

QUALITY IN ACCOUNTING EDUCATION AND LOW ENGLISH STANDARDS AMONG OVERSEAS STUDENTS: IS THERE A LINK?

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Two studies of stakeholders in university education for accounting professionals in Australia provide evidence of a decline in the quality of accounting education as perceived by accounting academics. This decline may be linked to increasing enrolments of international students with poor English language skills. Some university lecturers indicate that the quality of students entering their courses has declined, as has the quality of those graduating. In an environment increasingly dominated by the need to publish or perish, assessment tasks such as essays, case studies, and research reports, designed to improve the English language and communications skills of graduates, may have been compromised. This may contribute to the fact that many employers of graduates are concerned about the low levels of English language and communication skills displayed by accounting graduates, particularly international students.

INTRODUCTION

Bob Birrell's research published in the last issue of *People and Place* examines the English standards of overseas students at Australian universities and has drawn attention at both national and international levels.¹ Government Ministers, senior representatives from the Australian Vice-Chancellors' Committee (AVCC), officials from IDP Education Australia and various Australian universities have been called upon to comment. Birrell found that around one third of former international students who gained a permanent residence visa in 2005–2006 after graduating from an Australian university did not achieve the 'competent' band 6 English standards on the International English Language Testing system (IELTS).² In addition, the consequences of these findings in relation to the employability of accounting graduates in professional employment have also been vigorously discussed.

Birrell's findings are of particular interest to those involved in accounting education in higher education. There has been an increase in the number of international students enrolling in undergraduate and postgraduate accounting programs in Australia and, in the past five years, 'almost all of the growth

in the training of accountants at the university level in Australia has occurred amongst overseas-student enrolments'.³ Accounting is listed on the Migration Occupation in Demand List (MODL) by the Department of Immigration and Citizenship (DIAC). As a consequence, international students who are interested in obtaining permanent residence (PR) in Australia are likely to obtain this if they complete an eligible university accounting course. Academics teaching accounting courses are aware that a high proportion of the international students they teach are interested in obtaining PR. Indeed many international students, particularly those enrolled in postgraduate accounting programs, appear more concerned with the benefits that derive from the degree for PR status than about working in the accounting profession.

This article explores whether the increasing number of international students studying accounting in Australian higher education institutions has influenced the quality of accounting education, and why, with record numbers of accounting graduates from undergraduate and postgraduate accounting programs, the skills shortage in the field remains.

It reports on two recent empirical

studies of accounting education in Australian higher education institutions. The first study concludes that quality in accounting education is declining.⁴ The second study finds that it is the English competency of students undertaking accounting assessment that has the most impact on student learning, in terms of their approach to assessment and ultimately their grades.⁵ The discussion in this paper considers how the two findings may be inextricably linked.

QUALITY IN ACCOUNTING EDUCATION

While many stakeholders have a view about quality in higher education, academics who teach students are well placed to provide informed comment.

The author has completed a postal survey of accounting academics working in Australian universities in 2003, primarily aimed at assessing academic perceptions about quality in accounting education.⁶ Responses were received from 231 accounting academics from 36 Australian universities.⁷ This represents a response rate of 28 per cent.

Of the respondents, 79 (35 per cent) were female and 150 (66 per cent) were male (two respondents did not indicate their gender). One hundred and forty

respondents (61 per cent) were aged 45 years and over, and 24 respondents (10 per cent) were aged 34 years and under. Some 183 respondents (79 per cent) were academics that have been employed for eight years or more and 219 (97 per cent) of respondents hold full-time positions.

Two of the questions asked were of direct relevance to the current discussion. The first asked respondents to ‘reflect upon your most recent academic experience and respond, based on your own individual perspective about how you judge the quality of your work’ and to indicate their level of agreement with the following statements.⁸

Over recent years there has been an improvement in the quality of:

1. The assessment tasks I set.
2. The content of my subject.
3. The dialogue I have with students.
4. The students entering my subject.
5. The students completing my subject.

As shown in Table 1, a majority of respondents agree or strongly agree that there has been an improvement in the quality of the assessment tasks set (67 per cent), subject content (72 per cent) and, to a lesser degree, dialogue with students (53 per cent). Only 21 per cent of respondents agree or agree strongly that

Table 1: Over recent years there has been an improvement in the quality of ...

