

The New Role of Management & Public Accountants: Implications for Business School Education

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Abstract

The 1999 Practice Analysis of Management Accounting described the changes in the role that management accountants play in their organizations. They are no longer the scorekeepers and bean counters. In many organizations, they are internal consultants, business managers, and business partners.

The dramatic changes that have occurred in management accounting over the past decade have been mirrored in public accounting firms. Indeed, many public accounting firms began dropping their identification as "accounting firms" several years ago.

This is a proposal to present a special 75 (or 90)-minute session that will a) describe the dimensions of this new role that accountants play in corporations and in public accounting firms, b) present an array of tools that modern accountants use to do their work, and c) discuss the implications for accounting and business school education.

Given the recent publication of the Albrecht and Sack study "Accounting Education: Charting the Course through a Perilous Future¹," this panel session should be highly relevant to business school educators at the APDSI meeting.

Because accountants have to understand the various functions of an organization and work on cross-functional teams with people from different areas in an organization, their education program has to prepare them for this business reality. As an interdisciplinary organization, APDSI is an appropriate venue for this panel presentation.

Background:

The 1995 Practice Analysis (PA) of Management Accounting documented the work performed by corporate accountants and the knowledge, skills and abilities (KSAs) necessary to competently perform the work. It also reported on the dramatic changes that have occurred in the role of corporate accountants between the mid 1980s and 1995. Results of the 1995 Practice Analysis were presented with much interest at more than 20 professional meetings. The Practice Analysis results are being used by many colleges and universities to refine and update their accounting curricula.

Change continues in the work of corporate accountants. Consequently, another practice analysis was completed in 1999 to answer the following questions:

How the work of management accountants and their role in their companies is continuing to change

How the work will change over the next three years

The 1999 Practice Analysis documents the transition in the role of management accountants from staff support personnel on the periphery of decision making, to valued business partner involved in all aspects of decision making. The PA research team interviewed more than 400 practicing management

¹ This study, published in August 2000 by the American Accounting Association (AAA), was a joint project of the AAA, American Institute of CPAs, Institute of Management Accountants, and the Big 5 CPA firms. It concludes that accounting curricula – indeed, business school curricula in general – has to change in order to meet the challenges that lie ahead and the realities of the workplace in the 21st century.

accountants who inform us about which work activities are occupying more or less of their time, how their role in the organization has changed, and their level of involvement in decision making and running the business.

This panel will focus on what these practicing management accountants do as business partners, business managers and internal consultants. We will show how the work continues to change, how in many ways the occupation of management accountant in 2000 bears little resemblance to the occupation in 1990, and how the role of management accountants is likely to evolve over the next few years. We will describe the new tools they need to do their work. And we will discuss the challenges that this poses to business school educators in their efforts to prepare their students for entry-level positions in corporate and public accounting. We will engage the participants in a discussion about the implications of this for curriculum content and curriculum revision.

We will also present the new role of accountants from the point of view of practitioners in CPA firms.

There will be two panel members:

- Two accounting educators (who conducted the Practice Analysis projects for the Institute of Management Accountants and the Practice Analysis of the CPA Profession for the AICPA)

The presentations will take about 50-55 minutes, leaving 20-25 minutes for questions and discussion.

Relevance/Significance Of The Research

Corporations are the major customers of university accounting programs. In recent years about two-thirds of accounting graduates began their careers in the corporate world. University accounting programs have not met their customers' needs very well over the past few years. The pace of change in the nature of corporate accounting work over the past several years has been very rapid. Yet, many accounting educators are unaware of these dramatic changes and many university accounting programs do not address this reality. Indeed, many university programs have changed little over the past 20 years and are therefore poorly preparing students for the realities of the 21st century workplace.

The subject matter of this presentation is highly relevant to accounting educators and business school educators (especially deans) to the preparedness of their students, to meeting the needs of their corporate and public accounting customers, and to the mission of their schools. This session could be a catalyst for the redesign of many accounting and business school curricula and for the creation of interdisciplinary teaching rotations. The recent publication of Albrecht and Sack's study, "Accounting Education: Charting the Course Through a Perilous Future," that was sponsored by major accounting organizations demonstrates the relevance of this session's subject matter to accounting educators.

It is hoped that this presentation will stimulate meaningful discussion that will lead to hallway conversations at the APDSI conference and to department meetings around the country.

Audience intended for:

This special session is intended for:

- APDSI attendees who teach accounting courses
- APDSI attendees who are responsible for curriculum development
- APDSI attendees who are administrators of accounting programs
- APDSI attendees interested in building/maintaining relationships with corporate executives.
- APDSI attendees interested in learning about changes in corporate accountants' work.

Presentation time: 75 or 90 minutes.

Other Presentations of This Panel.

This panel has been presented to audiences at several other professional meetings in the U.S. (e.g., Decision Science Institute and regional meetings of the American Accounting Association). Participants find the information we present to be timely and valuable. We think it would be of special interest to educators outside the U.S.