



## Forces for change in higher education and implications for the accounting academy



Karen V. Pincus<sup>a</sup>, David E. Stout<sup>b,\*</sup>, James E. Sorensen<sup>c</sup>, Kevin D. Stocks<sup>d</sup>, Raef A. Lawson<sup>e</sup>

<sup>a</sup> Department of Accounting, Sam M. Walton College of Business, University of Arkansas, Fayetteville, AR 72701, United States

<sup>b</sup> Lariccia School of Accounting & Finance, Williamson College of Business Administration, Youngstown State University, Youngstown, OH 44555-0001, United States

<sup>c</sup> School of Accountancy, Daniels College of Business, University of Denver, Denver, CO 80208-8921, United States

<sup>d</sup> School of Accountancy, Marriott School of Management, Brigham Young University, Provo, UT 84602, United States

<sup>e</sup> Institute of Management Accountants, 10 Paragon Drive, Suite 1, Montvale, New Jersey 07645-1760, United States

### ARTICLE INFO

#### Article history:

Received 9 November 2016

Received in revised form 2 June 2017

Accepted 2 June 2017

Available online 22 June 2017

#### Keywords:

Higher education

Post-secondary education

Accounting education

Business education

Financial forces

Technology forces

Faculty development

Institutional initiatives

Strategic planning

The accounting academy

### ABSTRACT

Accounting educators need to understand the forces for change in higher education, as well as the current state of accounting programs. Part I of this paper describes how financial and technology forces have combined to dramatically change the milieu of higher education. In terms of financial forces, we examine changing student demographics, the level of student debt, shrinking levels of governmental support, and philanthropic limitations. We conclude that the financial model that has served postsecondary education well for many years is now significantly strained. In terms of technology forces, we examine the growth of off-shoring and automation of accounting/finance jobs; and a growing skills/competency gap, both in the general job market and in the accounting profession. Technology advances have transformed academic research and publishing, and have been incorporated into familiar ways of teaching. However, as yet, they have not significantly changed either what we teach (curriculum) or how we teach (pedagogy); changes in these areas may accompany future financial models. We provide examples of institutional responses to date and discuss the importance of strategic planning. Part II of this paper considers the implications for accounting academia. We report the results of a survey of accounting program leaders, including examples of recent curricular and faculty (staffing) changes. We recommend strong faculty involvement in change efforts, but also discuss simpler ways that faculty can get involved in efforts to face the forces for change. Concluding thoughts consider both the window of time to institute major change and ideas for future research.

© 2017 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

## 1. Introduction

On the one hand, the news is good for postsecondary accounting educators. Enrollments are up ([American Institute of Certified Public Accountants \(AICPA\), 2015](#)). Hiring and salaries for accounting graduates are rising ([Robert Half International, 2016](#); [Vien, 2015](#)). There's a continuing faculty shortage, creating excellent mobility for productive accounting educators and those considering moving from accounting practice to academia ([Boyle, Carpenter, & Hermanson, 2015](#); [Boyle,](#)

\* Corresponding author.

E-mail addresses: [kpincus@walton.uark.edu](mailto:kpincus@walton.uark.edu) (K.V. Pincus), [destout@ysu.edu](mailto:destout@ysu.edu) (D.E. Stout), [jsorensen@du.edu](mailto:jsorensen@du.edu) (J.E. Sorensen), [kevin\\_stocks@byu.edu](mailto:kevin_stocks@byu.edu) (K.D. Stocks), [rlawson@imanet.org](mailto:rlawson@imanet.org) (R.A. Lawson).

Carpenter, Hermanson, & Mensah, 2014). Accounting tenure-track faculty salaries are higher than the average salary for all college faculty (Association to Advance Collegiate Schools of Business (AACSB), 2016; *Chronicle of Higher Education*, 2016).

On the other hand, the press and non-fiction books keep raising alarms about the “future of higher education” (Barrett, 2013; Carey, 2015; Goldrick-Rab, 2016; Quick, 2015; Selingo, 2013; Wood, 2014; Zuckerman, 2015). Are these warnings false alarms or a glimpse into our future? Are we doing the right things at our own institutions to face the forces for change?

