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Factors that Determine the Decision to Major in Accounting: A Survey of Accounting Graduates

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ABSTRACT

This study examines the success of recruitment and retention efforts by the accounting department at our university. Each semester our department undertakes recruitment of successful students in Principles of Accounting classes, with the goal of encouraging qualified Principles students to declare a major in accounting. Once students are recruited to the accounting major, we follow up with more out-of-the-classroom opportunities at the junior and senior year levels. A recent survey of graduates from our program over the last ten years was done to determine the perceived usefulness of the time spent out of the classroom. The results indicate that the efforts are beneficial.

Keywords: --

1.0 Introduction[1]

At our university we have a strategy for the recruiting and retention of students into the accounting major at critical points in their academic careers. One of the main reasons for the success of this strategy is that accounting department faculty have been generous with significant amounts of time out of the classroom, mostly in the evenings, in order to help students. This study examines the perceived success of that time spent outside the classroom using a survey of past graduates. We also compare our finding with the findings of other research about the motivations of students who chose accounting as a major.

2.1 Our University

Fall 2016 enrollment was just over 18,000 students, with over 140 degree programs. The College of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB International), with over 2,500 undergraduate students, including 380 junior and senior accounting majors. All College of Business students must take six core business courses, including Principles of Accounting I and II. In addition, many non-business students earn a minor in business, which includes the first Principles of Accounting course or a Survey of Accounting course.

2.2 The Coordinated Program

Many accounting programs offer some aspects of the programs we have developed. We combine many approaches in a coordinated effort to improve student recruitment to accounting and success in the major. Hunt, Falgani and Intrieri (2004) suggest that exposing students to accounting professionals to negate inaccurate stereotypes is important. Fedorshyn and Tyson (2003) suggest that carefully planned presentations by professionals are part of the solution to student attitudes. Law, Shaffer and Stout (2009) describe an annual program which brings together students, faculty and accounting professionals. Their one day “mini-conference” helps undecided students make a career decision.

Our program ensures continuing contact with undergraduate accounting majors outside the classroom by accounting educators, upper level accounting students and professional accountants. Our program starts in the sophomore year with a recruiting dinner for Principles Students, continues with a series of programs in the junior year and continues into the senior year with preparation for internship interviews. These offerings are in addition to programs offered by the Beta Alpha Psi chapter at our University.

2.3 The Importance of the Principles Course

A student’s first impression of accounting typically comes from the introductory Principles course. In the first Principles of Accounting course, our faculty identifies students who show exceptional interest and perform well above average on graded work. Mauldin, Crain and Mounce (2000), Geiger & Ogilby (2000) and Mohrweis (2006) all point to the Accounting Principles instructor’s importance in students’ decision to major in accounting. Fedoryshyn and Tyson (2003) conclude that most decisions to major in accounting are made in the first accounting course.

Our department believes that “an effective and inspiring teacher makes more difference in a student’s educational experience than any other factor” [Albrecht and Sack (2000)] and that

[1] the information is sanitized for review purposes

this is particularly true for the introductory courses. Principles instructors are aware that the first Principles class is the key tool to identify and recruit accounting majors. Due to the limited time available in such courses, class time is not available for recruiting. But after each exam, instructors are encouraged to identify students who did well, check their declared major, and contact them to discuss majoring in accounting.

2.4 Student Recognition Dinner

After two exams, we have a Student Recognition Dinner each semester for all strong Principles of Accounting students, e.g., those earning at least a B+ in the class. The dinner is co-sponsored by our Beta Alpha Psi chapter and many of the chapter's members attend. Also invited are students who have recently completed internships and the department faculty, whether they are teaching Principles or not. Our goal is to have personal contact with each invited student by faculty and an upper-level student. Upper–level accounting students and faculty take seriously the need to attract the best and brightest to the profession.

