

Enhancing the Accounting Major with Online Learning

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ABSTRACT

Accounting majors who wish to be successful in life must learn to acquire knowledge using all kinds of platforms. The belief that the only way people can learn is by classroom instruction is not supported by research. The authors show how online learning is an important tool for achieving the various goals of accounting education that should include creativity, collaboration, communication, critical thinking and problem solving. The authors conclude that the optimal method to teach accounting is by combining face-to-face learning with on-line learning.

Keywords: accounting education, hybrid courses, distance education, collaboration, creativity

There has been much discourse among professors about the use of on-line education. Some believe that learning cannot occur outside of a brick and mortar classroom. Some posit that online education is just as good as live instruction. Accounting is a highly technical topic. Therefore the argument is even more heated. Do students need regular live contact with a professor in order to grasp all the technical concepts of accounting?

This controversy has become the topic of a very heated and passionate conversation among accounting educators. Do students learn accounting better while sitting in a classroom, or is online education just as good or even better? In this paper we will show that the optimal method to teach accounting is by combining live traditional education with online learning modalities.

The Challenges in Accounting Education

Our global marketplace requires highly skilled workers. Bruni (2012) asserted that there was a time when a college degree was synonymous with success. This premise is no longer so; students need a college degree for many careers, but a degree does not guarantee success. There is much more competition in the global economy, and “you can’t gain a competitive edge with just any diploma from just any college” (pg. 3). A report from Georgetown University’s Center on Education and the Workforce concluded that “not all bachelor’s degrees are the same” and “while going to college is undoubtedly a wise decision,” (p.3) higher education costs have increased dramatically and students graduate with a considerable amount of debt. Choosing the right major matters even more. During a recent interview by radio personality John Gambling of author Sally Koslow (Gambling & Koslow, 2012), Koslow stated that students are trending more toward majors that lead directly to jobs. Accounting is such a major.

Arum and Roksa (2011) claimed that a significant number of college students barely improved their skills in the vital areas of critical thinking, writing, and problem solving/critical reasoning. Indeed, after four years, 36% had made no significant gains in those three areas. The average amount of time spent studying by college students is now less than half of what it was in the 1960s (Brooks, 2012). Clearly, educators must transform education and devise new methods of teaching. The silo effect, the inability to communicate or think outside of one’s area, has been encouraged by the identification of majors. This specialization may be contributing to students’ inability to think creatively. Of all majors, business students had the smallest gains on the Collegiate Learning Assessment, which tests writing and reasoning skills (Arum & Roksa, 2011). Accounting majors are generally not students with the best writing and reasoning skills. On many campuses, faculty from other departments use the pejorative term “vocational” to describe the accounting major. The implementation of online learning increased 10% from 2010 to 2011 (Allen & Seaman, 2011). While many schools are encouraging faculty to teach fully online and/or blended courses, less than a third of chief academic officers reported that their faculty accepted the “value and legitimacy of online education (p. 5).” Anecdotal evidence suggests that many accounting professors resist use of online

learning technologies and assert that the only way to teach accounting is in face-to-face classes. This paper will posit that using online materials in all accounting classes is important, and all instructors and students can benefit from online approaches.

More than 50 years ago, in a momentous and powerful business article, Theodore Levitt described a phenomenon he labeled "marketing myopia" (Levitt, 1960). Levitt defined marketing myopia as narrow and short-term thinking that can result in the early obsolescence of an organization. According to Levitt, organizations that defined their businesses in terms of a specific product rather than a need or benefit that customers sought were guilty of marketing myopia. By stressing a product, a firm can easily lose sight of what the public demands, satisfaction of a need. Levitt argued that the railroads, at the turn of the century, were guilty of marketing myopia. Railroad executives believed that they were in the business of transporting people and goods by rail and ignored other nascent modes of transportation such as air and truck. Ignoring those modes of transportation was a serious blunder since the business of railroads really was transportation. Similarly, Levitt warned the oil industry that its real business was energy, not oil.

