<b>Marketing</b>	<b>Management</b>	<b>Other</b>	<b>Total</b>
Male	36	36	24	5	101
Female	39	32	13	7	91
Blank	0	0	1	0	1
<b>Total</b>	<b>75</b>	<b>68</b>	<b>38</b>	<b>12</b>	<b>193</b>

**Table 5: Demographic Questions Pertinent Only to Accountancy Majors\***

<i>Have you actively participated in Beta Alpha Psi in the past year?</i>	
Yes	21 (28%)
No	54 (72%)
<i>Have you actively participated in the Student Accountancy Society in the past year?</i>	
Yes	27 (36%)
No	48 (64%)
<i>Have you previously heard about the 'XYZ' credential?</i>	
Yes	29 (39%)
No	46 (61%)

\* Table includes all 75 accounting majors surveyed.

## RESULTS

The responses to the preceding questions were first analyzed based on the different majors that the subjects reported. Then, the responses given by accountancy majors were analyzed to determine whether prior knowledge about the XYZ credential affected their opinions.

### *Differences Between Majors*

The questions where students were asked whether or not they agreed or disagreed with the given statements were tested using a one-way analysis of variance (ANOVA). Table 6 shows the mean responses to each question, by major.

**Table 6: Mean Responses Indicating Agreement or Disagreement with Statements About the XYZ Credential**

<i>Statement</i>	<i>Accounting</i>	<i>Marketing</i>	<i>Management</i>	<i>Total</i>
1) The XYZ credential is a great idea.	3.275	3.485	3.639	3.426
2) I would be interested in obtaining an XYZ designation.	3.246	2.954	3.333	3.153
3) I would be more interested in obtaining an XYZ than in obtaining a CPA.	2.188	3.016	3.472	2.809
4) The CPA designation is enough; no new credential is necessary.	3.159	2.818	2.778	2.923
5) The CPA's credibility would be undermined if the XYZ credential were to take effect.	3.116	2.894	2.917	2.956
6) I would be more interested in obtaining a CPA than in obtaining an XYZ.	3.884	2.909	2.528	3.202
7) The XYZ credential is a terrible idea.	2.565	2.242	2.222	2.383

The first statistical test that I performed was to determine whether mean responses of the subjects differed based on their major. This was tested using a one-way analysis of variance (ANOVA).

The hypothesis for each of these tests was as follows:

*H<sub>0</sub>: The means of each answer will be the same, independent of major.*

*H<sub>a</sub>: At least two of the means will differ.*

Table 7 shows the significance levels for each of the questions in the ranking section.

A traditional level of significance, .05, was used in determining whether or not the statements were significant. Statements 3 and 6, which are inverses of each other, provided highly significant differences. As Table 7 shows, the significance level was .000 for both of these statements. A non-parametric Kruskal-Wallis test provides a significance level of .000 for both of these questions, confirming their significance. Statement 4 also provided a significant

**Table 7: Levels of Significance When Tested by Major**

<i>Statement</i>	<i>Level of Significance, ANOVA Test</i>
1) The XYZ credential is a great idea.	.081
2) I would be interested in obtaining an XYZ designation.	.103
3) I would be more interested in obtaining an XYZ than in obtaining a CPA.	.000
4) The CPA designation is enough; no new credential is necessary.	.036
5) The CPA's credibility would be undermined if the XYZ credential were to take effect.	.328
6) I would be more interested in obtaining a CPA than in obtaining an XYZ.	.000
7) The XYZ credential is a terrible idea.	.057

difference, with a level of .036. The non-parametric Kruskal-Wallis test confirms that the differences between the mean responses were also significant for this question; the significance level was .047. Based upon the results provided by the ANOVA, the other statements displayed in Table 7 did not provide responses that were significantly different.

#### ***Significance of Opinions for Each Major Group***

A second type of test was performed in order to determine whether the responses for these statements indicated that the subjects' responses were not neutral. Because a response of three indicated that a subject neither agreed nor disagreed with a particular statement, the statistical tests were based on whether the mean response was significantly different from three.

The hypotheses were as follows:

$$H_0 = \text{The mean is neutral.}$$

$$H_a = \text{The mean is not neutral.}$$



These hypotheses were analyzed for each major group. The findings for accountancy majors are presented in Table 8.