We have a short program, including brief, informative talks by the department chair, the Beta Alpha Psi advisor, the graduate program director and the internship coordinator. The highlight of each program is a panel of students who have recently returned from the internship experience. Often these panelists can relate that they decided to major in accounting after attending a Student Recognition Dinner just a few semesters ago. These students typically have a permanent job waiting and are back on campus to study for the CPA exam and start the Masters in accounting program.

2.5 The "Junior Year Experience"

After students have chosen to major in accounting, we continue to offer assistance in development of the skill set required for them to be successful. In the spring semester of their junior year, we offer a series of "Junior Year Experience" sessions. At these sessions, held in the evenings after classes are over, students learn more about the Masters in Accounting program and why it may be a good option for them; they are coached on interviewing skills and on appropriate dress for interviewing and for work; they are reminded of the importance of dining etiquette during a special dinner with an etiquette coach; and they meet representatives from accounting firms who attend in order to provide information and answer questions. At another time, students are offered the opportunity to participate in "mock interviews" to practice and fine-tune interview skills.

2.6 The Internship Experience

Because accounting firms need for interns is greatest in the spring, our program is arranged to provide ten-week audit internships or fifteen-week tax internships, starting in the first week of January. The students earn class credit for doing an internship, and upon returning from the internship in mid-March or mid-April, they take accelerated courses so that they can complete the necessary hours for their senior year. In most years, about 85% of those seeking an internship are matched with an accounting firm. Many students do not end up at the firm that was their first or second choice at the beginning of the process and some just cannot find a fit. The accounting firms treat the internship hire as if it were for a permanent position. Over the last five years, 75% of the internships have led to permanent job offers (based on a post-internship survey done by the department after the internships are completed).

3.0 Other Research

Research indicates that many factors come together to cause a student to choose accounting as a major. Cohen and Hanno (1993) found success in accounting measured by an understanding of the material and a good grade was an important motivation in major choice. Adams, Pryor and Adams (1994) found that students who find accounting topics and issues of interest tend to choose to major in accounting. The economic factors, such as a high starting salary and potential for high long-term earnings, also help encourage students who are considering accounting as a major (Adams, 1994). Advice of friends, family and accounting faculty can be important (Adams, 1994; Cohen and Hanno, 1993). Zhang (2007) found job security, the presence of a structured career path, and the challenge of a career are all potential motivating factors in the choice of college major.

4.0 The Survey

In order to measure the perceived success of our out-of-classroom efforts and to test whether our graduates were motivated by factors identified by other research, we surveyed our graduates (the survey is presented in full in the Appendix).

4.1 Collecting the Data

The original survey was intended for all graduates of our program from 2004-2013. The method of delivery was through the University Alumni office. The survey was sent to all accounting alumni with valid e-mail addresses. This was easier for more recent graduates; the contact information for graduates is less reliable the longer they have been out of college, mostly due to moving and changing e-mail providers. The number of surveys actually delivered was disappointing. We had 522 graduates over the ten years of the survey. Only 381 surveys were delivered (due to an incorrect email address) and we received 64 completed surveys, a response rate of 17%. We have determined that the response rate would be better for more recent graduates and thus now use this survey around the time of graduation. This added 31 respondents from 2014 and 2015 for a total of 95 students in our analysis.

5.0 Results

To examine the impact of our coordinated recruitment program we asked respondents when they had decided to major in accounting. Our recruitment programs could hardly take credit for a student who decided to major in accounting before coming to college or before they took their Principles course. Forty-four students in our sample decided to major in accounting before they took the Principles course and forty-eight decided either during or after the course. Our survey asked about seventeen factors potentially influencing a student's decision to major in accounting. Two of the factors concern attitudes which likely pre-existed their arrival at college. Six of the factors concern educational experiences students have as part of our recruiting program. We view these as our opportunities to influence their decision to major. The third group includes nine factors which characterize the attributes of the accounting profession.

