



ELSEVIER

Contents lists available at ScienceDirect

Journal of Accounting Education

journal homepage: www.elsevier.com/locate/jaccedu

Filling the demand for municipal government accountants: The benefits of a governmental and not-for-profit accounting course

Rebecca B. Martin ^{a,b,*}, Tammy R. Waymire ^c^a University of Maryland, United States^b McNeese State University, United States^c Middle Tennessee State University, United States

ARTICLE INFO

Article history:

Received 23 November 2015

Received in revised form 28 April 2017

Accepted 28 April 2017

Available online xxx

Keywords:

Governmental accounting careers

Accounting curricula

ABSTRACT

The demand for accounting professionals in municipal governments is increasing as a result of an aging workforce and a period characterized by cautious hiring. Challenges faced by municipal governments in filling these positions are exacerbated by the competing opportunities available for accounting graduates. In this paper, we examine undergraduate- and graduate-level accounting students' perceptions of careers in government and whether perceptions improve for students who take an elective governmental and not-for-profit accounting course. From the beginning to the end of the course, we document an increase in students' perceptions of financial and non-monetary benefits associated with a government job as well as a shift toward viewing governmental accounting as offering creative and dynamic opportunities. The increase suggests that students taking the elective course view government careers as providing greater opportunity than public accounting or corporate accounting for work-life balance and having the potential for non-monetary benefits, although students tend to still view government careers as having less potential for monetary benefits. These results underscore the benefits of a governmental and not-for-profit accounting course within accounting programs.

© 2017 Elsevier Ltd. All rights reserved.

1. Introduction

Accounting professionals fill an important role in municipal governments. These professionals are responsible for the reporting of financial information to external users, establishing and evaluating the efficacy of the budget, and participating in operation decisions within the government. Despite the importance of this role, many municipal governments rely on a constrained accounting staff. Two primary factors contribute to this constraint. First, municipal governments face significant fiscal challenges which may decrease hiring (GAO, 2013), in spite of an aging workforce that necessitates hiring (Lewis & Cho, 2011). Experience gaps between senior and new governmental accounting staff likely have implications for the career progression of the newer staff, i.e., newer staff have the opportunity to be promoted more quickly, but will be expected to gain the skills necessary to do so (Lewis & Cho, 2011; Williamson, Burke, & Beinecke, 2011; Wolf & Amirkhanyan, 2010). Second, competing opportunities for students, including both public accounting and corporate, may constrain the supply of account-

* Corresponding author at: University of Maryland, United States.

E-mail address: rmartin@rhsmith.umd.edu (R.B. Martin).

ing graduates available for government opportunities.^{1,2} These constraints, i.e., decreased hiring and the opportunities in other areas, may make it difficult for municipal governments to attract and retain talented accountants.

Attracting accountants begins in undergraduate accounting programs and continues in graduate accounting programs. The literature has long documented the unfavorable views of students toward careers in governmental accounting (Hardnett, Daniels, & Warrick, 2012; McKenzie, 1992; Shivaswamy & Hanks, 1985). This is consistent with findings from a broad range of public administration careers (Ritz & Waldner, 2011). Accounting curricula typically emphasize accounting for for-profit commercial entities, with little emphasis on governmental and not-for-profit (GNP) entities. GNP courses, if offered, tend to emphasize financial reporting concepts, although other accounting topics are applicable in this sector (e.g., auditing and managerial). Furthermore, if a stand-alone GNP course is offered, placement often occurs at the end of an undergraduate student's four-year program or within a graduate program, giving students very little opportunity to consider careers in governmental accounting since recruiting begins as early as the junior undergraduate year (Kimmell, Keltyka, & Ofobike, 2008).

