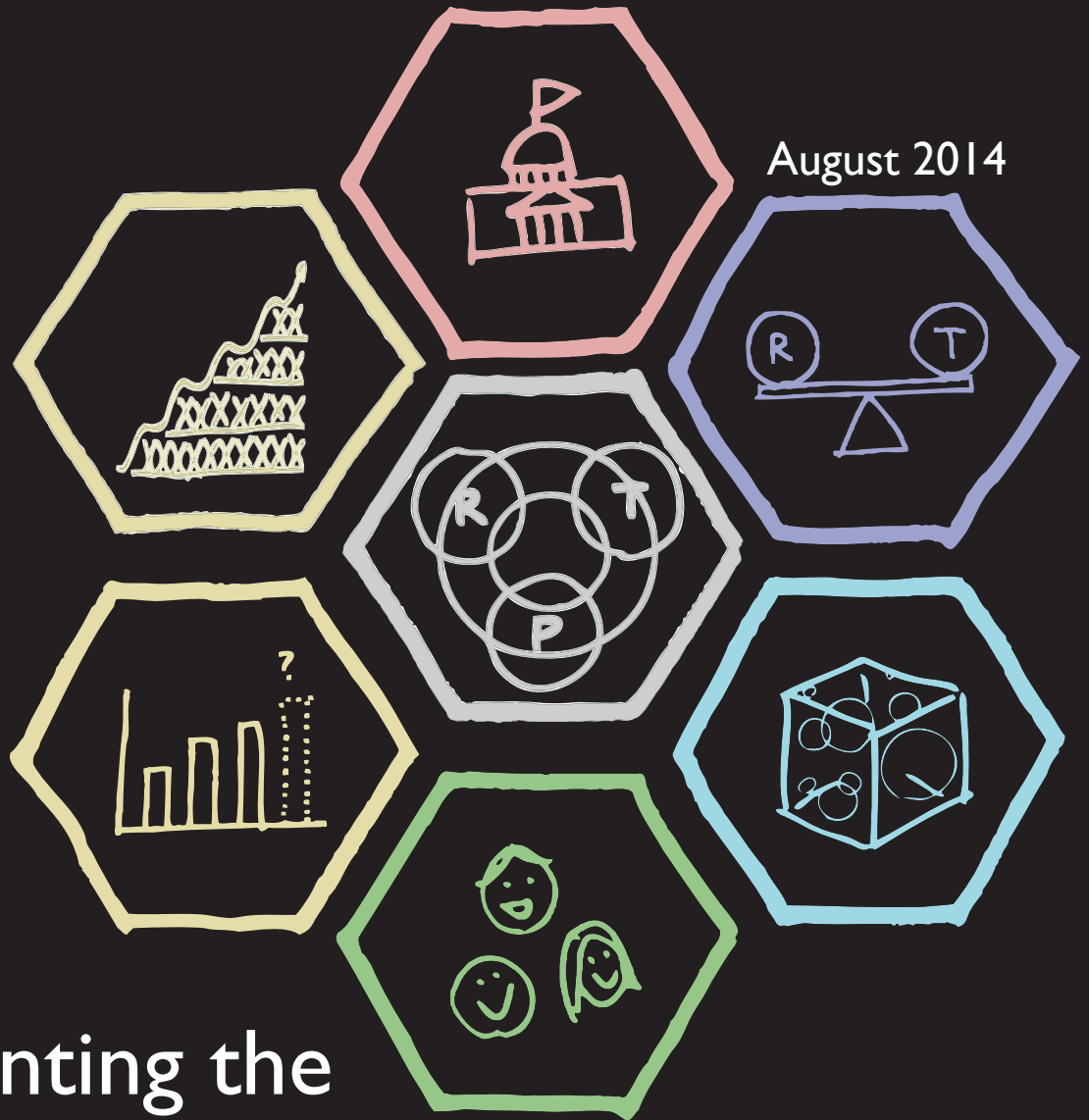


August 2014



Implementing the Recommendations of The Pathways Commission: Year Two



American
Accounting
Association



By The Pathways Commission

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Two years have passed since the issuance of The Pathways Commission report, *Charting a National Strategy for the Next Generation of Accountants*. You will see, in this report, a wide variety of activities being pursued on multiple fronts. However, notwithstanding the breadth and depth of the many recommendations being pursued, The Pathways Commission (Pathways) continues to be focused on the overall goal of enhancing the quality and integrity of the educational process for future accountants, ensuring that the pipeline of future accountants is robust and building a learned profession through greater connectivity between the academic and practice elements of the profession.

During this second year of implementation, we have begun to realize the fruits of many hours of concentrated effort by so many outstanding volunteers. Through the work of the recommendation leaders and more than 17 task forces, representing more than 75 volunteers (see Appendix A), specific and actionable changes for accounting education and the practice community have been introduced and are being adopted by increasing numbers of faculty and other stakeholders with a vested interest in enhancing accounting higher education. This second-year report summarizes the completed projects, the status of activities that are in process, and the next steps as the implementation activities continue at a robust pace.

Implementation activity occurred in every recommendation area during this second year of concentrated effort. Several major papers that dig deeper into the opportunities for and impediments to accounting education change are being published concurrent with the issuance of this report. A major survey of accounting department chairs is currently underway and will be published soon. As anticipated at the beginning of the implementation process, the original recommendations and the additional insights from initial implementation efforts are leading to exciting new ideas and perhaps provocative additional recommendations. Our focus this year has two major components: tangible results from existing recommendations and establishing a sustainable process for educational change into the future.

While significant implementation progress was made on many recommendations, here are a few key highlights for the second year of activity:

- The “Vision Model” announced at the end of the first year of activity became a reality this year as faculty began using the model in classrooms and authors began incorporating it into their textbook revisions.
- Significant new activities described in this report will significantly enhance the connectivity of accounting faculty and practitioners.
- This report includes bold and necessary steps for enhancing the value of professionally oriented faculty in accounting programs.
- Significant progress has been made toward achievement of a high school advanced placement course in accounting.

- Significant progress has been made on initial recommendations about how to elevate the importance of teaching.
- An in-depth study of various competency models has resulted in development of a comprehensive set of competencies that will be further developed for proposed curriculum enhancements and learning objectives.
- Additional insights have been gained on the faculty shortage issue and what must be done to address this challenge.

The recommendation leaders and task force participants are proud of the work that has been done in a short period of time and also are excited about the prospects for future new ideas and enhancements to accounting higher education. We all look forward to hearing your thoughts and comments as we move this process forward. Most especially, we look forward to your reports of individual implementation success in your classrooms, accounting departments, accounting firms and companies, or wherever you have the ability to positively influence the future of accounting higher education.

Respectfully submitted,

Bill Ezzell, Deloitte, LLP (partner, retired), co-chair

Mark Higgins, Dean and the Alfred J. Verrecchia and Hasbro, Inc., Leadership Chair in Business, University of Rhode Island, co-chair

Recommendation No. 1

Build a learned profession for the future by purposeful integration of accounting research, education, and practice for students, accounting practitioners, and educators.

