

More than Just Fundamentals: Professionals in Principles

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INTRODUCTION

The challenge of every educator is to foster a learning environment that is engaging, meaningful, and relevant. As educators we should be ever mindful of who are students are and how to best connect with them to promote deep learning and retention of the subject matter being taught. The students we teach today, desire something other than the formality of the traditional classroom and delivery mode. They want a more interactive learning experience not just the old-fashioned lecture model. The Association to Advance Collegiate Schools of Business (AACSB) International, responsive to these changes in higher education has adopted new accreditation standards that focus on impact, innovation, and engagement. Employers have also recently indicated to universities that they want students with a full complement of soft skills in addition to technical skills. The new AACSB standards, as well as employer demands, were taken into consideration in the development of our experimental Fundamentals of Financial Accounting course. The focus in this experimental course was to deliver the course material by means of case studies and grade evaluation by means of formal presentations to Partners and Senior Managers from local accounting firms instead of just exams.



MILLENNIAL LEARNERS

Psychologists researching the millennial learner have found that effective teaching techniques embrace technology, foster a less formal learning environment, and relate the lessons to real life situations. In an article titled "Teaching the Millennials" in the publication *Association for Psychological Science*, St. John's University Psychology Professor Jeffrey S. Nevid, Ph.D., emphasized that successful teachers focus on the Four E's of Effective Learning: Engaging Interest, Encoding Important Information, Elaborating Meaning, and Evaluating Progress.

The first “E”, Engaging Interest, refers to the importance of grabbing and retaining the students’ attention. Professors should avoid long-winded lectures and keep things from becoming too predictable. The most effective educators act more like coaches than lecturers. The focus should be on guiding students through the course material.

The experimental course addressed this by eliminating an entire semester of traditional lectures. The first six weeks of the experimental course were taught in a modified lecture format, with a significant amount of group problem solving. The remainder of the course alternated days with between short lectures and problem solving, focusing on the most important topics, and workshop days, where students worked on their case study with faculty available for consultation.

The second “E”, Encoding Important Information, acknowledges that outlining the key points of a class is essential to learning. It allows students to focus on what is important and necessary. When key points are outlined, students are more likely to retain that essential information over time.

The summary lectures and focused problem solving from the second portion of the class showed students what were the most important takeaways from the course.

The third “E”, Elaborating Meaning, focuses on deeper thinking and true understanding. It promotes learning that lasts beyond the semester. It is important to understand why the material being taught is important to them. Students always want to know what the relevance is and how to apply these concepts in real-life. Students are more engaged and more encouraged to learn when they see a real-life application.

The case studies focused on relevant and thought-provoking issues drawn from real life situations. The relevance and importance of the case studies was constantly reinforced to the students during the semester. At the end of the semester, when professionals came in to observe and comment on the student presentations, the practicality of the cases was validated. The professionals were able to identify situations in their own careers that addressed the same issues as the case studies.

The fourth and final “E”, Evaluating Progress, recognizes the importance of feedback and evaluations. It is important for students to know how they are doing and whether they have mastered concepts. Group projects offer peer evaluation throughout the formation of the project and again at the end when they can be assessed and critiqued by their peers and professors.

The case study was evaluated at multiple points during the semester. There were multiple levels of faculty evaluation, including evaluation by faculty teaching other class sections of the course. There was significant peer evaluation, as all students filled out an evaluation form after each group presented. Finally, there was evaluation by high profile professionals from the accounting profession at the end of the semester.

The traditional lecture approach encourages students to memorize information just for the exam; our objective was to help our students understand and apply what they learned for the long term. Our goal was to promote a deeper learning of the material through the application of the material learned. Our approach was to prepare our students for the rigors of the next level of accounting courses and eventually professional practice.

AACSB STANDARDS

The new AACSB standards promote the concepts of innovation, impact, and engagement. These standards can be satisfied through various means. The goal in this experimental class was to address at least one aspect each of innovation, impact, and engagement.

Innovation

The preamble of the 2013 AACSB standards mentions a need for “quality education” and creativity in its description of innovation. There is an emphasis on the importance to experiment and to not concern oneself with negative outcomes, provided that the experiment was planned properly. This indicates that new teaching ideas are welcome and encouraged.

The experimental course was a new idea that had not been previously implemented. There were risks identified, such as sophomores being too inexperienced to complete a comprehensive case study and present it to high profile professionals. The policies and procedures of the course were designed with the risks in mind and the overall outcome was very positive. Therefore, the course very much addresses the AACSB's call for innovation.

Impact

“...[I]t is important that AACSB accreditation focus on appropriate high-quality inputs (human, financial, physical, etc.) and the outcomes of those inputs...” is, in part, how the AACSB standards, in the preamble section, describe impact. The standards also offer an appendix with suggested metrics for impact, including “case study development” and “direct input from organizations that hire graduates regarding graduates’ preparedness for jobs and the roles they play in advancing the organization.” It seems the desire in this area is to have significant contributions from students, as well as from professionals that work at organizations that hire graduates.

The course fully meets the AACSB's call for impact as it included high ranking professionals from the accounting profession that work at organizations that hire graduates. The professionals commented on and critiqued the students presentations, this providing the requisite "direct input" that the AACSB mentions. The skills--both technical and soft--that students developed during the course will prepare them for their future jobs in the field

Engagement

The 2013 AACSB standards include the following sentence in its definition of engagement: “...[Q]uality business education cannot be achieved when either academic or professional engagement is absent, or when they do not intersect in meaningful ways.” There is a clear call here for student interaction with industry professionals, in addition to faculty members.

