

# The Accounting Education Change Commission Grant Experience: A Summary

## Chapter 7 RUTGERS UNIVERSITY-NEWARK

### Executive Summary

This project involves a revolutionary change in the training of graduate students for the accounting profession. The program focuses on an MBA education geared towards accounting with full integration of business and accounting subjects. Integration is obtained through topical integration and course coordination where topics of different disciplines broken down into basic units (coverage points) are brought together in an integrated framework.

Throughout the program a pervasive socialization program works on students' attitudes and skills aiming at forming a broad-based, tooled-for-life-learning professional. This professional, high in skills and positive in attitudes, will have a strong basic set of technical skills that will be acquired through a mix of teaching methodologies. The curriculum has an intensive "unfreezing" period, a body of "change," and a series of concluding experience to "refreeze" attitudes and skills (the "FLEX" program).

The project was planned to last four years, with the first class to start in May 1991, to be managed by different faculty members in its elements. Our current view is that the project is to continue indefinitely, on a constant progress and reevaluation. While curricular change showed itself to be a slow process, we feel that we have continued in the direction we had originally planned and adapted to what we are learning over time.

The Rutgers faculty continues to be committed to change. The influence of this program pervades not only our newly acquired Newark undergraduate programs, but also exerted major influence in the new MBA curriculum that was approved by the faculty and that came into effect in the Fall of 1997.

### Type, Size and Mission of Accounting Program and Characteristics Before Grant

In 1957 the College of Business Administration on the Newark campus of Rutgers The State University of New Jersey graduated the first students in a new and innovative MBA program. This program accepted only non-business undergraduates who had taken no more than 9 semester hours of accounting in their undergraduate program. In the Professional Accounting MBA (PAMBA) program students received 27 semester hours of accounting and 36 hours of related business courses. Since that historic first class, over 1800 students have graduated from the program. At the school's last information survey conducted in 1986, 40% of the total graduates were employed in public accounting. Approximately 40% of the graduates were primarily in accounting or finance related positions and many had become chief financial officers and chief executive officers. The remaining graduates were employed in a wide variety of other occupations.

At the start of the change program, in terms of total hours and the split between accounting and business courses, the program resembled very closely the early curricula developed in the 1950s. Over the years the faculty has constantly updated the material in all of its courses to keep in step with new developments, teaching methods, and the microcomputer.

### Objectives of AECC Grant

With the advent of the Accounting Education Change Commission, and the fundamental changes occurring in business, the School of Management decided that a very long and hard look needed to

be taken at the content of the professional accounting curriculum, and that better articulation of the various subjects needed to be achieved. In addition to the basic cognitive knowledge that needs to be taught in the program, it was felt that students must be conditioned into certain skills of a noncognitive nature never before part of an accredited college curriculum.

The GRAECE (Graduate Rutgers Accounting Education Change) project focused on the post-graduate market for accounting education. Post-graduate degrees in accounting are typically of two types: Masters in Accountancy and Masters of Business Administration (MBA). The first is typically an accounting specialization to supplement a baccalaureate degree in accounting, while the second entails an MBA degree with an accounting emphasis. This project focused on change within an MBA program with an emphasis in accounting.

The primary objective was to change the attitudes, skills, and methods of thought (unfreeze, change, and **refreeze**<sup>1</sup> of accounting students, accounting faculty, and accounting curricula). Throughout this project a methodology and plan has been implemented to achieve a series of specific objectives, including (1) lifelong learning, (2) integrated learning, (3) broad non-accounting background, (4) technological preparedness, (5) basic grounding in the methodology of learning, (6) Identification of and instruction in a basic set of competencies on which to build a foundation for lifelong learning, (7) internationalization of thinking, (8) construction of a basic set of skills, (9) development of a basic set of attitudes, and (10) preparedness for a vastly different teaching technology environment.

Figure 1 shows a comparison of the PAMBA program from 1969 to 1989 and the 1996 curriculum. Despite a series of changes, the program's structure is still similar. However, the introduction of the "defreezing and refreezing" periods, as well as the extensive content changes and the emphasis on attitudes and skills, made the actual experience of the 1996 program very different from the earlier years. Considering the approvals necessary, and the experimental nature of our work, we decided to postpone dramatic course changes and focus on an incremental change process.

