

Policy Implications of a Proposed Framework to Improve the Accessibility and Effectiveness of Internships in Accounting

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Abstract

Accounting internships provide substantial benefits to employers and students alike. However, opportunities for students are not equitable across all populations due to the existing policies that exist for placing interns. This inequity is particularly true for students from community colleges where there is a larger proportion of underrepresented populations.

This study examines perceptions and practices of employers including accounting firms and community college career center staffs and compares community college curriculum to that of four-year institutions. To determine results, interviews were conducted with employers and community college career center staffs in the State of Ohio. Interview findings showed: (1) most employers had a general lack of understanding of community college accounting programs and students, (2) community college career center staff lacked the knowledge and tools to effectively place students, and (3) community college curriculum through hiring point of internships is comparable to that of four-year institutions.

This paper's findings demonstrate that current policy leaves internship placement, recruitment, and employer communication to the staff of career centers. This existing model lacks the engagement necessary to create the job pathway for students and employers. Through an examination of data, this study proposes the adoption of a policy that provides the intentional development of internship pathways. This proposed policy includes a better outline of internship objectives, faculty leadership, education and training of employers and career center staff, improved communication between institutions and employers, and engagement of community college leadership.

Key Words: internships, accounting, equity, community colleges

Introduction

Accounting internships play a significant role in the recruitment of qualified staffing for public accounting firms and other employers of accounting graduates. Internship programs offer employers major benefits that include efficiencies in recruitment costs by providing them with ready access to a known pool of high-quality candidates (Gault, Redington, & Schlager, 2000).

The public and politicians, particularly regarding publicly funded colleges and universities, are beginning to scrutinize the success of these institutions. One way of measuring this success is job connection. Therefore, internships and job placement are rapidly becoming a metric of success for colleges and universities, making the issue even more important.

This study reviews these benefits, examines college practices, studies both two-year and four-year college curriculum, and analyzes employer perceptions to bring forth suggestions in creating an applicable policy for creating internships.

Benefit to Employers

Through the internship program, employers gain an edge in hiring the best and brightest job candidates (Lauber, Ruh, Theuri, & Woodlock, 2004). The internship programs offer employers the opportunity to assess students on a trial basis to determine their fit for the company and for specific job opportunities which can eventually lead to successful full-time employment (Divine, Linrud, Miller, & Wilson, 2007; Gault, Leach, & Duey, 2010; Maertz, Stoeberl, & Marks, 2014; Reding & O'Bryan, 2013; Thiel & Hartley, 1997). Furthermore, if hired to a full-time position, former interns have been shown to advance within the organization at a faster pace and to have a lower rate of turnover compared to employees that were not former interns (Siegel, Blackwood, & Landy, 2010). Although employers may not need a full-time employee, they can utilize the skills of co-op students to accomplish part-time work and special projects (Beard 1998; Divine et al., 2007; Thiel & Hartley, 1997). The employers enjoy access to the intern's current knowledge, fresh ideas, and enthusiasm to accomplish meaningful research, projects, and reports at a relatively low cost without needing to make long-term employment commitments (Reding & O'Bryan, 2013; Swanson & Tomkovick, 2011).

Benefit to Colleges and Universities

Colleges and Universities benefit from internship programs through the successes of the student interns. A successful internship experience raises credibility with both employers and students and helps the college build a favorable positive reputation. The resulting stronger relationship with employers in the business community can positively impact funding and scholarship support, job placement opportunities for graduates, event sponsorship, access to classroom guest speakers, and participation at student job fairs (Divine et al., 2007; Maertz et al., 2014). Successful business internship programs result in a stronger connection linking the school of business to the community. Furthermore, colleges and universities enjoy additional benefit because student recruiting is positively impacted by favorable cooperative experience activities (Weible, 2009).

Benefit to Students

Although the employers, as well as the colleges and universities participate in the benefits of internships, the accounting students, however, are the primary beneficiaries of an internship program. On the job learning for accounting is a critical component of education, and internships give students a differential advantage. Internships expose the students to the reality of the work environment. They give the students an opportunity to work in a job to gain experience and make professional contacts in their chosen career field. Through real-world experience, internships give the students the opportunity to confirm their interest in their chosen career field. This includes understanding how concepts learned in their academic studies can be applied to the world of business (Beard, 1998; Hergert, 2009; Lay, 2010; Maertz et al., 2014; Reding & O'Bryan, 2013; Rothman, 2003; Thiel & Hartley, 1997; Thompson, 2011). A successful internship leaves the student with improved knowledge of industry and career options, as well as improved work habits, and better time management, interpersonal communication skills, self-discipline and personal motivation (Knouse, Tanner, & Harris, 1999).