**Table 8: Significance of Responses for Accountancy Majors**

Statement	Mean	P-Value	Reject H <sub>0</sub> ?
1) The XYZ credential is a great idea.	3.28	.016	Yes
2) I would be interested in obtaining an XYZ designation.	3.25	.049	Yes
3) I would be more interested in obtaining an XYZ than in obtaining a CPA.	2.19	.000	Yes
4) The CPA designation is enough; no new credential is necessary.	3.16	.161	No
5) The CPA's credibility would be undermined if the XYZ credential were to take effect.	3.12	.328	No
6) I would be more interested in obtaining a CPA than in obtaining an XYZ.	3.88	.000	Yes
7) The XYZ credential is a terrible idea.	2.57	.001	Yes

Table 8 shows that for most of the statements presented above, accountancy majors had a clear opinion. To a significant extent, accountancy majors agreed that the XYZ credential is a great idea and disagreed that it is a terrible idea. They demonstrated that they would be interested in obtaining an XYZ designation, although the p-value for this test was marginally significant. Accounting majors would be more interested in obtaining a CPA than an XYZ; this statement and its inverse produced highly significant differences from a mean of 3, with p-values of .000. For both of the statements, "The CPA designation is enough; no new credential is necessary," and "The CPA's credibility would be undermined if the XYZ credential were to take effect," the mean responses were not found to be significantly different from a mean of 3. This seems to indicate that accounting majors were more neutral toward these statements.

The findings for the marketing group are presented in Table 9.

**Table 9: Significance of Responses for Marketing Majors**

Statement	Mean	P-Value	Reject H <sub>0</sub> ?
1) The XYZ credential is a great idea.	3.48	.000	Yes
2) I would be interested in obtaining an XYZ designation.	2.95	.689	No
3) I would be more interested in obtaining an XYZ than in obtaining a CPA.	3.11	.404	No
4) The CPA designation is enough; no new credential is necessary.	2.82	.096	No
5) The CPA's credibility would be undermined if the XYZ credential were to take effect.	2.89	.340	No
6) I would be more interested in obtaining a CPA than in obtaining an XYZ.	2.91	.443	No
7) The XYZ credential is a terrible idea.	2.24	.000	Yes

Table 9 shows that the only statements that marketing majors demonstrated a clear opinion on were statements one and seven. Marketing majors agreed that the XYZ credential is a great idea and disagreed that the XYZ credential is a terrible idea. Both of these statements elicited a significance level of .000 when compared with a mean of 3. For the rest of the statements tested, results were not significantly different from 3, which may indicate that respondents, on average, neither agreed nor disagreed with the statements presented in the survey instrument.

Table 10 displays the results for the management group.

**Table 10: Significance of Responses for Management Majors**

Statement	Mean	P-Value	Reject H <sub>0</sub> ?
1) The XYZ credential is a great idea.	3.64	.000	Yes
2) I would be interested in obtaining an XYZ designation.	3.33	.050	Yes
3) I would be more interested in obtaining an XYZ than in obtaining a CPA.	3.47	.006	Yes
4) The CPA designation is enough; no new credential is necessary.	2.78	.088	No
5) The CPA's credibility would be undermined if the XYZ credential were to take effect.	2.92	.556	No
6) I would be more interested in obtaining a CPA than in obtaining an XYZ.	2.53	.002	Yes
7) The XYZ credential is a terrible idea.	2.22	.000	Yes

The above table shows that management majors demonstrated agreement with the statement that the XYZ credential is a great idea. The mean, 3.64, was analyzed using a t-test, and it was found to be significantly different from a response of 3. Management majors also demonstrated agreement with the statement, "I would be interested in obtaining an XYZ designation," but the mean was only marginally different from 3; the p-value for this test was .050. Management majors also demonstrated that they would be more interested in the XYZ designation than in the CPA designation, with a significance level of .006. For the inverse of this statement, a significance level of .002 was obtained, indicating that management majors disagreed with the statement, as would be expected. Because the mean of the responses was not found to be significantly different from a mean of 3, management majors seem to be more indifferent toward the two statements, "The CPA designation is enough; no new credential is necessary," and "The CPA's credibility would be undermined if the XYZ credential were to take

effect.” Finally, these results show that management majors disagreed with the statement, “The XYZ credential is a terrible idea.” Their response for this statement, when compared to 3, was highly significant, with a p-value of .000.

