

Methods for Teaching Leadership Competencies in the Undergraduate Accounting Curriculum

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ABSTRACT: *The American Institute of Certified Public Accountants (AICPA) Foundational Competencies Framework for Aspiring CPAs (Framework) was developed by educators and accounting professionals to define the skills-based competencies students entering the accounting profession need. The Framework provides a resource educators can use to develop curricula which supports students on the path to becoming a Certified Public Accountant (CPA) in the United States. The competencies listed in the framework are organized under three pillars: technical competencies, which are specific to the accounting profession; organizational competencies that relate to the business environment in which accounting professionals work; and leadership competencies, which relate to the skills, attitudes, and behaviors of accounting professionals. Specific leadership competencies required by accounting professionals, as identified by the AICPA, are ethical behavior, critical thinking, collaboration, self-management, and communication. As educators explore the Framework to determine changes needed in the accounting curriculum, they need to examine the expectations of future employers with respect to leadership competencies. The question accounting educators need to answer is: how can leadership competencies be fostered and developed without detracting from the teaching of other competencies?*

KEYWORDS -Leadership Competencies, AICPA Competency Framework, Accounting Curriculum

I. INTRODUCTION

The American Institute of Certified Public Accountants (AICPA) Foundational Competencies Framework for Aspiring CPAs (2022, p. 1) was developed by educators and accounting professionals to “define a set of skills-based competencies students entering the accounting profession need, regardless of their chosen career path, ...or for the specific accounting services they’ll eventually perform.” The framework acknowledges the changing landscape of the accounting profession may lead to changes in knowledge requirements and instead focuses on skills with long-term value rather than on specific subject areas. The competencies listed in the framework are organized under three pillars: technical competencies, which are specific to the accounting profession; organizational competencies that relate to the business environment in which accounting professionals work; and leadership competencies, which relate to the “skills, attitudes, and behaviors of accounting professionals.” The leadership competencies required by accounting professionals, as identified by the AICPA, are ethical behavior, critical thinking, collaboration, self-management, and communication (AICPA, 2022).

Abbasi (2013, p. 3) defines a competency as, “a sufficient capacity to perform some activities and functions for achieving a desired purpose or goal.” The AICPA has defined core competencies in accounting education as a “unique combination of human skills, knowledge, and technology that provides value and results to the user” (AICPA, 2011, as cited in Abbasi, 2013, p. 4). The technical/ accounting and organizational/ business competencies detailed in the framework are primarily knowledge-based competencies. Technical content is covered heavily on the CPA and CMA exams; generic skills, also referred to as transferable or soft skills (Herbert et al., 2021), are not addressed as much in these exams. Since these exams are many students’ entry into the profession, accounting education focuses on the concepts and competencies that are covered in the exams (Stone, 2020). Accounting education has come under criticism for its heavy focus on technical content and not addressing the soft skills needed for success in the business environment (Terblanche & De Clercq, 2021). The AICPA framework details the competencies required but places the burden on educators on how to incorporate these competencies into an accounting curriculum (Aldamen et al., 2021). The question accounting educators need to answer is: how can leadership competencies be fostered and evaluated without detracting from the teaching of other competencies?

II. TEACHING LEADERSHIP COMPETENCIES

Existing career guidance and much prior research places the accounting profession as an outlier, with engagement with data tasks to the near exclusion of idea tasks. Using U.S. Department of Labor O*NET

occupational data, Chen et al. (2021) tested various hypotheses about how accounting work and accountants compare to three competing professions: law, engineering, and medicine. Professional accounting work is believed to involve less communication and interaction than law or medicine and more engagement in nonpersonal tasks than law or medicine. O*NET data shows that there is no significant difference between the four fields in the level of communication and interaction. Engineering involves more engagement in nonpersonal tasks than accounting, but accounting does not significantly differ from law or medicine in this regard. Professional accountants are thought to have lower levels of analytical thinking than professionals in the other three fields; engineers alone have higher levels of analytical thinking abilities than accountants. Existing career guidance and public perception underestimates accountants' need for communication, interaction, and critical thinking abilities.

