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Pepperdine University
Graduate School of Education and Psychology

RECRUITER PERCEPTION OF ONLINE ACCOUNTING DEGREES

A dissertation submitted in partial satisfaction
of the requirements for the degree of
Doctor of Education in Organizational Leadership

by

Tammie Lynn Burkhart

March, 2017

Paul Sparks, Ph.D. – Dissertation Chairperson

This dissertation, written by

Tammie Lynn Burkhart

under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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DEDICATION

I dedicate this entire degree and work leading to the completion of this research project to my family. To my husband, Mitch, who always gave me the time I needed for this project, even if I didn't want it. To my two boys, Gavin and Tyler, who understood when I was busy 'writing' and were impressed by how many pages I actually did write. To my Mom and Dad for being in the background to nudge and support this process. I love all of you very much and appreciate the support you gave me in this project and all other endeavors I have chosen to pursue in my life.

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To my committee members, Russell Mangum and Laura Hyatt, I appreciate your time and objective feedback, it gave me the ability to see this project through a different lens and grow in a different way. I am grateful that you were willing to take on this task, thank you.

VITA

Tammie L. Burkhart**Education**

MBA	Pepperdine University, Irvine, CA	December 2001
BA	Concordia University, Irvine, CA	May 1995

Business Administration: Accounting & Management

Experience

2002-Present

Assistant Professor of Business, Concordia University, Irvine

- Developed & implemented online Financial & Managerial Accounting courses.
- Developed program learning objectives for Accounting department.
- Designed and instructed courses for the undergraduate Business Major: Financial Accounting, Managerial Accounting, Intermediate Accounting I, Intermediate Accounting II, Introduction to Business, Finance and Management.
- Assist students in internship, scholarships and permanent placement positions within the business and accounting industry.
- Elected Faculty Representative, Academic Council (2013-2015)
- Appointed Faculty Representative, NCAA Committee (2014-2015)
- Program Director, Accounting & Finance (2004-2006)

2001-2002

Adjunct Professor of Business, Concordia University, Irvine

- Instructed Financial Accounting & Managerial Accounting courses

2006-Present

President, Gavler Company, Inc.

- Own & operate three Gymboree Play & Music franchises in South Orange County.
- Conduct hiring, training & employee incentive programs.
- Implement new corporate incentives & marketing campaigns.
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Association Affiliations

- California Society of Certified Public Accountants
- The Institute of Internal Auditors, Orange County
- American Society of Women Accountants

ABSTRACT

Accounting students are graduating each year with an objective of being employed in the accounting industry, either in public accounting or within the business industry. With the increase in online degrees in this major, university administrators, faculty, students and businesses in both the public and private accounting are concerned with how this may impact the accounting industry. The purpose of the current study is to find the perception of online accounting degrees by recruiters in public accounting. Results showed that Big Four and medium size regional public accounting firms saw a significant difference between traditional and online education and preferred a traditional accounting degree over an online degree. Results also showed that small firms were more open to recruiting candidates who earned their degree online because these candidates had experience with technology tools and the ability to multi-task and problem solve, these characteristics mirrored the environment found within a small firm. Additional results showed the criteria public accounting firms used to recruit candidates including passing the Certified Public Accountant (CPA) exam, the alma mater and accounting program reputation of the undergraduate degree, communication skills and work experience. Concerns regarding online accounting degrees included program reputation and accreditation of online degree institution, negative opinions of an online degree in the marketplace, and motivation for earning an online degree. Recruiters from Big Four and medium size firms built a relationship with local universities and recruited from them exclusively, none of these universities currently offered an online accounting degree. Until these universities offer a comparable online program, these firms will continue to prefer the traditional education. Small firms indicated a willingness to hire a candidate with an online degree, however, they did not hire on a regular basis.

Chapter 1: Introduction

Online coursework has been a part of higher education for over a decade. More and more traditional universities are offering courses online to keep up with demand and stay competitive. In addition, online universities have been established to solve the demand of students wanting more options when it comes to their educational goals. Students want more choices when it comes to their education, whether combining traditional undergrad programs with online courses or earning their entire degree online. Allen and Seaman (2016) report that enrollments in college and university online courses exceeded 5.8 million students in 2014, more than double the online enrollments of 5 years earlier.

Today's students are growing up surrounded with technology. In many ways, courses that are offered completely face-to-face and completely online are at opposite ends of the spectrum of learning and course delivery options. Online higher education is growing at a rapid pace that is creating challenges for academic institutions. Many higher education institutions have moved from offering individual courses online to providing programs that offer complete degrees online. This number grew from 34.5% in 2002 to 62.4% in 2012 (Allen & Seaman, 2013). These online options offer beneficial results for students who need greater flexibility in their education. In addition, online education allows students access to a higher education degree who might not have been able to attend college at all. On the other hand, faculty, students, and employers raise substantial concerns about online degree programs (Bunker & Harris, 2014). Concerns include quality of education, integrity of online courses, opportunities for live interaction and career preparation. In addition, when offering a course online, academic dishonesty is a valid threat to the integrity of the online learning process (Bryant, Kahle, & Schafer, 2005).

With the increase in online course offerings in the last decade, accounting courses have been included in these online course options. With the recent adoption of the 150 hour rule for the Certified Public Accountant (CPA) certification process in California and other states, more and more students are turning to online education as a part of their undergraduate studies or to complete the 20+ units after graduation to satisfy the new rule. With online accounting courses being relatively new to the university environment and the addition of the 150 hour rule, educators in the accounting area are struggling with teaching such a technical subject online. Since online education is altering the landscape of traditional higher education, it is important to the accounting industry that colleges and universities keep their standards high. In addition, since an accountant's role is communicating financial information, educating students on communication and professional interaction can be challenging in an online format (Chen, Jones, & Moreland, 2013).

According to Seibold (2007), the professional marketplace views traditional academic degrees more favorably than online degrees. In a study conducted by Adams (2008) in hiring officers in higher education such as deans, academic directors and others in a management role, findings indicated that applicants with an online degree were lacking in certain areas compared with a traditional degree. These findings included interactions with faculty, reputation of the institution and mentored learning experiences (Adams, 2008). Another study by Adams and DeFleur (2006) evaluated the perceptions of hiring managers when it came to accepting online degrees. They found that employers are much more reluctant to hire candidates with online degrees compared to candidates that earned their degree through face-to-face instruction. The main concern of the hiring managers was the perceived lack of interaction that they associated with an online degree (Adams & DeFleur, 2006).

When discussing online accounting degrees, a somewhat different set of problems exist between an online versus traditional education. As accounting combines technical information, synthesis in understanding and explaining complex computations, and overall communication skills, there is a question to whether this can all be taught in an online format. Unlike other business majors, the accounting profession has an industry assessment tool, the Uniform Certified Public Accountant exam (Bunker & Harris, 2014). Results from a recent study from Bunker and Harris (2014) indicate that students graduating with an online accounting degree underperformed on the CPA exam compared to students who earned their degree from a traditional program. While this may have been due to the institution granting the degrees, the marketplace should be concerned with this statistic.

According to Allen and Seaman (2013), university administrators also are concerned with acceptance of online degrees by potential employers. Should students graduating with accounting degrees fail to live up to that of their traditional education counterparts, the industry will support the traditional education and make hiring decisions accordingly. This could be potentially disastrous for universities who are sinking millions of dollars into online programs, faculty training and marketing of an online degree (Allen & Seaman, 2013). Myring, Bott, and Edwards (2014) found when discussing online programs that “firms and companies hiring such individuals must review the program’s content and delivery methods carefully to ensure that it provides its graduates with the skills and abilities necessary to be successful in the field of accounting” (p. 71).

Problem Statement

Accounting students are graduating each year with an objective of being employed in the accounting industry, either in public accounting or within the business industry. With the

increase in online degrees in this major, the professional marketplace is concerned with how this may impact the accounting industry. Recruiters in this area understand that courses in accounting are conceptually difficult and therefore are concerned that communication gaps and misunderstandings can exist. They also understand that much of an accountant's job involves communicating detailed financial information. Accounting students that earn an online degree may not be as prepared for a job in the accounting industry as those students that earn their degree from a traditional higher education program. This unfavorable perception by a recruiter plays a role in the hiring process. Therefore, students should be made aware that an online accounting degree may hinder their ability to get a job in the accounting field when they graduate.