We believe it is important for accounting faculty to thoughtfully consider the health of the higher-education industry. In Part I of this article, we look at the big picture, reviewing two major drivers—financial forces and technology forces—responsible for many of the alarms going off about the future of US higher education.<sup>1</sup> We present evidence that these forces are significant enough to demand the attention of, and thoughtful responses by, accounting educators. We also look at how selected higher education institutions are responding to these forces for change, and offer some thoughts on strategic considerations.

In Part II, we consider the implications of the forces for change specifically for accounting academia. We provide examples of recent changes from a survey of accounting program leaders, strongly recommend accounting faculty involvement in change efforts, and consider simple ways individual faculty members can prepare themselves for what is likely to be a more turbulent time for accounting education in the future than the relative prosperity we enjoyed in the recent past. Our concluding thoughts focus both on the window of time to change and on potential areas for future research.

## 2. Part I: The forces for change in US higher education

### 2.1. Financial forces

US higher education has had essentially the same financial model for 150 years. Tuition, taxpayer funding, and donations/grants provide revenues. Most costs are fixed, with little flexibility in the short run. This model was successful for a long time, including a very favorable period from 1982 to 2007. Recently, however, the model has become increasingly challenged.

#### 2.1.1. The recent past: Favorable demographics and economic prosperity

After a deep recession that ended in 1982, the US began the greatest period of economic expansion in its history. Over a 25-year period starting at the close of 1982, and not ending until 2007, the nation experienced only two mild recessions, each lasting just 8 months.<sup>2</sup> Throughout this extended period, inflation and unemployment in the US remained low and stock market capitalization grew at an unprecedented rate. During that quarter century, US postsecondary education enjoyed a golden era of favorable demographics and growth of financial resources.

*2.1.1.1. Favorable demographics.* As can be seen in Table 1, the population of traditional US college-age 18–24-year-olds reached historical highs over the three decades from 1980 to 2010 and a growing proportion of high school graduates pursued a college education. Moreover, the number of international students studying in the US also grew. Given such favorable demographics, total postsecondary enrollment almost doubled from 1980 to 2007. (National Center for Education Statistics 2016a, Digest of Education Statistics 2014, Tables 302.10, 302.60, 307.10 and 310.20.)

*2.1.1.2. Growth of financial resources.* Total revenues per full-time equivalent (FTE) student grew significantly over this period. For private non-profit four-year degree-granting schools, total revenues per FTE student measured in constant 2014–15 dollars grew from \$42,899 in 2000–2001 to \$71,402 in 2006–7 (National Center for Education Statistics (NCES), 2016b, Table 333.40). Public four-year degree-granting schools also prospered, but at lower average revenue levels, reaching \$43,912 per FTE student in 2006–7, measured in 2014–15 dollars (National Center for Education Statistics (NCES), 2016a, Table 333.10 adjusted from 2012–13 to 2014–15 dollars).

Faculty shared in the prosperity of postsecondary education during this era. Demand for faculty grew, and salaries increased in inflation-adjusted dollars at all types of schools:

- **Faculty growth:** From 1982 to 2007, faculty employed at four-year degree-granting institutions grew from 493,000 to 990,849, while two-year schools experienced faculty growth from 217,000 to 380,541 (National Center for Education Statistics (NCES), 2015, Table 315.10).

<sup>1</sup> Because every country has its own institutional, societal, and economic forces to deal with, our focus is on US non-profit higher education institutions, but serious challenges are also evident globally. For example, Cappelletto (2010), de Lange and Watty (2011), Ernst & Young (Australia) (2012), and O'Connor (2014) discuss the challenges to higher education in Australia, while Purcell (2014) and Musselin and Teixeira (2014) discusses both “profound disruption” and “massive changes” in higher education in the UK.

<sup>2</sup> <http://www.nber.org/cycles.html>.

Download English Version:

<https://daneshyari.com/en/article/4939039>

Download Persian Version:

<https://daneshyari.com/article/4939039>

[Daneshyari.com](https://daneshyari.com)