**Graduate skills for the management accountancy profession:**

**Exploring the accounting education expectation gap**

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**Abstract**: *This paper focuses on understanding the key skills and essential knowledge required by graduates for management accountancy. It explores ‘expectation gaps’ by examining whether the Chartered Institute of Management Accountants (CIMA), university educators and practitioner employers have different expectations with regard to what are the essential knowledge and skill sets that graduates should have. The research aim is to generate a greater understanding of the factors that create any identified expectation gaps between the above stakeholders and to explore the implications of any gaps.*

*The research was conducted by interviewing stakeholders and a survey of university accounting educators in UK and Ireland business schools. Expectation gaps between the stakeholders were identified. These expectation gaps appear to exist due to conflicting views on the purpose of university education. The paper contributes to the growing debates about the general role of Higher Education in society and the role of university accounting educators in promoting graduate employability.*

*Keywords*: university accounting education, expectation gaps, vocational skills, educational objectives.

**1. Introduction**

There has been much debate regarding the future direction of accounting education in general (May et al., 1995; Albrecht and Sack, 2000; Parker, 2001; Hopper, 2013; Evans, 2014; Flood, 2014) and the essential knowledge and skill sets required by management accountants in particular (Novin et al., 1990; Parker, 2002; Scapens et al., 2003; Hassall; 2005). Unsurprisingly then, there have been calls for more constructive dialogue between university educators, accounting practitioners and staff in professional accounting bodies:

In order to facilitate the creation of effective accounting practitioners, there is a need for proper alignment in linking (academic) education in accounting and (professional) training in accounting as complementary components of an overall developmental process (Wilson, 2002, p.309).

This paper focuses on CIMA and the necessary and desirable skills and attributes expected of novice management accountants, who are increasingly graduate trainees. It explores whether the professional management accounting organisation (CIMA), university educators, and practitioner employers have different expectations about the essential knowledge and skill sets required of management accountants by examining what these different stakeholder groups say are the key skills and knowledge needed for the role of management accountant. What the stakeholders view as the required key skills and knowledge is compared with the education provided to determine whether there are any expectation gaps between what CIMA specify as the required standard for competency, the education offered by universities and the requirements of employers.

The role of universities in supplying graduates that meet the requirements of employers appears to be becoming increasingly important as the percentage of school-leavers educated at university continues to rise. Participation of 17-30 year olds in UK Higher Education has increased from 43% in 2006/07 to 49% by 2011/2012[[1]](#endnote-1)[[2]](#endnote-2)[[3]](#endnote-3)[[4]](#endnote-4), nearly reaching the government target of increasing the level of participation to 50%. In this context, the expectations of UK and Irish accounting educators are important because universities supply approximately half of all professional trainee accountants[[5]](#endnote-5).

At first sight it does not appear that there should be any incompatibility between what is taught in UK business schools and the demands of employers. Since the 1960s, UK government reports (Robbins Report, 1963; Dearing Report, 1997) maintain that one of the main objectives of HE should be to promote key skills for employment so that graduates can contribute effectively to the economy and society. Joyce et al. (2006) note that employers are demanding key skills, which are also referred to as: “transferable”, “generic”, “personal” or “core” and relate to an individual’s ability to operate in the work place alone or with others. It has been argued by some accounting educators that there is a need to focus on the development of key skills to meet the demands of employers and the government (Albrecht and Sack, 2000; De Lange; 2006; Morgan, 1997; Wells et al., 2009; Watty, 2014). However this is not as straightforward as it might seem, as employers’ demands for key skills have been likened to mere ‘wish lists’ that are constantly changing: ‘core skills is but one of several related terms, each of which has been used to label sets, or lists, of skills or attributes deemed important by employers and government……these skill labels seem prone to rapid and unpredictable change’ (Bennett et al., 2000, pp.15).

But it needs to be established whether there is agreement amongst accounting educators on the list of key skills for undergraduates that should be developed or even if there is agreement that the development of vocational skills must be an explicit goal of university education. It can be questioned whether there is a theoretical or empirical justification to compel academics to promote a range of key skills in order to satisfy employers’ expectations: ‘What the lists have in common is that they are theoretically and empirically threadbare and have rarely, if ever, contained the perceptions of those who are expected to deliver these skills in Higher Education’ (ibid.).This study seeks to address this lack of empirical work on the expectations of those delivering key skills in HE by asking the opinions of university accounting educators in UK business schools about a possible list of key skills of undergraduates that should be developed.

