

# The Core Competency Framework: a new element in the continuing call for accounting education change in the United States

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## Abstract

Professional accounting organizations and academicians in the United States have developed numerous frameworks and reports to address changes in the profession and to provide guidance for accounting educators in the implementation of curriculum change. In 1998, the American Institute of Certified Public Accountants (AICPA) released the Core Competency Framework for Entry into the Accounting Profession as an educational component of its CPA Vision Project. The online resource provides direct assistance to educators around the world in the implementation and assessment of the framework's recommendations. The purpose of this paper and the accompanying matrix, *Comparison of US Accounting Education Frameworks with the Core Competencies*, is to survey the history of contemporary American accounting education frameworks and compare earlier works with the most recent effort by the profession to recommend and institute accounting education change in the United States.

*Keywords* accounting education, Core Competency Framework, accounting education change, instructional strategy, education framework, accounting curriculum

## Introduction

Professional accounting organizations and academicians in the USA have developed numerous frameworks and reports to address changes in the profession and to provide guidance for accounting educators in the implementation of curriculum change. The purpose of this paper and the accompanying matrix, *Comparison of US Accounting Education Frameworks with the Core Competencies*, is to survey the history of contemporary American accounting education frameworks and compare earlier works with the most recent effort by the profession to recommend and institute accounting education change in the USA. The survey is set within a context of changing demands made on accountants by public practice,

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financial services, and corporate accounting sectors where opportunities abound for the well-prepared accountant (Basser, 1998).

Accounting education worldwide is changing as the discipline evolves and transforms to meet the needs of business today. The collective voices and extensive studies of academicians and practitioners contributing to the recommendations for change provide critical input for an international audience interested in addressing these challenges at their institutions. This article adds to understanding these perspectives and their origins so as to benefit educators worldwide as they modify curricula.

Professional organizations indicate that today's accountant differs dramatically from the accountant of the past. The new professional needs a value-added focus from the time of entry into the profession until retirement. No longer will a technical knowledge of accounting be sufficient, new professionals need to provide input in finance, marketing, management, global strategy, and information technology. They must possess the communication, critical thinking, and leadership skills necessary to be an integral part of the organization's decision-making team (Accounting Education Change Commission, 1990; Siegel and Sorensen, 1994; Basser, 1998; Carlozzi, 1998; Dyer, 1999).

Given such powerful changes, the task of educating students is both challenging and frustrating. The most recent project recommending accounting curriculum change, the American Institute of Certified Public Accountants' (AICPA) 1998 *Core Competency Framework for Entry into the Accounting Profession*, attempts to step beyond the confines of past criticism by including recommendations for change as well as implementation and assessment tools. In particular, the *Framework* allows online access and flexibility for custom tailoring of diverse accounting programmes (American Institute of Certified Public Accountant, 1999a; Foster and Bolt-Lee, 2002).

### **Accounting education over the years**

The call for change in accounting education is not new. More than 50 years ago, the issue was under discussion. Then, as now, no consensus existed on what the change should be (Gordon and Howell, 1959).

The history of accounting education in the USA delineates a dynamic relationship between academia and practitioners. Early in the 20th century most accountants had limited formal education and learned their accounting skills on their own or through apprenticeships. However, a demand for professional education arose, and American business schools began the business of educating accounting professionals (Oliverio and Newman, 1996). From the first, academicians led the way in initiating changes in accounting education. Because educators often were practicing professionals, a close alignment existed between programmes in schools and the needs of the profession.

In the 1950s and 1960s this alignment changed, and the two groups grew apart. US business schools became more research-oriented. While academicians focused on the 'publish or perish' world of scholarly research, practitioners focused on building practices in a more competitive business environment. Educators no longer felt their responsibility to be training students for employment, but rather educating them for a variety of lifelong professional contributions (Nelson, 1995; Oliverio and Newman, 1996).