For the student, one of the most important outcomes of an internship is better job opportunities. The completion of an internship as an undergraduate improves a student's ability to secure a career position after graduation (Callanan & Benzing, 2004). The experience gained through an internship may result in an increase in the number of job offers and earlier arrival in the receipt of job offers. Other student benefits include higher starting salaries and opportunities for faster promotion. Also, internships give the student an opportunity to evaluate a prospective employer. A positive internship experience may result in the receipt of a direct offer from the co-op employer for permanent employment upon graduation (Gault et al., 2010; Maertz et al., 2014; Thiel & Hartley, 1997).

Issues and Importance

The value of an accounting internship is clear. Participation in internships offers substantial benefits leading to increased opportunities for career success (Knouse et al., 1999). For accounting students at community colleges, however, access to the benefits of internships is limited. Although community college accounting students may actively seek to take advantage of such opportunities, most employers are not recruiting students for accounting internships until they reach their junior year, senior year, or graduate program (Beard, 1998; Kessler, Danko, & Grant, 2009; Violette, Violette, & Hendrix, 2013; Zucca & McFall, 2008). Employers are often excluding community college accounting students when hiring to fill an internship position. Community colleges are challenged to engage all stakeholders to identify the underlying reasons why this situation exists and to adopt an effective policy to address the issues to initiate a positive outcome.

Community colleges serve approximately 30 percent of all students in higher education. Community colleges provide open access to a significant minority, underprivileged and non-traditional student base (AACC fact sheet, 2016). According to the Ohio Department of Higher Education in the report on Undergraduate and Graduate Student Diversity Fall 2016, 15 % of Ohio community college students are Black or African American, 4% are Hispanic and 68% are White. 51% are first generation college students. For Ohio undergraduate students

attending university main campuses, 9% are Black or African American, 4% are Hispanic and 73% are White. 31% are first generation college students.

Research Design and Methodology

To capture data, interviews were undertaken. In order to seek and find the desired best practices, this study interviewed staff from 5 community college career centers and 14 employers who have hired or planned to hire college students as accounting interns. All community colleges and employers are located in Ohio. The objective was to synthesize the data into a tool that can be used by both community colleges and employers to make their accounting internship programs more accessible and effective. The primary goal was to deliver a model internship policy for community colleges and 4-year universities alike.

In addition to interviews, a curriculum review and comparison was undertaken to address a common employer concern regarding the depth of the community college accounting curriculum. The study included a review of the accounting curriculum at four-year schools located within a 100-mile radius of the five community colleges interviewed for this study. The study confined the selection to the ten Ohio institutions with accounting accreditation from the Association to Advance Collegiate Schools of Business (AACSB). These schools have accounting programs proven to align with the strict accreditation standards of the AACSB through a process of self-evaluation and peer review (Association to Advance Collegiate Schools of Business, 2013). A sample of six of these ten schools was chosen based on the availability of a recommended accounting program course sequence or semester by semester plan of study as found on the respective school's website.

Findings – Employer and Community College Career Center Staff Interviews

The key findings from the interviews are summarized below and are detailed in Appendices A and B:

- Most employers who participated in the study have a general lack of understanding of the key components of community college accounting programs including curriculum, qualifications of the faculty, and the quality and diversity of the students.
- Employers establish criteria for accounting internships that invariably disqualify community college students because, by default, the internships require or give strong preference to students at the junior level or higher.
- Although most accounting firms reserve their internships for students who are tracking to complete 150 semester credit hours to take the CPA exam, some employers have identified different alternatives that open up internship opportunities to community college accounting students.
- A key unique segment of community college accounting students consists of those who have already earned degrees in disciplines other than accounting. These students, who have changed their career interest to accounting, are taking the necessary accounting courses to qualify for the CPA exam.

- Employers of accounting interns have determined that the best candidates not only have good grades, but are adequately prepared with a solid resume and interviewing skills, possess a strong computer aptitude, and most importantly, are adept in the use of soft skills.