Tedlow (2010) described what happened to companies that looked away and went into denial when paradigms shifted. They missed opportunities or even became obsolete. Some famous examples of denial are Henry Ford's obsession with offering only an inexpensive, black, no-frills Model T Ford. A & P, which at one time was one of the largest retailers in the United States, missed a huge opportunity to grow by not recognizing that television advertising was making manufacturer's brands more important than store brands. A & P also failed to sign long-term leases in suburban malls and did not expand into growing markets in Texas and California. The Internet has profoundly changed many institutions. Libraries have morphed from being structures filled with books to repositories of digital information and electronic resources. A library without access to the Internet is of little value to students today. Information comes in many forms, including DVDs, eBooks, and YouTube videos. Newspapers are dying all over the country because many people prefer getting their news online. The role of a newspaper has changed as a consequence of use of the Internet and such social media as blogs and wikis. By the time readers see a newspaper, much of the news is old. The Web and other media have provided information and photographs about the latest crisis. A newspaper, in order to survive, must take advantage of social media and understand that newspapers (old media) have a function but are complementary to other kinds of media (new media).

Accounting professors must not define themselves solely as individuals who teach traditional classes in a face-to-face format. Academics are in the knowledge 'business' with an objective of providing information and, more importantly, enhancing students' ability to think and learn for themselves. The goal of instruction is to provide students with the tools and desire for lifelong learning, not just to teach students. A Chinese proverb asserts: "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime." This principle is especially true in education. The true job of an educator is to provide students with an unquenchable thirst for knowledge and the ability to acquire that knowledge. Albert Einstein once said: "I never teach my pupils. I only attempt to provide the conditions in which they can learn (Einstein, 2012)."

At one time U.S. business executives believed that skilled service jobs that required a great deal of education would stay in the United States. The Outsaurus website tracks companies that are outsourcing jobs. According to the Outsaurus website (<http://www.outsaurus.com/outsourced-directory/>), approximately 10.5 million American jobs have been outsourced. Accounting firms have also begun to outsource low-level bookkeeping jobs as well as other functions. To retain accounting jobs in the United States, professors must enhance their courses.

Does Online Teaching Work?

Offering face-to-face classes, not online or hybrid/blended courses, might be justifiable if studies demonstrated that traditional learning was superior to online learning. The evidence, however, does not support this view. Means, Toyama, Murphy, Bakia, & Jones (2009) did a meta-analysis of more than 1,000 studies published from 1996 to 2008 comparing online with traditional classroom teaching. They found that online learning does offer advantages over traditional classroom learning. According to Means, et. al., students who complete courses that are either completely or partially online will perform better than students in traditional, face-to-face courses. Interestingly, hybrid courses that combine classroom learning with online learning seemed to be the best of all delivery methods. Means et al. (2009) concluded:

Despite what appears to be strong support for online learning applications, the studies in this meta-analysis do not demonstrate that online learning is superior as a medium. In many of the studies

showing an advantage for online learning, the online and classroom conditions differed in terms of time spent, curriculum and pedagogy. It was the combination of elements in the treatment conditions (which was likely to have included additional learning time and materials as well as additional opportunities for collaboration) that produced the observed learning advantages. At the same time, one should note that online learning is much more conducive to the expansion of learning time than is face-to-face instruction (p. xvii).

Diana G. Oblinger, president of Educause, made the following statement in response to the above study: "Online education provides additional opportunities. It gives people greater opportunity for flexibility, for experiential learning, for illustrating things in multiple ways such as visualization" (Jaschik, 2009, para. 13). She emphasized that the study makes it quite obvious that colleges must use online education and not insist on offering only courses using traditional, face-to-face instruction.