### ***Scenario Questions: Results by Major***

The scenario questions were evaluated using Chi-square tests. The following hypotheses were tested for each of the scenario questions:

*H<sub>0</sub> = The answer selected for the scenario is independent of the major.*

*H<sub>a</sub> = The answer selected is dependent upon what the student’s major is.*

The first scenario question read as follows:

*Your small but growing company has decided to implement a new computerized information system that will be used in the marketing, accounting, and management offices. You have the option of hiring an XYZ, with broad-based knowledge, a Certified Information Systems Auditor (CISA), or a Certified Public Accountant.*

Students were asked to select which credential holder they would hire under these circumstances. Table 11 displays the responses for the first scenario question, by major.

A Chi-square test for independence was performed. The test found the responses for these questions to be significantly different among the three majors. The significance level computed by the Pearson Chi-square test was .000, demonstrating that this difference is highly significant.<sup>1</sup> Therefore, the null hypothesis is rejected; we accept the alternative hypothesis.

Answers for this question do in fact differ based on the majors of the students surveyed. The table above shows that accounting majors were more likely to select the Certified Information

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<sup>1</sup> In this test, two cells (16.7% of all cells) had an expected count ( $E_{ij}$ ) of less than 5; the smallest expected count was 4.42. According to W.J. Conover in Practical Nonparametric Statistics: “Cochran (1952) states that if any  $E_{ij}$  is less than 1 or if more than 20% of the  $E_{ij}$  are less than 5, the approximation is poor. This seems to be overly

**Table 11: Percentage and Number of Respondents Who Selected Each Answer,****Information Systems**

<i>Major</i>	<i>CPA</i>	<i>XYZ</i>	<i>CISA</i>	<i>Any of the above</i>
Accountancy (n = 69)	7 (10.1%)	8 (11.6%)	48 (69.6%)	6 (8.7%)
Marketing (n = 66)	10 (15.2%)	27 (40.9%)	17 (25.8%)	12 (18.2%)
Management (n = 36)	4 (11.1%)	12 (33.3%)	15 (41.7%)	5 (13.9%)
Total (n = 171)	21 (12.3%)	47 (27.5%)	80 (46.8%)	23 (13.5%)

Systems Auditor for this question, with 69.8% of respondents choosing the CISA. Marketing majors were more likely to pick the XYZ credential holder, with 40.9% of respondents choosing the XYZ. Management majors, like accounting majors, were more likely to select the CISA, with 41.7% of respondents making this selection. While a clear majority of accounting majors selected the CISA, the response from management was not as strong. These differences in responses result in the highly significant difference explained above. Overall, 27.5% of the subjects would choose the XYZ credential holder for this scenario.

The second scenario question read as follows:

*Your company is looking for direction in the area of cost analysis and pricing information for a new product that you are in charge of marketing. You have the option of*

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conservative...If  $r$  and  $c$  are not too small, I feel that the  $E_{ij}$ s may be as small as 1.0 without endangering the validity of the test" (156). Therefore, this test can be considered reliable, since it met the requirements outlined by Conover.

hiring an XYZ, with broad-based knowledge, a Certified Managerial Accountant (CMA), or a Certified Public Accountant.

Individuals were again asked to select which individual they would hire under the given circumstances. Table 12 shows the responses to this question, by major.

**Table 12: Percentage and Number of Respondents Who Selected Each Answer, Cost**

**Management**

<i>Major</i>	<i>CMA</i>	<i>CPA</i>	<i>XYZ</i>	<i>Any of the above</i>
Accountancy (n = 69)	47 (68.1%)	12 (17.4%)	3 (4.3%)	7 (10.1%)
Marketing (n = 66)	23 (34.8%)	12 (18.2%)	19 (28.8%)	12 (18.2%)
Management (n = 36)	7 (19.4%)	8 (22.2%)	16 (44.4%)	5 (13.9%)
Total (n = 171)	77 (45.0%)	32 (18.7%)	38 (22.2%)	24 (14.0%)

A Pearson Chi-square test again demonstrates that the differences between the selections for each major are highly significant, with a significance level of .000. We again reject the null hypothesis, accepting the alternative; students' responses are dependent on major. The accounting majors were more likely to select the CMA for this scenario, with 68.1% of respondents choosing the CMA. The marketing majors also favored this selection, but to a much lesser extent, with 34.8% of respondents choosing the CMA. Management majors more often chose the XYZ for this scenario, with 44.4% of management respondents selecting the XYZ.

These differences drive the significance level described above. Overall, 22.2% of students surveyed would prefer the XYZ credential holder in this case.

