

MIND THE GAP

Academic Study to Professional Practice

Mary Dale, Macquarie University
Dawn Cable, Macquarie University
Ron Day, Macquarie University

Abstract:

In the period since the introduction of immigration selection reforms in 1998, accounting has been a popular course of study for international students wanting to study in Australia. The principal driver of this has been the severe shortage of accountants in Australia and the resultant listing of accounting as an in-demand profession within the skilled migration program. Demand for accounting places has also accelerated due to extensive marketing by Australian universities, particularly in the China and Indian market. Despite the large number of international students enrolling in accounting programs the shortage seems not to have been reduced. One possible explanation may be the high proportion of non-English-speaking background candidates. According to a report by Birrell and Rapson (2005) “accountants from non-English-speaking backgrounds havestruggled to secure professional level work in accounting.”

As managers of the largest postgraduate accounting program in Australia over a period of 10 years, we perceived from our experience with our students, and with contacts with employment agents and our part-time lecturing staff involved in accounting practices, that a training gap existed since technically competent Australian trained international graduates of accounting were unable to secure employment. We argue that this gap can largely be attributed to graduates’ lack of communication and professional skills. CPA Australia has recently identified this as an issue and is involved in a pilot study to provide resources to graduates to improve these skills. The ICAA is also promoting workshops to support their CA graduates improve their skills.

This presentation describes a program of study, the Masters in Accounting (CPA Extension) at Macquarie University, that seeks to “help secure students’ futures” by bridging the gap between academic study in accounting and a career in professional practice. The program provides students with an additional two semesters of full-time study after completion of a minimum of 4 trimesters in a graduate conversion course in accounting. During the additional two semesters students enrol in full time study at Macquarie while also enrolled in the CPA program to work toward furthering their professional qualification and recognition. This full time program not only provides opportunities to extend and expand students’ technical skills and understanding, but more importantly it enables the continued development of communication and professional skills that were commenced in the conversion course. In this way the program provides further opportunity to prepare better work-ready graduates that will assist in meeting the needs of employers and help reduce the skill shortage in the Australian accounting profession.

Introduction

Since the introduction of immigration selection reforms in 1998, accounting has been a popular course of study for international students wanting to study in Australia¹. The principal driver of this has been the severe shortage of accountants in Australia and the resultant listing of accounting as an in-demand profession within the skilled migration program. Demand for accounting places has also accelerated due to extensive marketing by Australian universities, particularly in China and India. Andrews (BRW, March 2006, p.54) points out that although the recent growth in students studying accounting has come almost entirely from increases in full-fee-paying overseas students, most do not find employment as accountants, and therefore the shortage of accountants has not been addressed. The Managing Director of Robert Half Australia, David Jones estimates that there are four jobs for every one accountant in Australia (Andrews BRW, Feb, 2006 p.70).

As managers of the largest postgraduate accounting program in Australia over a period of 10 years (Good Universities Guide 2004) we perceived that a “training gap” existed in the transition from academic study to professional employment. This was recognised from our experience with our students, contacts with employment agents and part-time lecturing staff involved in accounting practices. We argue that this gap can largely be attributed to graduates’ lack of communication and professional skills, and that it needed to be addressed in reforming the postgraduate accounting programs that we offered our international and local students.

According to a report by Birrell and Rapson (2005) on migration and the accounting profession, “most accounting graduates from non-English speaking countries – particularly from Asian countries – who have trained at Australian universities are struggling to find employment in Australia as professional accountants” (Birrell in Andrews Feb, 2006 p. 70)². Birrell argues that “there is a lot of anecdotal evidence that there have been problems for overseas students being able to find employment, partly because they do not have experience, and partly because they do not have professional-level English.” He rejects the view that most young educated migrants can quickly acquire enough English-language skills to find employment in their chosen field. “English language appears to be absolutely fundamental for professional-level positions, because if a person can’t communicate, write reports, deal with customers, it is very unlikely that an employer would be willing to take them on” (p. 70). CPA Australia has recently identified this as an issue and is involved in a pilot study to provide resources to graduates to improve these skills. The Institute of Chartered Accountants in Australia (ICAA) is similarly promoting workshops to support their CA graduates in improving their generic and professional skills.

