

## **An Examination of the Impact of Accounting Internships On Student Attitudes and Perceptions**

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### **Abstract**

The basic premise underlying this study is that, by strengthening the professional and business context of the typical 18-22 year-old accounting student, an internship experience fosters a more active, independent learning and problem solving perspective in these students. We believe a study of the effects of internship experiences on student attitudes and perceptions is important for at least three reasons: First, it has the potential for shedding light on the conflicting results of prior studies. Second, it may offer insights into whether internship-related changes in attitudes and perceptions have the potential to affect students in the long run. And third, it should provide accounting firms with information useful in assessing the benefits of their internship programs.

In an attempt to examine changes in student attitudes and perceptions before and after professional internship experiences, a questionnaire was administered to four consecutive generations of students in a master of science in accountancy program. The questionnaire was designed to draw out two types of information from the students: (1) perceptions of the value of their internship experiences, and (2) self-insights into the change in knowledge and attitudes resulting from their internship experiences.

The students in our research sample believed their internship experiences enhanced their knowledge and skills base but did little to improve their academic motivation. This result offers a rationale for past conflicting results – student post-internship academic performance may well be affected positively by the knowledge effects of an internship experience and negatively by the attitude effects, resulting in an ambiguous overall effect. The students also believed that their internship experiences were more career-enhancing than academic performance-enhancing. Finally, while the students believed that their internship experiences would enhance their careers in the long run, the experiences apparently did little to strengthen their desire for a career in accounting. This result suggests that internship programs, long viewed as recruiting tools by accounting firms, may not necessarily be an effective tool in their efforts to attract and retain the “best and the brightest.”

### **Introduction**

In the last decade, the need for change in accounting education has been extensively written about and discussed. Fifteen years ago, the chairmen of the then Big Eight firms issued a white paper entitled *Perspectives on Education: Capabilities for*

*Success in the Accounting Profession.* This paper was intended to focus attention on the need for accounting education to emphasize broad skills, to identify knowledge required to understand public accounting, and to suggest changes in the manner in which accounting education was delivered. One of their recommendations was that students should be active, independent learners and problem solvers rather than passive recipients of information.

This study is based on two related premises. First, we believe that the stronger the business and professional background possessed by students, the more confident and motivated they will be to take an active, independent role in their education. However, it is also our belief that the typical 18-22 year old accounting student brings little professional or business context to the study of accounting. Taken together, these two beliefs suggest that a significant benefit of an internship experience is that, by strengthening the professional and business context of accounting students, the internship experience will facilitate more active, independent learning and problem solving by the students.

The benefits of internships, defined as structured and career-relevant work experiences obtained by students prior to graduation from an academic program, have been widely extolled by academicians, practitioners, and students themselves (Lowe 1965; Ricchiute 1980; Blensley 1982; Schmutte 1986; English and Koeppen 1993). Unfortunately, as noted by English and Koeppen (1993), empirical support for the benefits of internships is not extensive. Several studies have examined the impact of internships on student grade point averages (GPA's), and these studies have yielded conflicting results (Knechel and Snowball 1987; Giacomino 1990; English and Koeppen 1993).

The study conducted by Knechel and Snowball compared the post-internship course performance of students with internship experience to that of a group of non-interns (matched on grade-point average and hours of coursework completed prior to the internship). Their results showed no significant difference in overall average grade performance between the two groups. A weakness of their study was that most of the interns in their sample graduated one semester after the internship, which may be too short a period of time to measure post-internship grade performance. The Giacomino study replicated their methodology but had a three-semester post-internship period. Consistent with the results in the Knechel and Snowball study, Giacomino found no significant differences between intern and non-intern performance. Giacomino hypothesized that, because most of the interns in both studies received offers of employment from their internship employers at the end of the internship, the students may have experienced reduced motivation in the post-internship period. When English and Koeppen replicated the two studies, they found that internship students performed significantly better than non-internship students in both their accounting and non-accounting coursework in the post-internship period.

The mixed results of these studies provide little evidence as to the real academic value of internship experiences. Further, the studies focused on only one potential value

of internships, academic improvement as measured by grades. A study by Taylor (1988) focused on the value of internships for improving employment opportunities, for reducing value conflicts and anxiety, and for helping interns crystallize vocational abilities and interests. The results were mixed, but they showed support for the hypothesized positive effects of internships on employment evaluations and the probability of being hired.