Professionally Oriented Faculty as Valued Members of Departments

Accomplishments

Two surveys of professionally oriented faculty and program chairs were conducted to identify and analyze best practices for integrating professionally oriented faculty into the academy. The results can be accessed at <http://commons.aaahq.org/groups/2d690969a3/summary>. These results also were shared during a panel presentation at the February 2014 meeting of the Accounting Program Leaders Group (APLG).

Leading practices identified in the survey became the basis for development of the Professionally Oriented Faculty Integration Principles. These principles are similar to the Sullivan Principles in that they encourage accounting programs or entire colleges to commit to these leading practices to better integrate professionally oriented faculty into the academy. In finalizing the principles, drafts were shared with select program chairs to obtain feedback as to the reasonableness and practicality of implementation. More detailed information on the principles will be made available at the 2014 AAA Annual Meeting. Schools and programs are encouraged to adopt the principles by indicating so on both the Pathways website and the school's or program's respective website.

Next Steps

The next steps will evolve around encouraging accounting programs (and colleges) to subscribe to the Professionally Oriented Faculty Integration Principles. The task force will explore ways to communicate the existence of the principles and to encourage accounting programs to publicly subscribe to the principles. Our goal for the next 12 months is to recruit 100 accounting programs or colleges to subscribe to the principles.

To help programs implement the principles, the task force is developing a FAQ implementation guide that provides examples of ways to implement each principle. Further, to continue the dialogue and to identify additional leading practices for integrating professionally oriented faculty into the academy, the original survey will remain available for individuals to submit their ideas at www.pathwayscommission.org. Those who didn't get an opportunity to respond to the first survey or have additional thoughts after reading the principles are encouraged to provide insights and experiences.

Interesting Feedback Influencing Implementation Activities

"My experience allowed me to teach a graduate accounting class that taught students how to apply what they had learned in their other classes to the real-world challenges they would soon be facing. My contacts allowed me to bring to campus many leading accountants and business people who both further educated and inspired students. And while I am not a trained researcher, I was able to make a number of practical suggestions to my research colleagues on their projects through attending workshops and in private consultations."

—Denny Beresford, Executive in Residence, University of Georgia

"The Integration Principles provide common sense practices that will allow the NC State University Department of Accounting to more fully leverage the knowledge and experiences of professionally oriented faculty to achieve the teaching and research mission of the department."

—Frank Buckless, Chair, Department of Accounting, NC State University

Develop Process to Identify, Attract, and Develop Professionally Oriented Faculty

Accomplishments

The task force identified the efforts put in place by the larger accounting firms to inform departing members about the opportunities for pursuing academic careers.

Next Steps

A new task force will be reconstituted to focus on how to leverage the efforts of the larger firms and how these efforts could be used by other firms and companies.

Encourage Academic Journals to Publish Practice-Relevant Issues

Accomplishments

The task force presented a proposal to the AAA Publications Committee with ideas for exploring new ways to increase research conducted and published that would be of interest to the practice community and other potential opportunities for practice-relevant research with faculty and practitioners.

Next Steps

A new task force, under the leadership of Fran Ayres and working with the AAA Publications Committee, will identify ways to expand academic research on topics of interest to practitioners and to seek additional channels to share research with practitioners. A pilot effort will be identified for 2015.

Widely Disseminate Practice-Relevant Academic Research to Practice

Accomplishments

The task force contacted all sections of the AAA as well as specific practitioner journals to promote awareness and use of academic research. Several sections in the AAA agreed to participate in the effort by preparing summaries of academic research for publication in specific industry journals maintained by the AICPA, FEI, IMA, IIA, and AGA. During the year, three AAA sections contributed summaries that resulted in an article titled "Highlights of Ethics Research," published in the June 2014 Journal of Accountancy. The full text of the article can be found at <http://www.journalofaccountancy.com/Issues/2014/Jun/20139009.htm>.

Next Steps

Task force goals for the next year are to expand the number of academics and AAA sections that participate in the preparation of research summaries and to increase the number of journals and online locations where the abstracts are published. The key element in making this effort successful will be to match the interest of the section with the appropriate journal and to set up a sustainable process within each section. In addition, the task force will explore additional ways and other outlets to disseminate academic research to the practice community.

Develop Robust Faculty–Practitioner Internship and Externship Programs: Eight Largest Firms

Accomplishments

During the year, a task force focusing on internships and externships for faculty members explored a variety of opportunities that would expose faculty to real-world experiences to better inform their research and teaching. Although the number of internships and externships at the largest firms is limited, the task force concluded that their experiences with internships and externships should be documented and shared with other accounting firms.

The task force also concluded that accounting firms already provide numerous opportunities for academics to gain real-world practice experience, but those opportunities may not be well known. The firms were encouraged to document activities and opportunities they currently provide, and the task force aggregated those results in a summary that is posted to <http://commons.aaahq.org/groups/2d690969a3/summary>.

Focusing on the objective of the original action item, the task force identified the Audit Educator's Bootcamp held annually by AAA's Auditing Section as a practice that could be leveraged. The objective of each boot camp is to

provide academics who have little or limited practical experience with auditing practice real-world and timely experiences to help inform their teaching and research.

Using the Auditing Section boot camp as a model, the task force developed a task force model to be followed for sections interested in hosting such a boot camp. Four accounting firms have been recruited to help sponsor additional boot camps, and the American Tax Association and Accounting Information Systems Section have agreed to hold inaugural boot camps in 2015 building on the Auditing Section's continuing event.

"Members of the AIS section are always seeking ways to interact with professional practitioners. The AIS boot camp is an incredible opportunity for our members to learn about the current issues that the profession is focused on, and we believe the boot camp experience will translate into useful information that we can bring back to our classrooms."

—Greg Gerard, AIS Section President

Next Steps

The task force will continue to identify other opportunities to provide academics with exposure to real-world experiences and issues. Additionally, the task force will recruit additional accounting firms and AAA sections to increase the number of boot camps held in 2016.

Develop Robust Faculty–Practitioner Internship and Externship Programs: All Other Firms

Accomplishments

Building on the conclusions about internships and externships noted above, this task force has begun discussions with state CPA societies about identifying additional efforts to increase the connectivity between institutions of higher education and practitioners at other than the largest firms. We hope this effort will leverage the leading practices document in achieving goals for faculty engagement with practice.

Next Steps

Next steps will include identifying a state CPA society interested in working with accounting programs in its state to develop and pilot test practices to increase connectivity between institutions of higher education and practitioners. This effort will include but not be limited to consideration of internships and externships.

Recommendation No. 2

Develop mechanisms to meet future demand for faculty by unlocking doctoral education via flexible pedagogies in existing programs and by exploring alternative pathways to terminal degrees that align with institutional missions and accounting education and research goals.

Traditional Doctoral Programs

Accomplishments

Over the past 12 months, the task force members committee as individuals interviewed faculty across a spectrum of traditional Ph.D. programs. Those interviewed were directly involved in their school's Ph.D. programs—many as Ph.D. area coordinators. Department chairs were not interviewed as they had been extensively interviewed or surveyed about faculty shortages previously. Further, much has been written about the shortage of Ph.D.–qualified accounting faculty; thus, there is no additional information or discussion about this shortage other than to acknowledge its existence.