The purpose of this paper is to highlight and discuss this gap that seems to have developed in recent years with respect to university education in accounting in Australia and international students securing professional employment in accounting practices and commercial firms. We also describe the approach taken by the postgraduate accounting team at Macquarie University to introduce an innovative new program to help bridge this gap between academic study and professional practice, thereby helping to secure students’ futures in an accounting career.

¹ Since 2002, university enrolments for accounting degrees doubled from 8,522 in 2001 to 17,207 in 2004 while the number of domestic students increased by only 6% from 19,903 to 21,197.

² Analysis of 2001 data found that only 38% of accounting graduates from non-English speaking backgrounds were employed in work relating to the discipline, and 19% were unemployed. This compares with 52% of Australian born accounting graduates employed in the accounting field, and only 7% not working (Birrell and Rapson, 2005)

A Changing Environment

In the late 1960s the model of accounting education changed from that of an apprentice-style approach to a university-based approach. From that time a student aiming to become a professional accountant was required to complete a three-year accredited undergraduate degree in accounting, followed by a professional qualifying program of part-time study at the same time as undertaking full-time work. Historically there are differences in the way in which the two accounting bodies, CPA Australia and The Institute of Chartered Accountants in Australia developed their respective programs. It is not the purpose of this paper to explore these differences but we note that currently the two bodies have a similar approach to accounting education. The CPA program of CPA Australia is the focus of much of the discussion in this paper as it is available to candidates without a work experience requirement.

Until the significant increase in numbers of international students entering accounting programs in Australia in the late 1990s, (“an increasing proportion of overseas students are enrolling in accounting courses” Birrell et. al., 2006 p.165) the student profile of university graduates entering the professional qualifying program was predominantly native-born and secondary educated Australian. With an Australian high school background it was assumed that students entering a tertiary accounting program had good English and communication skills. The changes to skilled migration in the 1990s, coupled with the local shortage of accounting graduates has led to a change in the national origin of the majority of students in accounting programs in Australia. The students in these programs now generally come from non-English speaking backgrounds and have only acquired a basic entry level command of English prior to the commencement of their university undergraduate degree or postgraduate accounting conversion program. In addition, many of these students do not have jobs in the accounting field when they commence the CPA program (Birrell et. al. 2006 p. 82) “only one third of former overseas students are employed in professional jobs”. The motivation to complete the university degree and the CPA program is often to obtain additional qualifications with the aim of securing such a position. “We have.....compared their (former overseas students) outcomes with Australian recent graduates. On this test, they are not doing well.” (Birrell et.. al. 2006 p. 97)

The main issue that is highlighted in this paper is that the current model of accounting education was designed in an era when there was a very different student profile to that existing currently in accounting programs in Australian universities. While both degree programs and professional qualifying programs have changed to accommodate an increasing quantity and complexity of technical knowledge there has been little attempt to respond to the dramatic change in the profile of the student population.

The current model may have been appropriate for the student profile existing up until the late 1990s, but the authors contend that it is no longer applicable. As the majority of graduates attempting to obtain an accounting position do not have an Australian high school background and for whom English is not their first language, the authors argue that a gap has been allowed to develop between academic study in accounting at both university and professional qualifying program level, and employment in professional accounting practice.

Evidence of employers’ demand for graduates with communication and professional skills is widespread. For instance Walters (2004), Jones and Sin (2003), Simister (2001) have found that employers are particularly looking for a high level of presentation and communication skills in potential employees. Rumney (Charter, March 2006, p. 44) says that “for KPMG, the ability to communicate clearly is a critical factor to consider when employing university graduates”. He

quotes Lisa Geerlings, KPMG National Manager Attraction and Resourcing, who emphatically states “it’s one of the key things we look for: their ability to listen, understand, and then articulate a clear message.” She also points out “...it’s a challenge finding people with the right communication skills”. According to John Palmero, Director, Palmero Chartered Accountants, (Ogilvie, Charter July 2006, p.34) “there’s a growing recognition that the softer skills – communication skills, people skills, building empathy and understanding – are becoming more of a determinant of whether the client stays with a firm or leaves it.” The accounting profession’s demand for graduates with a high level of communicative competency, as well as technical ability was also highlighted in a recent CPA Australia poll which asked members what they thought was the most important skill for a recent graduate. From the 542 responses received, 49 per cent said people skills, 25 per cent said workplace experience, 22 per cent said technical skills, and only 5 per cent said academic results were the most important (CPA Update, June 14, 2006).

