

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

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Abstract

Demand for accounting professionals is currently strong and is expected to remain so into the foreseeable future. As accounting programs help satisfy demand, recruiting and retaining the best students is important. While existing research has examined what factors lead students to choose accounting as a major, research on the success of recruitment and retention efforts is minimal. This paper examines the success of recruitment and retention efforts by the accounting department at a state university in the southeast. Each semester the department recruits successful students enrolled in the first introductory accounting course, with the goal of encouraging high performing students to consider majoring in accounting. Once students become accounting majors, follow up occurs with out-of-the-classroom opportunities in students' junior and senior years. A survey of graduates was conducted to determine the perceived usefulness of the recruitment and retention efforts. Results indicate that the efforts are perceived by graduates as valuable. Other programs looking for ways to enhance recruitment and retention efforts may find ideas herein.

Introduction

The current demand for accounting professionals is strong and is expected to remain strong for the foreseeable future. According to the AICPA's 2017 "Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits," while hiring has slowed after record highs over the past several years, demand for accountants is still very strong. Eighty percent of responding firms in the largest firm size category indicated they would be hiring the same or more accounting graduates in the coming year (AICPA, 2017). The Bureau of Labor Statistics Occupational Outlook Handbook indicates a projected percent change in employment from 2014 to 2024 for accountants and auditors of 11% (U. S. Department of Labor, 2017). To help meet this demand, accounting programs need to focus on recruiting and retaining qualified students into the major.

Our University is a member institution of a multi-campus State System. The University has 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 2,900 undergraduate students, including about 400 undergraduate 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 either the first Principles of Accounting course or a Survey of Accounting course.

To help meet the demand for accounting professionals, our department is involved in a variety of activities to recruit students into the accounting major and then work with them to develop the “soft skills” needed to be successful in the profession but that are not normally included in the curriculum. Our program is described in full in Kaenzig and Keller (2011) and includes recruitment efforts in sophomore-level introductory accounting classes and focuses on retention and career preparation efforts in accounting students’ junior and senior years. The majority of our efforts are activities occurring outside of the classroom, mostly in the evenings, and faculty members have been generous with significant amounts of time. This paper examines the perceived success of activities undertaken outside the classroom by surveying graduates from the past twelve years. We also compare our findings with the findings of other research about what motivates students to choose accounting as a major.

Prior Research

Students are subject to a vast array of influences in choosing their major. They arrive at college with a dozen or more years of educational experience and with advice that may include statements as vague as “choose a major you can get a job in” or “follow your heart” or as specific as “one word – Accounting.”

Prior research indicates that many factors come together to influence 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. Economic factors, such as a high starting salary and potential for high long-term earnings, also encourage students who are considering accounting as a major (Adams et al, 1994). Advice of friends, family and accounting faculty can also be important (Cohen and Hanno, 1993). Adams et al (1994) 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.

Actions taken by faculty can also influence a student’s choice to major in accounting. A student’s first impression of accounting typically comes from the introductory Principles of Accounting course and Fedoryshyn and Tyson (2003) conclude that most decisions to major in accounting are made in the first accounting course. Mauldin, Crain and Mounce (2000), Geiger & Ogilby (2000) and Mohrweis (2006) point to the importance of the instructor in the first accounting course in students’ decision to major in accounting. Mohrweis (2006) demonstrated that acknowledging students’ outstanding performance in the Principles course was enough to encourage some students to change to accounting as a major; the department chair sent a letter to students who did well in the first introductory accounting course congratulating them on their success and encouraging them to consider taking the first intermediate accounting course. While some of these studies examine efforts undertaken as potential influential factors in choosing accounting as a major, the impact of activities executed after a student chooses the major has not been examined. Further, whether students perceive these activities as useful and whether knowledge of such activities would influence a student to choose the major is also unknown.

Recruitment and Retention Efforts

As described in Kaenzig and Keller (2011), our department has a program designed to recruit outstanding students into the major from Principles of Accounting classes and to prepare them for success once they are majors. Many accounting programs offer some aspects of the programs we have developed. Hunt, Falgiani and Intrieri (2004) suggest that exposing students to accounting professionals to negate inaccurate stereotypes is important. Fedoryshyn and Tyson (2003) suggest that carefully planned presentations by professionals are part of the solution to student attitudes. Law, Shaffer and Stout (2009) describe a program hosted each year which brings together students, faculty and accounting professionals to provide networking opportunities and help undecided students decide what career path might suit them.