Purpose of Study

The purpose of this qualitative case study is to determine the recruiter perception of accounting students who earned their degree online and subsequently seek employment in the public accounting profession.

Research Questions

1. What are the criteria used by recruiters to hire students graduating with an accounting degree?
2. Does a recruiter have an unfavorable perception of online accounting programs?
3. Does the recruiter believe that there are differences between online and traditional accounting programs?
4. What are the concerns of online learning in an accounting program?
5. Are the perceptions of an online accounting degree changing?

Recent Statistics: Online Learning

For 13 years, Elaine Allen and Jeff Seaman worked with the Babson Survey Research Group to create an annual report tracking online education. The most current report, entitled *Online Report Card, Tracking Online Education in the United States*, gives an up-to-date review of individuals enrolling in online education. According to the report, online enrollments continue to increase, even faster than overall enrollments in higher education. Growth rates for online education grew by 11.3% for non-profit institutions, however, growth rates fell by 2.8% for for-profit institutions. In the Fall of 2014, over 5.8 million students were taking at least one online course, approximately 2.85 million were taking all their courses online. Public institutions enrolled the highest amount of online students, 72.7% were undergraduate students and the remaining 38.7% were graduate students (Allen & Seaman, 2016).

Significance of Topic

With online education becoming more popular in higher education, researching the ability to successfully benefit from an online degree in the marketplace is important. According to recruiters in public accounting, many variables are important for institutions consider when choosing an institution to earn an online degree. Choices include a for-profit or non-profit school and what type of accreditation a business school has (Kohlmeyer, Seese, & Sincich, 2011). In addition to the type of school chosen, accounting recruiters place a high value on passing the CPA exam (Morgan, 2015). By interviewing recruiters in public accounting from different types and sizes of firms, this study will add to the current research regarding recruiter perception of online accounting degrees.

Research conducted by Kohlmeyer et al. (2011) found that five themes emerged from surveying recruiters in the accounting field. The top five reasons in order of frequency for not hiring a candidate with an online accounting degree were as follows:

1. Lacking interpersonal experiences,
2. Inferior reputation and quality of online institutions,
3. Professor really did not know their online students,
4. Lack of rigor in online classes, and
5. Lack of familiarity with online instruction. (p. 156)

Understanding potential weaknesses in online learning will enable students to navigate through their higher education experience. The number one reason, lacking interpersonal experiences, was the overwhelming concern regarding online education. Students can find opportunities to grow in their interpersonal experiences through working in a team situation in their current job, forming online study groups or working with a non-profit organization for a common benefit. Gaining public speaking experience can also be done outside of online education. Building these interpersonal skills while pursuing an online degree will allow a student to communicate to potential employers their ability to both earn a degree and participate in work-related activities.

Accounting is a subject that has a conceptual aspect and a procedural aspect. It is possible to understand the process but not the concept and vice versa (Sargent, Borthick, & Lederberg, 2011). In addition, math plays an important role in accounting, a subject that many students are intimidated by. This intimidation about the ability to complete math calculations prompt students to give up quicker, avoid tasks, and feel unsure and hesitant about asking for help (Sargent et al., 2011). Accounting professors in introductory classes must cover a certain set of material in each course. Moving from one topic to the next without all of the students

completely understanding the material can lead to significant problems early on as accounting concepts build on each other over the life of the course (Sargent et al., 2011). The combination of math anxiety and the nature of accounting concepts being linked systematically raise the concern regarding the ability to effectively teach an accounting class online.

According to Cramer (1957), about 75% of public accounting is getting along with people. Cramer goes on to discuss how companies generally do not have a program to train people in “the art of personal relationships” (p. 32). This relationship building skill is very important to employers. New accountants are hired based on a strong resume including a high GPA. While more and more companies do look at other activities and organizations in which the candidate is involved, getting the degree with good grades is of utmost importance. Cramer makes other comments regarding building relationships, “it is no secret to you that more of your students suffer in business because of unsatisfactory personal relationships than because of lack of technical competence” (p. 32).

How does a student build relationships with accounting courses administered online? How about developing interpersonal relationships, team building and verbal communication with a degree from an online institution? Transactional distance theory (Chen et al., 2013) offers a possible interaction-related explanation for why there is a difference between in-class and online delivery. Because there is a physical separation between the instructor and online students, a psychological space is created. It is within this space that communication gaps and misunderstandings can sometimes occur. Chen et al. (2013) finds that “dialogue reduces the transactional distance” (p.12) and that both two way communication and other forms of interaction help enhance student learning. Interaction with the professor and/or other students

will enable the perceived psychological space to include dialogue and therefore better student satisfaction.

Employers are concerned with soft skills such as how to work with and present to clients. Grossman and Johnson (2016) found that learning these types of soft skills are not learned well in an online environment. They report that “Students should be sensitive to the premium that employers place on soft skills, which are overwhelmingly perceived as attainable only in a traditional educational environment” (p. 106). In order to look good in the eyes of a recruiter, research shows that students should only take technically intensive, lower-level accounting coursework online. Regarding graduate education, such as an online M.B.A., employers are more flexible with accepting an online graduate degree when the undergraduate degree was obtained in a traditional learning environment (Grossman & Johnson, 2016). Understanding what employers are specifically looking for in terms of their online education will assist them in making decisions about how they will earn their degree.

Key Definitions

Blended/hybrid course: A higher education course where 30-79% of the content is online. A substantial portion of the content is delivered online using online discussions with a reduced number of face-to-face meetings (Allen & Seaman, 2011).

Big Four accounting firm: Four global public accounting firms that have at least one office in Orange County, California. The four are Deloitte LLP, KPMG LLP, Ernst & Young LLP and PricewaterhouseCoopers LLP (OCBJ, 2017).

Certified Public Accountant: Title given to qualified accountants that have passed the Uniform CPA exam, have met state education and experience requirements for membership and certification (AICPA, 2017a).

Introductory accounting course: A college course that offers a complete study of the basic accounting process used throughout the accounting cycle. Among the topics presented are journal entries, posting to ledger, adjusting and closing entries, payroll, accruals, deferrals, bad debts, cash inventories, accounts and notes payable, accounts and notes receivables, and fixed assets (Warren, Reeve, & Duchac, 2016).

Learning outcomes: Concepts learned from a course, measured by homework assignments, projects and exams.

Local accounting firm: Public accounting firm with one or more locations in Orange County, California.

Online course: A higher education course where 80% or more of the content is delivered online; usually no face-to-face meetings (Allen & Seaman, 2011).

Recruiter: The overall process of attracting, interviewing, going through selection process and hiring a candidate that is suited for a job in an organization.

Regional accounting firm: Public accounting firm with at least one location in Orange County, California with other locations in other geographic areas in either California or elsewhere in the United States.

Traditional course: A higher education course where no online technology is used; content is delivered by lecture or in writing (Allen & Seaman, 2011).

Uniform Certified Public Accountant Exam: The exam developed, maintained and scored by the American Institute of Certified Public Accountants (AICPA) to people who wish to become United States Certified Public Accountants. The CPA Exam is used by all fifty states as well as the District of Columbia, Guam, Puerto Rico, the US Virgin Islands and the Northern Mariana Islands (AICPA, 2017a).

Web-facilitated course: A higher education course where 1%-29% of the content is delivered online. Course uses Internet technology to facilitate a traditional, face-to-face course. The use of an online management system or web pages to post syllabus and assignments (Allen & Seaman, 2011).

150 hour requirement: CPA candidates are required to earn 150 semester hour credit to be eligible for CPA certification. Undergraduate degrees require between 120 and 130 semester hours of credit depending on the institution. Additional units may be earned at either the undergraduate or graduate level (AICPA, 2017a).

Key Assumptions

1. It was assumed that the participants had experience recruiting entry level accounting students with degrees earned at both 100% online and traditional institutions.
2. It was assumed that the participants had experience recruiting in public accounting at either the local, regional or Big Four accounting firms.
3. It was assumed that the participants in the study would answer all of the interview questions openly and honestly.