Figure 1  
PROFESSIONAL ACCOUNTING MBA PROGRAM  
CURRICULUM COMPARISON 1969-1989-1996

	1969		1989		1996
	<b><u>First Term</u></b>				
					<b>Defreezing Period</b>
3	Accounting Problems & Policy I	3	Accounting Problems & Policy I	3	Accounting Problems & Policy I
3	Aggregate Economics	3	Organizational Behavior	3	Organizational Behavior
3	Quantitative Analysis I	3	Marketing Management	3	Statistical Models I
3	Quantitative Analysis II	3	Financial Management	3	Financial Management
3	Marketing	3	Managerial Economics	3	Managerial Economics
	<b><u>Second Term</u></b>				
3	Business Law I	2	International Business	3	Financial Management II
3	Accounting Problems/Policy II	3	Deterministic Optimization	3	Deterministic Optimization
3	Auditing	3	Accounting Problems/Policy II	3	Accounting Problems/Policy II
3	Tax Aspects of Business	3	Tax Aspects of Business	3	Tax Aspects of Business
3	Cost Accounting	3	Management Info. Sys.	3	Systems/Auditing

3	Quantitative Analysis	3	Business Law I	3	Business Law I Cost Accounting
	<b><u>Third Term</u></b>				
3	Accounting	3	Business Law II	3	Business Law II
	Problems/Policy III				
3	Advanced Cost	4	Operations Management	2	Operations Management
3	Business Law II	3	Accounting Problems/Policy III	3	Accounting Problems/Policy III
3	Accounting Research	3	Auditing	3	Auditing
3	Finance I	3	Taxation of Business Entities	3	Taxation of Business Entities
	<b><u>Fourth Term</u></b>				
3	Accounting Problems/Policy IV	3	Accounting Problems/Policy IV	3	Marketing Management
3	Industrial Management	3	Cost Accounting	3	Advanced Financial Management
3	Marketing Cases	3	Advanced Financial Management	9	<b>The FLEX refreezing program</b>
3	ELECTIVE	3	Aggregate Economics		
3	Finance II	3	Business Policy		

We invested great effort in revamping the principles of Rutgers' MBA program, changing the core requirements (reducing overall and introducing integrated core experiences), introducing the concept of tetrads (one unit courses), expanding the potential course offerings and increasing the opportunity for free electives. After intensive study and negotiation, we have a skeleton that allows all of our PA changes to become official under the MBA revamp umbrella. Consequently, additional faculty approval is not necessary, and we are proceeding to include in the school catalogs much of the change content.

As usual, the PA program will lead the School of Management in educational change, and as usual we are going to be the first to face many additional difficulties and have to fine-tune our intended changes.

## Specifics of the Change Process

A major program of change must aim at endowing an accountant with a certain set of attitudes and skills. Furthermore, to satisfy entry and progress requirements technical knowledge must be acquired. Students acquire these in educational settings by attending a formalized educational program that uses a certain set of teaching methodologies.

### Attitudes

Essential attitudes to develop among students of accounting are:

*Service:* An attitude of service must be instilled in the student/professional. The nature of professional accounting work, whether public or private, requires a service orientation. The

Rutgers Professional Accounting MBA advisory board found this quality to be lacking in accounting students.

*Positive View of Business:* Rutgers' PAMBA program brings in a majority of non-business school undergraduates. Part of the program's attitude change effort must concentrate on projecting a positive image of business and the people in business.

*Ethics:* Ethical issues and instilling a high sense of business ethics in accounting students became the issue of the eighties and will continue to be an issue into the next century.

*Quality:* Most major organizations now have quality programs in every area of activity. However, quality has not yet been recognized as an issue in accounting education. It is essential that quality be considered in the actual process of accounting education as well as an attitudinal issue in the preparation of entrants into the profession.

*Lifelong Learning:* An attitude of lifelong learning should result from the formal educational process. It is clear that a different set of skills and talents is required to be successful at different levels of a professional accounting career. Instructional programs can benefit by identifying a common starting core and designating further learning for different stages in personal development.

While our assessment analysis does not clearly show great changes in attitudes over the program period, we deliberately worked on these attitudes through discussion with the students in a large number of course situations as well as introducing many of these issues during the defreezing period.