Response to change

The need for more focused knowledge and skills required to deal with the increased complexity and regulatory, ethical and corporate governance issues affecting the accounting profession, as well as the introduction of IFRS, has resulted in continual curriculum change. The professional bodies have recognised their responsibility to ensure that this expanding knowledge base is adequately covered within university and professional qualifying programs.

While the profession recognises and encourages “graduates from diverse backgrounds and with a range of abilities” (Accreditation Guidelines for Universities, May 2005 p. 1) there has however, been little attempt to accommodate the changing nature of the student profile, and to meet the need for more generic and communication skills that are demanded from graduates by employers.

Varying responses within universities to the change in student profile can be observed. One response is the “Deficit” model, which characterises students of Non English Speaking Backgrounds (NESB) as “problems”, deficient in adequate language and communication skills (Lawrence 2005 p. 244). This view of international students is also regularly canvassed in the popular press in Australia. Examples include “in my view this has unquestionably led to a lowering of standards”, “marking standards have been lowered... to cater to international students” (SMH, May 7-8, 2005 p. 32).

Within the university setting, a deficit model attitude towards students can be reflected in a number of ways. For example, altering and omitting assessment tasks to reduce the components requiring language ability; shifting responsibility for improvement in language to a subject such as English for Academic Purposes; lowering standards required to attain a pass; using high failure rates as a way of expressing the problem to university administration.

Macquarie University Approach

Evidence of a deficit model approach within the postgraduate accounting program at Macquarie University became apparent in 2002 when, for example the lecturer of one unit dropped all theoretical assessment because he argued that the students could not write. At the same time other lecturers were expressing dissatisfaction with students’ abilities to complete assessment

tasks such as essays and oral presentations. Alarm bells rang for the program coordinators who then sought to constructively address the issues relating to the changing student profile. The rapidly changing student population was seen as a challenge to current teaching and learning practices. Rather than a deficit model response the approach adopted with the Master of Accounting program (MAcc) at Macquarie University was an interdisciplinary and collaborative relationship with the National Centre of English Language Training (NCELTR), to find ways in which second language speakers could contribute to a more dynamic classroom which values diversity and builds on complementarity of skills. The project, which became the “Language for Professional Communication in Accounting” (LPCA) sought to:

1. Encourage lecturing staff to examine and reflect on their attitudes to students and their teaching and learning practices,
2. Offer support to lecturing staff to enable the development of students’ communication and professional skills by sharing the tasks involved in integrating skill development with the discipline content. This integrated approach to skills development is quite different from the alternative add-on approach. Research literature recognizes that generic skills are developed most effectively when embedded in program content (Bath et al. 2004, de la Harpe et. al. 2000).
3. Develop and enhance the communication and professional skills of students through both integrated workshops in the classroom and also voluntary workshops outside class time.

The collaborative relationship with NCELTR has meant that responsibility for the development of skills has been shared between accounting staff and language specialists. The MAcc coordinators also decided that sustainability of the project depended on a delicate balance between ownership at subject level and encouragement of an holistic program-level approach. This has led to a high level of staff engagement and ensured the continual growth of staff and subjects participating in the LPCA project. These features distinguish the project from other attempts at incorporating generic skills in the accounting curriculum at other Australian universities (see BHERT 2003 for summaries of generic skills projects at other Australian universities) and are perceived as one of the principal factors contributing to the success of the project.

Master of Accounting (CPA Extension)

A number of issues arose in 2004 which caused the authors to reflect on how the LPCA project could be extended and improved, particularly for international students enrolled in the MAcc program. All students complete the initial 13 postgraduate accounting (conversion) units over a minimum of four trimesters of study. However this was not considered to be sufficient time to maximise the effectiveness of the LPCA project. Also, nothing was being done for students in the part of the MAcc program when they were completing CPA segments. Indeed, during this time, international students on full-time study visas were forced to return to their home countries to complete the CPA program, with very limited support from Macquarie University.