Our department combines many approaches in a coordinated effort to improve student recruitment to accounting and retention and success in the major. Our efforts start in students’ sophomore year with a recruiting dinner for students performing well in the Principles of Accounting course, continues with a series of programs for accounting

majors in their junior year and continues into the senior year with preparation for securing and successfully completing an internship. While our university's Beta Alpha Psi chapter hosts various events each week in the fall semester and Principles instructors exert effort to connect with students about career choices, these offerings are in addition to those events and efforts. Our goal is to ensure continued contact with accounting majors during their junior and senior years outside the classroom by accounting educators, upper level accounting students and professional accountants.

Instructor Communication in Introductory Courses

The role of the instructor in a course can have significant effects. An instructor who is effective and inspiring can make more of a difference than many other factors. Instructors in this first accounting course are aware that the first course is a key place to educate students about opportunities within the field of accounting and to identify and recruit accounting majors. Due to the limited time available in such courses, class time is not available for recruiting. However, after each exam, instructors are encouraged to identify high performing students and reach out to them to discuss majoring in accounting if they are undecided or have declared some other major.

Student Recognition Dinner

Each semester, after two exams, we have a Student Recognition Dinner 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 faculty and upper-level accounting students make personal contact with each invited student. Both our upper-level accounting students and our faculty understand the need to attract high performing students.

The recruiting dinner includes 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 the program is a panel of students who have recently returned from an internship. Often these panelists can relate that they decided to major in accounting after attending a Student Recognition Dinner just a few semesters ago and can speak to the help they received from that point onwards. The panelists typically already have a job offer they have accepted and are back on campus to finish their undergraduate degree, start the Master's in Accounting program, and begin studying for the CPA exam.

The "Junior Year Experience"

After students have chosen to major in accounting, we continue to offer assistance in the development of the "soft skills" required for success. In the spring semester of their junior year, we offer a series of sessions we call the "Junior Year Experience." 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" put on by some of the accounting employers to practice and fine-tune interview skills.

The Internship Experience

Because the need for interns is greatest in the spring, our program provides for ten-week and fifteen-week internships starting in January. Students will begin working after New Year's Day and, upon returning from their internship in mid-March or mid-April, will 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 find one. Most of our students are placed with public accounting firms, but a few are placed at banks or governmental agencies. Most employers view the internship as a step toward a permanent position. Over the last five years, 75% of internships have led to permanent job offers.

Methodology

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 students who graduated from our program between 2004 and 2016 (the survey is presented in the Appendix). To reach graduates from earlier years, working through the University Alumni office, the survey was sent to all accounting alumni with valid e-mail addresses who graduated between 2004 and 2013. For more recent graduates, the survey was sent to their school address near the time of their graduation. Of the 522 graduates from 2004 to 2013, 381 surveys were indicated as being delivered, although there is no mechanism to determine whether messages are actually received. Contact information through the Alumni office for past graduates is less reliable the longer they have been out of college, mostly due to moving and changing e-mail providers. Of these, we received 64 completed surveys, a response rate of 17%. For graduates 2014 to present, the survey was delivered around the time of graduation with a similar response rate. Of 363 survey requests sent, we received 52 completed surveys, for a total of 116 students in our analyses. Of these, 114 responses were usable. With an overall response rate of 16%, while this was much lower than we had hoped, with external survey response rates quite often in the 15 – 20% range, we consider our response rate acceptable.

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-two students in our sample decided to major in accounting before they took the Principles course and sixty-seven decided either during or after the course. Drawing on prior research on what influences major choice (Heiat, Brown, and Johnson, 2007, Law and Yuen, 2012, Adams et al, 1994), our survey asked about seventeen items that could potentially influence a student's decision to major in accounting. Two questions in the survey concern attitudes which likely pre-existed their arrival at college, what we call "Pre-Existing Attitude." Six of the questions concern educational experiences students have as part of our recruiting program, what we call "Education Experience." We view these as our opportunities to influence their decision to major. Nine questions relate to characteristics and attributes of the accounting profession, what we call "Profession Attributes." Overall, we expected students who decided to major in accounting before taking Principles to consider the "Pre-Existing Attitude" items 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 items had been stronger influences on the student decision, they would have been more likely to decide prior to taking Principles. On the other hand, we expected students who decided to major during or after their Principles course to rate the items 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 items in the "Profession Attributes" group except that prior literature led us to believe these would be important items to both groups.

Results

Table 1 presents mean ratings for each item for each group of students, those that had chosen accounting as their major before coming to college or before taking the first Principles course (column labeled "Student Decided BEFORE Principles") and those that switched their majors to accounting during or after taking the first Principles course (column labeled "Student Decided DURING/AFTER Principles"). The difference in mean response for each group was tested using a two-sample t-test. The "Pre-Existing Attitude" items showed no significance between the two groups, but differences were in the expected direction with items being rated as more important for students who decided before taking Principles. For all but one item, the items 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 "Profession Attributes" do not show a significant difference between the two groups.