## Skills

The GRAECE deals with skills issues throughout all learning experiences in the PAMBA program, including the course work (cases and class presentations), the professional components (interviews, internship work) and the life on campus (toastmasters, business clubs, ethics lectures, student government). These skill issues include:

*Integrative Ability:* A good thinker must possess the following qualities: motivation to use thinking skills, a knowledge base, the ability to formulate and represent different points of view, and the ability to combine thought processes into workable strategies for problem solving (integrative ability). Integrative ability is of the highest order. Business problems and the detection of accounting discrepancies require the accountant, whether in public or private industry, to integrate issues from a wide variety of fields in many of which he/she has no specific competence.

*Verbal Communication:* A major criticism of accounting graduates is their poor communication skills. In the verbal communication area, students must be able to verbally express ideas and abstract concepts as well as explain in words numerical issues in accounting. Furthermore, the ability to make effective presentations to large or small audiences is also part of this skill and of great importance in the modern corporate world.

*Writing Ability:* In performing their managerial duties, accountants are required to write extensively. Both short management memos and in-depth analyses and news pieces are required. Also, in their letters to management, proposals to prospective clients, and briefs for legislative and judicial bodies, accountants must prepare clean, organized business communication of a specific accounting nature. Also, evidence shows that writing helps to develop needed higher order skills.

*Ability to Work in Groups:* Most audit field work is performed in teams with various aspects of the work distributed among the members of the audit team. Most audit review work is done hierarchically and decisions are made as "group decisions." Thus, group projects and group-based management simulations are important in accounting education.

The enhanced communication skills of our students was one of the most observable positive results of the change effort.

In the Communications course, students were required to choose specific companies and prepare memos to top management throughout the defreezing period and first term. Oral presentations started there and went throughout the entire program, including many of the classes and the Flex program. Training and briefing students for the internship interviews and, later, job interviews, showed the effectiveness of this work as well as served as an additional motivational and training tool of great value.

In the Behavior and Policy course, faculty worked extensively with the students' personal skills, used a long-term corporate simulation computer game, and brought them into the FLEX program. These efforts had a strong focus on the accounting profession and on situations that students would likely encounter in their future professional life. The behavioral sciences course devoted substantial effort to the discussion of attitudes and the reinforcement of positive trends.

In the students' views, the longitudinal exposure of the students to the behavioral and policy faculty made this non-accounting section one of the most positive factors of the change program.

### **Technical Background**

Technical background skills entail a set of building tools on which the program will construct a wider set of technical and knowledge skills. This basic division allows for the allocation of learning throughout the program.

The initial period of the curriculum envisages an intensive unfreezing effect where, through cases and business discussions, issues will be raised on a wide variety of attitudes and skills. In this intensive period, students will be forced to question prior values and attitudes without an attempt to bring them to stability.

Through intensive instruction and drilling of the basics, efforts are made to ensure that all students have the basic building tools. The more advanced set of technical and knowledge skills are instilled throughout the entire program in most of its modules.

*Computer Skills:* The student/professional must be able to use a computer as a day-to-day tool. Under current technology, the student must be able to use word processing, spreadsheets, database packages, and must be able to access other computers through telecommunication.

*Research Skills:* Historically, a greatly neglected skill in our instructional process relates to the ability to perform research of a professional nature. These skills include literature surveys, accessing computerized databases, designing surveys and questionnaires, and analyzing these results.

*International Skills:* The internationalization of American business, as well as the strong interconnection of the U.S. economy with world-wide factors, requires that we prepare much more of an internationalist as an accountant. Skills of a general nature include the command of foreign language(s), awareness of geography, and awareness of cultural and religious differences. Specific to the accounting domain are the awareness of differences in accounting standards and the difficulties in measurement across nations.

*Statistical and Mathematical Skills:* Both statistics and mathematics (through calculus) are important in the development of accountants. Statistics, especially sampling theory and methodology, is necessary for Operations Management, Auditing, and Cost Accounting. Regression analysis is used in Cost Accounting, Marketing, Economics, and Finance. Mathematical models are used extensively in Finance, Operations Management, Economics, and Marketing. It is important that students possess basic skills in order to be able to learn the more advanced concepts in the instructional modules.