Internal audit was the subject of the third case. It read as follows:

*You need to hire an individual to perform internal audits of your facilities. You have the option of hiring an XYZ, with broad-based knowledge, a Certified Internal Auditor (CIA), or a Certified Public Accountant.*

Students were asked to identify whom they would hire for this scenario. Table 13 shows their responses, divided by major:

**Table 13: Percentage and Number of Respondents Who Selected Each Answer, Internal Audit**

<i>Major</i>	<i>CIA</i>	<i>XYZ</i>	<i>CPA</i>	<i>Any of the above</i>
Accountancy (n = 69)	43 (62.3%)	2 (2.9%)	18 (26.1%)	6 (8.7%)
Marketing (n = 66)	34 (51.5%)	3 (4.5%)	22 (33.3%)	7 (10.6%)
Management (n = 36)	16 (44.4%)	0 (0.0%)	15 (41.7%)	5 (13.9%)
Total (n = 171)	93 (54.4%)	5 (2.9%)	55 (32.2%)	18 (10.5%)

A Pearson Chi-square test demonstrates that the differences between these responses are not significant. The level computed was .465. We cannot reject the null hypothesis; the answers selected for this scenario may be independent of the major variable. However, the reliability of

this test is called into question because four cells (33.3% of all cells) had an expected count of less than five, with the minimum expected count at only 1.05. This test is limited because more than 20% of the cells had an expected count of less than five (Conover 1980, 156). The table above shows that all three student groups favored the Certified Internal Auditor for this question. Many also selected the CPA. Only 2.9% of all respondents would prefer the XYZ for the internal audit scenario.

The final scenario described a situation where tax planning was needed. This scenario was presented as follows:

*You need a consultant for tax planning. You can hire an XYZ, with broad knowledge, a Certified Public Accountant, or a lawyer.*

Subject selected which individual they would hire. Their responses are divided by major in Table 14.

**Table 14: Percentage and Number of Respondents Who Selected Each Answer, Tax**

**Planning**

<i>Major</i>	<i>Lawyer</i>	<i>CPA</i>	<i>XYZ</i>	<i>Any of the above</i>
Accounting (n = 69)	1 (1.4%)	60 (87.0%)	5 (7.2%)	3 (4.3%)
Marketing (n = 66)	8 (12.1%)	36 (54.5%)	9 (13.6%)	13 (19.7%)
Management (n = 36)	2 (5.6%)	24 (66.7%)	5 (13.9%)	5 (13.9%)
Total (n = 171)	11 (6.4%)	120 (70.2%)	19 (11.1%)	21 (12.3%)



A Pearson Chi-Square test found that the differences between the majors were highly significant, reporting a level of significance of .004. We should reject the null hypothesis, accepting the alternative; responses are dependent upon major. However, this test is also suspect because five cells (41.7% of all cells) had an expected count of less than five. The minimum expected count was less than two. Because of this limitation, the results of the Chi-square cannot be relied upon (Conover 1980, 156). However, it is clear from the results above that all majors favored the CPA for this question. Accountancy majors favored the CPA to the greatest degree, with 87.0% of all respondents selecting the CPA for tax planning. Overall, 70.2% of subjects selected the CPA. Only 11.1% of subjects would have favored the XYZ credential holder.

#### ***Results Analyzed by Prior Knowledge***

The seven items where students were asked whether or not they agreed or disagreed with the statements presented were analyzed on the basis of whether or not prior knowledge affected the students' responses. Twenty-six accountancy majors, or 38% of the accountancy group, indicated that they had previously heard about the XYZ credential. Respondents had obtained information about the AICPA's proposal from a variety of different sources. Eighteen of the accountancy respondents indicated that they had heard of the XYZ proposal from a course. Two had heard of the credential through the professional accountancy fraternity, Beta Alpha Psi. One had obtained information from the AICPA website, one respondent had read about the credential in a business article, another had heard about the proposal from a friend, and another indicated that he had heard about the credential from "many places." Two of the respondents who indicated they had heard about the credential did not provide an answer when asked where they had obtained this information.

The following hypotheses were used to analyze this information.

$H_0$ : The mean responses are not different based on prior knowledge.

$H_a$ : The mean responses are dependent on prior knowledge.

Table 15 shows the mean responses for students who had prior knowledge of the credential and those who did not.