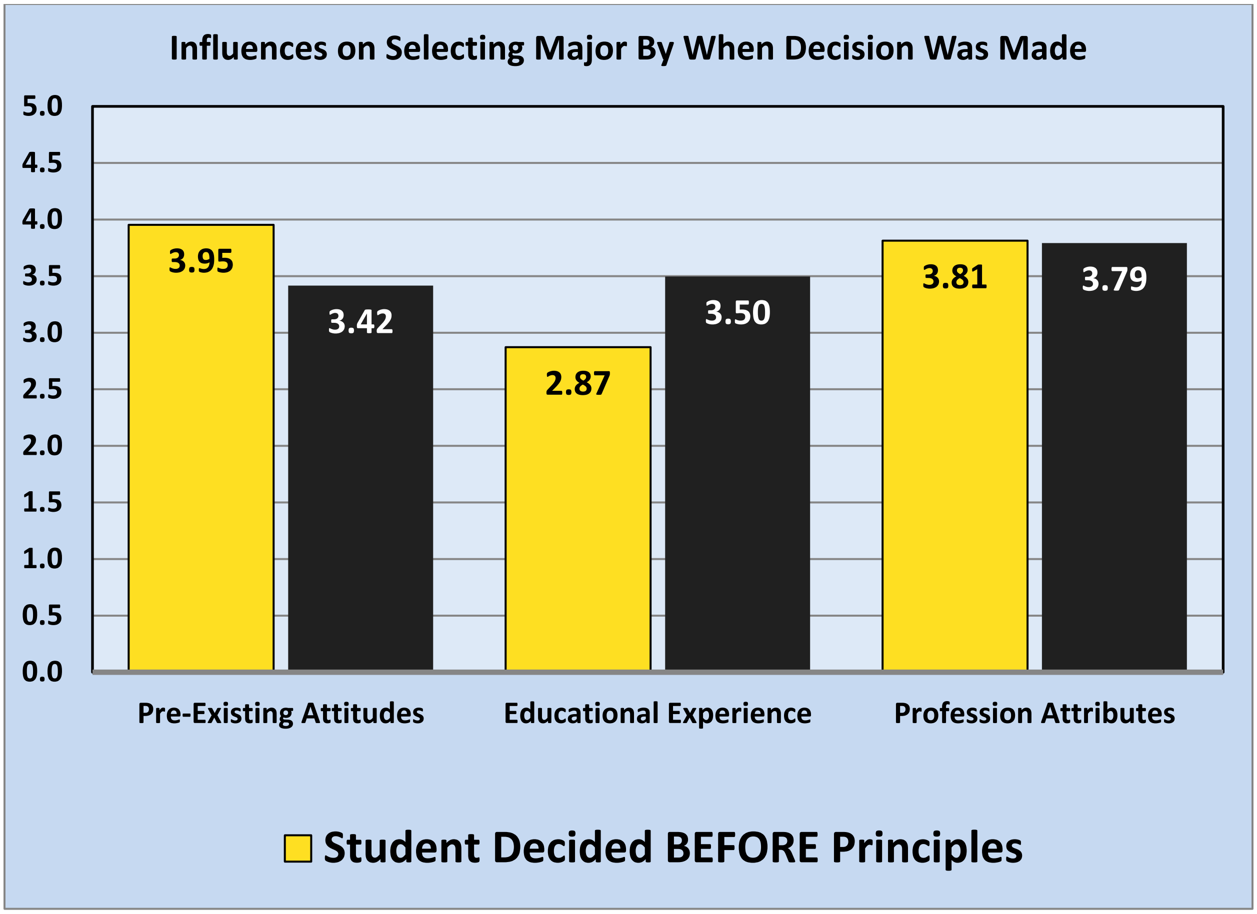
Overall, we expected students who decided to major in accounting before taking Principles to consider the "Pre-Existing Attitude" factors as having greater influence over their decision than would students who decided to major during or after taking Principles. Our logic here is simply that if those factors had been stronger influences on the student decision, they would have been more likely to decide prior to Principles. On the other hand, we expected students who decided to major during or after their Principles course to rate the factors imbedded in our recruiting program (our “Educational Experience” group) as being more important influencers than those students who decided to major before the course. We had no specific expectations regarding the ratings given by either group to factors in the “Professional Attributes” group except that prior literature led us to believe these would be important factors.