The major constraint facing any recommendation to increase the size and number of Ph.D. programs, which, in turn, will address the shortage of Ph.D.–qualified faculty, is to recognize the objectives of business school deans and faculty. Business school ratings and, hence, evaluations of deans are driven by MBA rankings. Other than to the extent that quality Ph.D. programs attract research-oriented faculty who are excellent in the MBA classroom, the quality and size of Ph.D. programs does little to influence these rankings. Ph.D. programs often are viewed as cost centers and a drain on school budgets.

Faculty working with Ph.D. students are most interested in placement of students at peer schools and less interested in working with a larger set of candidates that might be placed at “lower tier” schools because their reputations are connected to the placement and “success” of their students defined by popular scholarship and research rankings. This objective function leads to a focus in admissions decisions on highly quantitative (high GMAT quantitative scores), economics-based students. Many schools screen students with the GMAT and require applicants to achieve a minimum score to be included in the set of applications that receive a more thorough evaluation. Thus, just like deans, most Ph.D. faculty like a small Ph.D. program.

The desire to place doctoral students at peer schools leads faculty and students to want strong vitae that include working papers and papers under review in addition to their thesis papers. This expectation leads most students to take five to six years to complete their programs. It would be difficult to shorten programs given the pressure to have strong and established research records prior to entering the faculty job market. Furthermore, a strong vita with advanced working papers or with “revise and resubmits” at major journals helps students in their quest to earn tenure. Additionally, moving the academic job market up to late fall and early January also has the effect of lengthening the time it takes to graduate as most students simply will not be ready to interview with strong vitae in the late fall to early January of their fourth year. Even though we advocate lifelong learning, with a large and growing academic literature, this raises a question: Is it still feasible for the majority of students to graduate in four years to meet a tenure clock that stops five years after placement?

A key finding from the task force members is that faculty have a strong preference for placing their Ph.D. graduates at the best schools possible (“peer schools”), which likely means that the shortage of Ph.D. graduates will be felt hardest at non-Ph.D. degree-granting schools. Thus, although each program is acting in its own best interests, this leads to the systemic problem of a shortage of future faculty. To paraphrase Walt Kelly, we have met the enemy, and the enemy is us.

One of the task force members believes the problem is not a shortage of Ph.D. graduates in total but a shortage in the audit, managerial, tax, and AIS areas. The Pathways Commission recommendations did not and our recommendations listed below do not specifically try to address the shortage in specific areas. For the reasons discussed above, many top-tier schools have little incentive to change the status quo of the types of graduates they produce. If the problem is really a shortage in specific subareas, then further work is needed to develop recommendations specific to those areas.

Next Steps

As a result of the more in-depth focus on traditional doctoral programs noted above, the task force developed an expanded set of further recommendations for consideration. These additional recommendations form the basis for the next steps in implementation and will need to be prioritized and communicated going forward.

Recommendations

- To encourage more qualified candidates to apply to Ph.D. programs, we need to do a better job of educating potential students about academic careers.
 - Faculty are strongly encouraged to include relevant research findings in each of their junior and senior accounting classes so that students are exposed to what academics do and how research contributes to the profession. Additionally, task force members recommend development of a list of academic review articles that would be appropriate to discuss in class when addressing key areas in the curriculum.
 - Schools with undergraduate honors programs should offer an accounting class focusing on academic research.
 - Many schools have master’s of accounting programs and, although it may be argued whether a master’s in accounting is the best preparation for a rigorous traditional Ph.D. program, the task force members recommend that academic accounting research be integrated into related accounting classes.

- The members also recommend the AAA develop a web page discussing academic careers and providing reference materials about programs. All AAA members should be made aware of this web resource, so they can refer interested potential Ph.D. applicants to the page. The web page would address questions such as what does a Ph.D. involve, how is a Ph.D. funded, what does an academic career involve, what does a newly minted assistant professor in accounting earn, etc. The website could contain short videos by leading faculty about their research and how they work with doctoral students preparing to become faculty. See the Accounting Doctoral Scholars website at <http://www.adsphd.org>; the BYU website at www.byuaccounting.net, under "Preparing for a Ph.D."; and an existing but well buried and somewhat out of date AAA website at <http://aaahq.org/temp/phd/index.cfm>.
- We should encourage business schools to reach out to master's students in economics and statistics—not to increase the number of Ph.D. program slots but to enhance the accounting applicant pool with students better educated in economics and with better quantitative skills.
- Schools without Ph.D. programs and with large master's programs could emulate the very successful pre-Ph.D. program master's at BYU. This program graduates approximately 10–20 students a year who go on to obtain Ph.D.s.
- We should make a more concerted effort to attract candidates to the PhD Project and to "sell accounting" at the annual PhD Project Conference in Chicago (held in late fall each year), which also contributes to building greater diversity in the academy.
- We should encourage schools within close geographical proximity to explore joint class offerings (as done at MIT and Harvard and at Duke and UNC) so as to reduce the per class student cost.
- We should encourage schools to explore offering some classes via Skype or web conferencing so that geographically distant schools can participate. Alternatively, might schools offer short, intense classes on a fee-paying basis to help cover the costs of the faculty and for which students get credit at their home institution?
- There are very few traditional Ph.D. programs offering the ability to do the Ph.D. part time for those who work or have family commitments. Is this feasible for some schools?
- We should explore ways to shorten programs to four years. Many schools require extensive teaching assistant (TA) work as part of their funding for Ph.D.s. Although TA work is valuable, too much slows down students' progress on their thesis and other working papers. This recommendation would require increased funding from deans or other sources.
- We should get students involved in research earlier in Ph.D. programs. UNC and other schools have successfully instituted a SAS boot camp for students prior to formal classes or during the first or second quarter of the program. Students learning SAS and other research tools early in their program could then become productive members of a research team much earlier in their program, thus helping them get an early start on building their vita.
- Most programs require two years of course work with a major field examination at the end of the second year. After passing the field exam, many students take 12–18 months to identify a thesis topic. Thus, many students take five or more years because they "lose" the third year. Faculty are encouraged to mentor and meet regularly with students in the first six months after their field exam to help students identify a thesis topic in a more timely manner. One way for students to identify a viable thesis topic is to meet regularly with a faculty member to discuss a two-page "What, Why, How" write-up of a potential research question without the necessity of a thorough literature review. Of course, if faculty members are already overextended because of shortages of tenure-track faculty at their school, these meetings increase demand on faculty time. At the same time, these kinds of meetings encourage students to think about research questions and faculty to provide quick feedback on viability and the faculty member's interest in a particular research question.

Exploring Multiple Pathways to Terminal Degrees in Accounting

Accomplishments

During the year, detailed information was gathered about seven U.S. and six international AACSB accredited non-traditional doctoral programs. As part of that inquiry, task force members discovered that there are a number of U.S. non-traditional programs at the planning or exploring stage, and others are beginning in 2014. Programs in the United States typically are 3 to 3.5 years in length with a total cost ranging from \$35,000 to \$150,000. International programs are typically four to five years in length, also with premium tuition.