**Table 15: Mean Responses for Prior Knowledge**

<i>Statement</i>	<i>Mean, Students with Prior Knowledge</i>	<i>Mean, Students without Prior Knowledge</i>	<i>Level of Significance</i>	<i>Reject <math>H_0</math>?</i>
1) The XYZ credential is a great idea.	3.50	3.14	.116	No
2) I would be interested in obtaining an XYZ designation.	3.23	3.26	.922	No
3) I would be more interested in obtaining an XYZ than in obtaining a CPA.	2.31	2.12	.466	No
4) The CPA designation is enough; no new credential is necessary.	2.92	3.30	.102	No
5) The CPA's credibility would be undermined if the XYZ credential were to take effect.	3.12	3.12	.997	No
6) I would be more interested in obtaining a CPA than in obtaining an XYZ.	3.81	3.93	.633	No
7) The XYZ credential is a terrible idea.	2.50	2.60	.687	No

None of the seven statements were significantly different based upon prior knowledge of the credential. Although the mean responses were slightly different among the two groups, as

displayed in Table 15, these responses were not far enough apart to warrant a significant difference for any of the statements.

### *Qualitative Comments*

Students were asked to provide qualitative comments after they had completed the survey. They were asked the following question:

*What factors are influencing your opinion concerning this issue?*

Many students, primarily marketing and management majors, indicated that because this was the first time they had heard about the issue, they did not feel that they had enough information to form an opinion. Many also left the comment section blank. Some said that they based their opinion only on the information provided with the survey.

Many had a positive reaction to the credential. One management major noted, "I realized there was a need for a globally recognized certification that implies knowledge in all areas of business." Other respondents expressed a similar sentiment, indicating that they felt the global credential was necessary. Others praised the cross-functionality of the new credential. One marketing major commented, "Cross-functionality is a must!" Others felt that a new credential would not harm the profession. An accounting major wrote, "I don't think another credential could really hurt the profession. It will probably only strengthen it." Other accounting majors agreed that the proposal is a good idea. One accounting major wrote, "...I think the CPA is a little over-rated for its narrow overall business direction." However, one accounting major explained, "I think the idea is good, but it will take time to win people over because people don't like change, and information about the XYZ is not readily available." Several other students also expressed a reluctance to face change.

Many respondents were not as positive toward the proposal. One management major noted, "You told me [what] an XYZ will be able to do, but there is no current example of this happening, so it is hard to say I would use them." Others also expressed concern with the uncertainty of the XYZ. A marketing major commented, "...CPA is so well known, and often you stick with something well known." Several accountancy majors were adamantly against the XYZ proposal. One student explained, "I think this is a program that requires more schooling, and most CPAs would be able to do this if it were put under their job classification. Just broaden the CPA, don't create the XYZ." Another student commented, "The XYZ will lower, rather than raise, the bar of professional competence and integrity that CPAs are known for. It seems to me like the CPA has been stereotyped as only being good for auditing. The AICPA needs to work on this problem."

## DISCUSSION

### *Results by Major: Agree/Disagree Statements*

The analysis of whether results differed by major provided some important findings. For several of the statements, the results failed to indicate a difference based on major. The statements, "The XYZ credential is a great idea," and "The XYZ credential is a terrible idea," did not provide significant differences when tested by major. Therefore, accountancy, management, and marketing majors did not differ in their opinions on this subject. Furthermore, there was no significant difference between the majors for the statement, "I would be interested in obtaining an XYZ designation," indicating that there was no one major group which agreed with this statement more or less than the others. The statement, "The CPA's credibility would be undermined if the XYZ credential were to take effect," also did not provide a significant difference.

The statements that did significantly differ among the majors were the statements that involved choosing the XYZ over the CPA. The means presented for each major indicate that accountancy majors would rather pursue the CPA credential than the global XYZ credential, while management majors would prefer the XYZ credential. Because their mean response did not differ from 3, marketing majors were found to be neutral toward these statements, most likely indicating that they would not choose to pursue either credential.

The final statement that differed among the majors was “The CPA designation is enough; no new credential is necessary.” While the mean for accounting majors was slightly above 3.0, and the mean for marketing and management majors was slightly below 3.0, none of these means differed significantly from 3.0. Therefore, I can conclude only that their opinions differed, but not that any of the majors had a significantly positive or negative reaction toward this statement.

Accounting subjects had a clear opinion on most of the issues addressed. Their responses for five of the seven statements were found to be significantly different from a mean of 3. They agreed that the XYZ credential is a great idea, but accounting majors also indicated that they would rather obtain the CPA credential if choosing between the two. The only statements where responses were not significantly different from a mean of 3 were the statements that addressed whether the CPA’s credibility would be undermined and whether the CPA credential is enough.