In this study, we examine the perceptions of governmental accounting careers among students majoring in accounting at a regional Midwestern university. We include students from both a GNP course (experimental group) and students in a financial reporting course who have not already taken or are not concurrently taking GNP (control group) to compare perceptions at the beginning and end of the semester.³ The design allows us to test whether those students enrolled in the GNP course view governmental accounting careers more favorably as a result of exposure to the content of the course. We use two instruments, one adapted from McKenzie (1992) and Hardnett et al. (2012) and one adapted from Saemann and Crooker (1999). The first instrument requests students' evaluations of accounting career opportunities in: (1) federal, state, and local governments, (2) public accounting firms, and (3) corporations (either private or publicly traded). Using a five-point Likert scale, students assess the potential for earnings, financial security, work-life balance, job security, and non-monetary benefits (see Appendix A). The second instrument was designed to evaluate students' perceptions of the governmental accounting profession based on 36 pairs of adjectives (see Appendix B).

From the beginning to the end of a GNP course, we find an increase in students' perceptions of financial and non-monetary benefits associated with a government job, as well as a shift toward viewing governmental accounting as offering creative and dynamic opportunities. The increase suggests that students taking the elective course view government careers as providing greater opportunity than public or corporate accounting careers for work-life balance and having the potential for non-monetary benefits, although students still tend to view government careers as having less potential for monetary benefits. These results underscore the impact of courses on shaping student career interests and, more specifically, the benefits of a governmental accounting course within accounting programs.

2. Literature background and hypothesis development

A close examination of the prior literature reveals two main contributions to students' negative perceptions of careers in governmental accounting.⁴ One is the lack of exposure to governmental accounting during their undergraduate education (Lowensohn & Reck, 2005). This fact has been bemoaned by researchers for quite some time. Accounting researchers have demonstrated a general lack of required exposure to governmental coursework, even in AACSB-accredited programs (Engstrom, 1979; Lowensohn & Reck, 2005). Scholars have then connected this lack of exposure to a greater demand than supply of competent governmental accountants (Beights, 1954; Engstrom, 1979; Lowensohn & Reck, 2005). Lowensohn and Reck (2005) noted that governmental accounting is typically linked with not-for-profit accounting and rarely required in an undergraduate program; in the best of circumstances it is offered as an elective. Thus, it is highly likely that the lack of exposure to governmental accounting via a required or elective course contributes to students' lower perceptions of a career in governmental accounting as compared with the public or commercial sector.

A second reason for students' negative perceptions of careers in governmental accounting is a lack of qualified educators at the undergraduate and graduate levels. The excess of demand over supply for faculty members interested and qualified in public sector accounting has dramatically increased over time (Engstrom, 1979; Schiffel & Smith, 2006). Schiffel and Smith (2006) compiled data from Hasselback's *Accounting Faculty Directory*, an online survey, and doctoral program websites that revealed that overall accounting degrees awarded in the governmental area decreased in the five-year period 2001–2005 as compared with the previous four five-year periods. Additionally, and rather alarmingly, governmental accounting doctoral graduates dropped from 67 during the period 1981 through 1985 to only 20 during the period 2001 through 2005. Schiffel and Smith (2006) described this as a “looming crisis” and presented several proposals to increase governmental accounting doctorates. Finally, Wilson (2013) noted that while demand for governmental accounting education has recently

¹ Public accounting firms offer opportunities in audit and tax, as well as Sarbanes-Oxley (SOX) compliance engagements. Big 4 firms report an increase and sustained need for accounting graduates to conduct SOX engagements (Thompson, Fernandez, Budnik, & Boston, 2008).

² Whether the 150-h requirement has limited the number of CPA exam candidates has also been explored in the literature. Gramling and Rosman (2009) report a decline in the number of candidates, even in jurisdictions without a 150-h requirement (i.e., only 120 h are required for candidacy) over the period 1980–2002. The AICPA (2015) reports an increase in the supply of graduates (both bachelor's and master's) over the period 2002–2014, but also record hiring by public accounting firms. For a history of the 150-h requirement, see Mauldin, Braun, Viosca, and Chiasson (2013).

³ We focus on student perceptions, with the expectation that an increase in their perceptions will increase the likelihood that they would consider a governmental accounting career upon entry to the profession or at a later date.

⁴ Beights (1954), Engstrom (1979), McKenzie (1992), Lowensohn and Reck (2005), Schiffel and Smith (2006), and Hardnett et al. (2012).

Download English Version:

<https://daneshyari.com/en/article/4939042>

Download Persian Version:

<https://daneshyari.com/article/4939042>

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