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Understanding the Accounting Faculty Shortage: Perceptions of Practitioners



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Understanding the Accounting Faculty Shortage

Perceptions of Practitioners

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Table of Contents

Background


Description of Surveys.....	4
Demographic Summary.....	4
Key Findings.....	7
Conclusions.....	15
References.....	17

Tables

Table 1: Participant Personal Demographics.....	5
Table 2: Participant Company Demographics.....	6
Table 3: Current Level of Interest in Teaching Part-Time or Full-Time.....	8

Table 4: Factors Related to Academic Careers that Increase a Participant's Interest in Pursuing a Full-Time Career as an Accounting Professor.....	10
Table 5: Factors Related to Academic Careers that Decrease a Participant's Interest in Pursuing a Full-Time Career as an Accounting Professor.....	11
Table 6: Skills/Attributes Associated with Excellence as an Accounting Professor.....	14
Table 7: Accomplishments Associated with Excellence as an Accounting Professor.....	14

Background



The shortage of accounting faculty in the United States (U.S.) has been a topic of significant concern within both the accounting profession and academia. In particular, the accounting literature has discussed the shortage of terminally qualified accounting faculty (see Boyle et al. 2011; Leslie 2008; Plumlee et al. 2006). A joint task force created in 2007 by the Institute of Management Accountants (IMA®) and the Association of Government Accountants indicated that the faculty shortage is a complex topic with numerous potential causes. The shortage merely represents a symptom of a larger problem with the broader U.S. accounting education model. This task force called for an examination of the current model (Sharman 2007). It is clear that the accounting faculty shortage is an issue that poses a significant threat to the accounting profession and needs to be further studied to identify its causes and potential solutions.

Given the likelihood of continued demand for business school education and accounting professionals, the potential solution to resolving this shortage must seemingly be found by increasing the supply side of the equation. One potential mechanism for increasing the supply of accounting educators would be to tap the large pool of accounting practitioners as a source of potential new accounting faculty. In fact, much action has already been taken in an attempt to attract practitioners into academia through the traditional doctoral program model. An example of this effort is the Accounting Doctoral Scholars Program (ADS), which provides ongoing financial support to select auditing and tax practitioners to enable them to pursue a terminal degree and transition into an academic career. Yet the number of practitioners who are transitioning into academia through these currently existing programs of support falls far short of the number needed to significantly reduce the current and anticipated future shortage of required faculty.

The purpose of this study is to investigate perceptions of practitioners to help determine whether and how this pool of potential academics might be encouraged to transition into academia in numbers great enough to significantly address the anticipated faculty shortage. The study surveys members of the IMA to gain a better understanding of their awareness of the shortage, their level of interest in pursuing careers in academia, their concerns about potential transitional issues, and their beliefs regarding the factors and accomplishments related to effective teaching in accounting. We provide a description of our survey, key findings, and conclusions for consideration by C-Suite executives.

Description of Surveys

The IMA emailed 9,844 of its United States-based members inviting them to participate in the survey. This sample of their total membership was selected from all job title and profile types with the exclusion of retired and academic members. The first request was sent in September 2011 with a follow-up request sent in October 2011. The invitation included a link to the online survey.

We received 233 completed surveys, resulting in a response rate of 2.4%. The survey included 22 questions to assess the participants' perceptions of the magnitude of the faculty shortage, their interest in pursuing an academic career and teaching in various capacities, what factors increase or decrease the attractiveness of pursuing such a career, and what factors and accomplishments they believe are associated with excellence as a professor. In addition, the survey captured the participants' level of support for the creation of nationally accredited accounting doctoral programs that are designed to be more conducive to those who desire to study on a part-time basis, as well as their perceptions of the likely quality of such programs. Finally, the survey also included demographic questions to assess the personal and company demographics of the participants.

Demographic Summary

As illustrated in Table 1, 18.5% of the participants have teaching experience in accounting at the college/university level. A slight majority (56.3%) of the participants are male, with a clear majority of the participants (79.1%) being married. The participants work an average of 48.9 hours per week and have a high degree of professional experience, with 83.7% of them having 11 or more years of such experience. The vast majority of the participants (73.8%) have some type of professional certification, with 60.9% of the participants possessing the CMA designation. The participants are also well educated with 59.7% holding some form of advanced degree.