We worked extensively on the students' computer skills. At the inception of the program they were

introduced to the needed tools such as basic operating systems, word processing, spreadsheets, databases, and the Internet and the World Wide Web. Throughout the program, they used PCs extensively in accounting subjects, systems, finance, etc. They also used computer games in behavioral science and finance. In our view, our students are very computer literate compared with our generic population, and we are continuing to educate the faculty so that they are able to educate the students, and integrate computer usage into their courses.

The Rutgers Accounting Web (RAW) has become the most visited accounting site on the Web, hosting major organizations such as the AAA, IMA, FASB, AGA, FEI and IIA. Several of the students participated in these efforts and most students, at the end of the last class, were Web literate and able to construct home pages and surf the Web in conducting accounting research. The RAW is part of the International Accounting Network that mirrors its content at several countries around the world and adds international content to its scope.

The work on the math and statistics requirements pervaded the last five years. We feel that the massive infusion of these materials in the defreezing period resolved a very serious problem that we previously had. While we continue to receive students with inadequate preparation, we now do not have a problem of cataclysmic proportions on our hands. Our students rapidly become competent enough in these areas to do well in courses requiring some quantitative skills. Our deep concern with this matter prompted changes in the procedures and rules of the entire Rutgers MBA program that are more realistic and well-balanced.

We did not succeed in motivating our faculty to use international cases and to focus on transnational issues.

In the area of internationalization of our students, our results are modest. Moving the international business course to the last term provided a more mature student who was better able to understand the complexity of international issues. Many of our students (over 1/3 of the current class) are international, but our American students are mainly from New Jersey and have a very American focus. We are currently working on some of these issues with the help of our International Business area, and are trying to procure international Flex projects and international placement for our students.

### **Educational Program**

Traditional course constructs in the PAMBA offer a large set of advantages in the reformulation of an accounting program. Issues such as faculty load, coordination, teaching days, skill set and preparation have been resolved over the years and have a momentum of their own. On the other hand, they also presented a set of difficulties and rigidities, particularly in relation to the traditional way of doing things and a long-term over-reliance on established textbooks and their coverage.

The GRAECE relied substantially on a modularization effort of the learning objectives and on the utilization of non-accounting courses to cover some essential accounting items that were also offered in other courses. Careful examination of the current curriculum (1996) and of a normatively desirable program of study indicated that:

*Efficiencies Within Accounting Curriculum:* It is possible to eliminate approximately 20% of the current accounting course coverage simply by eliminating duplication in these courses. We did not manage to go this far. We have eliminated between 5 to 10% of the coverage that was redundant.

*Efficiencies Within MBA Curriculum:* It is possible to move a series of accounting topics and issues to the basic MBA courses by using accounting examples to cover these topics. Since GRAECE entails the redesign of non-accounting, basic MBA courses that are given exclusively to accounting students, coverage savings of an additional 10% is expected. We may have actually achieved a reduction of about 3-5% of these redundancies. Due to the efforts of our faculty colleagues, many of the illustrations in the quantitative sciences were of an accounting nature.

Savings here are not measurable. It seems that some topics are elastic and if efficiencies are found, instructors tend to add new "essential" materials.

*Efficiencies Resulting from Change in Emphasis:* As the essential basic coverage is redesigned with an emphasis on lifelong learning and self-instruction, and a deemphasis on professional exam coverage as well as statute coverage, a smaller set of accounting topics will be needed. This also will allow an estimated 15% reduction in coverage.

These previously mentioned efficiencies were used to satisfy the needs of the new curriculum. The new focus allowed for the refreshing of the course content, the introduction of several computer games and simulations, and for the defreezing period. In the defreezing period, we incorporated an increasing emphasis on the accounting cycle and much discussion about the environment and the new accounting profession. We also managed to free some space for the increased emphasis on integration and, in particular, our very successful FLEX program. ([See Appendix 1](#))

### **The Educational Program 1996 Defreezing Period**

The defreezing period started with a two week "boot camp," with heavy time pressures and by this year, the 1997 class had four weeks of defreezing. The program is tailored to the students, and their quantitative instruction is the first emphasis. Computers, math and statistics are taught at the pace needed by each specific student and tutoring is available and used often. In the accounting cycle instruction we experimented, with great success, with the Sorter (events accounting) approach. Prof. Hillel Maximon adapted the approach to the PA students with great success, being elected as the best instructor by the 1996 class. While the boot camp nature of the first four weeks caused some problems, and is very hard on the faculty, several of whom volunteer for no compensation for the effort, we are firmly committed to its continuation. We feel that the building of team spirit and the defreezing of prior conceptions, as well as the pedagogic value of the materials, are of great value and make our program unique.