We believe a study of the effects of an internship experience on student attitudes and perceptions is important, not only because of the mixed and conflicting results of previous studies, but because results should prove useful to accounting program administrators as they consider incorporating internship programs into already crowded accounting curriculums. Any observed changes in student attitudes and perceptions might provide insights into the following three issues: First, it has the potential for shedding light on the conflicting results of prior studies. Second, it may offer insights into whether internship-related changes in attitudes and perceptions have the potential to affect students in the long run. And third, it should provide accounting firms with information useful in assessing the benefits of their internship programs.

The remainder of the paper is organized as follows: The next section summarizes the purported benefits of internships, both from academic and professional perspectives. Our research methodology is described next and is followed by a section that summarizes the results of our research. The paper concludes with a discussion of limitations and implications of the research.

### **Purported Benefits of Accounting Internships**

The growth of accounting internship programs and their popularity with students and employers seem to indicate that internships are beneficial to both students and employers. As early as 1952, the American Accounting Association's (AAA) Committee on Internship Programs identified the following benefits for students: (1) exposure to accounting techniques and problems not encountered in a classroom environment, (2) enhanced understanding of the business world, and (3) improved ability to evaluate and assimilate classroom experiences. The Committee also suggested that internships allow students the opportunity to discover if they enjoy the line of work they have chosen. If students do not like the internship, they have the opportunity to explore other possibilities before taking on full time employment. Lowe (1965) reported that former interns felt their internships clarified certain points of accounting theory previously studied and that 66% believed that courses taken after the internship were more "meaningful" due to their real world working experiences. Koehler (1974) suggested that internships motivate students to work hard early in their academic programs to improve their chances of being offered internships, and result in improved grades upon conclusion of those internships.

The Accounting Education Change Commission (AECC, 1990) suggested that students benefit from an internship by acquiring first-hand experience in applying accounting and auditing knowledge to solve real-world problems. The AECC also identified other abilities and knowledge that are an inherent part of an internship experience: working with others, organizing and delegating, resolving conflict,

understanding the internal workings of an organization, and gaining an understanding of interpersonal and group dynamics in business.

In addition to the student benefits, numerous advantages have been cited for the sponsoring institution (AAA, 1952). The school is said to benefit because of the opportunity to evaluate the content of its academic curriculum against the actual practices experienced by its student participants. The school also profits from the increased cooperation and communication between itself and the business entities participating in the program. These relationships can potentially result in higher placement rates for future graduating students.

Finally, there are purported advantages for the employers that participate in internship programs. The most obvious one is that employing firms can obtain relatively cheap employees that are highly motivated and extremely qualified. They also have the benefits of being able to “preview” potential future employees before extending them permanent offers for employment. In addition, the firms can use internships as marketing tools to enhance their reputation at a particular university.

Although both the school and firm may benefit from an accounting internship program, as Schmutte (1986) suggested, the ultimate test for any program is the extent to which participating students benefit. Does the internship experience provide students an opportunity to gain an education that cannot be obtained in the classroom? More specifically, does the internship experience strengthen the professional and business context of accounting students, thereby facilitating more active, independent learning and problem solving? The next section discusses the research methodology we utilized to attempt to answer these questions.

### **Research Methodology**

This study was conducted at Wake Forest University, which has a relatively small master of science in accountancy (MSA) program (approximately 35 students graduate from the five-year program each year). The MSA program includes a “busy season” internship which is done during the first half of the spring semester of a student’s fourth year, after the student has completed a common sequence of accounting courses (introductory and intermediate accounting, auditing, tax, and accounting information systems). Students return to campus at the conclusion of the internship and take courses during the second half of the semester. They complete the requirements of the MSA program during a fifth academic year, which follows the internship semester.

While an internship is not a graduation requirement, to date 132 of 134 students in the MSA program have completed an internship. All 132 students (59 females and 73 males) included in this study did their internships either in industry or with national public accounting firms. Ninety-nine of the 132 students did an auditing internship, 21 did a tax internship, and 12 completed an internship providing a mix of auditing and tax work.