Limitations of the study

1. The results from the study are applicable to those recruiters that were interviewed in the case study, approximately twelve in the Southern California area.
2. Recruiters from local, regional and Big Four public accounting firms were interviewed; no private companies were interviewed regarding their accounting graduates.
3. The results of the study only describe the opinions of recruiters interviewed; it does not take into consideration the management of the recent accounting graduates and their performance while working.

4. The study does not record the opinions of the clients that the recent accounting graduates work for and their performance on the job.

Summary

A considerable amount of time and resources go into completing a degree in higher education. While an online degree may be more convenient and less costly than a traditional higher education experience, students need to understand how their degree will work for them when it comes time to start a career in the accounting profession. The subject of accounting includes both a technical knowledge of the concepts as well as being able to properly communicate those results to clients. Communicating financial results, working within a team environment, interpersonal skills and understanding research methods in the accounting field is required as well. Earning a degree that teaches all of the technical elements as well as the soft skills needed should be some of the basic requirements of a student looking into an accounting program.

Students want the option of an online education. While considerable debate has occurred regarding the reliability of online degrees, institutions desire to remain competitive has led to an increase in online degree offerings. As future CPA's, accounting students are trained on how to report financial information in regards to the public interest. Research supports students taking lower level accounting courses online, this seems to be viewed as acceptable by both universities and students because of the introductory nature of the subject matter. Upper level courses are more technical in nature, the predominant understanding shows having an in-class component will allow students to consult the professor and interact with other students to facilitate more comprehensive learning. Students today want to use the Internet to assist in their learning at

their university, encouraging this online environment will help the university achieve their goals while staying current with technological advances.

Understanding the perception of accounting recruiters will enable students to make better decisions about their education efforts. Recruiters working for the public accounting field are well positioned to understand the importance of accounting in higher education. Recruiter's perception of an online accounting degree is, therefore, something that both college students and higher education administrators should understand. Since the online learning environment is fairly new to the higher education industry, ongoing assessment of recruiter perception of online degrees is needed. By interviewing recruiters in local, regional, and Big Four public accounting firms, this study will advance the research on the subject of recruiter perceptions of online accounting degrees.

Chapter 2: Literature Review

Introduction

Online coursework has been a part of higher education for over a decade. Both traditional universities as well as online degree institutions are expanding at a rapid pace. According to Allen and Seaman (2011), higher education is experiencing a growth rate in online student enrollment that is largely outpacing the growth rate in traditional in-class courses. Universities, therefore, are concluding that online learning is an essential part of their long-term plan to recruit and retain students (Allen & Seaman, 2013). To respond to this technological change, both traditional and for-profit institutions offer online bachelor and master's degrees conducted 100% online (Lindquist, 2012).

This literature review will discuss the history and current role of online education in the US as well as discuss strengths and weaknesses of this type of learning. A summary of how distance learning and online learning has changed many aspects of higher education over the past two decades will be presented. Accounting taught online brings about a different kind of challenge as a result of the quantitative nature of the course and how students learn to explain this data. Several studies will be reviewed that have analyzed the assessment of online education and how students have performed in this type of instruction. Recruiter perception of online degrees allows students and faculty to understand the marketplace for online learning. Higher education accreditation, a review of the types of institutions that are delivering online instruction including Massive Open Online Courses (MOOCs) will give a summary of the online learning environment.

Research on the subject of quality online education has expanded over the past decade. There have been many studies on online higher education that have produced reliable

information about learning that are important to university administrators. Student experiences and perceptions of those experiences, however, are varied depending on other course variables including the type of course and how it is administered. Whether a course is predominately quantitative or qualitative is an issue that online administrators need to consider when comparing outcomes of online education (Morgan, 2015). What is clear is the fact that students want more choices when it comes to their education and have sought out to take courses within their traditional education online or earn their entire degree online (Lindquist, 2012).

Accounting courses have been developed to be administered online because of the rising need within the business industry. With the recent adoption of the 150 hour rule for the CPA certification process, more and more students are turning to an online education to earn those extra semester units. The 150 hour rule was adopted in 2012 by the State of California to require accounting students to have at least 150 units of semester college credit in order to sit for the CPA exam (AICPA, 2017a). With online accounting courses being relatively new to the university environment, accounting professionals are concerned with the type of learning that is received online. Because of the technical nature of accounting courses, recruiter's in the accounting industry need assurance that concepts learned from students online are equivalent to those done in a traditional classroom (Tabatabaei, Solomon, Strickland, & Metrejean, 2014). In addition, accounting students need to be able to translate financial information and be able to communicate that information to the business industry; this raises concerns about how communication skills can be earned through an online format.

Review of Online Education

There are several key terms that describe the environment of online learning. Distance learning is described by Kearsley and Morre (2013) as a distant interaction between teacher and

student. Through the use of the Internet, online learning represents this two-sided relationship between teacher and student that was designed to help students learn. Overall, the online learning experience, sometimes called e-learning, includes students, instructors, the course curriculum and the required use of technology to gain access to the online course. Online curriculum and programming could include the use of webcams, electronic books, audio devices for recording lectures and presentations and a tablet or computer to access the Internet (Kearsley & Morre, 2013).

Strengths of online learning include the convenience factors of time, location, cost and flexibility. In addition, online learning has the ability to include a whole new group of learners than would traditionally be the case. Both students and faculty alike enjoy the ability to conduct coursework anytime, anywhere, day or night. This can be most beneficial when faculty members or students live far away from the college campus or travel is cost prohibitive to attending a traditional, face-to-face classroom. Many online courses are less expensive than a traditional classroom, giving students the ability to take a required course with a less expensive price tag. Overall, the flexibility for students to continue their education while working a full time job or a devoting a large amount of time with family obligations is a strong benefit to online education (Myring et al., 2014).

Weaknesses of online learning include negative experiences by both faculty and students. Feelings of isolation are particularly concerning when much of the higher education experience is engaging in stimulating conversation with instructor and peers. Additional struggles can occur when students are not able to be successful when experiencing technical difficulties. Many students simply drop the course because they don't understand how to use certain course tools or access required course materials. Ethical practices are also a major concern with faculty,

including integrity and honesty. There are plenty of opportunities for cheating and dishonesty in an online environment as well as students not feeling that they can trust other students or instructor. Lastly, students do want to feel that their higher education experience is not just computer generated; they want to feel as if they are part of a community of learners that share the same goals and aspirations as they do (Shome & Faizan, 2015).

Successful online education requires the active presence of the instructor and the ability of the instructor to create a sense of community within the course. Participation and discussion, a variety of online presentation materials and study aids, use of knowledge and problem based learning exercises are all requirements of a positive learning experience. The instructor must be able to introduce and clarify new learning concepts, answer student's questions in a timely manner and encourage participation in class discussion. Another important part of any learning environment, but especially in distance learning, is the frequent individual and collective feedback to students. Assessing student work and providing constructive and ongoing feedback helps students feel more connected to the instructor and to the overall learning process. Continuous engagement is key to positive experiences in an online course (Salimi, 2007).

Evidence from Allen and Seaman's (2016) most recent publication regarding online education showed that "the percent of academic leaders rating the learning outcomes in online education as the same or superior to those in face-to-face instruction was 71.4% in 2015" (p. 5). This represented a drop from the year before when the percentage was 77%. This shows that the number of academic leaders that believe the learning outcomes for online education are lower than traditional courses is 28.6%. This is a concerning change from the previous year, especially since online education enrollments continue to grow even when overall higher education enrollments are declining (Allen & Seaman, 2016).

The declining statistic regarding online learning outcomes has been reacted upon by academic leaders. According to Allen and Seaman (2016), there was the largest 1-year decline in academic leader's perception of online learning and their feeling that online learning was critical to their institution's long-term strategy. According to the study, the number fell from 70.8% in 2014 to 63.3% in 2015. However, students still desire online learning options for their education, the number of students not taking any online courses dropped from 2013 to 2014 by approximately 10% (Allen & Seaman, 2016). Some believe that online education is predominately offered by private and for-profit institutions, however, the report shows that "public institutions command the largest portion of distance education students, with 72.7% of undergraduate and 38.7% of graduate-level distance students" (Allen & Seaman, 2016, p. 4).