Goals of Education

Before addressing the question of how online learning can enhance accounting courses, it is important to answer the question of "What are the goals of education?" Skills that were valuable in the past may not be so important today. For example, spelling, penmanship, calculating descriptive statistics, or determining present values and internal rates of return are skills that have little value in the computer age. Friedman and Friedman (2011) examined the goals of education in the computer era and listed these skills as critical:

1. *Critical Thinking/Problem Solving/Creativity.* The ability to think critically and creatively is important in this day and age. This skill entails the facility to respond quickly and decisively and make decisions when the business environment changes. Solving problems often requires the ability to work outside one's discipline. Accountants are often asked to answer questions that deal with finance and investments, so accounting education must provide tools for critical thinking. Identifying creative solutions is also important in the corporate world. According to Robinson, companies today believe the most important challenge is "finding people who could make good decisions in times of uncertainty, who can adapt to new opportunities and respond creatively to change" (2005, para. 6). He observed that only 74 companies of the original Standard & Poor list of top 500 corporations (published in 1957) still existed in 1997 (Robinson, 2005). Solutions to problems require creative people who think outside their discipline and are not constrained by the models and methods of a single discipline (Friedman, Friedman, & Pollack, 2008).
2. *Lifelong learning.* A love for learning can ensure that one is always acquiring knowledge. Accounting rules keep changing, as do the tax laws. Accountants who do not pursue new ideas will not be successful.
3. *Communication and collaboration.* Accountants need the ability to collaborate and work with others using all kinds of computer technology including Wikis and blogs. Wikis are growing in popularity as a tool that enables several individuals to work with one document. Accountants must have the capability to work with people with all kinds of backgrounds from all over the world. Teamwork is an important component of the business world. Indeed, the ability to communicate has little value if one does not possess the ability to be part of a team. Accountants often work as part of a team and may have to deal with different areas of a company, especially when conducting audits.
4. *Information navigation and literacy.* The goal of education, according to Brown (2000), should be to teach students information navigation, i.e., how to find useful information on the Internet. The Internet is an extremely important source of useful information for accountants as well as individuals in other professions. Students may know how to use the Internet for social reasons, but many do not have the tools to find reliable, valid information.
5. *Ability to make ethical judgments.* The Enron Scandal was largely blamed on the failure of accountants and auditors because the financial statements of Enron did not properly reflect liabilities, contingent liabilities and other risks. Similarly, in the Recession of 2008 major mortgage lenders invested in risky ventures that were not understood by the business world. Business students in general and accounting students in particular need to learn how to make ethical choices in all of their endeavors. Accounting and auditing irregularities and outright fraud played a major role in many of the major bankruptcies of the last few decades (Enron, Lehman Brothers, Washington Mutual (WAMU), and WorldCom). The reputation of the entire accounting profession is tarnished whenever one company is guilty of

accounting irregularities. The bankruptcy of Enron also was connected to the dissolution of Arthur Andersen, its auditor. When Arthur Andersen closed down, 85,000 people lost their jobs (Ackman, 2002). Many other examples of accounting malfeasance have come to light at Adelphia, Global Crossings, Tyco, AIG, Dell, and many other firms.

These five goals are crucial for all college students, especially future accountants. Accounting instruction must provide students with the skill to achieve these goals in their preparation for work and in their professional lives.

Enhancing an Accounting Course with Online Material

In addition to content to achieve these five goals accounting students must complete numerous courses to master the body of knowledge needed to pass the Uniform CPA Examination. Derek Bok, former president of Harvard, advocated changing from “a teacher-oriented system featuring lectures delivered to passive audiences” to a new paradigm, a “learner-centered process in which students become more actively involved in their own education” (Carnes, 2011, p. A72). The Public Broadcasting System (PBS) series, *Declining by Degrees*, showed quite a few students sleeping while a professor was teaching in a lecture hall. Apparently, passive learning does not work for many students. The PBS comments promoted active learning (Carnes, 2011). Online learning is one way to make courses less passive and more active. Online material can be designed to enhance accounting content so that students are actively engaged in learning.