Combining the individual items into three measures (one for each group of influence items) we see clear differences between students who decided to major before Principles and those who decided to major during or after Principles. The table below shows significant differences depending on when students decided to major in accounting. The “Pre-Existing Attitudes” were more important for students who decided before taking Principles. The factors within our recruiting program (“Educational Experience”) were more important for students who decided to major during or after taking Principles. Overall, the motivational factors we have characterized as “Attributes of the Profession” do not show a significant difference between the two groups.

Influences on Selecting Major By When Student Decided to Major In Accounting

	Student Decided BEFORE Principles	**Student Decided DURING/AFTER Principles**
Pre-Existing Attitudes**	3.95	3.42
Educational Experience**	2.87	3.50
Profession Attributes	3.81	3.79

* Significant at .05
** Significant at .01

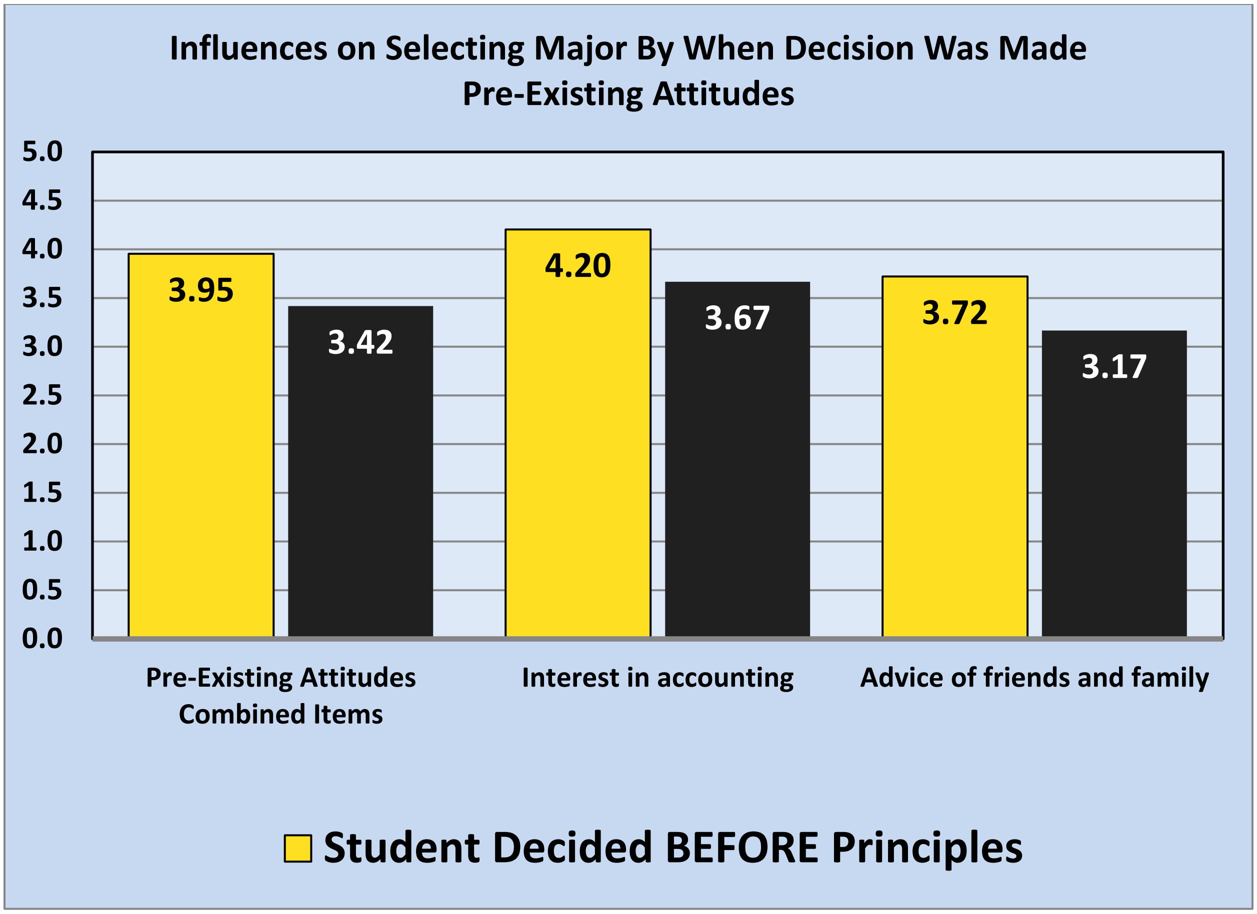


Now we will look in more detail within each of the motivational factor groupings. Within "Pre-Existing Attitudes", student general interest in accounting was significant at a higher level than was the advice of friends and family.

Influences on Selecting Major By When Student Decided to Major In Accounting
Pre-Existing Attitudes

	Student Decided BEFORE Principles	Student Decided DURING/AFTER Principles
Pre-Existing Attitudes Combined Items**	3.95	3.42
Interest in accounting**	4.20	3.67
Advice of friends and family*	3.72	3.17