This paper focuses specifically on CIMA, a growing international management accounting body, but whose membership is still currently mainly concentrated in the UK and Ireland. Although there has been research regarding what UK practitioners, who are members of the CIMA, (Burns and Yazdifar, 2001) believe to be the top 10 skills for management accountants and what CIMA employers (Arquero Montano et al., 2001; Hassall et al., 2005) deem to be the essential knowledge and skill sets required by competent management accountants and the levels exhibited by graduate trainee accountants, there has been a lack of research to investigate the views of UK accounting educationists, particularly management accounting academics. Consequently in order to determine whether there are expectation gaps between CIMA, educators and practitioner employers, the following research question was generated:

*Are there expectation gaps between the UK professional management accounting organisation (CIMA), university educators and practitioner employers with regard to the essential knowledge and skill sets expected of graduate trainee management accountant practitioners?*

To date no study has ascertained and compared the views of UK accounting university educators with UK CIMA employers. For this reason this research study sought to establish what the views of UK university accounting educators on employability skills are. A survey was conducted and interviews were carried out to establish the views of UK and Irish university accounting educators. This research is presented and explained in section 3.

In order to address the research question, the desired vocational skills by each of the three stakeholder groups is established so that an analysis and discussion can emerge around why expectations gaps might exist and their implications for the stakeholders described.

This paper is structured as follows. This section has discussed employers’ demands for key skills for graduates. The next section describes the research methodology adopted for this study. Section 3 presents and discusses the research findings. In the concluding section of the paper, the contributions and limitations of the research are outlined, and opportunities for further research are identified.

**2. Research Design**

The following mixed methods are used to answer the research question:

* Qualitative interviewing of stakeholders – sixteen interviews (nine university accounting educators at six university business schools; a CIMA official; and six interviews of practitioner employers of trainee management accountants).
* A survey sent to 417 university accounting educators working in business schools in UK and Ireland.[[6]](#endnote-6)

Ethical approval was sought and obtained from the university where the author is employed.

*2.1 Stakeholder Qualitative Interviews*

The educators’ selection for interviewing was based on their expertise and experience of teaching accounting. Access to all interviewees, except the CIMA official, was based on convenience sampling. All interviews were conducted at the interviewees’ place of work, or some were interviewed when they were visiting the university where the author is employed. The interviews were semi-structured. Some themes emerged spontaneously and were discussed because they were regarded as interesting and relevant to the research topic by both interviewee and interviewer. All interviews were recorded and transcribed. The interviews lasted for about an hour and half. QSR NVivo was used to code the interviews.

2.2 *Survey of University Accounting Educators in UK and Ireland*

The survey was web-based and was designed after the accounting educators had been interviewed and was piloted in a business school. Both the accounting educators who are interviewed and those who are surveyed are asked about the skills that accounting undergraduate students need to master. In addition both the interviewees and the respondents are asked about the development of vocational skills and whether university educators can and should respond to the needs of business and the accounting profession.

The purpose of the survey is to seek the views of academics about the vocational skills and knowledge of Finance, Accounting and Management undergraduates and graduates. The questionnaire instrument used gathered the opinions of the sample on specific vocational skills inventory. The accounting educators’ survey is designed to be comparable with the Arquero Montano et al. (2001) survey of 950 CIMA practitioner employers, listing 22 skills and characteristics for management accountants. The accounting educators were asked to rate the skills in terms of importance in their curriculum. The survey of university accounting educators is compared with the survey of practitioner employers to further explore and identify specific ‘importance expectation gaps’ between employers and educators.

In order to achieve a high response rate to the survey, it was important to ensure that the educators would find the questionnaire research topic relevant. Accordingly in 2008 the questionnaire was sent to all UK and Irish academics who teach management accounting and/or have a research interest in accounting education, as indicated in the British Accounting Review Research Register, Helliar and Monk (2006). 417 academics were identified who met the selection criteria. 122 valid responses were received, a response rate of 29.3%. This response rate compares favourably to recent accounting practitioner surveys in the UK. Arquero Montano et al. (2001) and Burns and Yazdifar (2001) achieved response rates of 22.5% and 28%, resulting in 214 and 279 valid responses respectively.

**3. Research Results**

This section draws together the findings of the qualitative and quantitative research carried out to identify and explain expectation gaps between three stakeholders groups in university accounting education, namely educators, practitioner employers and the CIMA. Empirical data is assessed from the interviews and the questionnaire conducted for this research which establishes expectation gaps in relation to a framework of skills which encompasses technical and ‘soft’ generic skill sets. This data explores the different stakeholders’ perceptions about the two sets of skills and comprises of: a survey and interviews of educators, interviews of employers and a CIMA official; and an existing published survey of employers.

CIMA, a member of the International Federation of Accountants (IFAC) expresses its view of the necessary skills and competencies expected of practitioners by adopting IFAC’s guidelines on competence development. Practitioner employers, who are members of CIMA, are governed by CIMA’s specification of the expected competencies of newly qualified management accountants.