1. Teaching Critical Thinking/Creativity/Problem Solving

Courses that are offered partially online, blended with face-to-face instruction, can enhance creativity since they can use numerous teaching tools, including animations, videos, wikis, blogs, web links, webinars, and virtual labs. Textbooks often include a homework manager that enables students to do homework online and get immediate feedback. Case materials on the Internet can be used by educators as cases or scenarios to teach accounting students to think creatively. Lectures on YouTube can be viewed by students outside of class. At the university level, viewing online lectures (many are found on the Internet) of great scholars provides students with the opportunity of hearing some stellar lectures. One example would be the TED talks (<http://www.ted.com/talks>) on the Internet.

The Khan Academy, with a library of over 3,000 videos in subjects such as math, physics, and finance, is being tested at numerous schools. Even those who believe that computers cannot replace teachers acknowledge the value in using the Khan website to complement what a teacher does. The site offers feedback to individual students and allows teachers to use an analytics dashboard to see the level of comprehension of each student. The Khan Academy attracts millions of viewers each month and claims about 160 million lessons delivered (Sengupta, 2011).

MIT Open Course Ware (OCW) is free, available to everyone, and enables students and faculty to learn from courses offered at MIT. Websites such as Academic Earth and YouTube EDU collect free lectures from top institutions such as Harvard, MIT, Princeton, and Yale and make them accessible in one place. These resources enable instructors to offer various kinds of assignments to students.

A technique to enhance learning and homework is *interleaving*. An interleaved assignment consists of different types of problems organized in a way to force students to use knowledge from several lectures, rather than problems grouped by type. Researchers use the analogy of hitting baseballs to show how this technique works. Rather than spending a whole day trying to hit curve balls, the batter is thrown an assortment of pitches — fast balls, curve balls, sliders, knuckle ball— not knowing what to expect. The batter must use his/her entire brain to improve his/her skills (Paul, 2011). Teachers can use cases on the Internet that challenge students to use material from different courses to solve problems.

The enemy of creativity, according to Robinson (2005), is standardization. Education today focuses on standardized exams and standardized curriculum. In accountancy most colleges focus on their students’ passing rate on the Uniform CPA Examination, not on more generalized exams. The corporate world needs people who understand divergent thinking, seeing multiple answers to a problem. Schools today rely heavily on standardized tests which teach students that problems have one answer. Hybrid courses, combining in-class and online learning, force students to be self-starters and have the potential to encourage students to be creative.

Accounting faculty members complain of too little time to include all the problems or sub-topics that they would like to include in the curriculum. In a hybrid learning environment, online learning could allow the professor to assign additional problems to enhance learning. An example might be the use of a practice set, a comprehensive, semester long problem. However, if a practice set were relegated to the online classroom, students could reap its value without using valuable class time.

2. Communication and Collaboration

Courses that are partially online provide instructors with opportunities to use discussion boards, blogs, and wikis so that students can communicate and collaborate with each other online. Students also can work in groups so they can learn to collaborate. and connect to fellow students to work on projects just as they will in the business world.

Faculty members frequently complain about the lack of written communication skills of students. Yet accounting faculty, in particular, avoid writing assignments that would improve students' writing skills. Yet Turner, et al. (2008) found that very short daily writing assignments were easy to grade and were correlated with higher grades on multiple choice examinations. An online learning module might include short, yet frequent assignments asking the students to comment on hot topics on one of the accounting newswires or the *Wall Street Journal*. These short pieces would be easy for faculty to grade and encourage students to read and write about accounting issues.

Collaborative learning theory posits that learning is a social activity and students learn better when learning is constructed as such (Gerlach & Others, 1994). In a cooperative learning setting students work in teams. Within the team each member is responsible for his/her own learning as well as teaching others (Cooperative learning, 1992). However, creating situations for cooperative or collaborative learning is often difficult. Students may not reside on campus. They leave campus for homes and/or jobs. With online learning tools, cooperative and collaborative learning becomes easier. Students can connect with a team during short breaks at work or in the middle of the night, from their homes or elsewhere. Besides creating additional learning opportunities, this tool provides students with necessary skills for the business world. Many workplaces now include long distance collaboration among co-workers at different physical sites.