Management majors also had a clear opinion on most of the issues presented. They agreed that the credential is a great idea and also indicated interest in obtaining the XYZ credential. Management majors also demonstrated that they would rather obtain the XYZ credential than the CPA credential. The statements on which they did not form a clear opinion were the same two issues as the accounting students. Management majors were neutral when

asked whether the CPA's credibility would be undermined and whether a new certification is necessary.

However, marketing majors did not form a clear opinion on most of the issues. The only opinions that they gave were that the XYZ is a great idea and is not a terrible idea. On all of the other issues presented, the mean for marketing majors failed to differ from a mean of 3, indicating that they were neutral overall toward the survey statements.

### ***Results by Major: Scenario Questions***

The results for the scenario questions find that for the questions about the information system and the cost management scenario, accountancy majors were more likely to choose the specialist. For information systems, 69.6% of accountancy majors selected the CISA, and for cost management, 68.1% of accountancy majors selected the CMA. In both cases, accountancy majors were unlikely to choose the XYZ credential holder. Only 11.1% selected XYZ for the information systems scenario, and only 4.3% selected the XYZ for the cost management question. The responses given by accountancy majors were significantly different from the responses given by management and marketing majors for these two scenarios. The primary difference was that the management and marketing majors were much more likely to select the XYZ for these questions. Therefore, marketing and management students were much more favorable to the idea of a broad, global certification for these situations. The significant difference between the majors demonstrates that accountancy majors do not agree; they would prefer to hire a specialist.

Accountancy majors also favored the specialist for the internal audit question. However, the other majors agreed in this scenario. Accountancy majors favored the Certified Internal Auditor to the greatest extent (62.3%), but marketing and management majors also selected the

CIA, with 51.5% and 44.4%, respectively. Only 5 respondents from all majors picked the XYZ for this scenario. This indicates that students did not feel the XYZ would benefit in an internal audit situation. They would prefer to hire someone with a specific certification in internal audit.

For tax planning, the CPA was the overwhelming choice among accountancy majors. Because 87.1% of accountancy majors selected this response, their answer was different from the other majors. Marketing majors also favored the CPA, with 54.5% of respondents selecting this choice, and management majors favored the CPA, with 66.7% of those surveyed choosing the CPA for tax planning. Again, none of the majors found that the XYZ would add value in this situation; only 11.1% of the total respondents chose the XYZ.

### ***Results Based on Prior Knowledge***

None of the responses differed significantly among the accountancy majors who had prior knowledge of the credential and the accountancy majors who did not. This indicates that education about the credential does not necessarily affect students' opinions. The AICPA believes that an educational campaign will result in a more positive reaction to this proposal, but the results of this study do not support this claim.

## **CONCLUSIONS**

Among the three groups surveyed, none were strongly against the XYZ proposal. In fact, each major expressed agreement that the XYZ credential is a great idea. However, it is important to note that accountancy majors were not as receptive to the idea as management and marketing majors were. Management majors noted that they would be more interested in the XYZ credential than in the CPA. They also expressed interest in obtaining the XYZ credential. In contrast, accountancy majors would clearly rather pursue the CPA credential than an XYZ credential.

While the marketing and management majors were fairly receptive to the idea of hiring an XYZ for the cost management and information system jobs, accounting majors preferred to have specialists. For internal audit, all groups preferred to have a specialist perform the task. Finally, for tax planning, all majors selected the CPA as the preferred individual to hire. Therefore, broad business knowledge was more valued in areas that did not focus on the traditional accounting areas of taxation and audit.

Educating students about the XYZ proposal does not appear to result in more positive opinions on the subject. This research agrees with that of the Illinois CPA Society; an educational campaign would be a waste of time and money.

## **LIMITATIONS AND FUTURE RESEARCH IDEAS**

### ***Limitations***

This study is limited because the subjects were chosen from specific classes at only one university; a scientific sample would have involved a random sample including students from all parts of the country, since the entire country will be affected by the AICPA's proposal.

The use of artificial scenarios and a classroom experimental setting limit the generalizability of the results. The scenarios were short and included only a minimum amount of information. Thus the results may not generalize to more realistic cases. The use of a classroom setting rather than a real world setting also limits the generalizability of the results. The subjects were aware that they were participating in an experiment and may not have responded in the same fashion that they would in a work-related setting.