TABLE 1 : Participant Personal Demographics (n = 233)

Taught in Accounting at a College/University Level	18.5%
Male	56.3%
Currently Married	79.1%
Mean Hours Worked in a Typical Week	48.9
(range of 8 - 82; median = 49; std. deviation = 9.1)	

		Responses	%
Total Years of Business Experience	No Response	1	0.4%
	< 5	10	4.3%
	5 to 10	27	11.6%
	11 to 15	35	15.0%
	16 to 20	35	15.0%
	21 to 25	34	14.6%
	> 25	91	39.1%
	Total	233	100.0%
Professional Certifications	CPA	78	33.5%
	CMA	142	60.9%
	CFA	8	3.4%
	CIA	12	5.2%
	CFE	4	1.7%
	No Certifications	61	26.2%
Educational Status	Undergraduate Degree	94	40.3%
	Master's Degree	137	58.8%
	Doctoral Degree (not analyzed further)	2	.9%


The company demographics of the participants are shown in Table 2. The participants work within numerous business segments. For-profit private companies and public companies represent the largest segments of the sample, with 40.3% and 28.3% of the total, respectively. In addition, the participants work within companies of varying size, with approximately one third (33.0%) of the participants working for companies having more than \$1 billion dollars of revenue.

TABLE 2: Participant Company Demographics (n = 233)

		Responses	%
Business Segment	Public Accounting	11	4.7%
	Public Company	66	28.3%
	Private For-Profit Company	94	40.3%
	Not-For-Profit	26	11.2%
	Consulting	14	6.0%
	Government	13	5.6%
	Other	9	3.9%
	Total	233	100.0%
Revenue of Employer	No Response	4	1.7%
	\$0 to \$10 million	33	14.2%
	\$11 million to \$50 million	44	18.9%
	\$51 million to \$100 million	25	10.7%
	\$101 million to \$200 million	13	5.6%
	\$201 million to \$300 million	14	6.0%
	\$301 million to \$400 million	3	1.3%
	\$410 million to \$500 million	4	1.7%
	\$501 million to \$1 billion	16	6.9%
	> \$1 billion	77	33.0%
	Total	233	100.0%

Key Findings

Awareness of Shortage



The participants have some level of awareness that a shortage of accounting faculty exists within the United States. When asked to provide their perception of the balance between the supply of accounting faculty holding a doctoral degree and the demand for such faculty at colleges and universities in the U.S., the participants indicate a mean score of 41.3, with 0 representing that the demand significantly exceeds supply (too few faculty), 50 representing that supply and demand are equal, and 100 representing supply significantly exceeds demand (too many faculty). While this finding indicated some modest degree of participant awareness of the shortage, it suggests that the critical nature of the shortage may not be fully appreciated within practice.

Interest in Teaching Part-Time or Full-Time

As shown in Table 3, overall, the participants indicate a moderate level of interest in teaching part-time, with a mean score of 53.9 on a scale of 0 (low interest) to 100 (high interest). The top five demographic factors that are associated with higher expressed interest in teaching part-time include:

1. Prior teaching experience (score of 81.7)
2. Consulting business segment (score of 67.0)
3. Public accounting business segment (score of 63.2)
4. Company revenue size of \$101 million to \$500 million (score of 61.6)
5. Master's degree (score of 61.1)

**Table 3: Current Level of Interest in Teaching Part-Time or Full-Time
(0 = Low Interest to 100 = High Interest) (n = 233)**

		n	Part-Time Mean	Full-Time Mean
All Participants		233	53.9	29.1
Previously Taught	Yes	43	81.7	49.8
	No	189	47.8	24.5
Gender	Male	129	57.5	29.0
	Female	100	49.2	29.8
Marital Status	Single	48	55.0	28.0
	Married	182	53.3	29.5
Weekly Work Hours	> Mean of 48.9	113	58.5	31.3
	< Mean of 48.9	118	50.3	27.5
Years of Experience	< 5	10	44.9	24.7
	5 to 10	27	51.3	30.4
	11 to 15	35	49.3	26.5
	16 to 20	35	49.2	25.9
	> 20	125	57.7	30.9
Certifications	Yes	172	56.1	29.9
	No	61	47.8	26.8
Educational Status	BS Degree	94	42.8	22.8
	Master's Degree	137	61.1	33.2
Business Segment	Public Accounting	11	63.2	22.4
	Public Company	66	54.1	27.3
	Private For- Profit Company	94	52.5	27.2
	Not-For-Profit	26	56.8	31.3
	Consulting	14	67.0	44.5
	Government	13	53.0	26.5
	Other	9	28.2	43.8
Revenue of Employer	\$0 to \$10 mil- lion	33	60.1	32.4
	\$11 to \$100 million	69	50.0	26.4

		n	Part-Time Mean	Full-Time Mean
Revenue of Employer	\$101 to \$500 million	34	61.6	38.0
	> \$500 million	93	51.2	27.2