	Agree/ Strongly Agree per cent	Neutral per cent	Disagree/ Strongly Disagree per cent	Total per cent
1. Assessment tasks	67	17	16	100
2. Subject content	72	15	13	100
3. Dialogue with students	53	24	23	100
4. Students entering the subject	21	27	52	100
5. Students completing the subject	31	33	36	100

there has been an improvement in the quality of students entering their subjects and 31 per cent agree or agree strongly that there has been an improvement in the quality of students completing their subject.

The neutral response percentages (3 on the five-point scale) on the questions about dialogue with students (24 per cent), students entering the subject (27 per cent) and students completing the subjects (33 per cent) could suggest a high level of uncertainty among accounting academics on issues of quality to which they have first-hand exposure. Or alternatively this set of responses could indicate that quality has not changed. With this in mind, it is interesting to note that for each of these three aspects, the levels of disagreement are relatively high. Of particular note is that 52 per cent of respondents disagree or strongly disagree with the proposition that there has been an improvement in the quality of students entering their subject.

Over the past decade most universities have focussed on the development of internal quality assurance systems, designed to assure all and sundry of the quality of their operations. This focus has seen large amounts of money used to establish, staff and operate central quality units, and the creation of senior academic positions with responsibility for 'quality'. In this environment, one might expect to find evidence of a perception by accounting academics of a change (increase) in quality. The high level of neutral responses indicating 'no change' as perceived by those closest to the teaching and learning interface is especially striking given the official emphasis on 'quality'.

OPEN-ENDED RESPONSES

The survey explored respondents' concerns with aspects of quality in accounting education further in an open-ended question that asked them to complete the following

statement: *In my view, quality in accounting education in my school/department has ...*

This question was answered by 186 (80.5 per cent) respondents. Further, 178 respondents (77.1 per cent) provided additional information that identified the major factors contributing to their views. Responses to this question were reviewed and coded using the following categories: quality has declined, improved, remained constant and other.

Further analysis of the 69 respondent comments coded as 'other' showed an overwhelmingly negative response. Thirty-five of the 69 comments indicated that quality is an issue that is not being currently promoted or pursued in an appropriate or useful manner. Only 14 of the 69 comments were considered as positive responses. When these responses were reallocated (as in the third column of Table 2), the result is that a majority (54 per cent) of accounting academics thought the quality of accounting education had declined, while 23 per cent indicated that quality had improved.

A further question provided the opportunity for respondents to offer specific reasons for their views. While space was provided for four responses (major factors), some respondents identified more than four factors while others identified fewer. In total, 178 respondents listed 363 items. A clear pattern emerged from the grouping of responses.

A total of 110 negative responses, representing 30 per cent of all responses (110/363), were about staffing and student issues. Responses related to increasing student numbers, particularly class sizes (52 respondents), increasing international student enrolments (22 respondents) and other staffing issues (36 respondents). These included staff cuts, overuse of sessional staff, reduced administrative

support and, as a result, 'exhausted' staff. The second thematic grouping that emerged represented 16 per cent of responses and related to funding and resourcing issues. Overall, most of the respondents' concerns were linked to increasing student numbers in accounting degree programs and the reduction in funding and resources available to cater for those increases sufficiently.

ASSESSMENT IN ACCOUNTING EDUCATION

There is a link between quality in accounting education and assessment. Assessment measures the knowledge and skills attained by a student. Professional accounting bodies, such as CPA Australia (CPA), the Institute of Chartered Accountants in Australia (ICAA) and the National Institute of Accountants (NIA) base their professional accreditation of accounting degree pro-

grams on the demonstrated quality of the education experience for students. In terms of assessment, the professional bodies specifically refer to 'the need to incorporate in the assessment process due emphasis on generic skills such as effective communication, analytical and critical thinking and innovative problem-solving. Excessive reliance for assessment purposes on unsupervised work or on tests of simple memory recall is not regarded as conducive to reliable assessment of quality of achievement'.⁹ Assessment is a primary mechanism for demonstration of excellence and is also a measure of the quality of graduates entering the profession.

The second study to be discussed in this paper was undertaken in 2006,¹⁰ and funded by the Carrick Institute for Learning and Teaching in Higher Education Ltd. Its objective was to determine how equivalency of student learning, assessment

Table 2: Summary of responses

Statement	No. of Resp. First round allocation (1)	Per cent First round allocation (2)	Per cent after 'other' reallocated (3)
1. In my view, quality in accounting education has declined—(deteriorated, declined, fallen, taken a back seat, not improved, diminished, decreased, eroded, decreased, squeezed out, fallen, suffered).	66	36	54
2. In my view, quality in accounting education has improved—(improved, increased).	28	15	23
3. In my view, quality in accounting education has remained constant—(stayed the same, been maintained, remain unchanged, continued at a reasonable level).	23	12	12
4. In my view, quality in accounting education has ... other—(various responses)	69	37	11
Total	186	100	100

Notes: The bracketed words are those used by respondents when answering this question.