Because these thesis issues were exploratory, a large number of statistical tests were conducted. All hypotheses tests were conducted using a 5% level of significance. At a 5% level



of significance, one in twenty tests would be expected to be statistically significant by chance. This thesis reported the p-value for each test to inform the reader about the significance level.

One limitation of this study is that I only asked the students whether they would prefer a CPA to an XYZ; I did not compare their opinions regarding hiring a CPA or a CPA with an XYZ credential. I believe that this may have changed my results. If this credential is eventually approved, many CPAs may also pursue the XYZ; in the real world, it will not be a choice simply between one or the other.

### ***Future Research Ideas***

The AICPA wants students to be interested in both the CPA and the XYZ credentials. Further study could investigate whether accountancy or other business majors are interested in obtaining both credentials. Also, future research could test whether students would prefer to hire someone with a global credential *and* a CPA. Finally, these tests could be conducted in the business world, using subjects who currently work in the fields of accounting, business management, and marketing. Although the opinions of college students are important, the opinions of seasoned professionals are also essential to the AICPA's decision.

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**Summary of Proposed Credential Distributed with Survey Instrument**

**The “XYZ” Credential**

The American Institute of Certified Public Accountants has proposed a new global credential, currently referred to as “XYZ,” until an appropriate global name is determined. This credential will not replace the current CPA designation, but will coexist with the CPA. The credential will focus on turning knowledge into value for businesses. The holder of the XYZ will have certain skills, including: knowing how businesses and business processes work, understanding where knowledge resides within an organization, obtaining, integrating, and leveraging relevant knowledge, and delivering advice and making decisions that significantly enhance business success.

There are many diverse reasons why the AICPA feels there is a need for a new credential. First, they feel that a global credential is necessary in order to have globally consistent ethics, competency, and performance standards. The proponents believe that if the XYZ credential is recognized globally, the holders of this credential can move more freely, both geographically and corporately. Additionally, the AICPA feels that there are certain areas that CPAs currently serve that are not “branded” as CPA services. Auditing, the only service that is legally limited to CPAs, accounts for only 15 percent of the services that the CPA profession currently provides. The other 85 percent of services provided by CPAs are currently in areas other than audit. The AICPA fears that if CPAs do not “brand” these services by putting forth a new credential, some other group will, thus threatening the CPA’s ability to compete.

This new credential will not be focused primarily on accounting; rather, it will center on the ability to provide strategic business insight. Therefore, the AICPA believes that CPAs will not be the only individuals interested in the new credential. While CPAs will be the first to have access to the XYZ credential, others will be able to obtain the credential as well. The AICPA anticipates that lawyers, management consultants, IT professionals, human resource consultants, and engineers will be among those that may pursue the XYZ credential.

Many CPAs oppose this new credential. These opponents state that by adding this new designation, the profession’s image may become unclear. Some AICPA members also fear that the XYZ credential will undermine the status of CPAs, and the profession might lose credibility. This factor is a concern because the profession has a responsibility to ensure the integrity of financial reporting. These concerns have caused this proposal to become a hotly debated issue among CPAs.

It is clear that the business world is rapidly changing. Is the XYZ credential the way for CPAs to ensure that they can compete in the marketplace of the future, or is it simply too risky?

## XYZ Credential Survey

- 1) What is your current student level? A) Junior; B) Senior; C) Graduate Student
- 2) What is your expected date of graduation? \_\_\_\_\_
- 3) What is your age? A) 18-22; B) 23-27; C) 28-32; D) 33 +
- 4) What is your gender? A) Male; B) Female
- 5) Are you a U.S. Citizen? A) Yes; B) No
- 6) Are you a full-time or part-time student? A) Full-time; B) Part-time
- 7) Are you married? A) Yes; B) No
- 8) Do you have any children? A) Yes; B) No
- 9) Do you commute to Northern Illinois University? A) Yes; B) No
- 10) Have you actively participated in Beta Alpha Psi in the past year? A) Yes; B) No
- 11) Have you actively participated in the Student Accountancy Society in the past year?  
A) Yes; B) No
- 12) Are you planning to take any of the following certification exams? (please indicate which):  
 \_\_\_ CPA    \_\_\_ CMA    \_\_\_ CIA    \_\_\_ CISA  
 Other \_\_\_\_\_
- 13) Have you previously heard about the 'XYZ' credential? A) Yes; B) No  
 If so, when and where? \_\_\_\_\_

Please indicate the extent to which you agree or disagree with the following statements.