CIMA also has influence on university accounting educators, as depicted in Figure 3.1. Accounting and relevant degree courses can be granted CIMA accreditation, so that graduates can gain exemptions and universities can use accreditation as a powerful marketing tool to attract students wishing to become qualified management accountants. So CIMA’s competence development guidelines are important to both employers’ and educators’ assessment of vocational skills importance.

By using the survey and interview data, as discussed in sections 3.1 and 3.2, employers’ and educators’ assessment of vocational skills importance are established and the two stakeholders’ different sets of desired competencies are compared. The difference between these two stakeholders desired competencies reveal any ‘expectation gap’, as Figure 3.1 shows.



**Figure 3.1**

**The employers and university accounting education’s expectation gap**

*3.1 The CIMA official, practitioner employers’ & university educators’ interviews*

This section compares and summarises the three stakeholders’ views on the role of university education in the development of the key skills and knowledge required of graduate trainee accountants by employers and CIMA in order to discover reasons for any possible ‘expectation gap’ between employers and educators. All the practitioner employers interviewed believe that university accounting educators can and should provide degree programmes that respond to the needs of business and the accounting profession. For example one employer warned that if university educators do not aim to supply graduates that meet the expectations of employers in business and the accounting profession, then the demand from these employers for university graduates would fall. All of the practitioner employers see university accounting education as vocational training. But the CIMA official interviewed, Professor Lee[[7]](#endnote-7), who is recommended and put forward for interviewing by CIMA’s Head of Education and Training, believes that the accounting profession and academia should not have the same expectations from their respective students: ‘There is a clear distinction between what you are doing academically, and what you are doing academically’. This is because he does not believe that degrees, even accounting degrees should be viewed as just ‘the preparatory years for professional [accounting] qualifications’. The university educators agree with the CIMA official. None of the accounting educators interviewed saw the role of university education as preparation for accounting professional examinations. A typical response is: ‘I do not think the role of an accounting degree is to prepare [undergraduates] to become professional accountants, for a university that’s not our role’. Educators want to be independent of the accounting profession, despite it being impossible to be completely independent of the accounting profession. This is because gaining and maintaining accreditation is important for university business schools to attract students, and gaining exemptions from professional accounting examinations is an important factor for many students when they are deciding to study for a degree.

However academics have traditionally seen their role and professional identity as promoting critical thinking. The interview findings shows that despite variations, accounting academics wish to protect their academic autonomy and identity by being educators of critical thinkers and by providing a well-rounded education, as opposed to training technicians. The findings from the interviews indicate that in this respect some accounting educators are dissatisfied, believing that business schools are becoming like factory farms. In the interviews, all the nine educators, from four pre’ 92 universities and two post ’92 universities, raised the issue of the deteriorating staff student issue being a barrier preventing the development of key skills. They think that there is a danger that university accounting educators might concentrate on teaching technical knowledge only because it is becoming more difficult to try and develop key transferable skills, particularly critical thinking, because of the increase in student numbers and the consequent deterioration in staff student ratios.

Much more than technical knowledge is required from graduates wishing to become members of CIMA, the management accounting professional body. CIMA requires graduate trainees, who wish to become qualified management accountants, to acquire technical expertise and business knowledge, and develop competency in wide range of cognitive and behavioural skills, as specified by International Federation of Accountants (IFAC), as shown in Figure 3.2. All practitioner employer interviewees considered that it is essential for graduate trainee accountants to not only have technical and business knowledge, but also good communication and interpersonal skills.



(IFAC IES 3, 2014, p.46)

CIMA (2007) claims to be the ‘best-in-class’, in terms of meeting the needs of business and that its education and training programme produces professionally qualified accountants that have unique skills that differentiate its members from those of other accounting bodies. These unique skills enable CIMA management accountants to operate as ‘hybrid’ accountants in business. Hybrid accountants, as Burns and Scapens (2000) explain, not only have financial and accounting knowledge but also an in-depth understanding of the business they are working in. They need to have the required level of communication and problem solving skills to enable them to be more than ‘number crunchers’ and to be able to operate as internal consultants. In this way, CIMA recognises the importance of a range of behavioural skills for a successful management accountancy career. However the bulk of CIMA’s effort in assessing the skills of trainee management accountants is devoted to ensuring that would be members have the required cognitive skills, and the technical, analytic and appreciative skills. This assessment is by examinations[[8]](#endnote-8).