This course put students not just in direct contact--but in an interactive environment--with high ranking members of the profession. The course also provided interaction between students and faculty members beyond the professor teaching the course, the department chairperson, and the dean of the college. The students were fully engaged with the profession, as well as a wide range of personnel from the university.

EMPLOYER DEMANDS

Employers have recently clarified to faculty which skills they want students to come out of college with. Employers are less concerned about students having advanced technical skills, as these are skills that students learn on the job. The preference is to have students come out of school with a strong foundation of the basic concepts. However, there is a significant demand for students to graduate with a full complement of soft skills.

One of the most in-demand skills is writing. Many business school students are unaware that writing is such an important part of business. Some might have even selected business school since it generally does not require the lengthy and verbose term papers a liberal arts major might. However, business writing is a big part of many business-related jobs, especially accounting. Employers want graduates to be able to write effective and concise documents, such as memorandums, explaining an issue, research surrounding the issue, any action taken to address the issue, and a conclusion.

Teamwork and interpersonal skills are also in very high demand. Many organizations function in a team environment, such as the accounting firms. Employers need employees to be able to work with one another, both peers and supervisors. Additionally, employees must have strong interpersonal skills, as they will likely be interacting with clients. The accounting firms frequently send first-year employees to the front lines to have discussions with high-profile personnel at the clients, so employees need to be armed with the appropriate skills to ensure an effective conversation takes place.

Presentation skills are also extremely important. Even entry-level employees are called upon to make presentations in front of clients or potential clients. Often times, securing the engagement is contingent upon a strong and compelling presentation. Potential clients, at times, want to see the entire team—not just the partners and managers. Internal presentations are also important, as members of a team will present issues in front of organizational leadership.

This course was designed to hone, develop, and polish all of these skills. Throughout the development of the case study, there was extensive discussion on soft skills and how students could improve in each area discussed above.



CLASS PROCEDURE

The first five chapters of the course—covering material up to and including inventory transactions—were taught using a modified lecture mode. This modified lecture mode included a significant amount of group problem solving and student participation. Given the experimental nature of the class, it was decided to teach this material in this way to ensure that students had a good foundation of the basic technical accounting skills, such as journal entries, accrual accounting concepts, and financial statements.

The next phase of the course consisted of dividing students up into groups of four or five students. Each group was assigned a case study. The case studies were not just the typical case studies found in a principles of accounting book, as those are mostly just procedural problems with a story attached to them. The cases studies were adapted from the intermediate accounting level, and were research-intensive cases that also presented ethical issues and a discussion over accounting estimates. Following are some of the topics of the cases assigned:

- Accounts Receivable (required review of a company's bad debt expense estimate and ethical implications of modifying the estimate to adjust projected net income)
- Depreciation (required analysis of a company's alternate depreciation method and determination as to whether the proposed depreciation schedule is acceptable under US GAAP)
- Inventory Obsolescence (required FASB codification research and application)

The students first had to complete a written analysis of five to seven questions that were presented along with the case description. Students had to write a concise business memorandum answering the questions. These written assignments were critiqued by the faculty member, both on the technical content and the quality of the writing itself. Strong emphasis was placed on getting students to move away from the style of writing they are used to—more is better—and getting them to understand that in business writing, less is more. Clear and concise writing was emphasized, and students submitted additional drafts of the papers when needed.

With the technical aspects of the case addressed, and a development of the students writing skills, students were then asked to prepare oral presentations of their case studies. They were required to use visual aids, such as PowerPoint or Prezzi. Students made initial presentations in front of faculty and peers, and were critiqued on their presentation skills. Emphasis was placed on body language, the tone and level of the students' voices, the quality of the visual presentation, presence in front of the room, transition from one presenter to another, and the students' ability to speak extemporaneously. Considerable time was spent discussing these important skills.

Through the case study portion of the class, there were summary lectures given on certain class days of the most important class material, with a focus on the key problems and takeaways of the material. Other class days were set up as workshops, where groups could work on their cases, faculty could provide feedback to groups, and students could also ask faculty questions about course material that they were studying on their own.

At the end of the semester, high profile accounting partners and other professionals were invited to observe and evaluate a final presentation of the cases assigned. This added an element of excitement to the process but also an element of stress. The partners and managers of local accounting firms were objective outside observers and part of the final grade would be based on their evaluation. Additionally, these professionals represent potential future employers and the students felt the additional pressure to impress these professionals. After each presentation, the professionals had an opportunity to ask questions and make comments to the student presenters. The professionals were all able to make a strong

link between the case study topics with issues that they have seen in their own client work. The professionals were then given time to complete their evaluations. The quantitative results of the evaluations were included in the calculation of the students' final grades in the course.

CONCLUSION

Mindful of the new AACSB standards regarding innovation, impact, and engagement, as well as employer demands, we designed an experimental course in the fundamentals of financial accounting. We made use of several case studies and presentation to accounting professionals. This approach to instruction was very effective. The students in this experimental class successfully learned the course material and performed well on the cumulative departmental exam. This non-traditional type of learning is more in tune with the learning style of this generation of students. In addition, the students in the non-traditional instruction class were able to hone their research and presentation skills. These important skills prepare them for the real business world in which soft skills are valued as much as technical skills.



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