In the 1980s this separation between practitioner and academician widened. Facing outside pressures from a tightening regulatory environment, an increasingly litigious society,

the growth of complex services, and the advance of information technology, practitioners reacted quickly and began to blame accounting education for failing to adequately prepare students for entry into the profession. In response, accounting educators expressed their own concerns. The proliferation of regulations and procedures made it difficult both to teach the rules for practical application and to develop a conceptual foundation in students to aid lifelong learning. Students often were unprepared to adapt to a changing business environment (Sundem, 1999). Increasingly complex transactions, changing expectations of accountants, and globalization of business during the 1990s have only continued to exacerbate the problem.

Putting aside their differences, the two groups concurred that existing educational programmes were not adequately preparing students to enter the profession. The growing body of technical knowledge could not be covered in the normal four-year undergraduate programme. The dilemma continued between breadth of knowledge and depth of knowledge in an accounting programme within the finite number of credit hours available (Nelson, 1995; Hogartaigh, and Shakespeare, 2001). Critics began to call for extending accounting programmes from four years to five by requiring 150 semester hours of credit to qualify as a candidate for the Certified Public Accountant (CPA) examination. Those who favoured a fifth year of college questioned whether the additional course-work should be devoted to more rules and regulations or to developing more general business knowledge. Proponents were not certain that either more hours or a common body of knowledge could ensure that the student entering the profession would be adequately prepared. This dichotomy was reflected in the debate surrounding the five-year programme and the failure of many states to specify what those additional 30 hours of class should cover (Rezaee and Elmore, 1993; Sundem, 1999).

### **History of accounting education frameworks**

During the past quarter of a century, formal studies, frameworks, articles, and surveys have recommended an assortment of educational changes and proposed lists of skills, attributes, and areas of knowledge desired of entry-level accountants (Bradford and Peck, 1997). These works are an important factor in accounting education in the USA and an important basis for current research.

An early impetus for the change movement was the American Accounting Association's (AAA) Bedford Committee Report (1986). '*Future Accounting Education: Preparing for the Expanding Profession.*' The report, prepared by accounting educators and researchers, addressed the need to reconstruct the accounting classroom experience before the year 2000 due to anticipated changes in the profession. The Bedford Committee Report introduced the idea that prerequisites for success consist of more than technical expertise. The report stressed that the future professional accountant needs lifelong learning skills, critical thinking, interpersonal skills, and an understanding of accounting information systems. These prescriptions challenged educators to modify traditional classroom instruction to include many so-called 'soft' skills not specific to the preparer's viewpoint

*Perspectives on Education: Capabilities for Success in the Accounting Profession* (1989), prepared by the major international accounting firms of the day, focused on the number and quality of students entering public accounting. This report, referred to as the 'Big 8 White Paper,' discussed the type of accounting graduates desired by the profession. Included with the

expected accounting and auditing skills were less traditional attributes such as communication, intellectual and interpersonal skills, and a general knowledge of business, history, politics, and ethics.

*What Corporate America Wants in Entry-Level Accountants*, prepared by the Institute of Management Accountants (Siegel and Sorensen, 1994), published the results of a research project surveying corporate America to determine the skills needed by entering professionals. The survey listed 15 accounting knowledge and skills areas (AKSAs) selected from the primary topics taught in college courses and found in professional examinations. The results included rankings of the AKSA's considered most important for the profession – areas that accounting programmes were failing to address. The survey documented a 'preparation gap' between the needs of the corporation and the knowledge and skills of today's accounting graduates. For example, results revealed that students lacked knowledge about budgeting and product costing while being over-prepared in their knowledge of individual income taxes and governmental and not-for-profit accounting.

The well-known Accounting Education Change Commission or AECC (1990), founded by the American Accounting Association, operated from 1989 to 1996. The AECC based its accounting education modification proposals on recommendations from the Bedford Committee Report. The AECC's work stressed that the impetus for change must come from educators (Williams, 1991). The commission's profile of capabilities included eight skills and areas of knowledge that 'prepare students to *become* professional accountants, not to *be* professional accountants at the time of entry to the profession (Sundem, 1999).' A US \$2.5 million AECC grant programme assisted 13 college and university accounting programmes in the implementation of recommended educational change.