In addition, the surveys requested information from non-traditional doctoral program directors, accounting faculty, and graduates and students. Although non-U.S. programs were included in the survey, all of the survey responses came from directors, faculty, or graduates and students at U.S. programs.

The following conclusions resulted from the data collection and survey findings:

- Non-traditional doctoral programs have recently emerged in the United States with a focus on contributing to the supply of doctorally qualified accounting faculty. Such programs are well established in some non-U.S. locations.
- U.S. program graduates and students who responded to the survey appear to be positive about their programs, and most graduates have found employment in AACSB-accredited schools.
- Developing non-traditional doctoral programs requires significant time, faculty resources (i.e., need research-active faculty with a desire to work with experienced professionals), and brand development.
- The surveys reveal some concerns about program depth and the ability of graduates to compete at the highest levels.

A separate report is also available and can be found at <http://commons.aahq.org/groups/2d690969a3/> summary.

Next Steps

- Continued monitoring of non-traditional program marketplace developments: Collect data on new programs, experiences of current programs, focus of programs, publications of program graduates, placement of program graduates, etc.
- Encouragement of additional non-traditional program formation but with full appreciation of the unique challenges of offering such programs: Help institutions and faculty to appreciate the unique challenges of such programs: executive-level students and premium tuition; faculty time, commitment, and responsiveness; leveraging the experience and connections of the students; dealing with managing student time constraints and multiple responsibilities; realities of program administration and funding; etc.
- Highlighting of non-traditional doctoral programs to practicing accountants: Raising awareness of such programs through journal articles, presentations, web presence, etc.
- Promotion of non-traditional program acceptance in the academic marketplace: Educate the academic community on the unique nature, focus, and scope of these programs (which can vary widely by program) as well as on the characteristics of students who enter such programs and their subsequent placement and performance.

Recommendation No. 3

Reform accounting education so that teaching is respected and rewarded as a critical component in achieving each institution's mission.

Enhancing the Quality and Rewards for Teaching

Accomplishments

The following list summarizes the activities, including a brief summary proposal for a National Center for Accounting Education Excellence. A more detailed examination of this proposed national center is found in a separate report.

- Preparation of a detailed definition of the term “high-quality teaching” (see appendix B). This definition was the subject of significant task force discussion and revision and was supported by discussion and input as part of several Pathways meetings. Although the definition is expected to continue to evolve with continued use and discussion, the current version is posted at <http://commons.aaahq.org/groups/2d690969a3/summary> and is available as a foundation for continuing task force discussions and other Pathways groups as appropriate.
- A survey to administrators and faculty of accounting programs is in process in three subject areas: support for high-quality teaching, reward and recognition for high-quality teaching, and use of teaching portfolios in evaluating high-quality teaching. The survey is currently in draft form and being evaluated by the task force members, and it is expected to be made available for fall 2014 distribution to accounting program administrators.
- A subcommittee of the Recommendation No. 3 task force is charged with evaluating the use of teaching portfolios as a means of evaluating, recognizing, and rewarding outstanding teaching. One of the objectives of the survey outlined above is to identify schools that successfully utilize teaching portfolios as part of the peer review of teaching and educational materials. Further progress on the teaching portfolio project is being deferred until the survey referred to above is complete and schools that successfully use teaching portfolios are better identified.

Next Steps

Work on the following action items and other activities will continue during the coming year:

- Develop a reward and support structure for teaching comparable to that of research with peer-review processes similar to those used to evaluate research.
- Document teaching portfolios and evaluate them as part of the annual review process with peer-review processes similar to those used to evaluate research. (See discussion in previous section.)
- Create a rationale for incorporating teaching portfolios as part of the tenure and external review process. (See discussion in previous section.)
- Develop the concept of a “fellows” program as a means for recognizing the attributes of high-quality teaching and recognizing the accomplishments of outstanding teachers.
- Continue to work to support schools in meeting the 2013 AACSB international business and accounting accreditation standards, particularly Standard 7 on teaching effectiveness.

A National Center for Accounting Education Excellence

Accomplishments

A more detailed proposal for a National Center for Accounting Education Excellence was developed by the Recommendation No. 3 task force and can be found in a separate report. The establishment of a national center would be a significant step toward more effectively supporting teaching and learning excellence in accounting. It would be a strong signal that learning and teaching excellence are expected in a learned

profession and are important elements of the portfolios of activities of the AAA and the AICPA. The focus of such a national center would be on academic institutions' processes and program accomplishments as well as support for the accomplishments of individual teachers.

Among the goals for establishing a national center are the following:

- Consistently draw attention to the need to encourage, support, reward, and recognize the impact and accomplishment of teaching and learning.
- Assess and disseminate the accomplishments of institutions and individuals that meet a very high standard of excellence in teaching.
- Work closely with existing AAA elements that have a strong learning and teaching focus.
- Encourage and support work directed toward learning and teaching in all AAA sections, regions, and other elements.
- Administer a program of awards that recognizes institutions and individuals for innovative and impactful learning and teaching excellence.
- Collaborate on behalf of AAA and AICPA with professional organizations outside of accounting and business that have an important part of their missions to advance learning and high-quality teaching.

Next Steps

The proposal for establishment of a national center requires additional discussion and refinement within The Pathways Commission as well as at the AAA and the AICPA. The Pathways Recommendation No. 3 task force expects to be a sounding board for continued discussion and eventual implementation of a national center.

Recommendation No. 4

Develop curriculum models and engaging learning resources and mechanisms for easily sharing them as well as enhancing faculty development opportunities in support of sustaining a robust curriculum.

Defining a Common Body of Knowledge and Learning Outcomes

Accomplishments

During the past year, the three task forces formed during the first year focused on several specific action items: defining the body of knowledge that is the foundation for accounting's curricula of the future, defining and developing a signature pedagogy or suite of pedagogies that will support the learning approaches of a globally diverse student body, connecting the accounting body of knowledge to a map of competencies and related performance levels (e.g., Bloom's Taxonomy) for alternative accounting career paths, and transforming learning experiences to reflect current and emerging technologies and global trends in business.

Three task forces consisting of academicians and practitioners from public and private firms were convened late in the first implementation year. They were called the Common Body of Knowledge, Signature Pedagogy, and Technology Task Forces.

During a literature review on curriculum, a model was found that represents the overlap of the three task forces and the goal of Recommendation No. 4. The model shown in Figure 1 illustrates the goal of developing a curriculum in which, through appropriate teaching and learning techniques, students learn accounting, broad business knowledge, and technology essentials of the accounting profession necessary for beginning their career.