Stone (2020) and Abbasi (2013) apply Herring and Izard's (1992) three types of learning outcomes to the AICPA framework. Cognitive outcomes measure whether a student knows something; behavioral, a student does something; and affective, a student values something. Technical content is best delivered through traditional methods, such as textbook and lecture, and competency of material is best assessed through cognitive measures, such as exams. Competencies identified as skills are best measured using behavioral outcomes, such as observation of students' behavior. Affective measures are used to assess values but are often the hardest to measure. These are often measured indirectly, by self-reporting surveys (Stone, 2020). Abbasi (2013) suggests that the current generation of students is less patient with traditional educational methods and more comfortable with technology. Accounting curriculums should include alternative methods of learning that cover technical content in different ways such that other, non-technical competencies are also developed (Aldamen et al., 2021).

Abbasi (2013) asserts that the use of Active Learning shifts the focus of the classroom from teaching to learning. In Active Learning, the teacher acts as a facilitator, resulting in the learner/ student taking more responsibility for their own learning than in more traditional, passive learning methods. Active Learning methods may result in a temporary decline in technical content coverage, but the improvement to students' learning increases their ability to use the content. Active Learning methods include cases, simulations, field studies, internships, writing assignments, and oral presentations.

Stone (2020) describes a Peer Led Instruction activity in which students are responsible for answering questions and demonstrating solutions to other students. At the end of each chapter of material, the instructor assigns topics, questions, and problems to groups of four to five students. The group is responsible for assigning the work among themselves and each student is responsible for providing accurate and timely information to the rest of the group. The activity simulates a team project in the business world, where each individual's input is crucial to a quality group product. McCrary (2022) discusses a collaborative project assigned at the end of the semester after all technical content had been covered. A key feature of this assignment was the absence of a "right answer." The assignments were designed to demonstrate the ambiguity in real-world workplace scenarios. Group projects such as these provide many opportunities for practice and assessment of leadership competencies. Ethical behavior is covered on exams with questions about the AICPA Code of Professional Conduct and practiced by students' responsibility to each other (Stone, 2020). In group projects, there are two levels of accountability: individuals in the group are accountable to each other in order to achieve group goals and each group member is individually accountable to complete their portion of the work (McCrary, 2022).

In Stone's Peer Led Learning, the course instructor evaluates the solutions provided and sends unacceptable work back to the student to redo. This practice is meant to "foster the skill and value of excellent work, and desire for continued learning" (Stone, 2020, p. 135). Students' critical thinking and decision-making skills are strengthened by working through the questions and problems assigned. The group aspect of the project encourages collaboration and fosters communication skills. Each student is given the chance to be team leader, providing the opportunity to encourage their classmates and organize the work of the team. Each group must present their solutions to the class using various means. Questions based on these presentations are included on course exams, placing a high importance on the effectiveness of students' communication skills during the presentations. In addition to course exams and solutions to problems, students complete surveys assessing both their behavior and that of their classmates.

McCrary (2022) utilized Team Member Evaluations in which students were asked to allocate a \$10,000 bonus to members of their team. Each student was asked to assign an amount and provide a justification for the amount to each team member, including themselves. The students' responses indicate that the team exercise required use of problem-solving, leadership, and communication skills. Student driven group projects are one method in which technical content can be taught while also developing non-technical competencies.

Other methods take learning out of the classroom and into the community. Service learning is "an organized service activity that addresses identified community needs and provides a broader appreciation of the discipline and awareness of civic responsibility" (Tschopp, 2004, p.262). Service learning should not be confused with community service, which has limited educational value. In the project described by Tschopp (2004), students were tasked with writing a business plan for the distribution of grant funds for the rehabilitation

of homes in a neighboring community. Students spent time in the neighborhood to identify the needs of the community and worked closely with community leaders to determine the level of interest in the project. The project allowed the students to build interpersonal skills related to the competencies of collaboration, self-management, and communication, as well as the technical competencies related to risk assessment, modeling, and reporting. Students were required to behave professionally and ethically as they represented both their university and the community organizations involved in the project.