It was in this context that the Master of Accounting (CPA Extension) (MAcc (CPA Ext.)) was proposed by the authors in early 2004 with the aims of:

1. Satisfying the regulations of the ESOS Act 2000.
2. Providing substantial academic support for students while completing CPA program.

3. Allowing for the continuation of the LPCA program while students are completing the CPA program and approaching full-time work.
4. Allowing students continuity and progression of study in accounting.
5. Providing students with a transition between academic study and professional practice.

The MAcc (CPA Ext.) program was established by creating an additional 12 new Macquarie University units that were designed to expand and extend the understanding of the CPA program content. As a result of this new program, most students after completing the 13 conversion units over 4 trimesters, continue full-time in a further 6 units over two semesters (a total of 2.5 years of full time study). In the last two semesters students complete 3 compulsory units and 3 elective Macquarie University units. Students also concurrently enrol in the same CPA program segments, and are required to pass both the Macquarie University assessment component (60%) and the CPA exam (40%) in order to be awarded the MAcc (CPA Ext.) degree.

One of the major factors in the creation of the MAcc (CPA Ext.) was the opportunity to further build on the development of the communication and professional skills begun in the earlier part of the program. The two additional semesters would both reinforce and extend the skill development in earlier units, in the context of transition from student to professional accountant. In the program design stage, meetings were held between accounting staff and NCELTR staff to ensure that an integrated set of communication skills relevant to a professional accounting career were included in the curriculum.

As a result, seven of the nine units currently available within the MAcc (CPA Ext.) program have the direct involvement of NCELTR staff in the classroom, while the other two units focus on extending the skills targeted in earlier units. Communication and professional skills involved in these segments include: oral presentations, group presentations, case study analysis, business report writing, work team communication, preparing a presentation for a meeting, communication for different audiences and levels of management, and understanding the genre and structure of accounting standards to be able to interpret and use them in professional practice. These skills are contextualised through assessment activities in each unit. The design and marking of these tasks is also a collaborative process between accounting and NCELTR staff. These assessment activities comprise 60% of the assessment in each of the units within the MAcc (CPA Ext.) program, reflecting the significance of these skills in equipping students for a successful transition into a professional accounting career.

Relevance of the program to current environment

The MAcc (CPA Ext) program's dual emphasis on communication and technical skills is particularly pertinent in the present climate where there is a skill shortage in the accounting profession. This skill shortage is predicted to continue. According to the past President of CPA Australia "at current domestic trends, taking into account the restricted Commonwealth funded places for accounting in our universities, we will have to rely on overseas students and migrant accountants to meet our accounting skills gap" (Coughlin 2005). Coughlin also predicts "that the current skills gap.... will widen as an increasing number of professionals reach retirement age.....At the current rate...over the next ten to fifteen years, the number of accountants retiring will not be matched by new entrants".

Issues of the role of skilled migration and the training of overseas students were investigated by The Joint Standing Committee on Migration (Sept 2005) and were also addressed in Birrell and Rapson's report prepared for CPA Australia. This report concluded that "Australian employers seem to prefer accountants born in Australia..., largely because of concerns about the communication skills of those coming from non-English speaking backgrounds" (p. 18). Following this, CPA Australia's submission to the Joint Standing Committee on Migration suggested that "further assistance could be provided to equip international students with an understanding of Australian culture, ensuring soft skills and English language skills are at an appropriate level to function in professional positions" (p. 3).

One of the objectives of the MAcc (CPA Ext) program is to develop advanced academic skills and highly contextualised language for full participation in academic and professional contexts above and beyond the baseline generic skill needs of accounting undergraduates. This is facilitated by students' participation in the LPCA project and ensures that graduates of the program, regardless of their origin have had the opportunity to develop the broad range of skills that will enable them to enter the accounting profession.

Outcomes of the program

One measure of the success of the MAcc (CPA Ext.) program is its popularity in the market. The program has a current enrolment of approximately 1500 students, providing over \$18 million in fees revenue to the university each year. It is the largest postgraduate university accounting program in Australia and is unique in the provision of full-time support for students enrolled in the CPA program.