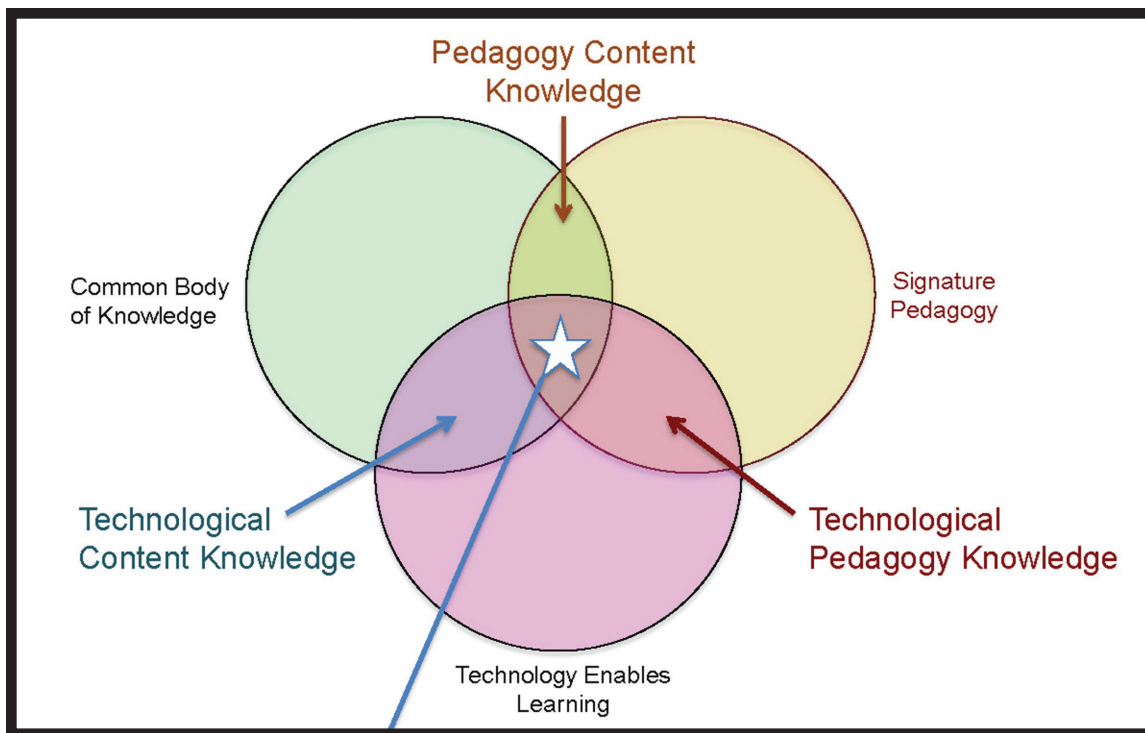


Figure 1. Overall goal of Recommendation No. 4: Integration of technological, pedagogical, and content knowledge. (“Technological pedagogical content knowledge: A framework for teacher knowledge,” Punya Mishra & Matthew J. Koehler, *Teachers College Record*, Volume 108, Number 6, June 2006, pp. 1017–1054.)

All Recommendation No. 4 task forces agreed to base their work on three premises:

1. A primary focus centered on developing a curriculum for an accounting generalist. A generalist is a recent graduate with an accounting bachelor’s degree who seeks any accounting position and/or wants to pursue additional education to develop deeper specialized knowledge in a specific area of accounting.
2. The Pathways Vision Model is the foundation for integrating all aspects of accounting curriculum and pedagogy.
3. Professional judgment is the fundamental and essential overarching ability that defines the accounting profession. How it is learned throughout the curriculum is through a set of multiple reinforcing experiences that transform a student into an accounting generalist poised to begin his or her career as an accounting professional.

Common Body of Knowledge Task Force (CBOKTF)

The CBOKTF members spent time examining multiple existing models, including the AICPA Core Competencies, the Canadian and Australian Competency Mappings, the working drafts of the IMA/MAS article “Focusing Accounting Curricula on Students’ Long-Run Careers: Recommendations for an Integrated Competency-Based Framework for Accounting Education,” and the working drafts of the Model Tax Curriculum Task Force of the AICPA and AAA appointed by the Tax Executive Committee of the AICPA. The desire was to use these models as a springboard to articulate a common body of knowledge that has breadth (consider non-accounting knowledge and soft skills), shows integration across topics (versus course silos or “areas” of accounting), and takes a career-building approach to the broadly defined accounting profession. The consensus of the task force was that these models have many similar aspects and themes. The task force completed its work in January 2014, having identified more than 100 learning outcomes that span the career of a professional accountant.

Signature Pedagogy Task Force (SPTF)

This task force focused on identifying the specific ways education transforms students into professionals. A signature pedagogy teaches students how to think and act professionally as they fulfill societal expectations

for that profession. The task force began by contacting AAA sections and the AICPA to determine what each had done or was currently working on related to professional judgment and best practices in teaching accounting. They found that the Tax and Management Accounting Sections have work underway and that other sections are interested in working with Pathways task forces.

The task force explored educational frameworks, theories, assessment, and rubrics to identify relevant options for discussion. They examined the AICPA Educator Resources currently available on the AICPA website. They compiled this groundwork and identified resources for the next phase of Pathways task forces. In addition, the task force studied KPMG, EY, and Deloitte professional judgment models. The task force also explored the possibility of how to make accounting education research easier to search and access. The Journal of Accounting Education already periodically reviews accounting education research found in six journals. Long term, the task force is interested in exploring how to code this research, but it will need additional resources to do the coding and would require an ongoing curator. In relation to this effort and for faculty-development purposes, a panel with two of the editors of accounting education research journals will be part of a panel on Tuesday morning during the 2014 AAA Annual Meeting to discuss key insights from their reviews along with their recommendations for further accounting education research.

To summarize, the task force developed a conceptual educational model to integrate the work of the CBOKTF and the premises upon which all task forces were working. The model is illustrated in Figure 2 and shows the development of professional judgment over a career in accounting, illustrating that, at the beginning of a career when the braid is tightly woven, one deals with less uncertainty that requires professional judgment ability. However, as a career progresses, one is confronted with more complex situations (loosening of the braid) that require greater professional judgment ability and skill. This is also true for students' education as teaching and learning have less uncertainty in earlier courses and complexity is added as students advance in their studies.

Competencies,

knowledge, and skills:



Figure 2. Preliminary Concept of a Pathways Commission Educational Model. (The Pathways Commission Educational Model is based on an evaluation of multiple international accounting organizations' competency models and adapted from the IMA/MAS Competency Integration Framework incorporating the AICPA Core Competency Model.)

Technology Task Force (TTF)

This group is exploring the different accounting technologies used in practice today and what will be expected in the future and the technologies currently being taught in accounting programs as well as how current and emerging educational technologies can improve accounting education. The TTF is developing a white paper that focuses on the interaction between CBOK (curriculum) and technology. The paper will discuss what technologies and technology-related competencies in accounting should be part of the curriculum. In addition, the TTF has two sub-task forces: the survey task force and the AACSB Accounting Accreditation Standard No. A7 task force (AACSB-A7). The goal of the survey group is to answer the following two questions by means of focus groups and surveys:

1. What are the technologies being used in practice?
2. What technologies are taught in accounting programs?

This will help us understand existing discrepancies that then can be used for curriculum development. This sub-task force is currently holding focus groups at AICPA and AAA meetings and will conduct two surveys in Fall 2014. The AACSB-A7 sub-task force is working on a white paper that provides guidance for the implementation of the A7 standard: "include learning experiences that develop skills and knowledge related to the integration of information technology in accounting and business." The TTF will share its ongoing work during a panel discussion at the AAA 2014 Annual Meeting.