Findings - University and Community College Curriculum

Appendix C shows a summary of the accounting curriculum at the five community colleges interviewed for this study. The table indicates that although each accounting program includes the standard introductory courses of Financial Accounting and Managerial Accounting, the curriculum goes into more depth. The list of required courses to achieve an Associate of Applied Business degree in accounting also includes many of the same courses required in a four-year degree program. The list includes Intermediate Accounting, Cost Accounting, Federal Taxation, Auditing, Business Law, and Accounting Information Systems which are the very same courses typically selected to fulfill the accounting requirements to take the CPA exam. For comparison purposes against four-year schools, refer to Appendix D which presents data from a sample of six AACSB accredited accounting programs at four-year schools in Ohio. Appendix D shows the courses that an accounting major would typically take by the mid-point of their junior year. This study chose this midpoint because it is during the first semester of junior year that employers will typically interview to fill internship positions for the next spring busy season or the following summer. A comparison of Appendix D which shows the regular coursework completed by a junior seeking an internship, with Appendix C which shows the coursework a community college accounting student would complete by the end of the second year, reveals that at this point there is no significant difference in coursework between the programs.

These findings show that the employer concerns regarding having the necessary exposure to curriculum and topics are unfounded. Appendices C and D show that community college curriculum is as robust of that of four-year schools.

Analysis of Findings - Current State of Policy

The first finding was that employers have a general lack of understanding of the depth of the community college accounting curriculum, the qualifications of the faculty, and the quality and diversity of the students. When considering the student qualifications for accounting internships, employers are unaware that the depth of the community college curriculum is comparable to that of an undergraduate institution. This observation was expressed by three out of five career services interviewees and nine out of 14 employers interviewed. The interviews exposed a need to educate employers and the importance of building relationships between the community college and the employers, and more specifically between the accounting faculty and employers.

The second finding was that a majority of participants expressed that employers focus on junior level students or higher to fill internships. The businesses establish qualifications that invariably disqualify community college accounting students from participation in internship programs. Six of the employers expressed concern that the community college curriculum is insufficient. To address this concern, this study

incorporated a document review of accounting coursework typically taken through the midpoint of junior year at a sampling of AACSB accredited accounting programs at four-year schools. The study showed that there was little or no difference in the accounting coursework taken through this point when comparing the four-year programs to the community college programs. The interview participants also expressed that the environment is very competitive for the best intern candidates and that the lack of diversity in the accounting profession can be a challenge.

The third finding relates to the regional and national accounting firms and how they restrict internships to students who are tracking to complete 150 semester credit hours required to sit for the CPA exam. This is one of the key reasons given for excluding community college accounting students. Despite this limitation, some employers are coming up with unique ways to open up internships to community college accounting students. These include early internships, paraprofessional positions, and tax return preparation and processing.

The fourth finding focused on a distinct segment of non-traditional community college accounting students who have attained a four-year degree in a discipline other than accounting and are attending community college to complete the requirements for the CPA exam. Because these students are nearing the 150 credit hours required to sit for the CPA exam, this presents a unique opportunity for the students in this key segment to qualify for accounting internships at CPA firms that otherwise would not consider community college students.

The fifth finding was that in addition to academic performance, the best accounting internship candidates should possess a strong resume, and demonstrate interviewing skills, computer aptitude including Excel and QuickBooks, and most importantly, soft skills. 13 out of 14 employers identified the importance of soft skills, indicating that the best candidates stand out based on their ability to communicate, to work in teams, to socially interact with clients and colleagues, and demonstrate leadership.

All the results show that there is a disconnect between the colleges and employers. Attention and an intentional policy are needed to remedy this situation.

Proposed Policy

To address the lack of policy for accounting internships, first and foremost, a formal policy should be adopted. Without it, there is no intention, no road map to follow or benchmark to gauge performance. The policy should be adopted by the Board or at least top management and should outline the program with persons of responsibility. It should list objectives of the internship, deliverables, and exit interviews with employers and students. The following components should be included in the policy:

- **Faculty Leadership** - Faculty should be assigned leadership and responsibility with partnership and support from career centers.
 - A faculty internship coordinator should be assigned with course release time granted. Additional faculty release time should be budgeted commensurate to work being performed. Faculty must be allotted

adequate time to organize and achieve success. It is understood that there will be a cost, but the direct link to students in jobs will more than merit the course release time.

- **Education**
 - Career Center employees should be trained and provided information to disseminate to students.
 - Personal meetings must be set up with top employers with materials provided.
 - Create a formal communication plan.
 - Plan regular events such as “Meet the Accountants” night.
- **Adopt Metrics** – Set benchmarks and goals.
 - Examples include: number of internships, number of employer site visit/education sessions, and employers attending accounting internship job fairs.
- **College Leadership Engagement**
 - Obtain President, Provost, and CFO involvement when possible for community connection at strategic points. Provide a responsible Dean level manager to ensure resources and connection in place with management. Include as part of the employee performance review.