The process of educating students prepared to enter the profession continues to generate concern despite the efforts of academicians and professionals in the USA to change curricula and instruction methods. Literature on accounting education change in the USA offers insight into the broad range of perspectives on this controversial issue (Rebele *et al.* [Part I], 1998a; Rebele *et al.* [Part II], 1998b). Heffes (2001) referred to accounting education as 'being in crisis' and indicated that accounting education must provide students with the skills and knowledge needed to become competent professionals in a changing business world. Dyer (1999) suggested that higher education in general, along with accounting education, is about to undergo 'fundamental changes' in the 21st century due to rapid advancements in technology. He addressed concerns that a focus on teaching the softer skills, as suggested by those advocating change, might result in entry-level accountants who do not possess adequate technical abilities. Boyd *et al.* (2000) concurred with Dyer (1999) that entry-level accountants would obtain only a generalized education if students were not taught the basic concepts and procedures of accounting. Nelson (1995) blamed the slow pace of change on the CPA examination's focus on rules and procedures and its failure to test the broader base of knowledge advocated by the frameworks. The AECC's work was well received by many academicians and professionals (Larkin and Sherman, 1992). Others criticized the business school accrediting body (the AACSB International) for its decision to view only doctoral degrees as terminal credentials for accounting educators and they felt it led to a decline in the experience of the instructor (Weis, 1990; Porter, 1992). Throughout, opinion has focused on change. Clearly, the continuing discussion by educators and practitioners indicates that the task is not yet complete.

The issue of achieving change in accounting education is not limited to the USA. Kelly *et al.* (1999) focused on accounting education change in Australia, New Zealand, and the

UK. Their work, based on US reports calling for education reform, suggests that most education systems merely maintain the *status quo* and do not properly equip students for business and society today. These educators developed a course designed to challenge students to expand beyond the traditional skills and knowledge of past accounting courses. The variety, volume, and sentiment of commentaries on their work from editorial advisors of the journal reveal the impact and importance of their recommendations to an international audience (Wilson, 2000).

The New Zealand Society of Accountants endorsed the work of the AECC in 1994. Their published *Admissions Policy*, which indicates that students must be well grounded in 'interpersonal, communication and thinking skills,' is in keeping with the recommendation of the recent US education change frameworks. Research by Adler and Milne (1997) examining New Zealand tertiary institutions revealed, however, that accounting educators have not modified their teaching and learning approaches accordingly.

### **A new century, a new framework: the core competencies**

As the 21st century approached, the accounting profession again came under scrutiny by its members. The AICPA gathered input from more than 3000 professionals nationwide to provide guidance and focus for the practicing professional. The result, *CPA Vision: Focus on the Future* is a fully integrated, web-based initiative (American Institute of Certified Public Accountants, 1998; Carozzi, 1998).

Following the issuance of the *CPA Vision*, the AICPA determined a need for an online resource to guide accounting educators and students with implementation of its findings. A committee formed of individuals from academia, accreditation boards, and the profession worked to determine competency requirements needed for successful transformation from student to professional. The committee examined former frameworks, current research, curriculum models, and results of the CPA Vision Process to develop *The AICPA Core Competency Framework for Entry into The Accounting Profession* (Framework). Found online at <http://www.aicpa.org/edu/corecomp.htm>, the Framework serves as a guide for individuals entering a variety of careers and provides flexibility for adapting to change.