History of Online Education

Access to the World Wide Web by the general public opened the door for education online, however, a few institutions were providing online education before many individuals got their first individual e-mail account. CALCampus (Computer Assisted Learning Center) was founded in 1982 in New Hampshire by Margaret Morabito. CALC was designed as an "exclusively online learning center for the purpose of providing instruction to individual learners from diverse locations through the use of computer telecommunications" (Morabito, 1986, p. 5). Over the next decade CAL Online Campus expanded its online school from classroom computers where students would meet in different locations to attend the same online class to using their own personal computers to enroll in classes online from their own home (Morabito, 1986). Similarly, in 1989, The University of Phoenix started offering online courses to the select few that had access to the World Wide Web ("University of Phoenix," n.d.)

By 1994 several small local Internet providers allowed the entire Internet to be accessible to the general public, this bypassed the limitations and isolation of the large telecommunications networks (Morabito, 1986). California Virtual Colleges, a consortium of California colleges funded by \$6 million dollars from Governor Pete Wilson, was offering more than 1000 courses online by 1997. After that, companies started coming up with educational tools and software like Blackboard and eCollege that assisted professors in the management of an online course. By 2003 over 81% of colleges had at least one online course offering and 6 years later, in 2009 over 5.5 million students were taking at least one online course (Allen & Seaman, 2011). According to Allen and Seaman (2016), data collected from the Fall of 2014 showed 5.8 million students taking one or more of their courses online, approximately half that number (2.85 million) were taking 100% of their education online, while the other half (2.97 million) were taking some courses online.

According to a 2015 report by Babson Research titled *Grade Level: Tracking Online Education in the United States*, the number of college students learning online is over 7 million (Allen & Seaman, 2015). Students can enroll for individual online courses as part of a traditional program or earn their entire degree online (Lindquist, 2012). Both for-profit and non-profit institutions provide degrees that may be completed 100% online. In fact, many reputable universities, awarded for their excellence in traditional learning such as Penn State, Boston University and Northeastern University offer 100% online degrees. Currently, public institutions account for the most 100% degree online options (Allen & Seaman, 2016).

Transition From Face-to-Face Learning to Online Learning

Traditional, face-to-face higher education saw major changes decades ago when colleges and universities offered several options for working students to attend classes during the evening

and weekends as well as attending satellite programs from major and local institutions. Online learning took that convenience one step further to include education that was available anytime, anywhere. In 2010 Bill Gates said that technological advances should be able to lower the cost of college to \$2,000 per year (Kelderman, 2013). Over the past decade studies have found no significant difference in student performance where basic application questions or complex assignments in entry level undergraduate business courses (Bunn, Fischer, & Marsh, 2014). However, other studies that measure student satisfaction appear to have mixed results. In addition, courses that have a high degree of quantitative information, such as an upper level accounting course, also show students favoring face-to-face learning versus learning online (Chen et al., 2013).

As discussed earlier, trends toward distance education are a result of technology having made such unprecedented strides from the early 1990's to the year 2000. The U.S. Census Bureau (2001) reported that in 2000 at least 51% of all households in the United States had at least one computer and 41% had Internet access (Bryant et al., 2005). During the same time frame, universities were seeing a growth in student population and as well as a reduced number of faculty. According to Bryant et al. (2005), this combined set of circumstances enabled the distance education industry to grow. They identified four obstacles to distance education: "(1) labor intensity of administration in distance education courses, (2) high development cost, (3) need for faculty training and support, and (4) high attrition rates" (p. 263).

Administering online courses is a daunting task that involves detailed attention to faculty workload, technology of the institution and availability of proper faculty support. Developing the ability to offer online courses results in a collaboration with faculty and technology experts. Once the institution has the ability to offer online courses, administrators need to determine

which courses will be offered online, assign a qualified instructor to teach the course and establish a collaboration with the information technology department to host the course online. Palloff and Pratt (1999) indicate that preparation time for an online course is up to two and a half times that of a face-to-face course. Availability of the instructor is another obstacle; answering students' questions in a timely manner puts an added strain on faculty commitments and workload (Bryant et al., 2005).

A study conducted by Watters and Robertson (2009) discusses students learning in both online and traditional accounting courses in entry level, upper-level and graduate level courses. Response regarding the effectiveness of an online course versus a face-to-face course were similar, 75% of the undergraduates and 100% of the graduate level students believed that the online course was as, or more, effective than a traditional course (Watters & Robertson, 2009). In addition, performance on exams in the online course were comparable to exam performance in equivalent courses taught face-to-face. Students were also asked about their responsibility for individual learning in online versus face-to-face courses; students who felt they were more responsible for their own learning in an online course were 37% in the introductory courses, 21% in upper-level courses and 17% in graduate courses (Watters & Robertson, 2009). This statistic could be explained by the fact that lower level students need greater explanation or as the maturity level of the student grows, so does the confidence in the learning process as the student progresses. Preliminary conclusions revealed that there was only a small difference in overall performance in the online courses compared with traditional courses (Watters & Robertson, 2009).

At the conclusion of the course in the Watters and Robertson (2009) study, students were asked what they liked most and least about the course. Convenience and flexibility were the top

answers for what the student liked most about the course, citing the ability to watch pre-recorded lectures wherever and whenever they wanted. What students liked least about the course were related to two themes; “in ability to interact with the professor and fellow students in real-time and technical problems with computer, network and/or software” (p.55). Lastly, students were asked if they preferred taking an online course versus a traditional face-to-face course. Only 52% of students in the upper-level course and 41% of students in the lower-level courses said they would take an online course over a traditional course; all of the graduate students indicated they would definitely take an online course again. The study concluded by indicating that if administrators and faculty considered offering online courses, they should limit enrollment to students who have a high potential for success, such as a graduate student or undergraduate students with high GPA's (Watters & Robertson, 2009).

Online Learning in Higher Education

The Internet has been a transformational tool in many industries including higher education. Higher education has included online learning as part of a given course, as a hybrid course or entirely taught online for close to 15 years. Defining what online education is has been a challenge for higher education administrators. Research done by Allen and Seaman (2013) seems to provide the most used definition for online, hybrid and traditional education. A traditional course is defined as one where no online technology is used; a Web-facilitated course is where 1%-29% of the delivery is done online, a hybrid or blended course is where 30%-79% of the course is delivered online and an online course is one that has at least 80% of the course delivery done online (Allen & Seaman, 2013). Since the popularity of online courses offered by colleges and universities is changing the face of higher education today, administrators should be knowledgeable about how students are learning.

Even a decade ago, the majority of colleges found that online education was a significant part of their educational course delivery strategy. Technological advances as well as continuous improvement in software delivery programs give institutions the ability to administer courses online. Online course delivery options are beneficial from an institutional standpoint as colleges allow the potential for expanded recruitment of students from any part of the world. Students that did not want to travel outside of their geographic location for reasons of family obligations or higher out of state education costs are able to earn their education from colleges of their choosing. Reduced delivery costs are another advantage for the institution as they do not have the need to allocate classroom space. Another cost savings for colleges include allowing massive online courses to be administered by a single faculty member, a type of online education that is growing steadily in the United States (Hu, 2013).

Students today use the Internet as a tool to gain knowledge on just about any subject. According to B. Martin, M. Martin, and Andrew (2004), the use of the Internet must be “seen in the context of facilitating the student learning process and resulting in a modernization of the traditional academic teacher” (p. 3). The *Dearing Report* (1997) referred to the growth of technology and the role that it would play in the college or university setting. It stated that “students would expect continuous access to the network of the institution at which they are studying as a crucial link into the learning environment” (as cited in Martin et al., 2004, p. 138). High-speed Internet has allowed course designers the ability to host lectures, live interactive sessions, and a host of other quality supplemental course information with a touch of a screen.

Students appreciate the convenience and flexibility options that an online education provides. Primary reasons include convenience and flexibility, allowing students with busy work schedules or family obligations to complete the coursework on their own time (Ng, 2011). With

the high cost of housing, travel expenses and other costs, most students can attend the University of their choosing by attending online and without leaving home. Nontraditional students that work full time or have family obligations benefit from online flexibility. There is also flexibility in the time period that a course is taken that can be parallel to a students' work or home schedule, whether 6-week, 10-week or 15-week time period. Online learning, as a mode of education, will continue to rapidly change and evolve due to technology advances and research done to improve the experience and learning of the student (Ng, 2011).