Conclusion

This study provides evidence as to the importance of accounting internships for employers, higher education institutions and students alike. However, the data also shows a huge disconnect between the colleges and employers. The study identified opportunities for colleges to be more intentional in the placement of students into internships. It is incumbent of the colleges and universities to take charge in creating these job pathways for students. These institutions are the only players that have the ability and expertise to bring the employer and student together. To do this, colleges and universities should create policy as outlined in this paper. Resulting growth in internships can be used as a valuable student success metric. Although the data in this study highlights community colleges, the same policy guidelines will help promote and improve internships for four-year colleges as well.

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Appendix A

Summary of Interview Themes – Career Centers

Community College:	Community College Career Center Staff				
	1	2	3	4	5
Theme #1					
Employers don't understand accounting program	X	X			X
Need to educate employers	X	X		X	X
Need relationship between college and employer	X	X	X	X	X
Need relationship between faculty and employer	X	X	X	X	X
Theme #2					
Employers focus on Juniors and Seniors	X	X		X	X
Community college curriculum is insufficient	X				
Competition is an issue/opportunity	X	X		X	
Diversity is an issue/opportunity	X			X	
Theme #3					
150 hour CPA eligibility is a challenge					
Paraprofessional opportunity		X			
Tax opportunity		X	X	X	X
Early internship opportunity	X	X		X	
Theme #4					
Nontraditional Students pursue CPA	X			X	
Opportunity for qualified students	X				
Theme #5					
Best Candidates Need Soft skills					
Adequately prepared for interview/job	X	X	X	X	X
Excel/QuickBooks/computer skills	X	X		X	X
Excel/QuickBooks/computer skills				X	X

Appendix B
Summary of Interview Themes – Employers

Employer #	Employers of Student Interns													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Size:	Small	Regional	Regional	Regional	Mid-Size	Large	Regional	Regional	Large	Local	Regional	Local	National	Local
Type of Organization:	Non-Profit	CPA firm	CPA firm	CPA firm	Corporate	Corporate	CPA firm	CPA firm	Non-Profit	CPA Firm	CPA firm	CPA Firm	CPA Firm	Consultant
Theme #1														
Employers don't understand accounting program		X		X		X	X	X		X	X		X	X
Need to educate employers		X	X	X		X	X	X		X	X			X
Need relationship between college and employer	X	X	X	X	X	X	X	X		X	X	X		X
Need relationship between faculty and employer	X	X		X	X	X	X		X	X	X	X		X
Theme #2														
Employers focus on Juniors and Seniors		X	X	X			X	X			X		X	
Community college curriculum is insufficient			X	X			X	X			X		X	
Competition is an issue/opportunity		X	X	X		X	X	X		X	X	X	X	
Diversity is an issue/opportunity	X					X	X			X	X			
Theme #3														
150 hour CPA eligibility is a challenge			X	X			X	X					X	
Paraprofessional opportunity		X	X	X			X	X		X			X	
Tax opportunity			X	X								X		X
Early internship opportunity		X	X	X		X						X	X	
Theme #4														
Nontraditional Students pursue CPA				X			X				X		X	
Opportunity for qualified students				X			X				X		X	
Theme #5														
Best Candidates Need Soft skills	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Adequately prepared for interview/job	X	X	X	X			X	X	X	X				
Excel/QuickBooks/computer skills	X	X		X	X	X			X					X

Appendix C
Associate of Applied Business Degree – Accounting Curriculum

Curriculum	Community College				
	1	2	3	4	5
Financial Accounting	X	X	X	X	X
Managerial Accounting	X	X	X	X	X
Federal Taxation	X	X	X	X	X
Business Law	X	X	X	X	X
Intermediate Accounting I	*	X	X	X	X
Intermediate Accounting II	*	X	X	X	X
Cost Accounting	*	X	X	X	X
Auditing	*			X	X
Accounting Information Systems	X		X	*	X
Financial Management	X	X	X	X	X
Government / Non-Profit Accounting	*			*	
Credit Hours Needed for Graduation	60-62	60-61	64	60	65
<i>Note: X = requirement for degree; * = elective.</i>					

Appendix D
AACSB Accredited Accounting Programs
Coursework through Midpoint Junior Year

Curriculum	Schools with AACSB Accredited Accounting Program					
	1	2	3	4	5	6
Financial Accounting	X	X	X	X	X	X
Managerial Accounting	X	X	X	X	X	X
Federal Taxation						
Business Law						
Intermediate Accounting I	X	X	X	X	X	X
Intermediate Accounting II						
Cost Accounting			X		X	X
Auditing						
Accounting Information Systems					X	X
Financial Management	X	X	X	X	X	X
Government / Non-Profit Accounting						

Note: X = course normally completed by mid-point of junior year.