The Framework, summarized in Appendix B, consists of three phases. Phase One, released in July 1999, identifies Functional, Personal, and Broad Business Perspective Competencies. *Functional competencies* focus on specific capabilities used by accountants: decision modelling, risk analysis, and research. *Personal competencies* relate to interpersonal skills: communication, professionalism, problem-solving, and leadership. *Broad business perspective competencies* deal with today's accounting environment: strategic and critical thinking, resource management, and identifying with the industry, sector, and global environments. In line with many prior criticisms, the Framework places little emphasis on traditional content-based curriculum with its focus on training in procedural rules and techniques and instead focuses on developing skills typically associated with the role of the lifelong learner (American Institute of Certified Public Accountants, 1999a).

Future phases of the Framework, under development at the time of this writing, will provide unique and innovative implementation tools. Prior works offered no assistance on methods of initiating change. Phase Two of the AICPA's work will address educational practices and contain instructional strategies and curriculum development for incorporating the requisite competencies into the classroom. Initial online releases from Phase Two provide examples of innovative pedagogical techniques. Future developments will link the core

competencies and related instructional strategies to accounting education research, textbooks, URLs, and other sources.

The evaluation tools of Phase Three will include assessment software for determining how well an accounting programme or a specific course incorporates the core competencies and any notable deficiencies. The software under development requires accounting coordinators to designate specific courses to implement one or more of the Framework's competencies. The instructor must assess the level of competency integration achieved in the course. Assessment within a programme will occur through student exit interviews, recruiter surveys, and the like. Finally, a detailed evaluation of a degree programme will provide overall feedback for use in future course, curriculum, and programme modification. Once completed, the software for Phase Three will be available at [www.CPA2Biz.com](http://www.CPA2Biz.com) (American Institute of Certified Public Accountants, 2001; American Institute of Certified Public Accountants, 2002).

The framework fits well within the AACSB's mission-driven procedures for accreditation. The AACSB commended the Framework's flexibility and broad view of the profession, given its capacity for integration based on the mission of the individual school and accounting programme. Former Director of Accounting Accreditation at AACSB International, Jane Rubin, noted that the Framework is consistent with changes in accounting accreditation in the USA (American Institute of Certified Public Accountants, 1999b).

Other leaders and researchers in accounting education have endorsed the Framework. Former AECC member Bob Elliott applauded the 'online access to current, peer-reviewed benchmarks' (American Institute of Certified Public Accountants, 1999b). Dyer (1999) noted that the AICPA's work validates the need for continual change in accounting education and supports recommendations from prior frameworks. He states that the Core Competency Framework is a 'natural extension of the AECC's earlier efforts.' Hite and Hasseldine (2001) suggest that the Framework provides a strong foundation for curriculum change and assessment. They maintain that the Framework will be useful in evaluating curricula and pedagogy for all accounting courses and that the online software will provide educators with access to useful instructional strategies to aid in curriculum development.

### **Correlation between the core competencies and prior frameworks**

The matrix in Appendix A delineates the Core Competency Framework's correlation to prior developments in accounting education change in the US and validates the unity in the call for reform. It also suggests that, beyond the implementation and evaluation tools, this latest AICPA project is not radically new.

As illustrated in the matrix, the Framework's functional competencies of decision modelling, risk analysis, measurement, and reporting finds parallels in the emphases of earlier works. The Bedford Committee Report, the Big 8 White Paper, and the AECC each pointed out the importance of a strong fundamental understanding of general accounting and a focus on developing analytical and conceptual thinking. The emphasis on educating students to use information for decision making rather than training them in rule memorization reflects the concern of corporate America that the entering accountant needs to focus more on management accounting skills (American Institute of Certified Public Accountants, 1999b).

Leadership, interpersonal, and communication skills found their way into each prior framework. Both the Big 8 White Paper and the work of the AECC specifically identified the importance of communication, intellectual, and interpersonal skills. These requisite attitudes and behaviours are reflected in the interpersonal competencies of the AICPA

Framework. The accountant of the future cannot be a person of mere numbers but must incorporate accounting as the language of business in all professional endeavours.