Massive Open Online Courses (MOOCs). Massive Open Online Course is an online course where an institution offers unlimited participation and open access via the web at no cost. The course may include traditional course materials, filmed lectures, homework problems, required readings as well as interactive forums to encourage interaction among students and professors. These types of courses have been around for a while and in 2008 Dan Barwick coined the term MOOC (Allen & Seaman, 2011). MOOCs have grown within all areas of higher education institutions including non-profit organizations such as the Bill and Melinda Gates Foundation, for-profit commercial entities such as Mitx and public universities such as UC Berkeley. In 2011, Stanford University offered a MOOC entitled *Introduction to AI* and was attended by over 160,000 students in every country except for North Korea ("Massive Open Online Courses," n.d.).

There is no question that institutions are looking seriously at adding this type of programming to their existing offering. Chief Academic Officers agree that offering MOOCs is a great way to learn about online pedagogy and understanding the scalability and demand for online courses as well as online degree programs. The inclusion of a MOOC in an institutions course offerings in 2013 saw the biggest boom in its history with 5% of higher education

institutions offering MOOCs and 9.3% planning on adding them (Allen & Seaman, 2013). In 2015, 11.3% of institutions offered MOOCs with 2.3% planning on adding them (Allen & Seaman, 2016). The highest percentage of institutions that were not planning on adding MOOCs were those colleges and universities that do not have a large presence in distance learning (Allen & Seaman, 2011).

With MOOCs becoming increasingly offered by higher education institutions, the question of whether this type of coursework will be acceptable in the workplace is a concern to academic administrators. According to research performed by Allen and Seaman (2011), “only a small percentage of respondents do not believe MOOCs will be accepted” (p. 13). However, of those surveyed from different types and sizes of schools, many believe that credentials for MOOC completion will cause confusion about higher education degrees in the workplace. Working with an outside organization in the development stage will help colleges and universities figure out options for sustainability, scalability and acceptance of MOOCs in the marketplace in which they are competing (Allen & Seaman, 2011).

Online education retention. Retention rates in higher education has historically been an important topic for university administrators. Not surprisingly, the issue of retention is a concern for online students. According to Bryant et al. (2005), “Attrition is a recurring problem in most web-based applications, including distance education courses” (p. 264). Students do not feel vested in the outcomes of the course and because of the anonymity in an online course, students drop out without fear of social or instructor pressure. Reports by Allen and Seaman (2014) from chief academic officers found that 41% agreed that retaining students was a greater problem for online courses than for traditional courses. Since government funding is based on retention and

graduation rates, finding ways to keep an online student engaged in the coursework is necessary for administrators (Myring et al., 2014).

Assessment of Online Education

Growth in online education has come with a high amount of critique. A recent Gallup poll found that about one-third of respondents rated online programs as excellent or good (Bidwell, 2013). Concerns about quality of online education have been raised by educators, employers as well as consumers. According to Myring et al. (2014), the desire for accountability and evidence documenting the value of a college education are increasing. Much research has been conducted with the quality of online education and whether learning outcomes can compare to traditional face-to-face learning (Myring et al., 2014). University administrators were surveyed in 2012 that rendered three perceived barriers to the widespread popularity of online learning (Allen & Seaman, 2013). First, administrators felt that online learning students needed to be more disciplined than traditional students. The second barrier had to do with student retention, online students tend to finish their courses and complete their degrees at a lower rate than traditional students. Last, survey results showed a lack of acceptance of online degrees by potential employers. This last perception was of considerable concern because of the implications for a university's reputation (Allen & Seaman, 2013).

Successful faculty members in a traditional setting spend their time working on mastering the art of student engagement. Engaging students to interact with the faculty member and others in the course enhances effective student learning. In a traditional setting, the professor has the ability to engage every student in class whether the student is proactive in the activity or not. A perceived weakness in online courses is the absence of student engagement. Student engagement in an online course can be accomplished through technology. Discussion boards, study groups,

online office hours, virtual whiteboard sessions do increase student engagement, however, both faculty and students need to be motivated to be an active participant. Both administrators and faculty members remain skeptical about the student engagement element in an online course that is essential for learning (Myring et al., 2014).

The challenge that all educators do have in common is the concern that quality is maintained and whether student learning is compromised in an online environment (Duncan, Kenworthy, & McNamara, 2012). A study done in 2005 by Chernish, DeFranco, Lindner, and Dooley compares academic achievement across the three teaching contexts of traditional classroom, instructional television, and online. They found no significant difference in student learning across these three contexts. What was found was the degree of comfort, classroom interaction and communication with other students was far less in the online format versus the traditional format (Duncan et al., 2012). The fact that student interaction and communication within the course was less satisfactory than that of traditional learning is a concern as it affects the experience of each student.

Instructor availability is also a concern when it comes to overall student comfort and participation. Dunbar (2004) discusses how one of the greatest challenges of online courses is the reduced interaction between student and instructor. Also, student evaluations of the course show the greatest weakness of the class being instructor availability (Duncan et al., 2012). Another study by Gagne and Shepherd (2001) compares students taking an online course versus a face-to-face graduate accounting course and found that there was no difference in student performance, however, the students were less satisfied with instructor availability (Duncan et al., 2012). Feelings of isolation were noted when asked about what dissatisfied them about the interactivity in an online course (Duncan et al., 2012). Addressing the issues of instructor

availability and being able to interact with an instructor are key components to any course. The fact that online courses are set-up to be largely non-interactive leads educators to find new and ongoing ways to address student concerns in this area.

Employers should be considered key stakeholders in online education. When assessing online education, employers' viewpoint should be carefully reviewed when developing or expanding a new online program. In 2012 Linardopoulos analyzed a collection of studies on the topic of employer perspectives of online degrees from 2005 through 2009. This study revealed that employers in academia, healthcare and business were much more reluctant to hire candidates with online degrees compared to candidates who earned their degrees traditionally. There were examples, however, of employer perspectives that highlighted candidate's skills and reputation of the institution that may be more important than delivery mode. Ongoing study of employer perspective is needed to assess and evaluate the ability of online learners to be well positioned to compete in their field (Linardopoulos, 2012).

Student Motivation for Online Learning

Whether students are motivated by quality or convenience will determine the type of the learning program (online, traditional or hybrid) the student will choose, which will determine what type of classes the student will take, which will impact their satisfaction and learning outcomes (Calloway, 2012). According to Dykman and Davis (2008), convenience is a big motivation factor for certain students who live a distance from a local college or university or those with busy or non-traditional work. Understanding what motivates students to want to enroll in an online course is an important part of this discussion. Also, motivation is important in understanding student satisfaction as it relates to both the enjoying the course overall as well as student learning attitudes. Quality, of course, is an essential factor for higher education as well.

Measuring quality is something an institution must understand and implement (Calloway, 2012). According to Bryant et al. (2005), the quality of classroom interaction is also critical for online education. Being careful not to sacrifice quality in exchange for the flexibility, speed and convenience associated with online programs should be of utmost importance to institution administrators (Calloway, 2012).

A study conducted by Calloway (2012) was to develop comprehensive multidimensional measures of satisfaction and motivation factors. The study selected eight items representing motivation factors and nine items representing satisfaction factors (including quality). A total of 357 usable responses were gathered from two different traditional universities that included a good mix of different majors, both graduate and undergraduate students, and from traditional and online programs. This empirical test would determine a model of how motivation predicted student satisfaction and learning. The study concluded that online students enrolled at traditional universities typically tend to be more demanding than traditional students (Calloway, 2012). They want convenience but will not sacrifice quality. This could prove to be costly for the university if the online students demand individualized attention. The study also found that greater satisfaction of students will be associated with greater learning (Calloway, 2012).