The participants indicate a much lower level of interest in teaching full-time, with a mean score 29.1. Still, 14% of the participants indicate a fairly high degree of interest (score of 70 or above), and 29% indicate at least a moderate degree of interest (score of 50 or above). This finding is significant due to the vast size of the pool of practicing accountants. According to the websites of the IMA and the American Institute of Certified Public Accountants, there are currently over 30,000 CMAs and 370,000 CPAs, respectively. Only a small fraction of these practitioners would be needed to pursue full-time teaching to significantly impact the faculty shortage. The top five demographic factors that are associated with the most interest in teaching full-time include:

1. Prior teaching experience (score of 49.8)
2. Consulting segment (score of 44.5)
3. Company revenue size of \$101 million to \$500 million (score of 38.0)
4. Master's degree (score of 33.2)
5. Company revenue size of \$0 to \$10 million (score of 32.4)

As shown in Table 4, the participants were asked what factors increase their interest in pursuing a full-time career as an accounting professor. The survey used a seven-point scale (with 1 representing "does not increase participant's interest," 4 representing "moderately increases participant's interest," and 7 representing "significantly increases participant's interest"). Table 4 shows that flexibility in work schedule in academia (score of 5.4), satisfaction from helping students (score of 5.3), and participating in developing the profession through educating young professionals (score 4.9) represent the top three factors. Opportunities to perform academic research (score of 3.4) and opportunities for consulting (score of 4.2) represent the lowest factors.

TABLE 4: Factors Related to Academic Careers that Increase a Participant's Interest in Pursuing a Full-Time Career as an Accounting Professor
(1 = Does Not Increase Interest to 7 = Significantly Increases Interest)
(n = 233)

Factor	Mean
Flexibility in work schedule in academia	5.4
Satisfaction from helping students	5.3
Participating in developing the profession through educating young professionals	4.9
Student interaction in academia	4.7
High quality of life in academia	4.5
Fewer work hours in academia than in industry	4.4
Love of teaching	4.4
Opportunities for consulting in academia	4.2
Opportunities to perform research in academia	3.4

Table 5 summarizes the results when the participants were asked what factors decrease their interest in pursuing a full-time career as an accounting professor. The top factors include the time associated with pursuing a doctoral degree (score of 6.0), the financial cost associated with pursuing a doctoral degree (score of 5.9), and concerns about differences in compensation between industry and academia (score of 4.5). Need for more practical experience before one could teach (score of 2.9), concerns about working in an academic environment (score of 3.0), concerns about being an effective teacher (score of 3.1), and challenges associated with managing students (score of 3.2) represent the lowest factors.

TABLE 5: Factors Related to Academic Careers that Decrease a Participant's Interest in Pursuing a Full-Time Career as an Accounting Professor
(1 = Does Not Decrease Interest to 7 = Significantly Decreases Interest)
(n = 233)

Factor	Mean
The time associated with pursuing a doctoral degree	6.0
The financial cost associated with pursuing a doctoral degree	5.9
Concerns about differences in compensation between industry and academia	4.5
Not enough information about what a full-time career in accounting academia involves	3.6
Concerns about being an effective researcher	3.6
Challenges associated with managing students	3.2
Concerns about being an effective teacher	3.1
Concerns about working in an academic environment	3.0
Need for more practical experience before I could teach full-time	2.9

Value of Attracting Practitioners in Academia

The participants indicate a high degree of value in attracting accounting practitioners into doctoral programs. On a scale of 0 to 100 (with 0 representing low value, 50 representing moderate value, and 100 representing high value) the participants indicated a mean score of 67.1.

Likelihood of Pursuing a Doctoral Degree Full-Time

The participants were asked about their likelihood of pursuing a doctoral degree full-time and how much annual financial support they would need to make such a transition. Overall, the participants indicated a very low likelihood of pursuing a doctoral degree full-time, with a mean score 14.1 on a scale of 0 (low likelihood) to 100 (high likelihood). Only 4.7% of the participants indicate a score of 70 or above, and 9.0% indicate a score of 50 or above. The top five demographic factors that are associated with a higher likelihood of pursuing a doctoral degree full-time include:

1. Consulting or government business segment (scores of 22.9 and 22.8)
2. 5 to 10 years of professional experience (score of 17.9)
3. Male (score of 17.1)
4. Prior teaching experience (score of 16.6)
5. Master's degree (score of 15.9)

When asked about financial support, participants indicated that they would need an average of \$64,000 of annual support to pursue a doctoral degree full-time; however, this varied significantly among demographic groups.