* Significant at .05
** Significant at .01

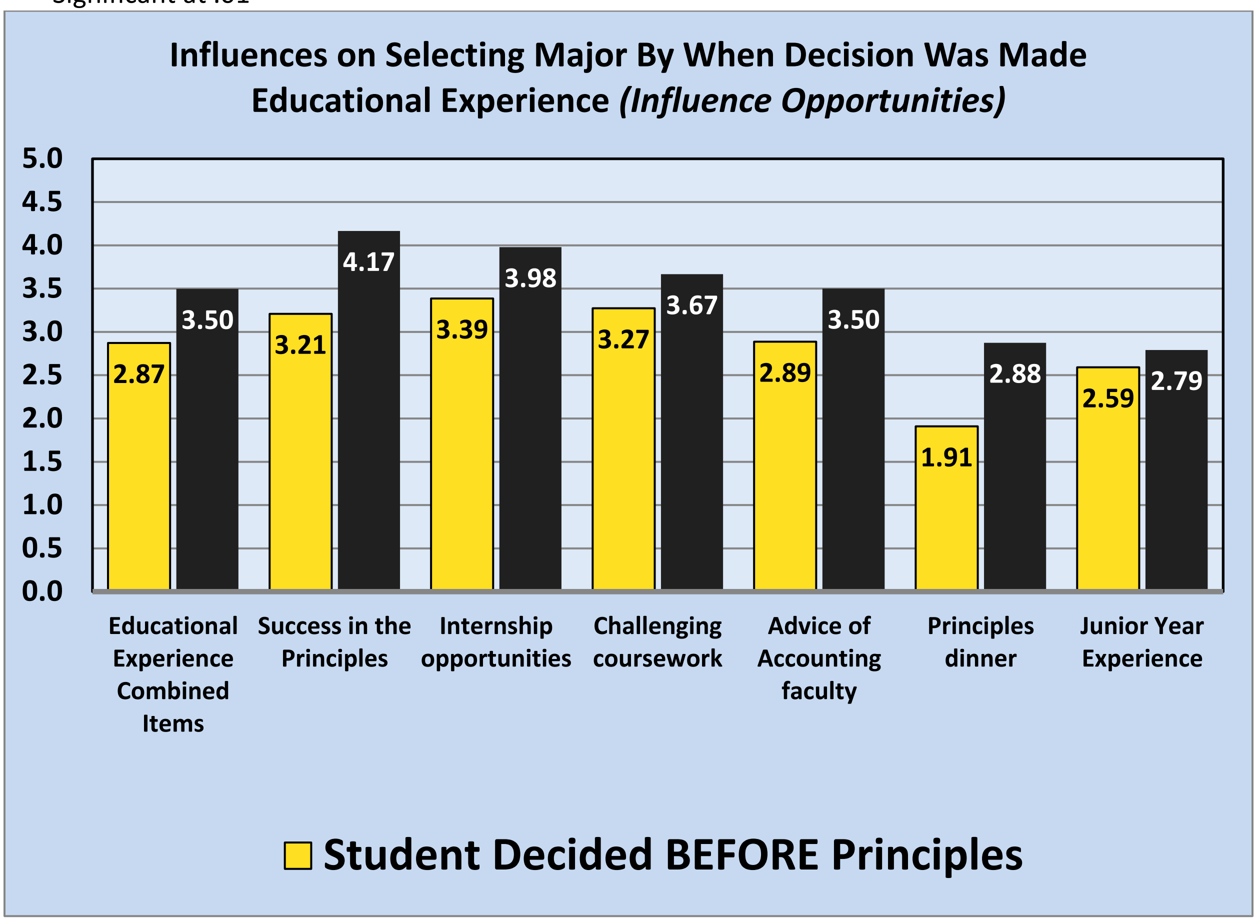


Within the factors grouped as "Educational Experience", most but not all items were significant. The students' success in the Principles course and our Principles Dinner had the strongest differences between the two groups. Our internship opportunities and the advice of faculty were also significant. Although the mean influence on the challenging coursework and junior year experience items were in the predicted direction, the differences were not significant.

Influences on Selecting Major By When Student Decided to Major In Accounting
Educational Experiences *(Influence Opportunities)*

	Student Decided BEFORE Principles	Student Decided DURING/AFTER Principles
Educational Experience Combined Items**	2.87	3.50
Success in the Principles course**	3.21	4.17
Internship opportunities*	3.39	3.98
Challenging coursework	3.27	3.67
Advice of Accounting faculty*	2.89	3.50
Principles dinner**	1.91	2.88
Junior Year Experience	2.59	2.79