Next Steps

- Based on the work of the CBOKTF and the SPTF, a new task force has been formed that will continue to examine curriculum models, such as the recent CGMA model, and monitor the ever-changing business and educational environment. They will define learning objectives for an accounting generalist based on the career-spanning learning outcomes developed by the CBOKTF. They will begin by mapping the defined learning objectives to learning levels based on Bloom's Taxonomy. Then, the learning objectives will be reviewed by teams of practitioners and academicians to determine if the objectives are appropriate and complete for a student starting a career in accounting or pursuing additional education in a specific area of accounting. Recently, a pilot of this process has been completed for tax-related learning objectives and accounting information systems-related learning objectives. The Model Tax Curriculum Task Force, which includes members from the AICPA and AAA, has reviewed the tax learning objectives and made suggestions, and the TTF is in the process of reviewing the AIS objectives.
- As learning objectives are drafted and reviewed by appropriate groups, they will be posted for further comment. After that, a new task force will be formed to develop a curriculum model that integrates the learning objectives with a suite of pedagogies based on best practices and a signature pedagogy for accounting as a learned profession.
- The TTF will continue its current work and begin to focus on the intersection of pedagogy and technology—how technologies are transforming how we teach and how students learn.

Recommendation No. 5

Improve the ability to attract high-potential, diverse entrants into the profession.

Promoting a New Vision of Accounting

Accomplishments

Following development and presentation of the Pathways Vision Model, set forth in Figures 3 and 4, at the AAA annual meeting in August 2013, during 2014, the task force built out additional materials, slide decks, and a videotaped narrative to promote usage of the Pathways Vision Model. The model also was provided as input to other Pathways task forces (e.g., Recommendation No. 4). Task force members, Pathways Commissioners, and other leaders presented the model to a variety of academic and professional organizations in the United States and abroad.

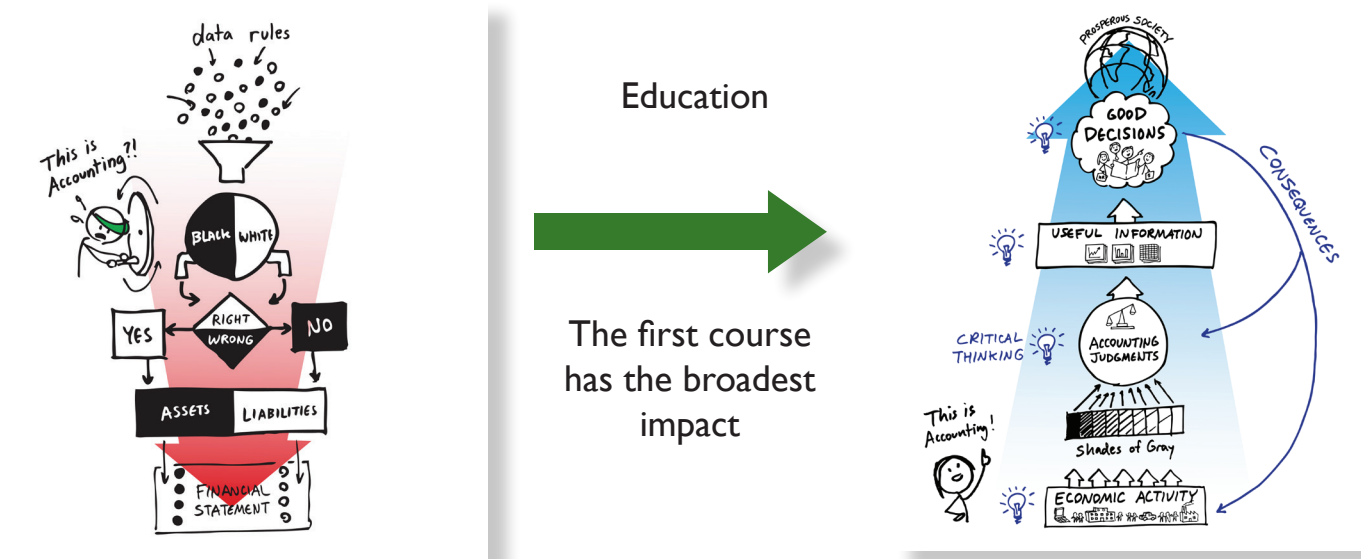


Figure 3. Our goal is to shift the perception toward the reality.

- Through this view, accounting is seen as the profession that enables informed decision making to increase social prosperity
- We call this “Accounting”

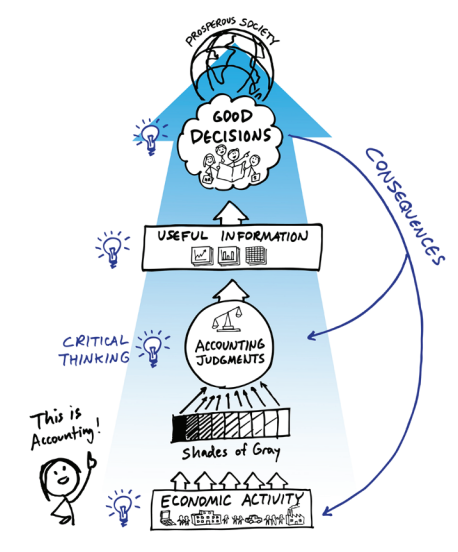


Figure 4. The reality!

Next Steps

The task force successfully completed its initial work to develop and begin promotion of the Pathways Vision Model. In the coming year, another task force will disseminate the Pathways Vision Model to academic and other organizations with an eye toward broadening the public’s perception of the accounting profession.

Establishing an Advanced Placement Course in Accounting

Accomplishments

- Designed and distributed a questionnaire to accounting department chairs. Results indicated strong support for moving ahead with an AP accounting curriculum and examination and provided insights into concerns that must be addressed in order to increase the number of accounting programs accepting AP accounting credit.
- Drafted a preliminary AP accounting course description, based on the Pathways Vision Model, for presentation to the College Board.
- Identified more than 500 universities to target for accepting AP accounting credit. Currently, more than 100 institutions have indicated preliminary agreement.

- Created and distributed a survey to high school accounting teachers.
- Continued to support the existing Accounting Pilot and Bridge Program developed by Dan Deines for training high school teachers. Teachers in seven states will be trained during Summer 2014 under this program. By the end of Summer 2014, more than 800 teachers will have been trained in the existing course. Members of the College Board have been invited to attend and observe these training programs.
- Met with College Board and presented to its senior leadership team a complete set of materials supporting the request for approval of an AP curriculum and examination. The AP task force continues to work with the College Board to respond to additional inquiries.
- Made presentations to state societies and other interested constituencies about the AP initiative and its importance to the profession.
- Presented a panel discussion at the AAA Annual Meeting in August 2013 and the 2014 APLG meeting, and one is planned for the AAA Annual Meeting in August 2014.

Next Steps

- Add new AP task force members with specific task responsibilities in response to the College Board's agenda.
- Build support for the case within academia and the profession via presentations in various venues.
- Continue to educate and inform key College Board leaders about the AP accounting initiative.
- Continue work with the College Board to create more specific dates and deadlines.
- Continue to generate a list of possible high schools and teachers receptive to offering an AP accounting curriculum.
- Continue expanding the list of possible colleges and universities receptive to offering credit for an AP accounting course.