The study's primary objective is to examine the change in student attitudes and perceptions and to try to understand the implications of these changes. We used a questionnaire which was completed by all students in four consecutive graduating classes. Students first answered a series of 14 questions, which related primarily to perceived value of the internship. Each question required that the students respond using a five-point scale ranging from Strongly Disagree (coded 1) to Strongly Agree (coded 5). The questionnaire was structured so as to allow student participants to provide written commentary on each question.

In an attempt to provide further insights into the issue of knowledge versus motivation, we used a second section of the questionnaire to gather data on student self-insights into changes in their knowledge and attitudes resulting from the internship experience. Using the "Then/Post" ratings approach (Howard, Ralph, Gulanick, Maxwell, Nance, and Gerber 1979),<sup>1</sup> we asked all 132 students to respond twice to a series of seven questions. For each item, they first responded as to how they perceived themselves to be at present (*after they returned from the internship*). Immediately after answering each item in this manner, they answered the same item again, only this time in reference to how they *now* perceived themselves to have been *just before the internship*. A five-point response scale was again used, this time ranging from Very Low (coded 1) to Very High (coded 5).

## Results

As noted above, the students answered a series of 14 questions relating primarily to perceived value of the internship with the response scales ranging from Strongly Disagree (coded 1) to Strongly Agree (coded 5). Questionnaire responses are summarized in Table 1 and are organized into two categories: Knowledge Effects and Attitude Effects.

In general, students tended to agree or strongly agree with statements relating to the positive knowledge effects of an internship. On the five-point scale, responses averaged 4.023 for Solidified Understanding of Prior Academic Work, 4.259 for Beneficial in Subsequent Academic Work, 4.131 for Provided New Insights into Courses, and 3.979 for Improved Understanding of Concepts. Students tended to agree that their internship experiences provided a Better Appreciation for Accounting Courses (3.873) as well as Business Courses (3.764).

Student responses for the attitude effects of an internship were much more mixed than for the knowledge effects, as indicated by both lower means and higher standard

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<sup>1</sup> In a series of 12 studies, Howard, et. al. demonstrated that instruments that employ self-report measures of Pre and Post ratings are subject to an *instrumentation-related* source of contamination known as *response-shift bias*. Howard and his colleagues recommend that at the post-intervention session subjects be asked to respond to each item on the self-report measure twice. First they are to report how they perceive themselves to be at present. Immediately after answering each item in this manner, they are to answer the same item again, only this time in reference to how they *now* perceive themselves to have been *just before the treatment*. This assessment technique has been labeled the "Then" measure by Howard. Because Then and Post ratings are made in close proximity, it is more likely that both ratings will be made from the same perspective, and thus be free of response-shift bias.

deviations. Average responses were neutral or nearly neutral for Increased Academic Motivation (3.112), Increased Interest in Classes (3.388), Increased Seriousness Regarding Academics (3.079), and Increased Discontentment with Classes (3.180). Students did, on average, express Increased Confidence in Academic Ability (3.704), and believed they Matured as a Student (3.985) and as a Person (4.441). They also tended to strongly agree that the internship would be Beneficial to Their Future Careers (4.641).

Results of the “Then/Post” analysis are generally consistent with the student perception results described above. Pre- and post-internship mean responses as well as difference-in-means t-statistics are provided in Table 2. Students reported increases in accounting knowledge, confidence in their accounting abilities, and their business sense. They also reported an increase in their perception of the overall value of the internship. However, on average, they reported no change in their interest in accounting or their desire for a career in accounting, and their self-reported level of academic motivation actually decreased slightly as a result of the internship.

The statistically significant decline in academic motivation from 3.769 to 3.534 may be a result of the fact that most of the students received job offers at the end of the internship. A number of students commented that it was difficult to stay motivated when they already had a job offer. Other students stated that after doing the internship they were motivated to study topics that they believed were relevant to their future careers, but were not motivated when topics were being covered that they did not think were relevant. The mixed results of the three studies on post-internship academic performance may be a reflection of the declining academic motivation that some students experience when they return from the internship.

### **Limitations and Conclusions**

At least two limitations should be considered when evaluating the results of this study and drawing conclusions and inferences. First, the study was conducted using students from a single accounting program. Any characteristics inherent in this sample that differ from the overall population of accounting students could bias the results and limit the generalizability of the results and any associated inferences. Second, student questionnaire responses should be interpreted with caution—perceptions and self-insights are subjective and may or may not be reflective of reality.