The accounting education change movement recognizes that a broader educational background is preferred to the narrower, more rule-focused education received by accounting students in the past. The broad business perspective competencies reflect this demand for knowledge of the organization, the industry, and the world. The Bedford Committee Report stressed understanding the organization as a whole as well as its internal and external variables (American Accounting Association, 1986). The Big 8 White Paper declared a need for an understanding of the social, economic, cultural, and psychological forces in the organization (*Perspectives on Education: Capabilities for Success in the Accounting Profession*, 1989). The AECC report also recommended the integration of liberal arts and placed emphasis on integrating critical thinking, relating to others, ethics, and communication into professional coursework for accounting students. The student whose educational background consists predominantly of rule, regulation, and procedure memorization will not be the effective member of the decision-making team that today's business demands.

Perhaps, most importantly, all of the works stress that learning does not end with the receipt of a diploma or a CPA license. Growth must continue throughout the professional's career. The Bedford Committee Report stressed career-long professional learning; the AECC report emphasized a lifelong love of learning. Similarly, the Core Competency Framework advocates a career-long path of growth and learning.

### Conclusions and implications

The comparison matrix of Appendix A summarizes the consistent and continuous call for change in US accounting education. Each work reaches the same conclusion – that entrants into the profession are not adequately prepared.

The AICPA developed the Core Competency Framework to aid educators in their pursuit of continuous improvement in USA accounting education. The expectation of this endeavour is for broad-based educational outcomes producing highly marketable students. Prior frameworks prepared the groundwork. This new work goes beyond mere recommendations. The three-pronged approach – identification of competencies, provision of instructional aids, and provision of assessment tools – may result in a more significant impact on the accounting profession than its predecessors.

Events since the Framework was released reinforce the pressing need for change. The Sanders studies (2000, 2001), *Supply of Accounting Graduates and the Demand for Public Accounting Recruits*, address continuing declines in the number of accounting majors graduating in the USA. Likewise, Albrecht and Sack (2000) reported declines in US accounting programme enrollment and student interest in the profession based, in part, upon the strong economy present during their period of research. The report questioned the viability of accounting as a continuing stronghold in business academia and again brought attention to the need for curriculum reform.

The ramifications of corporate debacles such as Enron, Xerox, and WorldCom and the consequential focus on the accounting profession will undoubtedly influence the profession worldwide and, ultimately, the curriculum for years to come. In the USA, computerization and content modifications to the CPA examination also will affect accounting programmes. Candidates, no longer called upon to memorize rules and regulations, will require a new

skill set for success in the examination and in their careers. The long-term effect of these unprecedented occurrences remains to be seen.

The challenges being addressed by the work of the AICPA are not unlike those seen internationally in accounting education. The Institute of Chartered Accountants in England and Wales (ICAEW), in its work *Global Business Development: Challenges for Accountancy Education*, discusses the significant change required to meet the future challenges of the profession. One of the ICAEW publications, Guideline 9, prepared by the International Association for Accounting Education and Research, offers strategies to assist the profession with accounting education change and includes issues compatible with those found in the Core Competency Framework (Institute of Chartered Accountants in England and Wales, 2002).

The AECC suggested that three issues were left unanswered at the time of its formation: (1) What curricular changes should be made? (2) How should such changes be made? (3) How will employers of accounting graduates react to the changes? (Sundem, 1999). The question of how much emphasis to place on training students to use procedural techniques versus educating them to analyse, interpret, and use accounting information will continue to dominate the discussion over accounting course content. The AICPA's online software, readily accessible by all educators, potentially will provide the missing component for implementation and assessment of accounting education change. The remaining question to be resolved is whether the forthcoming phases of this framework will be sufficient to the task.