Another discussion topic regarding student motivation in online learning is the retention rates associated with this type of learning. A student should understand his/her own learning styles and motivation to participate in a course in order to determine the amount of interaction they require to stay interested in a course. Taking online courses requires self-discipline, initiative, motivation, commitment, time management skills, and organization skills in order to complete a course without the need to be prompted on a regular basis (Devi, 2001). While online courses do save time in commuting and sitting in a classroom at a designated time, the

student must spend approximately 10-12 hours per week on an online graduate course, more if the student struggles with the material (Hongmei, 2002). It is a misconception for students to believe they can learn the concepts and material in an online course in less time than a traditional course would consume (Devi, 2001).

When learning online, a certain personal motivation is needed to keep you progressing through the material. Race (1994) discusses what is needed for active engagement and suggest four primary processes on how a person learns best:

1. At your own pace
2. At times and places of your own choosing
3. When you are in control of your own learning
4. Often with other people around, especially fellow learners

Students going through a traditional program would not necessarily be able to choose the first three processes, however, would benefit greatly with other learners. An online program would allow a certain amount of working at their own speed at the time a place of their choice, however, online courses could be organized to complete certain tasks within a certain time frame as well as requiring group chats or scheduled discussions online (Race, 1994).

Higher Education Environment

Government support of higher education. State support of universities over the past several years has declined substantially. Significant changes have been made to the federal financial aid system (Myring et al., 2014). According to a 2013 report by the State Higher Education Executive Officers, a drop in state and local support for higher education dropped to \$5,906 per full-time equivalent student in 2012. Adjusted for inflation, this amount is at a 25 year low. State and local funding for universities has decreased more than 24% since 2008. This

support given by funding allocations are vastly influenced by the average time it takes a student to complete their degree. To assist in student matriculation success, higher education institutions develop highly accessible online programs. Overall, students are motivated to complete their degree by the convenience, flexibility and cost of online coursework (Myring et al., 2014).

University accreditation. Historically, institutional reputation has been used in the hiring process of college graduates. According to Kohlmeyer et al. (2011), an important factor in hiring students with an online degree is the reputation of the online institution. Many for-profit institutions have gained the reputation of diploma mill because the perceived degree of rigor and course content are inferior (Webley, 2012). University accreditation signals an institution's dedication to high-quality instruction and teaching practices (Wellen, 2006). Accreditation by a reputable organization can play a key role in employer's willingness to hire a candidate, some employers have even gone to far as to say that an individual that is hired from a reputable, accredited institution, the mode of delivery format is inconsequential (Wellen, 2006). Additional research indicates that certain employers use institutional rankings as a measure of academic quality to determine which institutions they will recruit from (Clarke, 2007). Based on this research, it is a reasonable expectation that an institution's reputation may significantly affect a recruiter's willingness to hire. Reputation of an institution can be directly associated with the accreditation by one of a number of accreditation organization's in the US (Linardopoulos, 2012). Some accreditation organizations for business schools in the United States are the Association to Advance Collegiate Schools of Business (AACSB) International, the Accreditation Council for Business Schools and Programs (ACBSP) and the International Assembly for Collegiate Business Education (IACBE).

The AACSB was established in 1916, their mission is to “advance quality management education worldwide through accreditation, through leadership, and value-added services” (Association to Advance Collegiate Schools of Business International [AACSB], 2017, p. 3). It is a nonprofit organization of educational institutions, businesses and other entities that operates globally to promote the advancement of management education. The organization, through the process of accreditation, serves colleges and universities that offer undergraduate, masters and doctoral programs in business and accounting. Membership in the AACSB require universities to adhere to a rigorous set of regulations including the requirement of faculty to hold terminal degrees and regularly publish in research journals. AACSB accreditation is known in academia as the gold standard of accreditation and includes schools such as Harvard, Stanford, Dartmouth, Pepperdine, and Chapman. However, recognition as a Tier 1 research university does come with some limitations. Professors are encouraged to focus their efforts on research rather than teaching students. Questions have been raised on how an academic community focused on advancing the university’s reputation than be a competitive advantage or a detriment in attracting top accounting students (Vance & Stephens, 2010).

The ACBSP was formed in 1988 to “recognize the importance of scholarly research and encourage a mutually beneficial balance between research and teaching” (Accreditation Council for Business Schools and Programs [ACBSP], 2017, p. 1). This accreditation focuses on excellence in teaching and student outcomes that promote continuous improvement in teaching and real-world success for students. This accreditation body includes in its membership associate, undergraduate, masters and doctorate degree public schools as well as private and religious institutions. The ACBSP was the first accrediting body to be recognized by the US Department of Education as well as CHEA, the Council for Higher Education Accreditation

because they demonstrated that it meets the standard consistent with the quality, improvement and accountability expectations. Currently, the organization has more than 1,260 member campuses which allows it to boast it is one of the leading accreditation bodies for business schools around the world including Argosy, DeVry, Embry Riddle, Kaplan, Keller, and University of Phoenix.

The IACBE was founded in 1997 in response to the needs of presidents, chief academic officers, and business dean and chairs who wanted an accreditation process that was mission-driven and outcomes-based. The organization provides accreditation to business programs of institutions of higher education throughout the world whose primary purpose is excellence in teaching and learning. The IACBE's approach to accreditation is based on the assessment of educational outcomes and the attributes of excellence in business education. They provide external assurance of quality and continuous quality improvement that are provided through the accreditation process. Again, the focus is on educational outcomes rather than prescriptive input standards. Colleges that have the IACBE accreditation are Florida Institute of Technology, Azusa Pacific and Concordia University (International Assembly for Collegiate Business Education [IACBE], 2017).

Nonprofit versus for-profit universities. Discussion of for-profit versus non-profit universities is necessary because programs that offer degrees in accounting that are the most visible in higher education are offered by for-profit institutions (Lindquist, 2012). Many for-profit universities are publically or privately owned as a business venture. For-profit universities are on the other end of the spectrum from more traditional not-for-profit institutions such as state universities and community colleges who seek to educate students without profiting from tuition dollars. A student can earn bachelors, masters and doctoral degrees as well as undergraduate and

graduate certificates from for-profit universities. None of the current for-profit institutions currently hold the gold standard in program certification, accreditation from the Association to Advance Collegiate Schools of Business. While many of the schools do hold a regional accreditation by a nonprofit organization, it is important to understand that there are significant distinctions among them (Lindquist, 2012).

Some of the for-profit universities in the US that offer degrees in business include University of Phoenix, Kaplan University, Strayer University and DeVry/Keller University, they are operated by public or private profit seeking businesses (Lindquist, 2012). These universities cater to adult learners and nontraditional students who desire a quality education with more conveniences such as format, accessibility from a distance and online options. There has been a significant decline in enrollment in these universities over the past 5 years as a result of negative press for alleged unethical practices. The University of Phoenix, for example, went from 600,000 students in 2010 to 162,000 students as of 2016. According to the annual reports from some of these companies, they are focusing their efforts on improved student outcomes and improving career options (Brazina & Ugras, 2014).

Many not-for-profit universities offer degrees entirely online including The University of Connecticut, Florida Atlantic University, Morehead State University, Stetson University, and Washington State University (Lindquist, 2012). These universities offer the assurance of a long standing history of pedagogy that distinguishes them among non-profit universities. These institutions offer both bachelors and master's degrees (Lindquist, 2012). The largest non-profit university is Liberty University located in Lynchburg, Virginia and had approximately 14,000 residential students and over 100,000 online students in 2012. Liberty University, established in

1971, offers approximately 190 online degree programs including 60 undergraduate programs, 113 graduate degrees and 12 doctoral degrees (Guide to Online Schools, 2017).

Accounting in Higher Education

Accounting curriculum, unlike many other business courses, have a certain set of requirements that must be taught. As most introductory accounting professors will tell you, “Accounting is the language of business” (Mostyn, 2012, p. 228). Whether the student in a basic accounting class is planning on making accounting a career or just checking it off a list of a business program requirements, the course content needs to focus on learning the concepts that will be generally used in business and tested on the CPA exam. A major in accounting will prepare a student for work in “public accounting, corporate accounting, internal auditing, accounting in not-for-profit organizations, and job opportunities with state and local government agencies such as the Internal Revenue Service, Defense Contract Audit Agency, FBI and others” (Fajardo, 2014, p. 33).