Professor Tony Adams (Macquarie International) has referred to the program as "iconic". It is also one of the few Macquarie University postgraduate programs experiencing growth in the current climate of contraction in international student enrolments. The demand continues to be strong from traditional markets such as China, but there is also a significant growth in enrolments and prospective interest from India. The trend in growth from the India market was confirmed at a recent IDP Australian Education Interview program (September 2006). It is also significant that this program is 2.5 years long and competes with other professional accounting programs of a much shorter duration.

An external benchmark of success of the program (see worksheet attached) is a comparison of MAcc (CPA Ext.) students against the total candidature of the CPA program. MAcc (CPA Ext.) students greatly outperform the total CPA candidature in each segment in terms of general pass rates, percentage of high distinction and distinction grades and in the numbers of students that make up the CPA high achievement awards. In many of the segments, more than 50% of the MAcc (CPA Ext.) students receive a High Distinction or Distinction. The failure rate is extremely low to negligible in comparison with the national averages which are around 25 – 30% for most segments.

A significant outcome of the program is that it has enabled the coordinators to implement strategies that are mindful of the gap between academic technical study in accounting and communication and professional skills demanded by employers of accounting graduates. The LPCA project has resulted in a major change in culture and approach. Rather than focus almost entirely on the teaching and learning of technical competencies the program is now focussed on a culture that integrates generic and discipline specific skills into the curriculum thereby

addressing contextualised professional communication demands of postgraduate accounting studies.

Oversight and coordination of this process was achieved by changing the governance of the program to include an Academic Coordinator, and a CPA Support Coordinator, to assist the Program Director to achieve the objectives of the program. The coordinators roles are to enhance the high quality of the program, and to liaise with teaching staff and NCELTR staff to facilitate the integration of technical, communication and professional skills within the program and individual units. This has resulted in improvements to the quality of teaching, learning and assessment integrated across all postgraduate accounting units in the MAcc (CPA Ext.) program. It has also resulted in improved quality assurance processes that have enhanced teaching and learning, and staff development and student orientation programs to support the change in culture and curriculum.

The partnership with NCELTR has increased flexibility of teaching and learning through interdisciplinary collaboration resulting in improved student access to language and communication experts and resources. This includes NCELTR staff taking specific classes dealing with professional skills, conducting language audits and running voluntary workshops, and collaborating with lecturing staff in setting and marking of assessment tasks that include technical and specific communication and professional skills. The program has proved to be very successful in assisting accounting postgraduate students to demonstrate advanced academic research, improve their oral and written communication skills; and developing discipline specific communication skills. It has also helped both staff and students to internalise the value and application of soft skills required to meet the communication requirements needed to gain an accounting position, and to have a successful professional accounting career.

Conclusion

As accounting educators we have an ethical obligation to ensure the professional success of our graduates, and in doing so must meet the challenges set by increasing international student numbers, and growing demand from employers for graduates with high level communication and technical skills. The MAcc (CPA Ext.) program actively seeks to bridge the gap in the transition from academic study to professional employment by emphasising the development of skills that constitute essential employment criteria for accounting graduates.

