

## **IMPLEMENTATION OF RECOMMENDATIONS: EDUCATOR ISSUES**

(A written summary of comments presented at the NE Regional AAA Meeting in Portland, Maine, April 27, 2001)

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Good afternoon! My name is Suzanne Lowensohn from Barry University in Miami, Florida. Today I'll be addressing Implementation of Recommendations: Educator Issues, more lovingly referred to as "A View from the Trenches".

I became interested in this area 5 years ago, when I came to USM here in Portland as a fresh, new PhD. I learned that I'd be teaching Cost Accounting for the first time during the next year. Well aware of the first 2 IMA Siegel and Sorensen studies, I wanted to prepare my course appropriately so that all my students would be well-prepared for Corporate America. This is when I first became aware of what I'd call Issues Related to Implementing Study Recommendations:

- *Educator Bias and Familiarity with Topics* - From a personal perspective, I looked back to my 10 year old cost class and any current topics covered in my PhD program.
- *Limited Access to Practitioners* - At this point, I was 5 years from practice.
- *Changes to Pedagogy - Group/Teamwork and Discovery/Active Learning vs. Lecture* - I had been lectured to throughout my academic experience, but my new colleagues here at USM were introducing me to active learning. This is a very difficult leap from lecture to an atmosphere of active learning.
- *Determining the Appropriate Course Content* - While there has been some research in this area, we all like our academic freedom and there are no standards/
- *Available and Pertinent Educational Resources* - What would I use?? Horngren??

Well, my energetic mentor/colleague at USM, Phil Jagolinzer, our host this weekend, was also concerned with continuous improvement despite nearing retirement. So we decided to conduct a nationwide survey entitled "The Status of Upper-level Managerial Accounting Courses." We asked cost/managerial accounting professors at AACSB-accredited schools about the types of managerial accounting courses being offered (beyond the introductory course), their textbook/resource usage, pedagogical methods, and topical coverage. We received 305 responses from 172 institutions (53.9% of the schools surveyed). Respondents identified 34 different course titles, which fell into a cost/managerial dichotomy. Horngren, Foster, Datar was used in 42% of undergraduate cost/managerial courses (29% of all courses and course types - UG and

Grad). 60% of class time is spent on lecture, HW review and exams (68% UG, 43.5% GR). Group assignments and teamwork accounted for only 9% of class time; Case analysis averaged 16% (10% UG, 27.5% GR). Findings regarding topical coverage were consistent with S&S 1994 (i.e., preparation gap items), especially capital budgeting, working capital management, and asset management. These areas also relate to the 1995 and 1999 Practice Analyses' critical work activities - strategic planning and budgeting. Finally, we noted a great overlap in coverage between UG/Grad. courses, while limited coverage of many "important" topics.

As you can see, most responses reflected coverage of traditional topics with traditional textbooks using traditional methods. So, I was stuck making my own decisions about course content and delivery. Over the past 5 years, I have tried numerous books, readings, cases and ancillaries in my quest for the perfect mix of activities and materials. Some have met with resistance from the students who would prefer more calculations and less theory.

Since the survey is four years old, I also undertook a brief follow-up e-mail survey. This has a DIFFERENT POPULATION, but was instituted only to generally assess the current trend of managerial accounting courses. I asked IMA academic mentors about course title, textbooks and resources used to teach the courses, and whether they have made any changes to courses as a result of the 3 IMA/Siegel and Sorensen studies. In terms of course titles, most were traditional; although I noted quite a bit more "Strategic Cost Management." Horngren was still the most widely used, but there is greater use of ancillary items. 48% of respondents noted that they had made changes to their course curricula, while 16% noted that change was not necessary as they had already incorporated study findings, and 36% noted no change. My findings here are promising. Maybe it is time for another full-blown, nationwide survey.

Overall, going back to my issues overhead; I can report drastic improvements over the past five years in the area of resources available. If you are willing to implement the IMA and AICPA recommendations or make changes to the way you teach managerial accounting, you have numerous resources available. I have prepared a partial listing of some of the resources used by myself and some of the IMA academic mentor respondents that can help to get you started.

## **Readings**

Goldratt, Eliyahu. 1997 The Goal: A Process of Ongoing Improvement, 2nd revised edition, North River Press.

Johnson, H. Thomas. 1992. Relevance Regained, Simon & Schuster, ISBN 0-029-16555-5.

Reeve, James M. 2000. Readings and Issues in Cost Management. Second edition. South-Western College Publishing, ISBN 0-324-02298-0.

Young, S. Mark. 2001. Readings in Management Accounting, third edition, Prentice Hall, ISBN 0-13-021458-2.

## **Computer Applications**

Smith, Gaylord N. 2000. Excel Spreadsheet Applications Series for Cost Accounting. South-Western College Publishing, ISBN 0-324-01616-6.

Smith, Gaylord N. 2000. Excel Spreadsheet Applications Series for Managerial Accounting. South-Western College Publishing, ISBN 0-324-01624-7.

Mansuetti, Leland and Keith Weidkamp. 2000. Ramblewood Manufacturing, Inc., Irwin McGraw Hill , ISBN: 0-07-234815-1.

## **Case Materials**

AICPA Professor/Practitioner Cases - a descriptive case list and cases in pdf format are available at <http://www.aicpa.org/members/div/career/edu/caselist.htm#00>

Harvard Business School Cases - search at <http://www.hbsp.harvard.edu/>.

IMA Cases from Management Accounting Practice - A descriptive index of available cases can be found at

[http://www.imanet.org/Content/Interest\\_Groups/Academics/IMA\\_Case\\_Summaries.htm](http://www.imanet.org/Content/Interest_Groups/Academics/IMA_Case_Summaries.htm)

Rotch, Allen, and Brownlee. 1995. Cases in Management Accounting and Control Systems, Third Edition, Prentice-Hall, Inc.

Shank, John. 2001. Cases in Cost Management: A Strategic Emphasis, Second edition,

Southwestern College Publishing, ISBN: 0-324-06269-9.

### **Non-Traditional/Ancillary Items**

Adams, Steven. 2000. California Car Company: An Active Learning Costing Case Set, Southwestern College Publishing, ISBN 0-324-01633-6.

Doran, Martha. 1997. Activities in Management Accounting, Prentice Hall, ISBN 0-13-264458-4

Hannon, Neal. 2000. Managerial Accounting Activities Book, Southwestern College Publishing, ISBN: 0-324-02012-0

Hirsch, Maurice, Rob Anderson, and Susan L. Gabriel. 1999. Communication for Accountants: Strategies for Success, Irwin McGraw Hill, ISBN: 0-07-038390-1.

Jagolinzer, Philip. 2000. Cost Accounting: An Introduction to Cost Management Systems, Southwestern College Publishing, ISBN: 0-324-01582-8.

Modules from the series "Management Accounting: A Strategic Focus" edited by Shahid Ansari, Irwin McGraw Hill. Visit website at <http://www.mhhe.com/business/accounting/modules/>.

IMA's publication *Management Accounting Quarterly* - available at <http://www.mamag.com/>

IMA's publication *Strategic Finance* - available at <http://www.mamag.com/strategicfinance/>