The term 'first round allocation' refers to the initial analysis of the data, before the 69 responses initially coded 'other' were reviewed. In column 3 most of the 69 responses have been reallocated to response categories 1 to 3.

and attainment of the required generic skills (as specified by CPA/ICAA in their accreditation guidelines 2006) can be ensured, through assessment practices that take into account students with different cultural and learning backgrounds.

The study examined current assessment practices used in a large accounting undergraduate degree, delivered in Melbourne, Hong Kong and Singapore. The authors wanted to determine, first, how these practices measured students' attainment of the profession's generic skills, and second, whether different approaches to assessment were taken across the three locations.

The students enrolled in these programs were investigated using focus groups. Fifteen focus groups were conducted with 70 students across the three locations. Two of the Melbourne focus groups involved students from Mainland China only. In all student focus groups, students' cultural backgrounds, prior learning experiences, the assessment practices they had encountered and their performance in assessment were discussed. At the same time, the authors held consultations with teaching staff (six focus groups with twenty-one staff) and also with employers (13 interviews with employers in Melbourne, Hong Kong and Singapore) to determine the views of teachers and employers about assessment and the quality of graduates entering the workforce. All focus groups were conducted in English, tape-recorded and transcribed. Content analysis was used to identify categories and inter-coder reliability was checked to increase the reliability of the coding and categories.

One of the key findings is very relevant to the current discussion—the English competency of students undertaking accounting assessment has the potential to have a major impact on student learning. This finding is in addition to, as previous

researchers have found, the influence of different cultural background and students' learning preferences.

Students from Hong Kong, Singapore and Mainland China were generally familiar with the assessment tasks used in university accounting programs such as exams, case studies, essays and presentations. However, the level of English competency of students determined the extent to which students understood lecturers' expectations of them and their confidence (or lack of it) in completing the required assessment.

In addition, as a result of discussions with teaching staff the authors found that some of the assessment tasks designed to measure the development and achievement of generic skills, such as case studies, essays and research reports were not the preferred assessment modes for some lecturers. Primarily, this was because of the additional time required to assess the written work of students from a non-English speaking background and lecturers' reluctance to deal with the time consuming and burdensome internal requirements where plagiarism was suspected. The lecturers who did favour these assessment tools expressed concerns about their ability to continue with them because of the issues stated above (time for marking and concerns with plagiarism). There was evidence of the potential for a shift to assessment of technical aspects of the discipline, at the expense of assessing the generic skills, particularly those generic skills normally listed under the umbrella term 'communication skills'.

The analysis of responses from employers of accounting graduates across the three locations revealed, overwhelmingly, that the English language and communication skills of accounting graduates are the key area of deficiency in relation to generic skills development. A clear majority of employers were satisfied

with the level of technical competence exhibited by accounting graduates. Despite this, they indicated that they were willing to, and in fact had already, recruited graduates from outside of the accounting discipline (engineering and law, for example), because of their need for graduates who are effective communicators and strategic thinkers. Employers in Hong Kong, Singapore and Melbourne referred to the skills shortage in the accounting field and their frustrations in dealing with applications from graduates who displayed poor English language and communication skills.

DISCUSSION

Birrell's recent research findings have attracted attention for two reasons. First, his findings quantify an issue of concern for many in the higher-education sector. From a political and policy-making perspective, quantitative data—the numbers—often have a stronger impact than findings based on qualitative analyses. Second, the findings have bought to centre-stage an issue that is of growing concern to most, if not all, stakeholders in Australian higher education generally, and in accounting education specifically. These stakeholders include academics, current and prospective students, the professional accounting bodies, employers of graduates, government and the broader community.

The research presented in the present paper is clearly focussed on accounting education, and supports those concerned about the English standards of students graduating from Australian universities. Further, evidence has been presented outlining some concerns about fundamental issues of quality in accounting education by accounting academics.