Support for Part-Time Doctoral Programs

The participants were asked to indicate their level of support for the creation of nationally accredited accounting doctoral programs that are designed to be more conducive to those who desire to study on a part-time basis. The participants indicate strong support for such programs, with a mean score of 70.3 on a 0 to 100 scale (with 0 representing low support, 50 representing moderate support, and 100 representing high support). When asked how they view the likely quality of these nationally accredited part-time accounting doctoral programs that admit experienced executives, as compared to traditional nationally accredited full-time doctoral programs, on a 0 to 100 scale (with 0 representing significantly lower quality, 50 representing same quality, and 100 representing significantly higher quality), participants indicate that such a part-time program would be of higher quality than a traditional full-time program, with a mean score of 69.6. Participants expressed similarly supportive views for nationally accredited distance-learning doctoral degree programs, with a mean score of 69.0.

Likelihood of Pursuing a Doctoral Degree Part-Time

The participants were asked to indicate their likelihood of potentially pursuing a doctoral degree on a part-time basis. They were also asked how many years, hours per week, and total cost (tuition and related expenses) they were willing to invest in such a pursuit. Overall, the participants indicated a relatively low likelihood of pursuing a doctoral degree on a part-time basis, with a mean score 32.1 on a scale of 0 (low likelihood) to 100 (high likelihood). Yet 14.1% indicate a high

likelihood (scoring 70 or higher), and 28.0% indicate at least a moderate likelihood (scoring 50 or higher). The top five demographic factors that are associated with a higher likelihood of pursuing a doctoral degree on a part-time basis include:

1. Prior teaching experience (score of 52.2)
2. Master's degree (score of 37.7)
3. 11 to 15 years of professional experience (score of 37.3)
4. Consulting business segment (score of 35.3)
5. Company revenue size of \$11 to \$100 million (score of 35.1)

The majority (66.5%) of the participants indicated they would be willing to invest between 3 and 5 years to complete a part-time program, and 79.0% would spend between 6 to 20 hours a week working on the program. The most common responses for these two questions were four years (23.6%) and six to ten hours weekly (35.2%), respectively. The mean amount the participants would be willing to invest in the total cost of the program is \$31,300, with 2.5% indicating an amount of \$100,000 or greater.

Attributes and Skills Associated with Excellence as an Accounting Professor

The participants were asked to indicate what skills and attributes they believed are associated with excellence as an accounting professor, using a seven-point scale (with 1 representing low association, 4 representing moderate association, and 7 representing high association). The top five skills/attributes include verbal communication skills (score of 6.5), ethical foundation (score of 6.4), work ethic (score of 6.3), intelligence (score of 6.1), and organization skills (score of 6.0). Research skills (score of 4.6) and ability to empathize (score of 5.1) received the lowest scores from the participants for these skills/attributes.

TABLE 6: Skills/Attributes Associated with Excellence as an Accounting Professor (1 = Low Association with Excellence to 7 = High Association with Excellence) (n = 233)

Skills/Attributes	Mean
Verbal communication skills	6.5
Ethical foundation	6.4
Work ethic	6.3
Intelligence	6.1
Organization skills	6.0
Writing skills	5.5
Ability to empathize	5.1
Research skills	4.6

Accomplishments Associated with Excellence as an Accounting Professor

The participants were asked what accomplishments are associated with excellence as an accounting professor. Table 7 below indicates that significant experience as a practitioner (score of 6.3), possession of professional certifications (score of 5.8), and a consistent record of positive teaching evaluations (score of 5.5) represent the top three factors. Success as a researcher (score of 3.8) and possession of a doctoral degree (score of 4.1) represent the lowest scoring accomplishments that are perceived to be associated with excellence as an accounting professor.

TABLE 7: Accomplishments Associated with Excellence as an Accounting Professor (1 = Low Association with Excellence to 7 = High Association with Excellence) (n = 233)

Accomplishments	Mean
Significant experience as a practitioner (i.e., 8 years in public, private, or governmental accounting)	6.3
Possession of professional certification (i.e., CPA, CMA, CIA, CFE)	5.8
Consistent record of positive teaching evaluations	5.5
Receipt of teaching awards	4.2
Possession of doctoral degree	4.1
Success as a researcher	3.8

Average Assistant Professor Base Salary

When asked about the average academic year base salary for an assistant professor of accounting at a nationally accredited university, the most common response was \$71,000 - \$80,000 (25.3%). In addition, 44.2% of the participants indicated between \$61,000 and \$80,000, and 80.6% indicated between \$51,000 and \$100,000. The reported average salary for this position for 2011 actually was \$127,600 (AACSB 2012), which is significantly higher than the perceptions of most participants.