* Significant at .05
** Significant at .01

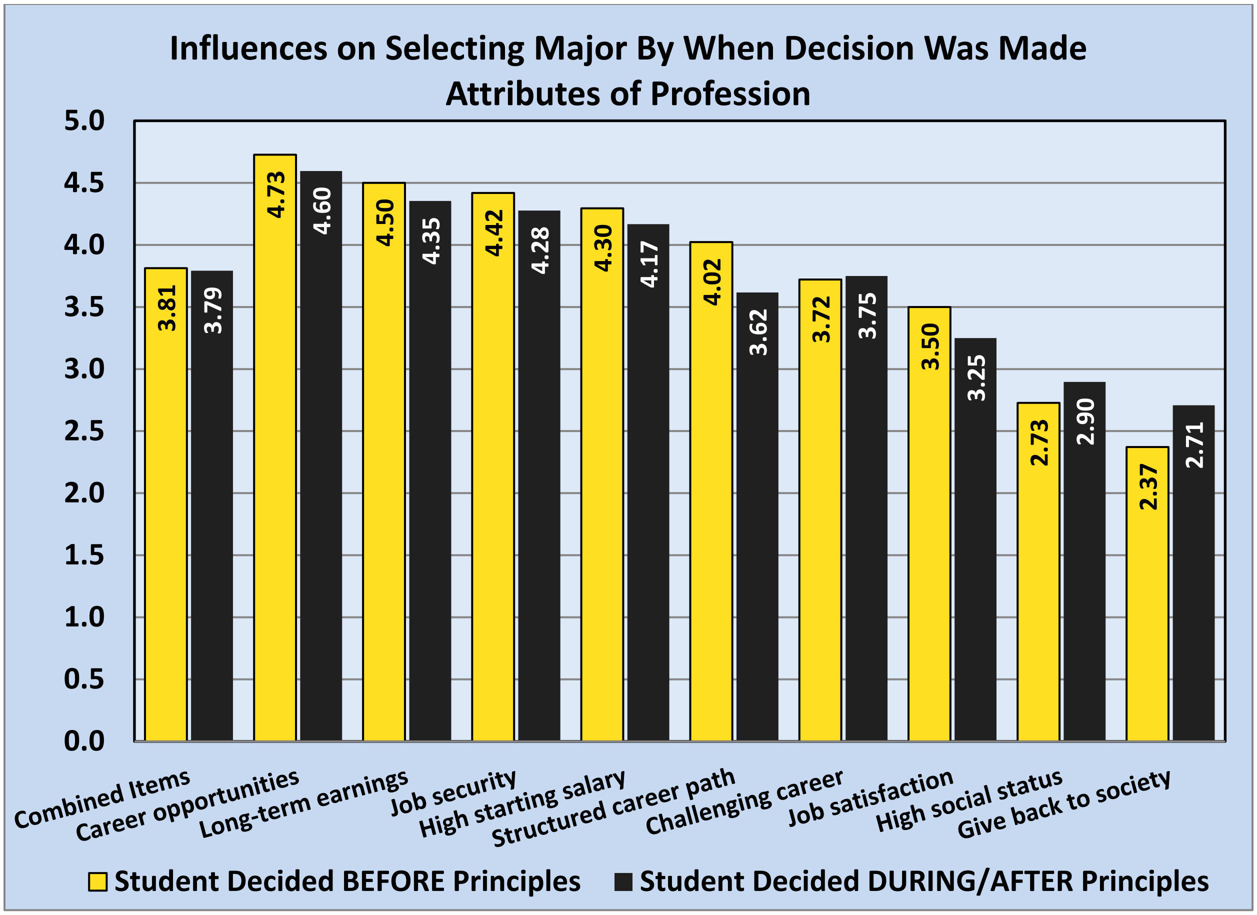


None of the items included as "Attributes of the Profession" showed a significant difference between students who decided to major in accounting before taking Principles and those deciding during or after Principles. As suggested by prior research, some of these factors received the highest ratings of all the motivational factors included in our survey.

Influences on Selecting Major By When Student Decided to Major In Accounting
Attributes of Profession

	Student Decided BEFORE Principles	Student Decided DURING/AFTER Principles
Professional Attributes Combined Items	3.81	3.79
Career opportunities	4.73	4.60
Long-term earnings potential	4.50	4.35
Job security	4.42	4.28
Potential for high starting salary	4.30	4.17
Structured career path	4.02	3.62
Challenging career	3.72	3.75
Expected job satisfaction	3.50	3.25
High social status	2.73	2.90
Way to give back to society	2.37	2.71

* Significant at .05
** Significant at .01



6.0 Teaching Notes

The idea that information about accounting as a major and profession, when presented to students who are successful in Principles of Accounting, might encourage them to decide to major in accounting is certainly not new. However, it is astonishing how many students will not change majors even when they realize that accounting make sense to them unless they are presented with more information. The problem has always been that the classroom is not the place to recruit. It is important to identify the students who are doing well and invite them to some event after class time. Once they respond, it is important to share with them the things that are proven to have an influence on their decisions.

7.0 Conclusion[2]

The success of our recruiting programs is shown by reviewing the university statistics on graduates by major. The university graduated 2,566 students in 2003. Over the next twelve years the number of graduates has grown to 3,850. Graduates majoring in accounting grew over that time from 62 students in 2003 to 100 in 2015. During this same time, the total College of Business graduates declined from 634 in 2003 to 582 in 2015. The percentage of accounting graduates as a percentage of the total university has only remained steady during this time (fluctuating a few tenths of a percentage point above or below 2.6%). Because graduates of the

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College of Business have declined, accounting majors as a percent of business majors has risen from 8.9% to 14.7%. Our survey results suggest this growth is not from pilfering students from within the College, but from our success in educating potential majors in the benefits of a career in accounting.