### **Modules and Decision Oriented Focus**

While we still believe in this set of ideas, we found it nearly impossible to implement this in a pure form. Consequently, we attempted to integrate and modularize courses. The Systems/Audit course sequence has been very successful. The faculty taught it in an integrated manner and sometimes even modularized it with other subject matter.

The Management Accounting / Managerial Economics sequence was, in our opinion, a great idea, and of great value to the students. The students however, felt it to be a bit demanding and a bit out of the domain of "real" accounting. The faculty did develop a valuable sequence of modules that we intend to continue to offer.

We continue working on the Finance/Financial Accounting sequence. While we are very happy with the evolution of our Accounting Problems & Policy (I, II & III) sequence, the constant turnover of finance faculty made it very difficult to create major change. The Accounting Problems & Policy curriculum is now being integrated with Finance I & II.

### **The FLEX Refreezing Program**

The Flex program was introduced two years ago and serves as the final refreezing experience where across subject integration and real-life consulting experience go hand-in-hand. [Appendix 1](#) describes the main features of this program. The New Jersey chapter of the Financial Executives Institute and several national firms have cooperated with us on a major effort. Their ratings of the experiences are very high and it has been evaluated as a very useful effort from everyone's standpoint.

Flex encompasses the AP&P IV course and the Policy course providing a real life consultancy effort for the students, bringing together the many diverse experiences and education from the PA program. It is different from the student internship in that it is mainly a cross-disciplinary experience in which students work in groups supervised by the faculty.

### **Teaching Methodology**

The project objectives include the usage of a variety of teaching methodologies, including traditional teaching methods, experiential exercises, cases (integrative along different disciplines, illustrative of

accounting issues and as a medium of transmitting real accounting/management experience), computer-based exercises and a wide range of other experimental pedagogical methods. These teaching methodologies have been used over the last five years and require not only great investment by the faculty, but also constant replenishment of their knowledge and teaching materials. Many of these materials and experiences can be found at the Rutgers Accounting Web (<http://www.rutgers.edu/accounting>).

## A Modular Approach to Accounting Education

### Unfreezing, Moving (Change) and Refreezing

The first stage of the process has to involve the unfreezing of attitudes in relation to former training and values. Students must be made to question the adequacy of their prior attitudes dealing with accounting issues and the other areas of attitudes discussed earlier in this paper. This is accomplished by two coordinated methods:

- a. an intensive socialization and introduction period of four weeks at the start of the program; and
- b. a series of cases and experiential exercises tailored to key attitudes in question.

A set of modified SEC enforcement cases is one of the tools used to raise difficult ethics questions where no course of action seems to be optimal.

The second stage of the process, lasting throughout most of the program, involves the moving of attitudes and the building of skills towards the desired direction. This stage encompasses the modular instruction process and the other peripheral activities.

The third stage of the process, during the last three months of the program, is the refreezing of attitudes, where the students are eased into the profession by a major increase of intensity of contacts with the profession and a large set of integrative activities. The **FLEX** program is the major device for this purpose.

### The Case for Articulation in the PAMBA Curriculum

In every professional accounting curriculum, whether undergraduate or graduate, there never seems to be enough time to cover "necessary" material. Also, in these same curricula, very little is done to articulate material among the various courses. It is not possible at this time to exhaust the possibilities of articulation, but it is possible to cite a few examples. The full extent of meaningful articulation can only be carried out by means of a complete curriculum review and lengthy experimentation. The key focus is on accounting as an information function, with critical management decisions serving as the focal point of clustering CPs into modules.