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Appendix A. Comparison of Accounting Education Frameworks with The Core Competencies

<i>AICPA Core Competencies</i>	<i>Bedford Committee Report</i>	<i>Big 8 White Paper</i>	<i>Accounting Education Change Commission</i>	<i>What Corporate America Wants</i>
<p>Entry-level accountants require specific capabilities to perform their job. These value-adding activities are comprised of the technical expertise of the accounting professional</p>	<p>Accounting education should be viewed as an 'economic/financial information development and distribution function' for economic decision-making.</p>	<p>Accountants need a 'strong fundamental understanding of accounting and auditing' and should be able to use data in real-world decision making.</p>	<p>'Accounting programmes should prepare students to <i>become</i> professional accountants, not to <i>be</i> professional accountants at the time of entry to the profession.'</p>	<p>Corporate accountants need specific skills, which require more focus in the curriculum on management accounting. Specific skills are imperative to success in management accounting</p>
<p>Specific competencies</p> <ul style="list-style-type: none"> <li>• Decision modelling</li> <li>• Risk analysis</li> <li>• Measurement</li> <li>• Reporting</li> <li>• Research</li> <li>• Leverage technology to develop and enhance functional competencies</li> </ul>	<p>Specific Issues:</p> <ul style="list-style-type: none"> <li>• General professional accounting education</li> <li>• Flexible education programmes to adjust to changes in the needs of the profession</li> <li>• Accounting education to instruct 'observation, selection, measurement, analysis and disclosure' of financial data</li> <li>• Qualitative problem solving</li> <li>• Technical tools usage for the generation and use of economic information</li> </ul>	<p>Specific issues</p> <ul style="list-style-type: none"> <li>• Understanding of attestation services</li> <li>• Financial reporting of operations</li> <li>• Accounting and auditing knowledge</li> <li>• Gathering, summarizing and analysing financial data</li> <li>• Using financial data for decision making</li> <li>• Education not focused on passing the CPA exam or memorizing standards</li> </ul>	<p>Specific issues:</p> <ul style="list-style-type: none"> <li>• Base of accounting knowledge for continued learning</li> <li>• Strong fundamental understanding of general accounting without memorization of regulations and rules</li> <li>• Focus on developing analytical and conceptual thinking</li> <li>• Attention to the changing environment of accounting and its effect on accounting education</li> <li>• Life-long learning</li> </ul>	<p>Specific issues:*</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Working capital management</li> <li>• Product costing</li> <li>• Strategic cost management</li> <li>• Asset management</li> <li>• Control and performance evaluation</li> <li>• Consolidated statements</li> <li>• Information system design</li> </ul>

(Continued)

Interpersonal competencies

<ul style="list-style-type: none"> <li>• Systems analysis and information processing</li> <li>• Career-long professional learning</li> </ul>	<ul style="list-style-type: none"> <li>• Development of course content through interaction between academics and practitioners</li> </ul>	<p>Interpersonal competencies are the attitudes and behaviours of entry-level accountants. These include professional interaction, and the way interpersonal skills enhance the function of accountants</p> <p>Specific competencies</p> <ul style="list-style-type: none"> <li>• Professional demeanour</li> <li>• Problem solving and decision making</li> <li>• Interaction</li> <li>• Leadership</li> <li>• Communication</li> <li>• Project management</li> <li>• Leverage technology to develop and enhance personal competencies</li> </ul>	<p>Interpersonal and communication skills are interrelated and accounting education should develop these areas for the individual.</p> <p>Specific issues:</p> <ul style="list-style-type: none"> <li>• Leadership</li> <li>• Organization</li> <li>• Real-world problem solving</li> </ul>	<p>Interpersonal skills and communication skills are required for individuals hoping to become professional accountants.</p> <p>Specific issues</p> <ul style="list-style-type: none"> <li>• Group work</li> <li>• Leadership</li> <li>• Professional orientation, social responsibility, and ethics</li> </ul>	<p>This study does not address interpersonal skills. The survey noted that past research verified that employers value 'good social and communications skills in entry-level accountants.' Verbatim comments from the survey included many references to interpersonal competencies.</p>
<p>Students should be aided in learning 'to learn, to think, and to be creative' and to develop 'broad personal capacities and skills.'</p> <p>Specific issues</p> <ul style="list-style-type: none"> <li>• Meaningful communication using various formats</li> <li>• Ambition and persistence</li> <li>• Empathy</li> <li>• Understanding of cultural and intellectual differences</li> <li>• Logical reasoning</li> <li>• Sensitivity to social responsibilities</li> <li>• Leadership</li> <li>• Ethical behaviour</li> <li>• Qualitative problem solving</li> </ul>	<p>Interpersonal and communication skills are required for individuals hoping to become professional accountants.</p> <p>Specific issues</p> <ul style="list-style-type: none"> <li>• Group work</li> <li>• Leadership</li> <li>• Professional orientation, social responsibility, and ethics</li> </ul>	<p>Interpersonal skills and communication skills are required for individuals hoping to become professional accountants.</p> <p>Specific issues</p> <ul style="list-style-type: none"> <li>• Group work</li> <li>• Leadership</li> <li>• Professional orientation, social responsibility, and ethics</li> </ul>	<p>This study does not address interpersonal skills. The survey noted that past research verified that employers value 'good social and communications skills in entry-level accountants.' Verbatim comments from the survey included many references to interpersonal competencies.</p>		