Bibliography

- Andrews, B. (2006) "The language barrier:", *BRW*, February 2-8 , 70- 71.
- Andrews, B. (2006) "English lesson", *BRW*, March 23-29, 54-55.
- Birrell, B., Hawthorne, L., and Richardson, S. (2006) *Evaluation of the general migration categories report*, Australian Government, Department of Immigration and Multicultural Affairs.
- Birrell, B. and V. Rapson, (2005). "Migration and the accounting profession in Australia". Report prepared for CPA Australia, Centre for Population and Urban Research, May.
- Business/Higher Education Round Table (BHERT) (2003). Developing generic skills: Examples of best practice. BHERT News, 16.
- Bath, D., Smith, C., Stein, S. and Swann, R. (2004)." Beyond mapping and embedding graduate attributes: bringing together quality assurance and action learning to create a validated and living curriculum", *Higher Education Research & Development*, 23(3), 313-328.
- Coughlin, M. (2005.) "Migration and the financial professions". Paper presented at AFR's skilling Australia Conference, Melbourne, 21 September.
- CPA Australia and the Institute of Chartered Accountants in Australia. (2005) *Accreditation guidelines for universities*, May.
- CPA Australia (2006) Member Survey, Edition 22, June 14
- de la Harpe, B and Radloff, A. and Wyber, J. (2000) "Quality and generic (professional) skills", *Quality in Higher Education*, 6(3), 231-243.
- Good Universities Guide (2004).
- Joint Standing Committee on Migration (2005), *Information paper: Inquiry into overseas skills recognition, upgrading and licensing*.
- Jones, A. and S. Sin (2003). *Generic skills in accounting*. Pearson, Sydney.
- Lawrence, J. (2005). "Addressing diversity in higher education: Two models for facilitating student engagement and mastery". Paper presented at HERDSA 2005 Conference, Sydney.
- Ogilvie, R.A. (2006) "Conversation comes easy". *Charter*, July, 33-35.
- Rumney, I. (2006) "A matter of Linguistics", *Charter*, March 44-45.
- Simister, M. (2001). "The new CFO of the future: Finance functions in the twenty first century", The Institute of Chartered Accountants in Australia (ICAA) and KPMG Consulting.
- The Sydney Morning Herald (SMH), Weekend Edition, May 7-8, 2005.
- Walters, K. (2004). "Soft" skills in demand, *BRW*, September 23-29, p. 73.

Financial Risk Management	Sem 2, 2004	
<i>(CPA 106)</i>	MQ	CPA
Total students enrolled in CPA segment		
Grade Result Comparison (%)	%	%
High Distinction		
Distinction		
Credit		
Pass		
Fail		
Did not Sit		
	0%	0%

Sem 1, 2005	
MQ	CPA
28	603
%	%
7.1	6.5
21.4	13.4
42.9	15.1
25	37.6
0	27.4
3.6	
100%	100%

Sem 2, 2005	
MQ	CPA
38	737
%	%
18.4	7.7
23.7	9.9
28.9	14.5
23.7	41.3
5.3	26.6
100%	100%

Sem 1, 2006	
MQ	CPA
61	810
%	%
23	7.0
32.8	12.1
19.7	12.1
21.3	38.8
3.3	30.0
100%	100%

Financial Accounting	Sem 2, 2004	
<i>(CPA 111)</i>	MQ	CPA
Total students enrolled in CPA segment		
Grade Result Comparison (%)	%	%
High Distinction		
Distinction		
Credit		
Pass		
Fail		
Did not Sit		
	0%	0%

Sem 1, 2005	
MQ	CPA
56	1,269
%	%
14.3	9.3
19.6	10.3
30.4	18.3
28.6	39.2
0	22.9
7.1	
100%	100%

Sem 2, 2005	
MQ	CPA
27	1,320
%	%
7.4	10.3
25.9	12.1
11.1	14.6
44.4	36.9
11.1	26.1
100%	100%

Sem 1, 2006	
MQ	CPA
30	1,322
%	%
40	10.5
16.7	11.7
13.3	15.8
20	37.0
10	25.0
100%	100%

Taxation	Sem 2, 2004	
<i>(CPA 105)</i>	MQ	CPA
Total students enrolled in CPA segment	16	1,625
Grade Result Comparison (%)	%	%
High Distinction	12.5	7.4
Distinction	12.5	10.0
Credit	0	17.7
Pass	37.5	36.0
Fail	18.8	28.9
Did Not Sit	19	
	100%	100%

Sem 1, 2005	
MQ	CPA
21	1,735
%	%
9.5	6.8
19	7.8
19	14.2
23.8	36.9
28.6	34.3
100%	100%

Sem 2, 2005	
MQ	CPA
27	1,525
%	%
11.1	6.3
18.5	12
22.2	12.7
33.3	37.1
14.8	31.9
100%	100%

Sem 1, 2006	
MQ	CPA
24	1,544
%	%
12.5	9.3
16.7	8.6
12.5	14.1
37.5	38.9
16.7	29.1
4.2	
100%	100%