Pre-Existing Attitude

With the "Pre-Existing Attitude" items, we expected students who were committed to major in accounting prior to taking the first accounting course would be influenced more heavily by friends and family and their inherent interest

in the subject. Such influences would have less impact on those students that had not pre-committed to majoring in accounting, and thus these students should be more influenced by the activities the department conducts. Although differences between the two groups were not significant, they were in the expected direction.

Educational Experience

As we had expected, with the exception of one item within “Educational Experience,” all other items were more important for students who decided to major in accounting during or after taking the Principles course. Initially surprising was that the Junior Year Experience item was not rated higher by both groups. The Junior Year Experience is a series of events and activities undertaken to develop soft skills and equip accounting majors for success. While it did not seem to impact the initial decision to major in accounting, surveys given to attendees have indicated the Junior Year Experience events are indeed valuable.

Profession Attributes

All items in “Profession Attributes” did not show a significant difference between the two groups. However, as suggested by prior research, some of these items received the highest ratings of all the motivational factors included in our survey even though they did not differentiate the decision time line for selecting the major.

Conclusion

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.

Reviewing university statistics on graduates by major provides support for the success of our recruiting and retention efforts. The university graduated 2,508 undergraduate students in 2003-04 and 3,702 in 2015-16, a 47.6% increase. Students graduating with an undergraduate degree in accounting grew over that time from 71 students in 2003-04 to 109 in 2015-16, a 53.5% increase. During this same time, the total College of Business undergraduate graduates slightly declined from 632 in 2003-04 to 629 in 2015-16. While there may be multiple explanations for the increase in accounting graduates relative to all business graduates, we believe a big part is our success in educating potential majors in the benefits of a career in accounting and helping them as they progress toward graduation.

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 internships and 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. While this paper represents the experience of only one university over a specific time, there is little reason to believe similar results could not be achieved elsewhere.

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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**Table 1: Influences on Selecting Major By When Student Decided to Major In Accounting
T-Test Results on Mean Values**

	Student Decided BEFORE Principles	Student Decided DURING or AFTER Principles	t	2-tailed significance
Pre-Existing Attitude items				
Interest in accounting	4.09	3.79	1.812	0.073
Advice of friends and family	3.67	3.26	1.867	0.064
Educational Experience items				
Success in the Principles course**	3.17	4.31	-5.744	0.000
Internship opportunities*	3.58	4.10	-1.987	0.049
Challenging coursework**	3.13	3.66	-2.603	0.010
Advice of Accounting faculty**	2.84	3.52	-2.861	0.005
Student Recognition dinner**	2.02	2.95	-3.502	0.001
Junior Year Experience	2.65	2.74	-0.319	0.750
Profession Attributes items				
Career opportunities	4.60	4.64	-0.349	0.727
Long-term earnings potential	4.43	4.39	0.228	0.820
Job security	4.37	4.35	0.135	0.893
Potential for high starting salary	4.26	4.26	-0.019	0.985
Structured career path	4.00	3.68	1.439	0.153
Challenging career	3.54	3.66	-0.577	0.565
Expected job satisfaction	3.51	3.33	0.938	0.350
High social status	2.73	2.87	-0.596	0.552
Way to give back to society	2.37	2.72	-1.510	0.134

* Significant at .05

** Significant at .01

Appendix: Survey

<https://survey.appstate.edu/TakeSurvey.aspx?SurveyID=92KII742>

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.

Dr. Rebecca Hutchins and Dr. Doug Roberts

If you have questions or comments, please contact us at kaenzigr@appstate.edu or robertsfd@appstate.edu.

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.

Internship opportunities	1	2	3	4	5
Challenging coursework	1	2	3	4	5
Interest in accounting	1	2	3	4	5
Principles dinner	1	2	3	4	5
Junior Year Experience	1	2	3	4	5
Advice of friends and family	1	2	3	4	5
Success in the Principles course	1	2	3	4	5
Advice of Accounting faculty	1	2	3	4	5
Potential for high starting salary	1	2	3	4	5
High social status	1	2	3	4	5
Expected job satisfaction	1	2	3	4	5
Career opportunities	1	2	3	4	5
Long-term earnings potential	1	2	3	4	5
Challenging career	1	2	3	4	5
Way to give back to society	1	2	3	4	5
Job security	1	2	3	4	5
Structured career path	1	2	3	4	5

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.