But CIMA does not insist on its own assessments as graduates with relevant degrees gain exemptions and graduates with accounting degrees can be exempt from the majority of CIMA examinations. By studying at a university that tailors its accounting and business courses so as to obtain the maximum possible exemptions from professional accounting bodies, it is possible for accounting graduates to be exempted from eleven out of CIMA’s total seventeen examination papers. For example this can be achieved by graduating from the Manchester Metropolitan University with a BA (hons.) degree in Accounting and Finance (CIMA, 2015). But the practitioner employers interviewed are concerned that graduates with relevant degrees that had been granted exemptions from exams that cover the basics of financial accounting do not have the required level of book-keeping skills. For example one employer stated that in his experience graduates do not have the book-keeping skills which are the accounting ‘tools of the trade’ because, he conjected, academics spend insufficient time teaching book-keeping, as they consider the subject is as too simple or as not exciting to teach undergraduates. Employers expressed the view that if degree courses are granted exemptions from exams such as CIMA’s the ‘Fundamentals of Financial Accounting’, then university accounting educators should spend more time teaching the basic knowledge and skills required for double entry book-keeping. However some employers took a different line, expressing the belief that it might be better and safer for CIMA to assume that graduates have no prior knowledge and therefore for no exemptions to be granted and so graduates would have to take all the CIMA examinations, or at least the take the CIMA examinations that test basic financial accounting knowledge.

So employers think that graduates do not have the skills and knowledge that, based on the exemptions awarded by professional accounting bodies such as CIMA, practitioner employers expect and graduates need to become fully qualified management accountants. While this view about graduates’ basic accounting skills is held by employers, Professor Lee, the CIMA official, expressed the view that university accounting educators and CIMA had been too successful in producing professional accountants with higher-order skills. In his view, these graduate accountants are over-educated for the limited accounting roles employers expect. If accountants do not have the chance to use the creative problem-solving skills that they have acquired, then these accountants will, he thinks, be dissatisfied at work. So while employers think that graduate trainee accountants lack basic technical skills, the CIMA official considers that his institute, with the help of universities, are producing over-qualified professional management accountants who are frustrated by the lack of opportunities to use higher-order skills at work.

In summary, the employers interviewed see university accounting education as vocational training. However academics, such as Atkins (1999), note that the needs of employers vary greatly. The skills and knowledge required by a small family business are not likely to be the same as those required by a large multi-national organisation. So there is no real likelihood of an employability expectation consensus between all employer organisational types and sizes. Therefore it is not possible for university accounting educators to produce graduates with the skills and knowledge that will satisfy the needs of *all* employers. But the CIMA official, who is also a professor of accounting, and the university educators interviewed do not believe that degrees, even accounting degrees should be viewed as training for employers and preparation for professional accounting exams.

Scholarly commentators of Higher Education like Ronald Barnett (1990; 1994; 2012) fear that the development of employability skills agenda is in conflict with the idea of a liberal education that is traditionally what a university education aims to provide in addition to discipline-specific knowledge and skills. In this respect some scholars argue that there *should* be an expectations gap between university educators and practitioner employers and the accounting profession. For example Craig and Amernic (2002, p.128) maintain that university accounting educators should be allowed to decide what to teach ‘in society’s best interests’ because professional bodies are elite organisations whose ‘language, values and prejudices’ are ‘sometimes at odds with core values in society’. Moreover accounting educators, such as Gray and Collison (2002), see a clear distinction between education and training: ‘It is the role of education to supply the broad, critical and reflective elements and for training to provide specific and technical skills’ (p. 825). The educators interviewed chime with scholars McLean (2006) and Milner and Hill (2007) by revealing a desire to provide a well-rounded education and promote critical thinking, rather than to produce accounting technicians. Nevertheless employers are concerned that graduates are being granted exemptions from professional exams, but that these graduates do not have the basic skills and knowledge required to pass the professional exams that they have been exempted from. It is common practice for university accounting graduates to obtain exemptions from professional accounting examinations and for business schools to advertise their accounting degree programmes accreditation on their web sites. University accounting education is a competitive market and there is financial pressure for business schools, as ‘cash cows’, to recruit large numbers of students. A loss of accreditation could be a serious blow to a business school. Therefore university accounting educators need to pay attention and give serious consideration to the professional accountancy bodies’ and practitioner employers’ expectations of business school to provide vocational training.

However Ronald Barnett maintains that that the clamour for vocational training is not just a threat to the notion of a liberal education, but also ideological: ‘It is ideological in attempting to shift the university in a direction that reflects particular societal interests’ (1994, p.55). But accounting educators want to protect their academic identity and autonomy and provide a liberal education, as opposed to satisfying the desires of the professional accounting bodies and practitioner employers to produce accounting technicians.

*3.2 Identifying expectation gaps between employers and accounting educators*

This sub-section compares the survey of university accounting educators conducted as part of this study in 2008 with Arquero Montano et al.’s (2001) survey of practitioner employers to further explore and identify specific ‘importance expectation gaps’ and between employers and educators. To determine whether expectations differ with regard to the essential knowledge and skill sets required of management accountants, an examination is made of what the different stakeholder groups (university educators and CIMA practitioner employers) believe are the key skills and knowledge needed for the role of management accountant. Table 3.1 contain a comparison of these two groups to illustrate and identify ranking and assessment differences between educators and employers among the skills listed. This comparison allows conclusions to be drawn about whether any expectation gaps between the aims of university educators and the requirements of employers exist. This assessment begins with an examination and comparison of employers’ and educators’ opinions on what are the important key skills.