Internships with an accounting firm provide students the opportunity to practically integrate their academic knowledge, relate classroom learning to actual work, develop professional social skills, and apply communication and problem-solving skills (Beard, 2007). Timing of the internship is important so that it builds on previous theoretical and conceptual knowledge and skills. Beard (2007) details the assessment process of the internship program at the author's university. Interns complete a diary/ journal, which is shared with the university's internship coordinator, as well as a final paper and oral presentation. Interns also complete a self-evaluation and a program evaluation; the on-site supervisor also completes an evaluation of the intern and conducts an exit interview with the intern. Both the intern and supervisor assess the intern's attitude, maturity, dependability, self-confidence, quality and quantity of work, and relations with others. Feedback from intern self-evaluations indicate that the students value learning by doing and that traditional classroom material gained more meaning for them as they were able to see its practical applications. Students also gained confidence that they will be able to succeed in a business workplace and many students affirmed or altered their career plans after the internship. A well-designed internship or service-learning program can help students integrate classroom material and provide an opportunity to practice leadership competencies that are more difficult to teach in the classroom.

A capstone course as a degree requirement can take the form of any of the previously discussed methods. A capstone course should not teach new material, but integrate material from previous accounting courses, as well as the general education curriculum. Johnson and Halabi (2011) review the accounting capstone courses at several universities. Many courses involved assessing accounting and business cases, researching the proper treatment of accounting issues using sources such as the Financial Accounting Standards Board (FASB) Codification, and presenting findings to classmates and accounting professionals. Unstructured and ambiguous coursework can be offered in a capstone course, mirroring work in the field and allowing students to hone their problem solving and critical thinking abilities. Capstone courses provide a unique opportunity to address competencies not easily integrated into other accounting courses. Students can develop their communication skills, teamwork and interaction abilities, and professional demeanour.

III. DISCUSSION

Technological change is automating many repetitive tasks and putting greater importance on accountants' and auditors' analytical and advisory roles (Chen et al., 2021). Interpersonal and communication skills are among those most sought after by employers and are necessary for advancement in the accounting profession (McCrary, 2022; Chen et al., 2021). Many of the leadership, non-technical competencies are skills or values, rather than just knowledge. Students need time and opportunity to practice these skills (Stone, 2020). University programs should develop skills that allow future practitioners to be innovative and adaptable (Chen et al., 2021).

Students benefit from projects that expose them to real workplace interactions. These types of projects allow students to integrate classroom material more completely by seeing real-world application of the material (Beard, 2007; Aldamen, et al., 2021). Each of the alternative teaching methods described provide opportunities for accounting students to practice and develop the leadership competencies identified by the AICPA.

Students practice ethical behavior towards their classmates during group work, towards the community in a service-learning project or internship, and towards the public interest in simulation exercises. Critical thinking skills are exercised during coursework, which requires students to apply technical knowledge to potentially ambiguous situations that simulate those encountered in the professional world. Successful group projects require collaboration; students can be given the opportunity to serve as team leader and exercise leadership skills in a controlled environment. Working in the community in an internship or service-learning project exposes students working with diverse parties. Holding students accountable to other students or a potential employer encourages self-management and teaches students to be aware of the impact their behaviors have on others. Communication opportunities exist not only in final essays or presentations, but also in communicating results to teammates or supervisors.

IV. CONCLUSION

For several years, the accounting profession has been developing a set of competencies aimed at helping students acquire knowledge and develop talents that will lead them to personal success in the profession (Chabus, 2021). A skills-based curriculum versus a knowledge-based curriculum is advocated because of the

required body of knowledge, technological advancements, evolving regulatory frameworks and rapidly changing landscape of the profession. Factors such as digital automation and outsourcing of labor are increasing the importance of skills labeled as leadership competencies by the AICPA (Herbert, et al., 2021). Technical and organizational competencies are required for the certification exams (i.e. CPA, CMA), but leadership competencies are needed to succeed in the professional workplace. While technical and organizational competencies are easily taught and assessed by traditional methods, leadership competencies must be practiced and developed by students over a long period of time (Stone, 2020). The alternative learning methods discussed – Peer Led Instruction, collaborative learning through group projects, service-learning projects, internships, and capstone courses – allow students to take an active role in their learning and provide the opportunity to practice several leadership competencies. Future research could explore whether employers of accounting students see a difference in skill between students whose accounting curriculum consisted exclusively of traditional teaching methods and those whose curriculum incorporated active learning methods.

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