“Western Kentucky University’s limited experience has been positive with granting credit to high school students who successfully completed the Accounting Bridge Program (ABP) course, made a successful score on the AP-like test, and enrolled at WKU. Here’s what one student who received credit for our ACCT 200 financial accounting course and enrolled in ACCT 201 as a freshman said: “Even though the ABP course was challenging, I enjoyed it. The course helped me decide on a major before I graduated high school. And we only had to pay the test fee, avoiding tuition for three hours at WKU. Now, ACCT 201 was tough. I had to work hard to earn the “A”. But the ABP course was a positive benefit to me. The format of the test questions was similar to the format of questions in ACCT 201, and I was familiar with some of the terms and concepts from the ABP course. I was more confident than many of the sophomores and others in the class.”

—Steve Wells, professor and chair, Western Kentucky University

Removing Impediments to Diversity within the Profession

Accomplishments

As indicated in the original Pathways Commission report, the Commissioners believed that the issue of improving diversity within the profession was of paramount importance to the future of the profession and deserved its own dedicated study. A Pipeline Working Group comprised of educators and professionals began to explore the barriers and opportunities to attract and retain underrepresented groups in the accounting profession, and the culmination of their work was an April 2014 report authored by faculty of the Howard University Center for Accounting Education titled “Attracting Underrepresented Minorities to the Accounting Profession: Insights into Diversifying the Talent Pipeline.” In addition, the National Commission on Diversity and Inclusion has been formed by the AICPA to take the lead in developing a profession-wide plan to address the issue and to provide ongoing oversight of the initiatives. Although these efforts were not

part of the ongoing Pathways Commission implementation efforts, there has been connectivity by Pathways volunteers so that the activities of the Pathways Commission can complement the continuing work of the National Commission on Diversity and Inclusion in the future.

Next Steps

The Pathways Commission implementation process will continue to stay connected to developments in this area and will look for opportunities to use the Pathways Vision Model, improvement of curriculum and better connectivity with the practice community to support and enhance efforts to improve diversity within the profession.

Recommendation No. 6

Create mechanisms for collecting, analyzing, and disseminating information about the current and future markets for accounting professionals and accounting faculty.

Projecting Future Supply and Demand

Accomplishments

During the current year, our most significant task was focused on gathering information on the supply and demand of accounting professionals and faculty and responding to the data needs of other Pathways task forces.

In April 2014, a survey was distributed to approximately 1,000 accounting department leaders. Although participation rates have been lower than hoped, the recommendation co-leaders plan to continue gathering information through the end of 2014.

During the year, we coordinated development and distribution of the following surveys: (a) professionally oriented faculty (from Pathways Recommendation No. 1), (b) doctoral program directors (from Pathways Recommendation No. 2), (c) technology used in practice and taught in courses (from Pathways Recommendation No. 4), and (d) Advanced Placement curriculum and examination in accounting (from Pathways Recommendation No. 5).

Next Steps

Over the next 12 months, the leaders also will pursue the following: (a) beginning discussions about creating and populating a national committee on information needs; (b) considering how to use alternative data sets (e.g., census data, AICPA data, NASBA data, AACSB data, etc.) to provide relevant information on supply and demand of accounting professionals and faculty, quantify the value of an accounting degree, and answer other questions relevant to meeting Recommendation No. 6; (c) evaluating and disseminating information on completed surveys; and (d) responding to additional survey requests from other Pathways Commission task forces.

Appendix A

Recommendation Leaders and Task Force Members

Recommendation No. 1

Mark Peecher, Deloitte Professor of Accountancy, University of Illinois Urbana Champaign

Scott Showalter, Professor of Practice, Poole College of Management, Department of Accounting, North Carolina State University

Recommendation No. 2

Dana Hermanson, Mary and Jack Dinos Eminent Scholar, Chair of Private Enterprise, Director of Research–Corporate Governance Center, Kennesaw State University

Terry Shevlin, Paul Merage Chair in Business, Faculty Director, Ph.D. Program, Accounting Area Coordinator, University of California at Irvine

Recommendation No. 3

William Holder, Dean, Alan Casden Dean’s Chair, USC Leventhal School of Accounting, University of Southern California

Jan Williams, Dean and Professor Emeritus, University of Tennessee

Recommendation No. 4

Gail Hoover King, Professor of Accounting, Purdue University at Calumet

Jack Wilkerson, Professor of Accounting and Academic Director of Accounting Programs, Wake Forest University

Susan Crosson, Senior Lecturer in Accounting, Emory University

Recommendation No. 5

Ellen Glazerman, Director, EY Campus Recruiting and University Relations and Ernst & Young Foundation

Mike Tiller, Chair, Graduate Accounting Programs, Indiana University

Recommendation No. 6

Sanjay Gupta, Associate Dean for MBA and Professional Master’s Programs, Russell Palmer Endowed Professor of Accounting, Michigan State University

Jim Young, Chair and Crowe Horwath Professor of Accountancy, Department of Accountancy, Northern Illinois University

Mimi Janotka, Project Manager, Pathways Commission

Task Force Members, Recommendation No. 1

Finley Graves, University of North Texas, Task Force Chair

Jim Fuehrmeyer, Notre Dame University

David Greene, Indiana University

Frank Buckless, North Carolina State University

Denny Beresford, University of Georgia

John Hepp, Grant Thornton LLP

Fran Ayres, University of Oklahoma, Task Force Chair

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Lillian Mills, University of Texas at Austin

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Robert J. Bloomfield, Cornell University

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Blane Ruschak, KPMG, Task Force Chair

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Kathleen Shoztic, Deloitte

Kristy Chernick, Deloitte

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Task Force Members, Recommendation No. 2

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Doug Boyle, University of Scranton

Todd DeZoort, The University of Alabama

Juliane Iannarelli, AACSB International

Divesh Sharma, Kennesaw State University

Michael Clement, University of Texas at Austin

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Mark Peecher, University of Illinois

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Task Force Members, Recommendation No. 3

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Sue Haka, Michigan State University

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Mark Schneider, Johnson & Johnson

Melanie Thompson, Texas Lutheran University

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Kathryn Jervis, University of Rhode Island

Sherry Mills, New Mexico State University

Lisa Nichols, Deloitte, LLP

Tracie Nobles, Texas State University

Julie Smith David, AAA

Monte Swain, Brigham Young University

Tim West, Northern Illinois University

Guido Geerts, University of Delaware, Task Force Chair

Brian Sommer, Vital Analysis

Robyn Raschke, University of Nevada Las Vegas

Susan Pierce, AICPA

Task Force Members, Recommendation No. 5

Leslie Knowlton, Deloitte, LLP

Lisa Koonce, University of Texas

Sam Leno, formerly COO & CFO, Boston Scientific

David Moss, Citigroup, Director, Citi Markets

Dan Roam, Digital Roam, Inc.