Appendix A (Continued)

<i>AICPA Core Competencies</i>	<i>Bedford Committee Report</i>	<i>Big 8 White Paper</i>	<i>Accounting Education Change Commission</i>	<i>What Corporate America Wants</i>
Broad business prespective competencies	<p>These competencies relate to the internal and external business environment in which the accountant works</p> <p>Specific competencies</p> <ul style="list-style-type: none"> <li>• Strategic/critical thinking</li> <li>• Industry/sector perspective</li> <li>• International/global perspective</li> <li>• Resource management</li> <li>• Legal/regulatory perspective</li> <li>• Marketing/client focus</li> <li>• Leverage technology to develop and enhance a broad business prespective</li> </ul>	<p>Graduates must have a 'broad array of skills and knowledge.'</p> <p>Specific issues</p> <ul style="list-style-type: none"> <li>• Broadly-educated professionals</li> <li>• Organizational and business knowledge</li> <li>• General knowledge</li> <li>• Understanding of the social, economic, cultural and psychological forces of organizations</li> <li>• Inductive thought processing</li> <li>• Understanding of organizational internal workings</li> </ul>	<ul style="list-style-type: none"> <li>• Possess desired personal characteristics, including energy, motivation, persistence, and empathy</li> </ul> <p>General courses should focus on basic accounting concepts and their application in the real world.</p> <p>Specific issues:</p> <ul style="list-style-type: none"> <li>• Understanding of the 'complex inter-dependence between the profession and society.'</li> <li>• Understanding of the overall work environment</li> <li>• Organization and business knowledge</li> <li>• General knowledge and awareness of cultures and socio political forces</li> </ul>	<p>Broad business perspective competencies were not specifically addressed in the study, but it was noted that from past research, 'employers value a broad educational background.' Verbatim comments from the survey included many references to the fact that corporate accountants must be well rounded.</p>

(Continued)

