

The Accounting Education Change Commission: Its History and Impact

Preface

What causes change? Evolutionary changes continuously affect nearly all aspects of life. But periodically, something causes a sudden change, a break in the natural evolution, maybe even a revolution. The 1990s are proving to be such a time in accounting education. This monograph examines the role of the Accounting Education Change Commission (AECC) in this revolution.

The 20 years before the appointment of the AECC were rife with suggestions for changes in accounting education, but these suggestions led to only limited actions. According to Needles and Powers (1990) there were at least 17 models for revisions in accounting education developed between 1967 and 1987, but none of them had a widespread impact.

The most significant of the 17 models for the AECC was the report of the American Accounting Association (AAA) Committee on the Future Structure, Content, and Scope of Accounting Education (the Bedford Committee), appointed in 1984 by AAA President Doyle Williams. The Committee issued its report (AAA 1986) more than three years before the appointment of the AECC. Four committees dealing with implementation issues followed the Bedford Committee report.

AAA President Ray Sommerfeld appointed three of the committees. The Massoud Committee (1986–87) was charged with learning the extent of agreement with the Bedford Committee report. The Smith Committee (1986–87) was to document "the most significant changes in accounting education that have occurred during the past 25 years so that we might better anticipate the near-term difficulties inherent in implementing the [Bedford Committee report]." A parallel committee, chaired by Joe Schultz (1986–87), looked at "how the professorial environment of the accounting professor has changed during the past 25 years so that we might better anticipate the significance of these factors on the near-term implementation issues inherent in the [Bedford Committee report]."

The following year, AAA President Bill Beaver appointed another committee chaired by Joe Schultz (1987–88) to "revisit the [Bedford Committee] report; combine the findings and recommendations of the three committees established by Sommerfeld; and make recommendations regarding implementation."

An AAA publication, *Reorienting Accounting Education: Report on the Environment, Professorate, and Curriculum of Accounting* (Schultz 1989), included all four committee reports. Despite the significant efforts of these committees, implementation was proceeding slowly. But the pieces were in place. The stage was set. All that was needed was a catalyst.

The Accounting Education Change Commission was appointed in August 1989, and it became the needed catalyst. The appointment of the AECC and the subsequent changes both could have been the result of the same inexorable forces. It may have just taken this long for the recommendations of the Bedford Committee and its follow-up committees to begin to have an influence. If so, the changes in accounting education might have occurred even in the absence of the AECC. Alternatively, the AECC may have been one of the major driving forces behind the changes; without the AECC, we might not be experiencing the curricular changes currently being implemented by nearly every accounting program.

Reality is probably between these two extremes. The AECC has been influential, but it is by no means the only force behind change. Change would have probably happened without the AECC, but it is likely that it would have come more slowly and would have been applied less broadly in the early years.

The purpose of this monograph is to review the seven-year life of the AECC. In the process, I will point out what I consider the successes and failures of the Commission. I will not attempt an empirical evaluation of the impact of the AECC; it is too early to measure whether today's and tomorrow's accounting graduates are better prepared to succeed in professional accounting than

were their predecessors. However, I will try to establish the link between changes in accounting programs and the efforts of the Commission. My main theme will be that economic forces made most of the changes in accounting education inevitable. Still, the AECC played two major roles in the process of change. First, it stimulated widespread discussions of changes before they would have naturally arisen. Second, it provided models of change—some more successful than others—that could act as prototypes for other accounting programs wishing to change but not having the resources to develop entirely new approaches. In other words, the AECC was an effective catalyst for change, but only because most of the elements of change were in place when it was formed. Change would have happened without the Commission, but it would not have happened as quickly or as broadly.

When I was Executive Director of the Commission, I was often asked how we would judge whether the Commission was successful. The Commission itself had a task force charged with developing measures of the Commission's success. However, I think there is one overriding measure of success: *that another similar commission is not needed*. The Commission was created for a limited life, initially five years but later extended to seven. In an environment dedicated to continuous improvement, an AECC would not be necessary. It was needed in 1989 because the principles of continuous improvement were not being followed by many in the accounting academy. Those who created the Commission did not foresee a continuing need for it once the inertia was broken. Only if accounting programs retreated again to the complacency of the 1980s, abandoning the process of continuous improvement put in motion by the Commission and other forces of the 1990s, would such intervention in the process be necessary. In other words, the AECC was not charged simply with helping create a one-time change in accounting education. It was charged with instilling in the accounting academy a process of change, one that monitors the capabilities needed by graduates and continually changes (improves) the educational process to achieve those capabilities.

This will not be an objective history of the AECC. I am not a historian, and I have been too close to the Commission to pretend to have an objective view. I believe the AECC had a significant influence on changes in accounting education, primarily in accelerating the change and providing a consistent direction for the changes, but it was not equally successful in all its endeavors. I will try to assess the relative success of various initiatives and examine why each succeeded to the extent it did. I will also examine the internal functioning of the Commission, especially trying to identify the factors that led to whatever success the Commission accomplished.

The AECC has not been without its critics. In fact, many early critics had a significant influence on the Commission. I know my views and actions as a Commission member were altered by several well-reasoned criticisms. On the other hand, some criticisms showed a lack of complete understanding of the environment in which the Commission was operating. I will try to be fair to all of these criticisms in this monograph, but I apologize ahead of time if my involvement on the Commission makes me too defensive with regard to some of them.

I am grateful to the many persons who have given me the opportunity to prepare this monograph and who have helped in its development. First is Gerhard Mueller, the second Chair of the AECC. Gerry had planned to write this monograph until his appointment to the FASB intervened. When he asked me to do it, I was pleased to accept the challenge. Second is Doyle Williams, the first Chair of the Commission. I learned a great deal from Doyle, and my debt to him will be obvious to those who read the monograph. Third is all of the Commission members. Without their dedication and countless hours devoted to the Commission, it would not have had a great enough impact to warrant this monograph. Finally, the American Accounting Association, especially Executive Directors Paul Gerhardt and Craig Polhemus, provided great support. The AAA Educational Advisory Committee oversaw this monograph's writing and publication. The Committee tried their best to keep me on schedule and to help keep the monograph on target. It provided four reviewers who supplied many helpful comments and corrections. Their efforts have greatly improved the monograph. However, I take ultimate responsibility for the contents, especially the shortcomings.