Conclusions

The results of this study indicate that practitioners could potentially represent an important source of new accounting faculty. The study suggests that a meaningful number of practitioners may be interested in teaching on a part-time basis. Furthermore, the study suggests that while the percentage of practitioners expressing interest in full-time teaching is relatively small, the vast size of the pool of accounting practitioners could potentially yield enough interested individuals to significantly address the shortage of full-time faculty. Accordingly, it would seem that efforts taken to help turn practitioner interest into action are well placed.

More specifically, while the participants indicate an awareness of some degree of faculty shortage, it appears as though they might not fully realize the critical nature of this shortage. Overall, the participants express a moderate degree of interest in teaching on a part-time basis. Participants who have prior teaching experience or who hold a master's degree are more likely to express such interest. Additionally, participants who work as consultants or who work in public accounting also tend to express higher degrees of interest in such part-time teaching. Overall, the expressed interest in teaching on a full-time basis is relatively low. Given the vast number of practicing accountants, however, even a small percentage of this population would have a significant impact on the faculty shortage. The study's results suggest that there are indeed enough practitioners expressing moderate or high interest to have such an impact. The factors associated with interest in teaching on a full-time basis are very similar to those factors identified with interest in teaching on a part-time basis. In both cases, previous teaching experience, the holding of a master's degree, and work as a consultant were associated with

greater interest. The notable difference between these two expressions of teaching interest was for those participants who worked for public accounting firms. Participants who worked in public accounting expressed relatively high interest in part-time teaching, but expressed relatively low interest in full-time teaching.

In order to fully tap this potential source of future faculty members, a careful assessment of the perceived incentives and obstacles to such a transition should be undertaken. This study sought to identify many of these factors and revealed several useful findings. The top three factors that increase a participant's interest in pursuing a full-time career in academia are flexibility in work schedule in academia, satisfaction from helping students, and participating in developing the profession through educating young professionals. The lowest factors included opportunities to perform academic research and opportunities for consulting. The top factors that decrease a participant's interest in pursuing a full-time career in academia are the time associated with pursuing a doctoral degree, the financial cost associated with pursuing a doctoral degree, and concerns about differences in compensation between industry and academia. The lowest factors include the need for more practical experience before one could teach and concerns about working in an academic environment.

It seems clear that the participants believe that the experience held by seasoned executives would be an important factor in their value to academia. Participants indicate a high degree of value in attracting accounting practitioners into doctoral programs and strongly support the creation of nationally accredited part-time and distance-learning accounting doctoral programs that admit such seasoned executives. They view the potential quality of such part-time programs as being higher than that of traditional full-time programs. The participants indicate a very low likelihood of pursuing a doctoral degree on a full-time basis and indicate that significant financial support would be required to do so.

Overall, the participants also indicated a low likelihood of pursuing a doctoral degree on a part-time basis. Still, a large enough portion of the participants indicated a high or moderate interest in pursuing a doctorate to indicate that this pool could potentially provide significant relief for the growing shortage of faculty. Certain practitioners were more likely to express an interest in the possibility of transitioning to academia. Specifically, those participants with prior teaching experience and/or advanced degrees were most likely to express such an interest.

The number of years that participants indicated that they would be willing to invest in pursuing such a program was largely in line with the typical program commitment. The number of hours the participants are willing to spend on the program in a typical week, however, and the cost they are willing to pay for such a program are significantly lower than that required in existing programs.

The participants also identified verbal communication skills, ethical foundation, work ethic, intelligence, and organizational skills as being the factors they believed were most closely associated with excellence as an accounting professor. Research skills and an ability to empathize were viewed as being less important factors. The respondents also indicated that significant experience as a practitioner, possession of professional certifications, and a consistent record of positive teaching evaluations were viewed as the top accomplishments that they associated with excellence as an accounting professor. Success as a researcher and the possession of a doctoral degree were identified as lower-level accomplishments associated with excellence. These results underscore the value that practitioners believe their experience would have in academia and indicate that there are specific factors that serve to either attract or hinder the transition of practitioners into academia. Increased knowledge of these relevant factors can help academia and practice address the factors as a means of encouraging the transition of practitioners into academia.

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