- SA—Strongly agree  
 A—Agree  
 N—Neither agree nor disagree  
 D—Disagree  
 SD—Strongly disagree

- |   |    |   |   |   |    |
|---|----|---|---|---|----|
| 14) The XYZ credential is a great idea.                                     | SD | D | N | A | SA |
| 15) I would be interested in obtaining an XYZ designation.                  | SD | D | N | A | SA |
| 16) I would be more interested in obtaining an XYZ than in obtaining a CPA. | SD | D | N | A | SA |

## XYZ Credential Survey

17) The CPA designation is enough; no new credential is necessary.	SD	D	N	A	SA
18) The CPA's credibility would be undermined if the XYZ credential were to take effect.	SD	D	N	A	SA
19) I would be more interested in obtaining a CPA than in obtaining an XYZ.	SD	D	N	A	SA
20) The XYZ credential is a terrible idea.	SD	D	N	A	SA

Please read the following scenarios to answer the subsequent questions. You may refer to the table on the facing page if you are unsure what each certification means.

21) Your small but growing company has decided to implement a new computerized information system that will be used in the marketing, accounting, and management offices. You have the option of hiring an XYZ, with broad-based knowledge, a Certified Information Systems Auditor (CISA), or a Certified Public Accountant.

Would you hire:

- A) The CPA
- B) The XYZ
- C) The CISA
- D) Any of the above

Why? \_\_\_\_\_

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22) Your company is looking for direction in the area of cost analysis and pricing information for a new product that you are in charge of marketing. You have the option of hiring an XYZ, with broad-based knowledge, a Certified Managerial Accountant (CMA), or a Certified Public Accountant.

Would you hire:

- A) The CMA
- B) The CPA
- C) The XYZ

D) Any of the above

Why? \_\_\_\_\_  
\_\_\_\_\_

23) You need to hire an individual to perform internal audits of your facilities. You have the option of hiring an XYZ, with broad-based knowledge, a Certified Internal Auditor (CIA), or a Certified Public Accountant.

Would you hire:

- A) The CIA
- B) The XYZ
- C) The CPA
- D) Any of the above

Why? \_\_\_\_\_  
\_\_\_\_\_

24) You need a consultant for tax planning. You can hire an XYZ, with broad knowledge, a Certified Public Accountant, or a lawyer.

Would you hire:

- A) The lawyer
- B) The CPA
- C) The XYZ
- D) Any of the above

Why? \_\_\_\_\_  
\_\_\_\_\_

25) What is your major?

A) Accounting; B) Finance; C) Marketing; D) Management; E) OMIS; F) Other (please specify here): \_\_\_\_\_

26) Had you already formed an opinion on this issue before taking this survey?

- A) Yes; B) No

27) What factors are influencing your opinion concerning this issue?

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If you are an accounting major, please answer questions #28 and 29.

28) Have you taken ACCY 360 yet?

A) Yes (completed); B) Currently enrolled; C) No

29) Which semester did you take ACCY 360, if already completed?

A) Fall 2000; B) Spring 2000; C) Fall 1999; D) Spring 1999

Thank you for participating in this survey!



**Table: Definitions of Certifications**

<b>Certification</b>	<b>Definition</b>
XYZ: proposed global credential	An XYZ will focus on turning knowledge into value for businesses. Their skill set will include knowing how businesses and business processes work, understanding where knowledge resides within an organization, obtaining, leveraging, and integrating relevant knowledge, and delivering advice and making decisions to enhance business success.
CMA: Certified Managerial Accountant	A CMA is an individual who has passed an exam and satisfied a work experience requirement, thereby demonstrating competency in managerial accounting. This area of accounting is concerned with providing information to company managers to help in making plans, organizing resources, directing personnel, and controlling operations.
CIA: Certified Internal Auditor	A CIA is an individual who has passed an exam demonstrating competency in the internal audit function, which is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Internal audit is the department within a company responsible for the review and appraisal of accounting and administrative controls. Internal auditors provide recommendations to management to improve these controls.
CISA: Certified Information Systems Auditor	A CISA is an individual who has passed an exam, demonstrating competency in different aspects of information systems, including: audit standards and practices, security and control practices, information systems organization and management, and information systems development.
CPA: Certified Public Accountant	In order to become a CPA, most states require that an individual meet educational, experience, and ethical requirements and pass the Uniform CPA Examination. Then, individuals can be granted licenses to practice by the state board of accountancy. Only CPAs can perform external audits of publicly traded companies, which are required by the SEC.