Given these limitations, we draw the following primary conclusions. First, we should not expect post-internship academic performance to unequivocally improve as a result of an internship experience. And, second, any improvement in academic performance, while perhaps attributable to both knowledge and attitude effects of the internship, is more likely to be associated with knowledge effects than attitude effects. The students in our sample believed their internship experiences enhanced their knowledge and skill base, but did little to improve their academic motivation. Based on these findings, it is not surprising that previous academic performance studies have provided conflicting results – student post-internship academic performance may well be

affected **positively** by the knowledge effects of an internship experience and **negatively** by the attitude effects, resulting in an ambiguous overall effect.

This study also has secondary implications. Students clearly believe an internship experience has high personal benefit and is value enhancing to their careers. On average, the students in our sample strongly agreed that their internship experiences would be beneficial to their future careers (4.641 mean response; the highest average for any of the questionnaire items). In addition, based on the results of the “Then/Post” analysis, student perceptions of the overall value of the internship experience increased dramatically as a result of the internship (a difference-in-means t-statistic of 3.528;  $p < 0.01$ ). These results suggest that, while students believe internships add value, they believe these benefits are long-term in nature, relating more to career enhancement than to improvement in academic performance.

A word of caution should be offered to accounting firm human resources personnel based on the results of our “Then/Post” analysis. The internship experience, while viewed favorably by students overall, did very little to strengthen their interest in accounting as a discipline or their desire for a career in accounting. As noted in Table 2, no statistically significant pre- and post-internship differences existed for either of these items. This may be a result of the firms not providing internship assignments that reinforce student interest and desire for a career in accounting. However, several students suggested that questions regarding accounting as a career path did not arise so much from the internship assignments themselves as from interactions with permanent employees who were dissatisfied with their work and from observing firsthand the turnover of the permanent staff. We believe such interactions and observations may be especially critical at this impressionable stage in an intern’s decision-making process when alternative career opportunities are being examined and evaluated by the student intern. Internships, long viewed as recruiting tools by accounting firms, may actually hamper a firm’s ability to attract the “best and the brightest” if the actions and words of the permanent coworkers are conveying negative signals to student interns.

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## Appendix A

**Table 1**  
**Survey Summary Of Student Attitudes Toward The Internship**

<u>Question</u>	<u>N</u>	<u>Mean</u>	<u>Standard Deviation</u>
<b>Knowledge Effects:</b>			
Solidified Understanding	132	4.023	.752
Beneficial In Classes After Internship	132	4.259	.803
Better Appreciation Of Business Classes	132	3.764	.853
Better Appreciation Of Accounting Classes	132	3.873	.790
Provided New Insights	132	4.131	.705
Understood Concepts Better After Internship	132	3.979	.653
<b>Attitude Effects:</b>			
Became More Motivated Academically	132	3.112	1.079
Became More Interested In Classes	132	3.388	.977
Became More Discontented	132	3.180	1.052
Became More Confident In Academic Ability	132	3.704	.871
Matured As A Student	132	3.985	.911
Matured As A Person	132	4.441	.683
Became More Serious About Academics	132	3.079	1.055
Will Be Beneficial In Future	132	4.641	.691

NOTE: Response scale ranged from Strongly Disagree (coded 1) to Strongly Agree (coded 5).

**Table 2**  
**“Then/Post” Survey Summary**

<u>Question</u>	<u>N</u>	<u>Prior to Internship</u>		<u>After Internship</u>		<u>T-Value</u>
		<u>Mean</u>	<u>St. Dev.</u>	<u>Mean</u>	<u>St. Dev.</u>	
<b>Knowledge Effects:</b>						
Knowledge About Accounting	132	3.292	.652	3.817	.555	5.029*
Level of Business Sense	132	3.176	.728	3.916	.713	5.000*
<b>Attitude Effects:</b>						
Level Of Confidence	132	3.313	.785	3.912	.669	5.066*
Level Of Academic Motivation	132	3.769	.859	3.534	1.018	2.164**
Interest In Accounting	132	3.699	.817	3.779	.980	.728
Desire For A Career In Acc.	132	3.766	.799	3.791	.898	.017
Perception Of Overall Value	132	4.224	.683	4.643	.610	3.528*

\*Significant at the .001 level

\*\*Significant at the .05 level

NOTE: Response scale ranged from Very Low (coded 1) to Very High (coded 5).