3.2.1 *Vocational skills inventory - assessment of skill importance*

The employer ranking comes from Arquero Montano et al.’s (2001) survey of CIMA practitioner employers which lists 22 skills and characteristics for management accountants. Employers were asked to rate the skills in terms of their importance for adequate performance by a competent management accountant, and to rate the level of skill exhibited by a typical graduate trainee. The educator ranking and assessment of skill importance was generated from the 2008 survey of UK and Irish academics who teach management accounting and/or have a research interest in accounting education. The accounting educators were asked to rate 21 skills and characteristics in terms of importance in their curriculum. It can be argued that one particular skill, “Have a comprehensive and global vision of the organisation” (skill number 22 in Arquero Montano et al.’s (2001) survey) would not be relevant to a survey of accounting educators because undergraduates are yet to join an organisation and become full time graduate trainees. Therefore this skill is not included in the overall list of skills.

Both surveys are compared in Table 3.1. This table shows each of the 21 skills and characteristics ranked in order of importance, firstly by employers and secondly by educators. Column III in the table shows the difference in the ranking of importance between employers and educators (the importance expectation gap).

**Table 3.1**

**Arquero Montano et al. (2001) Survey v Author’s (2008) survey**

**21 vocational skills inventory – *ranking* of importance & *assessment* of importance**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Skill no. |  | **Importance of skill** | | | **Importance of skill** | | |
| N.B. Montano re-ranked after skill 22 was removed | **I** | **II** | **III** | **IV** | **V** | **VI** |
| AM = Montano;  XX = Author’s survey | AM | XX | Difference  in  ranking,  I-II (*gap*) | AM | XX | Difference  in  mean score,  IV-V (*gap*) |
|  |  | Employers | Educators | Employers | Educators |
|  | ***Communication skills*** | Rank | Rank | Mean | Mean |
| 1 | Present & defend points of view & outcomes of their own work, *in writing*, to colleagues, clients and superiors (com1) | **2** | **9** | *-7* | 1.37 | 1.94 | ***-0.57*** |
| 2 | Present & defend points of view & outcomes of their own work, *verbally*, to colleagues, clients and superiors (com2) | **1** | 17 | ***-16*** | 1.33 | 2.16 | **-0.83** |
| 3 | Use of visual aids in presentations (com3) | 21 | 20 | *+1* | 1.84 | 2.30 | *-0.46* |
| 4 | Listen effectively to gain information & to understand opposing points of view (com4) | **5** | **6** | *-1* | 1.38 | 1.82 | *-0.44* |
| 5 | Critically read written works, making judgements on their relevance &value (com5) | 15 | **1** | ***+14*** | 1.62 | 1.53 | -0.09 |
|  | ***Group working skills*** |  |  |  |  |  |  |
| 6 | Work with others in teams (gws1) | **6** | **5** | *+1* | 1.40 | 1. 80 | *-0.40* |
| 7 | Organize & delegate tasks (gws2) | **10** | 19= | *-9* | 1.50 | 2.25 | ***-0.75*** |
| 8 | Assume leadership positions when necessary (gws3) | 12 | 21 | *-9* | 1.56 | 2.43 | ***-0.87*** |
|  | ***Problem-solving skills*** |  |  |  |  |  |  |
| 9 | Identify & solve unstructured problems (psk1) | **9** | **3=** | *+6* | 1.46 | 1.59 | -0.13 |
| 10 | Find creative solutions (psk2) | 14 | 13= | *+1* | 1.58 | 1.98 | *-0.40* |
| 11 | Integrate multidisciplinary knowledge to solve problems (psk3) | 11 | 16= | *-5* | 1.52 | 2.02 | ***-0.50*** |
| 12 | Perform critical analysis (psk4) | 13 | **3=** | ***+10*** | 1.56 | 1.59 | -0.03 |
|  | ***Pressure & time management*** |  |  |  |  |  |  |
| 13 | Organize workloads to meet conflicting demands & unexpected requirements (ptm1) | **7** | 11= | *-4* | 1.44 | 1.95 | **-0.51** |
| 14 | Organize workloads to recognize & meet tight, strict, & coinciding deadlines (ptm2) | **4** | **7** | *-3* | 1.37 | 1.83 | -0.46 |
| 15 | Select & assign priorities within workloads (ptm3) | **3** | **8** | *-5* | 1.37 | 1.89 | ***-0.52*** |
|  | ***Information technology*** |  |  |  |  |  |  |
| 16 | Use relevant software (IT1) | **8** | 16= | *-8* | 1.45 | 2.02 | ***-0.57*** |
| 17 | Knowledge of information sources (IT2) | 19 | **4** | ***+15*** | 1.70 | 1.75 | -0.05 |
|  | ***Other skills, values & knowledge*** |  |  |  |  |  |  |
| 18 | Have a commitment to life-long learning (osv1) | 16 | 19= | *-3* | 1.64 | 2.25 | **-0.61** |
| 19 | Ability to develop methods of effective learning (osv2) | 20 | 14 | *+6* | 1.74 | 2.00 | *-0.26* |
| 20 | Awareness of social & ethical responsibilities (osv3) | 17 | 13= | *+4* | 1.69 | 1.98 | *-0.29* |
| 21 | Have knowledge of the accounting profession (osv4) | 18 | 11= | *+7* | 1.70 | 1.95 | -0.25 |
| 22 | Have a comprehensive & global vision of the organization (osv5) | Deleted from ranking, as explained earlier in this sub-section. | | | | | |