Certified Public Accountant (CPA). A Certified Public Accountant (CPA) must be licensed by the American Institute of Certified Public Accountants (AICPA) in the United States, Guam, District of Columbia and the US Virgin Islands. CPA’s must have a high level of technical competence, a sense of commitment to service, good communication and analytical skills and the ability to work well with people to survive in today’s environment. According to the AICPA, employers are looking for individuals who have the skills necessary to analyze different types of problems that come up in business as well as interpersonal skills to communicate with clients and make decisions that are in the best interest of the customer. (AICPA, 2017a). Beginning in the late 1980’s, the AICPA began working more closely with the academic community to increase student interest in the accounting profession. It was during this

time that the 150-hour education membership requirement was established because it was believed that a traditional undergraduate program could not adequately prepare student for an entry level position in the accounting profession (as cited in Schmutte, 1998).

The eight largest accounting firms, known as the Big Eight, released a joint position paper in 1989 that outlined concerns regarding the quality of graduates entering the profession. This paper identified six capabilities of success in the accounting position as follows:

1. Candidates should possess appropriate oral and written communication skills.
2. Candidate must be able to use creative problem-solving and other intellectual skills.
3. Candidate will have the ability to work effectively in groups and exercise interpersonal skills.
4. Candidate must have a general foundation knowledge characteristic of a broadly educated person.
5. Candidate must possess general organizational and business knowledge coupled with an understanding of information technology.
6. Candidate must have a strong fundamental knowledge of accounting and auditing.

In response to a white paper written by Arthur Anderson, Ernst & Whinney, Arthur Young, Peat Marwick Main & Co, Coopers & Lybrand, Price Waterhouse, Deloitte Haskins & Sells, and Touch Ross (1989), the Accounting Education Change Commission (AECC) was established to redirect the structure and content of accounting education. In the decade that followed Anderson's Perspectives paper, several studies provided research regarding student qualities desired in entry-level accounting positions. According to Schmutte (1998) three areas were identified; "studies focusing exclusively on recruiter attitudes, research comparing recruiter and student perceptions and studies based on the recruiting experiences of students" (p. 431).

Dinius and Rogow (1988) found that entry level accountants from the Big Eight firms were most concerned with high GPA, quality of the university and certain personality traits (as cited in Schmutte, 1998). Hardin and Stocks (1995) conducted field research from public accounting firms and corporate recruiters that found AACSB accreditation does matter when recruiting new candidates. Overall, research studies proved that qualities listed in the Perspectives paper were displayed during candidate assessment and interview processes.

All 50 states have adopted the 150 hour rule that requires CPA candidates to complete 150 semester hours of education. Each state has a mix of accounting, business, communications and general education requirements to complete the 150 semester units. According to the AICPA, the additional academic semester units past the standard 128 units needed for a bachelor's degree in accounting should be earned at the graduate level. While a Master's degree is not a requirement for the CPA certification, graduate level work provides a forum to develop skills such as communications, presentation, and interpersonal relations as well as tools needed to integrate them with the technical knowledge required by the field. Options to obtain the 150 semester hours include a

combination of undergraduate degree with a Master's degree at the same school or at a different one, to combine an undergraduate degree in some other discipline with a master's in accounting or an MBA with a concentration in accounting, or an integrated 5-year professional accounting school or program leading to a master's degree in accounting. (AICPA, 2017b, "Getting started")

CPA licensure requirements. When it comes to licensure requirements for a Certified Public Accountant, understanding the four E's is necessary: education, examination, experience, and ethics. Significant changes were made to the education requirements for many states over the

past three years. Beginning in 2014 many states moved to the 150 hour rule as a requirement to be licensed as a CPA in their state, as of January 1, 2014 all 50 states have this education requirement. The 150 hour rule requires CPA candidates to earn 150 units of higher education credit with a bachelor's degree or master's degree, states differ on the amount of accounting and other course requirements when it comes to arriving at the 150 hours, usually 24-36 units of upper level accounting courses. Texas requires 30 units of accounting courses where 15 hours requires physical attendance on campus. Five states have an additional education requirement that the degree granting institution be accredited by an approved accreditation body, most noted were the AACSB and ACBSP (AICPA, 2017a).

The CPA examination consists of four parts: auditing, business environment, financial accounting and regulation. Each section is taken independently with specific time allotted for each section that totals 14 hours (AICPA, 2017a). Cumulative pass rates for 2015 are listed on AICPA.org and were 47.28% for auditing, 56.48%, financial accounting 46.75%, and regulation 49.43%. The National Association of State Boards of Accountancy publishes a book each year on pass rates by university which include demographics. The states with the highest pass rates are Utah, Wisconsin, and South Dakota (AICPA, 2017a).

There are a number of reasons that a candidate is encouraged to pass the CPA exam in a timely manner. In most states, students are required to pass all four parts within 18 months of the quarter in which they passed their first examination or credit for passing the section is lost. Taking the exam costs \$175-\$200 per section on top of a \$50 administrative fee. In addition, review courses range from a few hundred to several thousand dollars so not passing the exam in an 18 month period of time could add up. Last, if working in public accounting, many firms offer significant incentives to encourage early passage of the exam. Most detrimental to not

passing the exam within a certain time period is a precondition of future employment by a public accounting firm. Passing the exam will allow for promotion opportunities, while not passing the exam may involve termination (Bline, Perreault, & Zheng, 2016).

Experience in the field of auditing also varies from state to state. Typical requirements include one or two years in public accounting or two to three years in public or government accounting or some other similar combination. Ethics is the last of the four E's in the path to CPA certification. Twenty-five states require and Ethic Exam administered by the AICPA, ten states have their own Ethic Exam and fifteen states don't require an ethics exam at all (AICPA, 2017a). As you can see from the requirements to gain the CPA designation, the path is a long and tedious journey beginning with what amounts to a graduate degree and ends with several years' work experience in public or private accounting.

CPA exam as an assessment tool. Accounting students that wish to pursue a career in accounting, whether in public accounting or in the private sector, are encouraged to earn their CPA certification. According to the National Association of State Boards of Accountancy (2016), the organization that administers the 16-hour CPA exam, the Certified Public Accounting designation brings a positive association with higher lifetime earnings and better career potential. The CPA exam, developed and graded by the American Institute of Certified Public Accountants, is the examination that individuals must pass in order to qualify for licensure as Certified Public Accountants in any of the 55 U.S. jurisdictions (AICPA, 2017a). Continuous changes have been made to the exam over the past decade, utilizing technology and updating the exam based on industry guidelines. In 2004, the exam went from a paper and pencil comprehensive exam to a completely automated exam where a student could take each of four parts at different times. In 2011, the exam changed again to include such things as "content and

skill specifications, the inclusion of short task-based simulations and research functionality” (NASBA, 2017). The exam is set to change again in April of 2017, these changes will include a “greater emphasis on testing a candidate’s higher-order cognitive skills such as critical thinking and analytical ability” (AICPA, 2017a, p. 11). As the exam continues to be updated as the profession evolves within the business and economic environment, students will need to fine tune their skills to be successful.

Developing a way to assess the effectiveness of an online education can be a daunting task by accounting faculty and administrators. Metrejean and Noland (2011) conducted research that included CPA recruiter perceptions of an online masters-of-accounting degree that concluded that recruiters were most concerned about passing the CPA exam. Recruiters did not have an opinion one way or the other regarding the mode of education, they were most concerned about the ability to pass the exam. They concluded that the CPA exam is a “strong assessment measure of the quality of online accounting degree programs” (Metrejean & Noland, 2011, p. 28).

Morgan (2015) conducted a comparison analysis of two types of accounting programs: “online or distance learning programs and face-to-face or classroom accounting programs” (p. 420). He matched programs from each group based on student selectivity at admission and examined the CPA outcomes of each programs graduates. His findings showed that graduates of online accounting programs, on average, have lower scores on the CPA exam than that of graduates of the matched set of face-to-face accounting programs (Morgan, 2015). In addition, online program graduates have a much lower propensity to sit for the CPA exam (Morgan, 2015). Another study, conducted by Bunker and Harris (2014), found that “online accounting programs are inferior at preparing candidates for the CPA exam than traditional bricks-and-

mortar academic institutions” (p. 92). In this study, researchers compared 100% online accounting programs to both AACSB-accredited business schools and traditional non-AACSB-accredited business schools (Bunker & Harris, 2014).