Julie Smith David, AAA

Tracey Sutherland, AAA

Pete Wilson, Boston College

Carolyn Wilson, Boston College

Bruce Behn, University of Tennessee

Glenda Eichman, Manhattan, KS High School

Joann David, AICPA

Dan Deines, Kansas State University

George Krull, Grant Thornton (retired)

Steve Matzke, AICPA

Tracie Nobles, Austin Community College

Steve Wells, Western Kentucky University

Appendix B

Definition of “High-Quality Teaching”

The task force members working to implement Recommendation No. 3 believe that an important foundation for moving forward is to define what they collectively believe represents high-quality teaching. Members considered the use of alternative terms: high-quality teaching, good teaching, effective teaching, outstanding teaching, etc. For purposes of the immediate discussion, members use the term “high-quality teaching,” which appears in the 2012 Pathways Commission report. The purpose in defining high-quality teaching does not include identifying specific curricular content or methods of delivery except in the most general terms.

High-quality teaching is defined primarily in terms of educational results (i.e., outcomes). High-quality teaching requires resource inputs; however, regardless of the magnitude of resources committed, the educational experience cannot be considered successful if student learning outcomes are not achieved. Teaching and learning must be considered jointly in any effort to improve the quality of the educational process. We recognize that high-quality accounting education is a shared responsibility, involving institutional, faculty, and student obligations.

High-quality teaching includes the mastery of technical and supportive content as well as the development of the skills, values, and mind-set required for successful professional careers. Pre-professional accounting education is an integral part of the foundation supporting the professionals’ career-long learning.

The following are indicators of high-quality teaching but are not intended to represent an exhaustive list and are expected to be developed and refined over time.

Attributes of High-Quality Teaching

Faculty and Other Resource Inputs

- Includes both technical and foundational content
- Incorporates application in a business/accounting context
- Includes understanding both current accounting practice and alternatives to current practice
- Appropriately incorporates technology in terms of both content and delivery
- Encourages global awareness

Student Outcomes

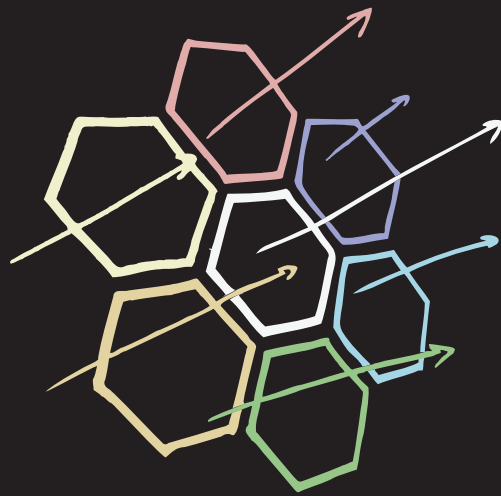
- Involves deep learning beyond memorization
- Includes understanding the complex relationships among areas of accounting and of accounting to other business and related fields
- Develops a sense of personal responsibility and ability to work effectively in teams
- Prepares for a lifetime of learning
- Incorporates understanding of the regulatory and other environmental factors that influence the practice of accounting

- Improves oral and written communication skills
- Develops, through the use of case studies, role playing, and other methods, the ability to reason critically and exercise professional judgment by learning decision-making processes and addressing complex ambiguous practice situations
- Instills a commitment to ethics and integrity and develops an understanding of the importance of the accounting function acting in the public interest
- Appreciates and respects the importance of the accounting function as it relates to protecting the public interest
- Results in graduates who are immediately employable in a broad range of professional positions and prepared to achieve longer-term professional success

Pathways Commission Accomplishments, 2013–2014

Recommendation No. 1 Accomplishments	Relates to	Action Item
Professionally Oriented surveys completed and summarized	1.1	1.1.1
Made presentations at APLG meeting and AAA Annual Meeting about Professionally Oriented Leading Practices and Integration Principles	1.1	1.1.1
Developed Professionally Oriented Integration Principles	1.1	1.1.1
Journal of Accountancy article published disseminating academic research	1.2	1.2.2
Summary of internships and externships process for large firms	1.3	1.3.1, 1.3.2
Summary of current status of academic engagement with practice opportunities	1.3	1.3.1, 1.3.2
Expanded practice experience boot camps to tax and accounting information systems	1.3	1.3.1, 1.3.2
Recommendation No. 2 Accomplishments	Relates to	Action Item
Gathered information on U.S. and international AACSB-accredited non-traditional doctoral programs	2.2	2.2.1
Surveyed non-traditional doctoral program directors, accounting faculty, and graduates and students	2.2	2.2.1
Recommendation No. 3 Accomplishments	Relates to	Action Item
Prepared a detailed definition of the term “high-quality teaching”	3.1	3.1.2
A survey to administrators and faculty of accounting programs is in process in three subject areas: support for high-quality teaching, reward and recognition for high-quality teaching, and use of teaching portfolios in evaluating high-quality teaching.	3.1, 3.2	3.1.2, 3.2.1
Prepared a proposal for a National Center for Accounting Education Excellence within the AAA	3.3	3.3.2

Recommendation No. 4 Accomplishments	Relates to	Action Item
Formed three task forces with members from private and public practice and academics from all levels and areas of education: Common Body of Knowledge (CBOKTF), Signature Pedagogy (SPTF), and Technology (TTF)	4.1	4.1.1, 4.1.2, 4.1.6
SPTF is compiling existing accounting pedagogies that meet the characteristics of a signature pedagogy	4.1	4.1.2
SPTF is looking into making accounting education research easy to search and access	4.2	4.2.1
CBOKTF has completed its initial work producing a set of learning outcomes spanning an accounting professional's career. The New Curriculum Task Force (CTF) has formed and is working on drafting learning objectives for an accounting generalist based on the CBOKTF learning outcomes and mapping these to appropriate levels of learning in Bloom's Taxonomy.	4.1	4.1.3
SPTF drafted a conceptual educational model to integrate the work of the CBOK and the premise that accounting is a learned profession, the basis of which is professional judgment, building on the Pathways Vision Model.	4.1	4.1.3, 4.1.8
TTF is fact finding to determine the different accounting technology used in practice today and expected in the future and technology that is currently being taught in accounting programs as well as how current and emerging educational technologies can improve accounting education.	4.1	4.1.6
TTF is writing a white paper to provide guidance for the implementation of AACSB A7.	4.1	4.1.6, 4.2.5
TTF is writing a white paper that focuses on the interaction between CBOK (curriculum) and technology.	4.1	4.1.2, 4.1.6
Recommendation No. 5 Accomplishments	Relates to	Action Item
Transformed the first academic exposure to accounting by creating the Pathways Vision Model	4.1, 4.2, 5.1, 5.2	5.1.1, 5.2.1, 5.2.4
Continued to provide information to the College Board to get approval for the implementation of a high school accounting class eligible for Advanced Placement credit	5.1	5.1.3
Continue to be connected to the work of the National Commission on Diversity and Inclusion and to assist where appropriate	5.5	5.5.1
Recommendation No. 6 Accomplishments	Relates to	Action Item
Most significant task has focused on gathering information on the supply and demand of accounting professionals and faculty.	6.2	6.2.1
Coordinated and assisted in the development and distribution of four different surveys for task forces discussed in Recommendations No. 1, 2, 4, and 5	6.1	6.1.1



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