University educators’ views on developing each of the vocational skills and knowledge areas are assessed using a 4 point Likert scale, ranging from 1 (this skill is *most centrally important*) to 2 (this skill is *important*), to 3 (this skill is of *little importance*) and to 4 (*not deemed important*). The employers’ views are compared against the educators’ using the same two 4 point Likert scales[[9]](#endnote-9). Column IV shows employers’ and column V shows educators’ assessment of importance each of the 21 skills and characteristics showing the respondents’ average score, using the 4 point Likert scale. Column VI in the table shows the difference in assessment of skill importance between employers and educators (the skill importance expectation gap). The educators’ and employers’ assessed average scores for each of the vocational skills and knowledge areas, which is shown in in columns IV and V, are used to produce the ranking of importance which is shown in columns I and II.

As illustrated in Table 3.1, with regards to the ranking of skill importance there is a marked difference of opinion between the two groups. The educators consider critical reading (com5) to be the most the most centrally important skill in their curriculum. This finding is not unexpected, as explained earlier in section 3.2, academics stress that the one of their main aims is to encourage undergraduates to develop critical thinking skills. But employers rate critical reading as only 15th out of the 21 skills. While this is a very large *ranking* ‘importance expectation gap’ between employers and educators, their difference in *assessment* of importance of critical reading is much closer, as Table 3.1 shows. Educators’ average score for critical reading (com5) is 1.53 and employers’ average score is 1.62. So employers do believe that critical reading skill is important, but it is much lower their ranking list. The employers’ range[[10]](#endnote-10) of average scores for the 21 skills is much smaller than the educators and the employers’ overall average for the 21 vocational skills is 1.53, while educators’ overall average is 1.95, showing that employers believe that generally the 21 vocational skills are more important than educators consider them to be. The next most important skills for academics are problem solving and critical analysis skills: ‘Identify & solve unstructured problems (psk1)’ and ‘Perform critical analysis (psk4)’. Again developing problem solving and critical analysis skills are common aims for university educators in most module specifications. However employers rate problem solving and critical analysis skills as significantly less important and are rated 9th and 13th respectively.

Employers and educators also have quite different views on the importance of communication skills. Employers rate verbal communication (com2) 1st and written communication skills (com1) 2nd as the most important skills for adequate performance, by a competent management accountant. Employers are aware that management accountants need not only technical skills but also the ability to communicate productively with staff and managers at all levels. Yet educators rate verbal and written communication skills low as the 17th and 9th most important skills. The third most important skill for employers is a fairly low level, practical skill: ‘Select & assign priorities within workloads (ptm3)’. Meeting deadlines is very much a critical skill for accountants, however educators rate the prioritising of workloads, as only the 8th most important skill.

The major disagreements between the two stakeholders on skill importance are over employers’ top priority skill, verbal communication, and three out of four of educators’ top important skills, critical thinking and critical analysis and knowledge of information sources. These major disagreements over which are the most important skills can be explained by the interview findings (see section 3.1). The accounting educators and the CIMA official believe that degrees, even accounting degrees, should not just be viewed as vocation training and that there *should be* expectation gaps between educators and employers. There are major ‘importance expectation gaps’ and while educators support the promotion of vocational skills at university, but they do not see university education as vocational education.