Other issues

<ul style="list-style-type: none"> <li>• Marketing of 'new information products'</li> <li>• Knowledge of organizational goals and management objectives</li> <li>• Understanding of an organization's internal and external variables</li> <li>• Creative thinking</li> <li>• Understanding of the 'economics of information'</li> </ul>	<ul style="list-style-type: none"> <li>• Creative problem solving in a 'consultative process'</li> <li>• Analytical and conceptual thinking versus memorization</li> <li>• Risk evaluation</li> </ul>
<p>'The framework is an online resource that educators can utilize to develop or reform curricula to support the development of a set of competencies, consistent with the findings of the CPA Vision ... to proactively address future professional needs.'</p> <p>The framework applies to all accounting career paths.</p> <p>Instructional strategies for implementation of</p>	<p>'The response from Corporate America indicates that a preparation gap exists between the needs of today's lean, global, technologically savvy corporations and the accounting knowledge and skills of today's accounting graduates.'</p> <p>This research was undertaken to determine the educational needs of entry-level management accountants, who make up more than</p>
<p>The AAA Committee on the Future Structure, Content, and Scope of Accounting Education shows 'accounting education as it is currently approached requires major reorientation between now and the year 2000'</p> <p>The Bedford report applies to the 'full scope of accounting practice at all levels.'</p> <p>Accounting education needs to be restructured and reoriented</p>	<p>'We have developed this paper because of our concerns regarding the quality and number of accounting graduates available to the public accounting profession.'</p> <p>This report primarily addresses the accounting education needs of those entering public accounting.</p> <p>'Desired outcomes of the educational process' are more important than a designation of courses</p>
<p>'The mission of the (AECC) is to improve the academic preparation of accountants, so that entrants to the profession will possess the skills, knowledge, and values and attitudes required for success in accounting career paths.'</p> <p>The AECC applies to all career paths in accounting.</p> <p>Grants of approximately US \$2.5 million over 5 years were set up to facilitate</p>	<p>'The response from Corporate America indicates that a preparation gap exists between the needs of today's lean, global, technologically savvy corporations and the accounting knowledge and skills of today's accounting graduates.'</p> <p>This research was undertaken to determine the educational needs of entry-level management accountants, who make up more than</p>

Appendix A (Continued)

<i>AICPA Core Competencies</i>	<i>Bedford Committee Report</i>	<i>Big 8 White Paper</i>	<i>Accounting Education Change Commission</i>	<i>What Corporate America Wants</i>
<p>each competencies will be available online</p> <p>Software, available online, will be available to assess a school or program's success in incorporating the competencies into the curriculum.</p>	<p>'Accountants who remain narrowly educated will find it more difficult to compete in an expanding profession. Accountants must pursue lifelong learning as a means of adjusting.'</p> <p>Many of the new accounting services are more innovative-intensive than standard-intensive</p>	<p>The skills and knowledge for success come from talents, pre-entry education and continuing education</p> <p>Educational change must occur in students, faculty, curriculum, accreditation bodies and universities</p>	<p>implementation of the concepts in the Bedford report and the Big 8 report.</p> <p>Specialization should occur at the graduate or CPF level.</p> <p>Rewards for teaching and curriculum design are strongly advocated.</p>	<p>two-thirds of all accounting graduates.</p> <p>More than half of those surveyed stated that accounting education emphasized 'public accounting' skills.</p> <p>Additionally respondents indicated that a bachelor's degree is preferred over a master's.</p>

\* These were the accounting knowledge and skills areas (AKSA's) ranked as most important for entry-level corporate accountants by respondents to the survey

*Appendix B The AICPA Core Competency Framework for Entry into the Accounting Profession*

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**FUNCTIONAL COMPETENCIES**

Functional competencies relate to the technical competencies, which are most closely aligned with the value contributed by accounting professionals.

**Decision modelling**

**Risk analysis**

**Measurement**

**Reporting**

**Research**

**Leverage technology to develop and enhance functional competencies**

**PERSONAL COMPETENCIES**

Personal competencies relate to the attitudes and behaviours of individuals preparing to enter the accounting profession. Developing these personal competencies will enhance the way professional relationships are handled and facilitate individual learning and personal improvement.

**Professional demeanour**

**Problem solving and decision making**

**Interaction**

**Leadership**

**Communication**

**Project management**

**Leverage technology to develop and enhance personal competencies**

**BROAD BUSINESS PERSPECTIVE COMPETENCIES**

Broad business perspective competencies relate to the context in which accounting professionals perform their services. Individuals preparing to enter the accounting profession should consider both the internal and external business environments and how their interactions determine success or failure. They must be conversant with the overall realities of the business environment.

**Strategic/critical thinking**

**Industry/sector perspective**

**International/global perspective**

**Resource management**

**Legal/regulatory perspective**

**Marketing/client focus**

**Leverage technology to develop and enhance a broad business perspective**

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