## Summary of AECC Assessment Efforts 1992-1996

### Introduction

The February 1, 1990, GRAECE proposal submitted to the AECC called for an assessment of the desired outcomes of the Rutgers change project. This section reviews the GRAECE assessment efforts from their inception in July of 1992 to date. The ensuing sub-section briefly reviews the research design and the rationale for it. The following subsection provides a synopsis of the data collection effort. The ensuing subsection reviews what we know so far about the outcomes while the final subsection describes what we yet need to understand.

### Research Design

A longitudinal, pre- and post treatment, study of the progress of the professional accounting students through the accounting curriculum was used in order to control for personal characteristics that might affect student receptivity to the change curriculum.

- Questionnaires were administered to PAMBA students when they entered and left the program.

- The multi-year collection of data on successive groups of PAMBA students allows us to compare the effects of the Change implementation on student attitudes and skills from one year to the next, as that implementation unfolded from the Summer of 1992 to the Summer of 1996. Doing this may give us some limited insight into the relationship between specific identifiable changes and student reactions to those changes. While the multi-year examination of PAMBA students by itself allows us to understand "treatment level" effects, a general MBA student panel also was used as a control group.
- Given that purpose of the GRAECE changes was to enhance the students' capabilities, and therefore careers as professionals, we also collected data on the PAMBA students' post-graduation satisfaction with their careers and their retrospective satisfaction with the program.

### **Data Collection Effort Synopsis**

As noted, a longitudinal, pre-post study design was adopted to control for the influence of personal characteristics on student response to the changes. The fact that the students who entered the PAMBA at the same time tended to finish the program at the same time made this design feasible, as did the willingness of PAMBA faculty to surrender class time for the assessment effort.

Entry and exit data was collected on the Change group classes that entered the program in the Summers of 1992, 1993, 1994, and 1995. We are able, therefore, to generate a comparison of profile gain scores between the students in the successive classes. We also collected exit data from the last pre-AECC PAMBA class that graduated in August, 1992.

Comparison data was also collected, using the same pre- and post-test, intraperson design on a population of General MBA students. Questionnaires were administered in class at the start of the students' careers within the Graduate School of Management.

Since general MBA (non PA) students do not proceed through their program in lockstep, and tend to interrupt their stays in the program due to part-time or full-time employment considerations, and follow very different specialization paths in their last semesters, we implemented the exit questionnaire by contacting the students repeatedly by mail and phone.

Twenty-seven of seventy-two individuals who responded to the initial in-class questionnaire in the Fall of 1992 and 1993 responded to the exit questionnaire, providing us with a response rate of 39%. We obtained information about the typical speed with which general MBA students progress through the curriculum. Based on the estimate that individuals typically take up to two years to leave the general MBA program after entry, exit questionnaires were mailed to students who took the Fall 1992 entrance questionnaire during the Spring of 1994. Students who completed the Fall 1993 entrance questionnaire received their exit questionnaires in the Spring of 1995. (Only entry data exists for students who entered the GSM in the Fall of 1994).

Consistent with the GRAECE proposal, repeated attempts also were made to contact PAMBA graduates at intervals of one and two years after their graduation from the PAMBA program. These contacts were made by repeated phone calls and letters. We sought to gain thereby some sense of their satisfaction with (a) their careers, (b) the profession, and also (c) their retrospective satisfaction with the Professional Accounting Program. Information on their professional development activities and views of the ethics of the profession were also sought. One year post graduation follow-up data was collected on (responding) PAMBA students who graduated in the Summers of 1992, 1993, and 1994. Two year follow up data on program graduates was collected on (responding) PAMBA students who graduated in the Summers of 1992 and 1993.

### **What We Know**

A very preliminary analysis of the currently computerized data reveals that the program *significantly and positively* influenced the acquisition of a broad variety of technical skills. Values, however, were much less likely to show significant change in either a positive or negative direction.

The various data sets collected as part of the assessment efforts are currently being put into machine readable form. PAMBA student responses to the ethics case, for example, failed to improve

significantly.

Over the five years that exit data has been collected from professional accounting students, the average overall satisfaction level with the program rose somewhat steadily. The last non-AECC change group's overall satisfaction with the program averaged 3.83 (n=18, S.D.=1.54). The group of professional accounting program students that entered the school in the Summer of 1995, reported an average satisfaction level of 5.56 (n=25, S.D.=1.00).