It is a tough call for an academic to publicly express the view that expectations of students' work (their standard of work) has declined. This is because the issue of

quality and standards goes to the heart of what it is to be an academic. However, there is a growing body of concern, both anecdotal and empirical, about quality and standards. There is also evidence that the increasing numbers of international students may be an important factor affecting the quality of accounting education. Finally, key stakeholders in accounting education appear to view poor English language and communication skills as an impediment to improved performance on assessment tasks (staff and students) and to graduate employability (employers).

Universities are aware of this issue and most, if not all, have developed programs of assistance for international students and/or those from a non-English speaking background. Many of these programs, developed at various levels of the academy, are designed to assist students with all aspects of English language and communication and often involve targeted workshops for international students. Attendance at these sessions is usually optional. Perhaps many of those who need them do not in fact take advantage of them. On the basis of the Department of Immigration and Citizenship's tests of these students when they apply for PR, it appears that many students are completing their university degrees with an English language competency well below that expected for effective participation in the professional workforce. Possibly many who might benefit from this additional assistance are managing to 'get the degree' without it. This is an issue of concern for accounting educators and those professional accounting bodies that accredit their programs.

In some respects it is all too easy to suggest that support for students who are identified as requiring additional assistance with English should be compulsory. In the current, highly competitive higher education environment, any imposition of

additional class requirements and costs on top of those already agreed to as part of the contract between international students and the university is likely to fail. If the potential for permanent residency is one of the key drivers of student participation in accounting programs, particularly postgraduate accounting programs, then universities that impose additional requirements and costs clearly place themselves at a competitive disadvantage. While academics at the school or department level may support such a stance, it is unlikely that managers controlling revenue streams and budgets would be so willing to make the change, in isolation from other institutions in the market that are their competitors.

So what is the role of the professional accounting bodies in all this? With the exception of a brief comment reported in the media from a spokeswoman from the Institute of Chartered Accountants in Australia (ICAA) that ‘the matter’ was one for government, the lack of a detailed response from the ICAA and the National Institute of Accountants (NIA) has been noticeable.¹¹ While CPA Australia appears to be reluctant to police, as a professional body, the level of English skills required to enter the profession—unlike The Australian Nursing Council, for example—it is to their credit that they have, at various stages,

provided informed input to this important debate. Whether the growing pressure for the professional accounting bodies to take a lead role in this issue and change their English language requirements for entry to the profession is yet to be determined. In the short-term, the impetus to change is more like to come from the accounting accrediting bodies than it is from the universities.

Academics lament the lack of control that they currently have over the entry requirements in many of the courses they teach. The English competency of many students, particularly international students, is an issue of concern for all stakeholders—employers, academics, the profession, students, government and the broader community. The Minister for Education, Science and Technology, Julie Bishop is reported to have said that Birrell’s report contained ‘a very serious allegation’ and that the Minister ‘wants to see the evidence; which universities, which professors, which courses’.¹² This comment does little to inform the discussion. Some have gone so far as to call her comments a ‘classical instance of shoot(ing) the messenger’.¹³ It is important that debate, discussion and further research into these important issues of national significance be encouraged and supported. These issues will not go away.

References

- ¹ See *Campus Review*, 6 February 2007.
- ² B. Birrell, ‘Implications of low English standards among overseas students at Australian universities’, *People and Place*, vol. 14, no. 4, 2006, pp. 53–64
- ³ B. Birrell and V. Rapson, *Migration and the Accounting Profession in Australia*, Centre for Population and Urban Research, Monash University, Melbourne, 2005
- ⁴ K. Watty, ‘Want to know about quality in higher education? Ask an academic’, *Quality in Higher Education*, vol. 12, no. 3, 2006, pp. 291–301
- ⁵ M. Jackson, K. Watty and L. Yu, *Assessing students unfamiliar with assessment practices in Australian universities*, 2006 <<http://www.carrickinstitute.edu.au/carrick/go/home/grants/pid/342>> accessed 28 February, 2007
- ⁶ K. Watty, 2006, op. cit., pp. 293–294
- ⁷ For the purpose of the research, an accounting academic is defined as an academic currently involved in accounting education at an Australian university.

- ⁸ Responses were gathered using a 5-point Likert scale (where 1 is strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree).
- ⁹ Accreditation Guidelines for Universities, CPA Australia and the ICAA, 2005, p. 7
- ¹⁰ Jackson, et al., 2007, op. cit
- ¹¹ *Australian Financial Review*, 27 November 2006
- ¹² *The Australian*, 31 January 2007
- ¹³ *Australian Financial Review*, 5 February 2007