Our out-of-classroom efforts are based on the premise that students need information and positive experiences to move them towards choosing the accounting major. Once students declare accounting as their major, they need support and more information to keep them moving towards successful completion of the degree and a job with a firm where they can have a productive and fulfilling career. Colleges and universities can provide non-classroom activities and programs that offer accounting students the help they need to make a successful transition to the world of professional accounting. At our University, we do not take for granted that students will succeed without help outside the classroom. We actively recruit them and prepare them before they interview for jobs. We believe our study provides support confirming that faculty time spent outside of the classroom can be quite successful in reaching our goal: the success of our students both professionally and personally.

In addition, as colleges and universities are more concerned with following up on graduates in order to ensure that the programs offered are producing productive graduates, we can be more confident that the graduates from our program are suited for the work they are educated to do and will not be surprised when they reach the accounting workplace. The likelihood that they will have full and productive careers is sure to be increased.

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[3] the information is sanitized for review purposes

Appendix: Survey[4]

https://survey.appstate.edu/TakeSurvey.aspx?SurveyID=92KIl742

We are attempting to determine the factors that influence the decision to major in accounting. Please consider your college experience and answer the following questions.

All responses are anonymous and only aggregate responses will be reported.

Thank you for your participation.

If you have questions or comments, please contact us

1. For each of the following, indicate the amount of influence each had on your decision to major in accounting from 1 - no influence to 5 - great influence.

	1 - no influence	**2**	**3**	**4**	**5 - great influence**
Internship opportunities	○	○	○	○	○
Challenging coursework	○	○	○	○	○
Interest in accounting	○	○	○	○	○
Principles dinner	○	○	○	○	○
Junior Year Experience	○	○	○	○	○
Advice of friends and family	○	○	○	○	○
Success in the Principles course	○	○	○	○	○
Advice of Accounting faculty	○	○	○	○	○
Potential for high starting salary	○	○	○	○	○
High social status	○	○	○	○	○

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Expected job satisfaction	○	○	○	○	○
Career opportunities	○	○	○	○	○
Long-term earnings potential	○	○	○	○	○
Challenging career	○	○	○	○	○
Way to give back to society	○	○	○	○	○
Job security	○	○	○	○	○
Structured career path	○	○	○	○	○

2. Please indicate any other factor(s) not mentioned that influenced your decision to major in Accounting.

3. When did you decide to major in Accounting?
   - ○ Prior to entering college
   - ○ While in college but before taking the first Principles of Accounting course
   - ○ While taking the first Principles of Accounting course
   - ○ After taking both Principles of Accounting courses
   - ○ Other, please specify

4. Please indicate what your intended major was upon entering college, if other than Accounting.

5. Which of the following describes how you viewed the workload of being an accounting major

compared to other majors:

- Much less work than other majors
- A little less work than other majors
- About the same amount of work as other majors
- A little more work than other majors
- Much more work than other majors

6. Which of the following statements best describes what you knew about the 150 hour requirement for CPA certification when you chose accounting as your major?
   - I was unaware of the requirement
   - I was aware of the requirement and was excited about it
   - I was aware of the requirement and was unconcerned about meeting it
   - I was aware of the requirement and was a little concerned about meeting it
   - I was aware of the requirement and was very concerned about meeting it

7. Gender
   - Male
   - Female

8. In what year did you receive your Accounting undergraduate degree?

9. Please indicate what kind of work you are currently doing.
   - Accounting in industry
   - Public accounting
   - Governmental accounting
   - Other, please specify (including if you are still in school)

10. For how long have you (or did you) work in the accounting field?

11. Thank you for your time!!! If you would like to see the results of this survey, enter your e-mail address and we will send them when complete.