### **What We Need to Know**

What we need to have is a detailed look at the pattern of changes in the levels of different values assumed by the variables over the course of the assessment project. This information, while interesting in itself, should be correlated with specific activities of the program in order to better understand what activities (e.g., student seminars, bringing in of outside speakers) may have had an effect versus those that did not seem to affect the educational outcomes experienced by the students.

Also important would be an analysis of any changes in the characteristics of the students attracted to the programs; employer perceptions of changes in the quality of program graduates; information on the first and second time pass rates on the CPA exam, and how these pass rates have changed over time. All of these variables would shed additional light on the quality of the program. Also at this point, to the extent that these processes are not normally carried out in the course of regular interchanges between faculty and students, there should be a series of focus groups led by neutral moderators to discuss the characteristics of the professional accounting program and how well the students believe that it tries to meet its proclaimed goal of fostering the values proclaimed as important in the 2/1/90 GRAECE proposal. Such focus groups would importantly assist in the interpretation of the quantitative data collected during the last five years.

## **Conclusions and Follow-Up Considerations**

In conformity with its history of innovation in graduate accounting education, the Graduate School of Management is performing a revolutionary change in approach to accounting education. This proposal focuses on the graduate education MBA market and benefits from two key facts: (1) its students by-and-large come from a variety of non-accounting backgrounds leading to a much more eclectic product, and (2) all non-accounting courses are taught exclusively for the PAMBA program allowing for great control and change in its content.

The program attempts to unfreeze students' attitudes and skills, modify them according to a model of wide professionalization and refreeze them within a context in consonance with the needs of the future accounting profession.

The program encompasses a four-week intensive period where fundamentals are reviewed in a student-tailored mode and basic questions on the environment are raised. Students then go through a series of decision-oriented modules covering material from the stewardship function to the function of modern computerized information systems. Throughout this stage integration and methodology are explored in independent tracks while contextual and technical knowledge is administered. The final phase of the program encompasses a series of integrative experiences and the closing of a series of issues raised in the first part of the program.

The defreezing and refreezing efforts have been implemented as planned. The modularization of the curriculum has lagged and was implemented in a less dramatic format to avoid breakdowns in the process or major student/faculty turmoil. The realities of the system inertia made us more cautious, but with the new curriculum revision we expect to reach closer to the modularization of the curriculum.

The computerization of par tour our learning/teaching effort has ramped up to the extent that a substantial part of the curriculum uses forms of data processing support. The change project gave rise to the very successful Rutgers Accounting Web effort that also benefits Rutgers students, faculty and image. We continue committed to change and feel that is time to transmit some of our learning to the accounting academic community. We expect our program of change to continue.

## Materials Available to Others and How to Get Them

In addition to the internet availability of materials, interested readers may send requests for information to the Accounting & Information Systems Area, Faculty of Management, Rutgers University-Newark, Newark, NJ 07102-1895.

### Appendix 1 Flex Program Description

# RUTGERS

THE STATE UNIVERSITY OF NEW JERSEY  
FACULTY OF MANAGEMENT

*RUTGERS-FEI  
PROFESSIONAL ACCOUNTING  
FIELD LEARNING  
EXPERIENCE PROGRAM  
(FLEX)*

## Overview

The Rutgers Professional Accounting Program and the New Jersey chapter of the Financial Executives Institute (FEI) are cosponsoring a consultancy program that will provide our students with hands-on experience solving accounting-related problems in organizational contexts.

## Goal of the Program

The goal of this program is to improve our students' ability to understand and respond to the information needs of decision makers in complex business environments.

## Scope of the Program

Each participating company will provide a student group with an assignment to investigate a significant accounting-related issue that has potential strategic implications. This issue should provide students with an opportunity to wrestle with important questions, but should not expose the students to strategically sensitive information. The groups' deliverables will account for 40% of their grade in the Business Policy course and 60% of their grade in the Accounting IV course.

## Procedures

1. Approximately half way through the spring semester, student groups will be formed and assigned by the faculty supervisors to the participating companies.
2. The supervising faculty members (Professors Cameron Ford and Dan Palmon) will jointly review the expectations and requirements associated with the project. The groups will be held accountable for a substantial amount of work *before the beginning of the summer semester*. This advance work is necessary to ensure the quality of the projects and to give groups

enough time to finish before the end of the summer.