The analysis of the 21 vocational skills inventory has revealed that the employers’ four most important skills are verbal and written communication, organizing and prioritizing workloads, as explained above. The ‘importance expectation gap’ analysis shows that employers believe that most of the 21 vocational skills are more important than educators believe. In general educators believe that most of the 21 skills are important. Educators believe that more attention should be given to each of the 21 vocational skills and knowledge areas. But as a consequence of the deteriorating SSR, it is very difficult for educators to devote more time to develop vocational skills. Critical reading, problem solving and critical analysis are three skills that educators think are particularly important but students do not have the level of competence in critical skills that educators wish for. As Barnett (1994) points out the promotion of critical thinking is a central part of academic identity of university teachers. Mary Henkel (2000) conducted research to investigate how the massive increase in undergraduate numbers had affected the roles of university educators. One finding from her interviews was that educators had to concentrate less on trying produce critical thinkers and more on knowledge transfer in order to produce technicians. The findings from this study agree with research by Milner and Hill (2007) who found that accounting educators in Scotland thought that they should concentrate on developing the critical skills of undergraduates rather than accounting technical skills.

**4. Conclusions**

*4.1 Findings and implications*

This paper has established that there are expectation gaps between three stakeholder groups in university accounting education: educators, practitioner employers and CIMA. Although educators in general support the promotion of vocational skills, they rank the importance of most of the vocational skills less highly than employers do. Educators do not agree with the employers’ view that university accounting education should be vocational education. The CIMA official, who is also a professor of accounting, and the university educators interviewed agree that degrees, including accounting degrees, should not be regarded as training for employers and preparation for professional exams. Expectation gaps exist because educators believe that the development of the employability skills agenda is conflicting with the traditional idea that a university education aims to provide a liberal education as well as providing discipline specific knowledge and skills. Accounting educators expressed their desire to protect their academic identity and autonomy by continuing to provide a liberal education and encouraging critical thinking rather than simply concentrating on satisfying the expectations of professional accounting bodies and practitioner employers and by so doing producing accounting technicians.

University accounting educators see themselves not merely as technical trainers for the accounting profession and practitioner employers but rather as promoters of critical thinking. Yet, while they emphasise the vocational aspect of accounting education, the accounting profession and employers also greatly value critical thinking and other high level skills. Therefore employers want educators to promote undergraduates’ critical thinking and problem solving skills as well as promoting technical skills. Hopper (2013) agrees that the development of critical skills as an essential component of university accounting degrees and that accounting degrees should not merely imitate professional accounting courses. Research led university business schools need to develop ‘students’ critical skills and knowledge through research related teaching’ (ibid. p.134). But, as Hopper (2013) points out, there is a shortage of university accounting educators who are also high quality researchers and he calls for ‘universities benefiting from surpluses generated by accounting courses in high demand need to divert more funding to addressing the supply problems, i.e. suitable teachers. [And that] entrants into teaching need opportunities to improve their research skills and knowledge’ (p.135).

It can be argued that business schools are victims of their own success. Business schools have grown to become the ‘cash cows’ of Higher Education (HE) by attracting large numbers of students. This growth has been achieved partly by business schools successfully gaining and maintaining accreditation of degree programmes in order to attract accounting students who want to become professional accountants. So university educators are to some extent dependent on the accounting profession because gaining exemptions is an important factor when accounting students are deciding which university degree programmes to apply for. Although educators wish to develop the whole range of knowledge areas and vocational skills, including the highly valued critical thinking and problem solving skills, they struggle to do so because of the deteriorating staff student ratio in business schools. Worse still, as a consequence of the increasing undergraduate numbers, educators are less able to concentrate on research related teaching and trying to produce critical thinkers, as they wish to, and have to concentrate more on knowledge transfer and the production of technicians. But the employers interviewed were not satisfied with technical training provided by universities, or with the basic accounting knowledge that graduates with relevant degrees have. Hence it seems that the expansion of business schools has resulted in the diminution of educators’ professional identity and their role as promoters of critical thinking. While at the same time educators have not been generally very successful in producing accounting graduates with the technical skills and knowledge that practitioner employers believe is required and the accounting profession expect, based on the granting of exemptions from their professional examinations.

It is interesting to note that the CIMA official interviewed believed that in general qualified management accountants’ skills and knowledge exceed employers’ expectations. This indicates that CIMA requires graduates wishing to become qualified management accountants to obtain higher level of competencies than is required for them to successfully carryout their roles in employers’ organisations. Based on the CIMA official’s view, this would indicate CIMA is not serving the public interest but instead is restricting the supply of qualified accountants in order to promote the interests of its professional members.

It can be questioned whether university educators and CIMA and practitioner employers should have identical expectations with regard to the essential knowledge and skill sets that graduates have. Critical theorists such as Dillard (2002) argue that the reason why university educators are expected to meet the demands of CIMA and employers is because university business schools have been partly colonized by the accounting profession and the business community. This process of colonization inhibits and to some extent prevents educators from carrying their social responsibility and acting in the best interests of society as a whole.

The existence of expectation gaps between educators and practitioner employers and the accounting profession shows that the process of colonization of university business schools has only been a partial success. If colonization had been a total success, there would be no disagreement in terms of the importance ranking of vocational skills. University accounting educators still wish to pursue and protect their traditional liberal education agenda and to encourage the development of critical thinkers. But the educational constraint caused by the deteriorating staff student ratio makes it increasingly difficult for educators to achieve their own objectives or, even if educators wish to, meeting those of practitioner employers.