3. Teaching Ethics

Even though courses in ethics have been required for business students for a number of years, scholars are concerned that students do not learn to behave ethically. Etzioni found evidence that students who completed MBA programs are less ethical than when they started their programs (Etzioni, 2002). Kolp and Rea and Mangan commented that some of the major ideas taught in MBA programs are profit maximization and maximizing share price and shareholder wealth; therefore Etzioni's finding was not unexpected (Kolp and Rea, 2006; Mangan, 2006).

Many educators believe that business courses need an injection of liberal arts (Colby, Ehrlich, Sullivan, & Dolley, 2011). Students do not learn enough about ethics and critical thinking in traditional accounting and business courses. Generally Accepted Accounting Standards (GAAP) and Generally Accepted Auditing Standards (GAAS) are not seen as a rigorous way of teaching the importance of ethical behavior. Instructors can insert ethics lectures into an accounting course by using materials on the role of business in society or the value of ethics from the Internet. Numerous YouTube videos deal with accounting ethics. For example, students can view Professor R. Edward Freeman teaching about stakeholder theory (<http://www.youtube.com/watch?v=Ih5IBe1cnQw&feature=related>). Michael Sandel's lectures on *Justice*, based on one of the most popular courses at Harvard, are available at YouTube. The *Justice* lectures are a riveting way to teach students critical thinking and ethics. These lectures force students to decide the right action in various difficult situations. Students can consider questions such as "Is torture ever justified? Would you steal a drug that your child needs to survive? Is it sometimes wrong to tell the truth?" (<http://www.justiceharvard.org/>).

Ethics course taught in a department other than Accountancy or Business often miss the deontological ethics that is required knowledge for CPA candidates and practitioners. An ethics module offered through online learning becomes a very valuable way to add ethics to the accounting curriculum.

4. Improved Learning

Using online courses allows students to learn at their own pace. People learn at different rates. If lectures are available through online learning, students who need more time can view the lecture repeatedly until they master the material. Students taking advanced accounting courses can have access to online content of prerequisite courses for review before beginning the advanced courses. In that way they can be prepared well to begin advanced courses.

5. Instant Feedback

Students must complete accounting problems in order to learn accounting concepts. The more problems they do, the more they learn. Problems are time consuming, and students are reluctant to do a second problem if they are not sure the first one is correct. Making accounting problem assignments available online can enable students to get feedback on each part of their work. Cheang, Kurnia, Lim, and Oon (2003) found that programming students had a better experience when they had instant feedback to their assignments.

Many of the publishers of accounting texts now have online homework support. Students can do their homework online, anytime. The site can include relevant text to assist them. Instructors may have the ability to select algorithmic problems. The system can offer students an option of repeating a problem (provided the professor has selected this option) with different numbers. Also, students can collaborate online to complete the problems. The system can give each student with different numbers so they just cannot copy an answer. Students can work the problem together, each with his/her own set of numbers.

CONCLUSION

Approximately 20% of undergraduate students major in business areas such as accounting, entrepreneurship, finance, marketing, management, and general business (Glenn, 2011). Institutions across the country have increased their offerings of online and hybrid programs and classes. In fact, according to the Sloan Consortium study conducted in 2010, nearly 30% of college students were enrolled in online courses (Allen & Seaman, 2010). According to the Babson Survey Research Group study conducted in 2011, about 31% of college students were taking at least one online course (Allen & Seaman, 2011). Online education continues to gain in popularity in higher education, and the number of students taking online classes has increased for nine straight years. Unfortunately, "many faculty members are frightened by its growth and prevalence" (Lytle, 2012, para. 1).

How can educators resolve the conflict between students wanting increased use of technology and faculty reluctant to use it (too much)? By combining the best of in-class and online study, students will have the benefit of live interaction with a professor and the enhancements and positive effects of online learning. Faculty can introduce technology enhancements in their classrooms to ensure that students not only master the accounting material but also develop additional skills in creativity, collaboration, communication, problem solving, and ethics.

Further empirical research is necessary to determine the modalities of teaching that accounting faculty prefer, the learning modalities that students prefer, and the impact of the different modalities, or combination of modalities on learning outcomes.

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