3. During the remainder of the spring semester, the groups will collect the industry, company, and competitor information necessary to complete an effective profile of their respective companies' current circumstances. The specific form of this report, and the information resources necessary to complete the analysis, are described later.
4. Each group will appoint a representative whose role will be to serve as the primary contact person with their respective company. Participating companies must also appoint a representative who will facilitate their group's efforts to acquire internal information, schedule interviews, etc.
5. Each group will submit a detailed outline of their company profile, including copies of all supporting research materials, by **Friday, April 15th**.
6. Each group's representative will schedule an introductory meeting, to take place no later than **April 29th**. Students may provide their company representative with the phone number (201-648-5511) of Cheryl Wagner, the Professional Accounting Program's Secretary, if they have no other means of receiving phone messages. This meeting must include their company's representative and their faculty advisor. The purpose of this meeting is to identify a viable issue to investigate, and to establish expectations regarding project scope, access to decision makers and documentation, deliverables, etc. If conflicts arise that prevent scheduling a meeting by this deadline, please contact Cameron Ford to make alternative arrangements.
7. Each group will deliver a one-page draft of their project proposal to their company representative and faculty advisor no later than May 6th. The final draft of the proposal, taking comments from the faculty advisor and company representative into account, must be signed by all three parties and returned to Cameron Ford no later than **May 13th**.
8. When students return for summer semester, they will immediately begin making site visits in an effort to gather additional information directly related to their project. The company representative will help schedule meetings and provide access to relevant documents.
9. Once the projects begin to take shape, each group will submit two progress reports to their faculty advisor, the first on **June 17th**, and the second on **July 15th**.
10. Groups will present their findings on the Newark campus during a two-hour presentation at the end of the semester. A concise executive summary with supporting documentation and analysis will be distributed to the class one week before the presentation. Each group's company representative and faculty advisor are expected to attend the presentation. In addition, the groups will present their findings at the company's site if requested by the company representative.

## Participant Responsibilities

### Students

- Submit a detailed outline of their company profile, including copies of all supporting research materials, to the supervising professors by **Friday, April 15th**.
- Schedule, organize, and run the introductory meeting by April 29th.
- Submit draft of project agreement by **May 6th**, and a final, signed copy by **May 13th**.
- Submit two progress reports to the faculty advisor, the first on June 17th, and the second on **July 11th**.
- Fulfill project requirements by submitting a written and oral presentation.
- Act and dress professionally when meeting with company representatives.

### Companies

- Assign a company representative who is responsible for being the group's sponsor within the

company.

- Commit to project agreement presented by the student group.
- Identify people who can provide useful information to the student groups, and help students to gain access to those individuals.
- Provide access to relevant, non-sensitive financial and accounting information and reports.
- Attend introductory meeting and group presentation.

### **Faculty Advisor**

- Attend introductory meeting and group presentation.
- Provide frequent access to student groups in need of advise regarding both the process and content of their projects.

## **Suggested Company Analysis Report Format**

This assignment is modeled after the types of reports that major accounting and consulting firms produce for their clients and for internal research purposes. All of the major methodologies utilized in strategic analysis are required to effectively complete this project. Students will also need to utilize most of the major business information sources available for public companies.

### **Major Sections**

#### 1. Industry profile including:

- Provide an overview that identifies and briefly describes your company's industry
- Identify the key players in the industry
- Assess the international competitiveness of the industry
- Conclude with an industry outlook that identifies trends, challenges, and opportunities

#### 2. Company profile including:

- Name of company and affiliated businesses
- Current SIC codes in which the company operates
- The company's products
- A brief history of the company's development
- Financial and market highlights:
  - Capitalization information
  - Sales by product, sales by region, etc.
  - Market highlights for each product including share, growth, and competitors' position
- A brief analysis of each competitor (i.e., name, SIC codes, financial and market highlights)

#### 3. Problem analysis and recommendations:

- Problem statement
- Situation overview
- Goals and criteria to be met
- Recommendation including a description of the solution, an action plan and implementation concerns

#### 4. Appendices:

- Source material references

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<sup>1</sup>Schein (1961).