*4.2 Limitations and areas for potential research*

There are limitations to this research. First this study focuses on the views of just three stakeholders in university accounting education, namely CIMA, practitioner employers and university educators. Although most of the practitioner employers interviewed are graduates themselves, this research study did not specifically examine the extent to which graduates in general are satisfied with their accounting education. Investigating the extent to which accounting graduates believe that their university education prepared them for professional accounting examinations and for their roles in employers’ organisations would therefore represent a topic for future research.

Second, as noted this paper focuses on CIMA, one of the six chartered accountancy bodies in the UK and Ireland. In addition, while CIMA is an international management accounting body, this research focuses on the UK and Ireland where the majority of its membership and students are located. Investigating and comparing the views of the other five chartered accountancy bodies in the UK and Ireland could also be interesting topics for future research. Concurrently, another area for potential research would be to conduct an international survey of university accounting educators to be comparable with the survey of university accounting educators in the UK and Ireland. Another limitation is that only one CIMA official was interviewed to discover and explore the views of CIMA. It can be argued that it is acceptable to consider the perspective of the CIMA official interviewed at the London headquarters as valid and reliable because he is a highly experienced and influential member of CIMA. In addition the CIMA Head of Training and Education held out this Professor Lee as a suitable interviewee. Professor Lee was responsible for developing education and training for CIMA and had been employed by CIMA for many years; he was a former council member and is a professor of accounting. Professor Lee had been involved in the development of the four preceding CIMA examination structures and syllabi. While gaining access to prominent individuals in a professional accountancy organisation such as CIMA can be very difficult, another possibility to consider is interviewing officials at the local CIMA branch level to investigate any extent to which the perspectives of local and national officials differ.

Third, as explained in section 2.2, the survey of university accounting educators that the author carried out in 2008 is designed to be comparable with Arquero Montano et al.’s (2001) survey. As there is seven year time period difference, practitioner employers’ opinions on the essential knowledge and skill sets required by management accountants may have changed in this time. While six interviews of practitioner employers were conducted as part of this study in 2010-11, providing in depth up-to-date data, it would be interesting to conduct another survey of practitioner employers to investigate whether their views have changed since Arquero Montano et al.’s (2001) survey.

1. **Notes**

   Department for Business, Innovation & Skills (2014, p.1) provides HE initial participation rates (HEIPRs) for ‘17-30 year old English domiciled first time participants to UK HE institutions and English, Welsh and Scottish FE colleges who remain in HE for at least 6 months.’ ‘The provisional HEIPR estimate for the 2012/13 academic year was 43%, down by six percentage points compared with the estimate for 2011/12 of 49%’ (ibid.). [↑](#endnote-ref-1)
2. The Scottish Government (2015, p.1) notes that the Scottish HEIPR has increased from 53.1% when it was first calculated in 2006/7 to 54.7% in 2012/13. [↑](#endnote-ref-2)
3. The Northern Ireland (NI) Department for Employment and Learning (2015, p.1) reports that the NI Higher Education Participation Index for 2012/13 was 45.9%, down from its peak of 50.7% in 2009/10. [↑](#endnote-ref-3)
4. No HEIPR data for Welsh students is at present available for 2010/11 to 2012/13 (HEFCW , 2015, p.2) [↑](#endnote-ref-4)
5. Estimated using data from Financial Reporting Council (2012, p. 26, Table 12 & p. 33, Chart 16). [↑](#endnote-ref-5)
6. For reasons of brevity, the research instruments, namely the interview questionnaires and the accounting educators’ survey are not shown here. However a summary document describing these documents is available from the author. [↑](#endnote-ref-6)
7. A pseudonym used to protect the interviewee’s identity. [↑](#endnote-ref-7)
8. CIMA has its own examinations: the CIMA Certificate in Business Accounting and then three CIMA Professional levels. But students can gain exemptions by passing the AAT Technician/Diploma level or by having a relevant degree. [↑](#endnote-ref-8)
9. Arquero Montano et al’s (2001) survey of CIMA practitioner employers used an 11 point Likert scale. As explained in section 3.2.1, the survey of university educators used a 4 point scale and the Arquero Montano survey is recoded into the same 4 point Likert scale as used in the survey of educators to enable a clear comparison between the two surveys to be made. [↑](#endnote-ref-9)
10. The employers’ range of average scores for the 21 vocational skills is 1.33 – 1.84 = 0.51;

    while the educators’ range of average scores for the 21 skills is 1.53 – 2.43 = 0.90.

    **Acknowledgements**

    The author is grateful to the Chartered Institute Management Accountants for their funding of this research study.

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