Accounting Courses Administered Online

Since accounting is a common course for any business major, it would make sense that accounting be offered online in many business programs. As an entry-level course, Financial and Managerial Accounting teach the basic terminology, introduce financial statements and their components as well as basic calculations using ratio analysis and account valuation. While there is math involved in entry level accounting courses, it is basic computations used in everyday life. An online course in accounting may include textbook readings, online homework assignments, discussion questions regarding treatment of accounting concepts and exams.

A study done by Huh, Jin, Lee, and Yoo (2010) over a three year period from 2003 to 2005 at California State University-San Bernardino analyzed data from students who took an accounting online course and students who took accounting offline. The traditional course was offered with the same instructor, textbook, lecture notes, Blackboard tools and the textbook publishers web-based learning assistance tools as the online course. In addition, the instructor developed the exams in a way that were equivalent online and offline. Student performance data including test scores, GPA, age, commuting distance and working hours were compiled from either the survey or university database. The study found that while there were no significant differences in GPA and test performance, there were significant differences in age, commuting distance, and working hours between the online and offline learners. The study also found that online learners were older, commuted longer distances and worked more hours than those taking offline courses (Huh et al.).

Another study, conducted by Broad, Matthews, and McDonald (2004) researched programs that had an online-supported virtual learning environment and how that would benefit a traditional class setting. This project was created because professors were finding that a reduction in class contact time as well as using the limited class time for higher order learning skills needed some supplements. With this virtual learning environment, students would have continuous access to course materials and learning resources in addition to their traditional class setting. Findings showed that students taking the course with this virtual learning environment did not perform statistically better or worse than a course without this web-based program as a supplement. "Adoption of the Web as a formal learning and teaching strategy is being advocated within many universities, yet the pedagogic case for such embracement is still not fully proven" (Broad et al., p. 149).

Technical aspects of accounting courses show that research should be done on the appropriateness of certain types of online accounting courses. Should lower level accounting courses be done online while upper level courses be done face-to-face? The question was addressed in a study by Chen et al. (2013) that asked "which types of accounting courses may be effectively delivered in a distance education environment" (p. 2). In addition, research was conducted to find "whether there is an 'ideal mix' of distance education and face-to-face time for accounting courses" (p. 2). This question focuses on whether the level makes a difference in students' desire to have in-class time versus online time. The quality of the online education was also addressed in this study.

Chen et al. (2013) hypothesizes that the effectiveness of the online delivery does depend on the academic level. They also suggest that the delivery method matters more at the advanced level. After surveying close to 500 students in one of 4 different types of course, their findings

were consistent with their expectations, course level does matter. More specifically, “perceived effectiveness and knowledge development in online delivery relative to in-class delivery depends upon the course level” (Chen et al., 2013, p. 68). Findings showed that with the advanced level courses, delivery method was an important factor. With principles level, however, the delivery method was not as important. Students felt that more in-class time was needed as they moved beyond the introductory levels of accounting (Chen et al., 2013).

To move further with the topic of academic level when it comes to the online desirability of students, a discussion of what is taught in these courses will be of value. The lower level or principles courses in higher education accounting include Financial and Managerial Accounting. In an accounting principles course Betts (2008) discusses how the focus is on basic recall, comprehension and a moderate amount of application. The higher level accounting courses include intermediate and advanced accounting as well as Cost Accounting and Financial Statement Analysis. Betts finds that higher level courses focus on analysis, synthesis, and evaluation of subject matter. Higher level courses also rely on understanding multiple prerequisite classes such as principles accounting courses as well as finance. Chen et al. (2013) suggests that this increase in cognitive processing could “lead to different perceived learning outcomes depending on the mode of delivery of course content at that course level” (p. 82). The concepts in the principles courses need to be learned as a foundation to understand, analyze, and transform the concepts from the higher level courses. Because of this, Chen et al. reported that differences in course effectiveness from in-class and online modes were highly significant with higher level accounting courses.

Should accounting courses be treated differently when discussing whether or not an online class format is sufficient for learning all of the material? According to Hembree (1990),

many college students have a fear of math. This fear puts a damper on their confidence in completing math-related calculations in an accounting course. According to Byrne and Flood (2005), the accounting literature estimates that about 25% of beginning accounting students feel unsure about their ability to succeed in the course. This intimidation about the ability to complete math calculations prompt students to give up quicker, avoid tasks, and feel unsure and hesitant about asking for help (Sargent et al., 2011). Accounting professors in introductory classes must cover a certain set of material in each course. Moving from one topic to the next without all of the students completely understanding the material can lead to significant problems early on as accounting concepts build on each other over the life of the course (Sargent et al., 2011). The combination of math anxiety and the nature of accounting concepts being linked systematically raise the concern regarding the ability to effectively teach an accounting class online.

Low aptitude and inadequate motivation must also be discussed when talking about students taking accounting courses online. According to Smith, diSessa, and Roschelle (1993), “students with limited knowledge are particularly vulnerable to flawed ideas and partial understandings” (p. 119). Since accounting has a conceptual aspect and a procedural aspect, weak learners can understand the process but not the concept and vice versa. These students could benefit from supplemental instruction that allows them to master concepts in smaller pieces (Sargent et al., 2011). Motivation also plays a part in determining whether certain courses should be offered online. According to Kruck and Lending (2003), “motivation carries more predictive value than ability for students in introductory business classes” (p. 673). As most accounting professors can tell you, motivating effort is one of the key issues in introductory courses because many students are non-accounting majors who may have a very low interest in

the subject (Sargent et al., 2011). Aptitude level and motivation should be discussed when determining the best ways to deliver an accounting course. Researching how to support students as a result of these concerns should be of utmost importance.

A discussion of student selectivity relating to online accounting programs is an important concept to review. According to Morgan (2015), “systematic differences in student selectivity for online and face-to-face accounting programs are known to exist” (p. 420). According to the study on online versus face-to-face accounting education, student selectivity is a known correlate to CPA exam pass rates. Accounting programs having higher student selectivity are known to produce graduates with better scores on the uniform CPA exam. Most online accounting programs have minimal student selectivity with completely open admission and 100% acceptance rates. Face-to-face accounting programs, on the other hand, require a certain set of admission standards such as high-school GPA, class rank, ACT or SAT test scores, college preparatory classes, etc. Selectivity in face-to-face programs is much higher than most online programs (Morgan, 2015).

Recruiter Perception of Accounting Online Degrees

As accounting courses continue to be offered online and with the adoption of the 150-hour rule for CPA certification, programs to complete a master's degree in accounting (MACC) are now available online as well. The validity of this type of education can be questioned as it relates to accounting degrees because of the types of courses required to complete this type of degree. Concern has been raised about diploma mills even with online degrees being offered by legitimate institutions (Metrejean & Noland, 2011). Recruiters from CPA firms have a vested interest in determining whether accounting graduates have gained the required skills to perform in public accounting. A survey of CPA recruiters was done by Metrejean and Noland (2011) to

find out if there was a difference in perception of a MACC degree completed 100% online or at a traditional face-to-face program. Their results showed no significant difference in recruiters' perceptions for students who were enrolled in an online MACC versus a traditional MACC (Metrejean & Noland, 2011).

Metrejean and Noland (2011) found concern in the results of their online masters of accounting degree study. They found that students having a GPA of 3.25 or higher and have passed all or part of the CPA exam were viewed favorably by recruiters while students with poor written and oral communication skills would have a negative effect on the student being hired (Metrejean & Noland, 2011). Among the nine attributes of job applicants that were researched, recruiters ranked the attribute of having passed all or part of the CPA exam the highest. Ranked second was the fact that the applicant was enrolled in a CPA exam review. In general, CPA firms do not continue to employ accountants who cannot pass the CPA exam, therefore, hiring an applicant who has already passed at least one section of the exam (Metrejean & Noland, 2011).

Another study conducted in 2011 by Kohlmeyer et al. examined the hiring preferences of public accounting professionals when asked about candidates who earned their accounting degree from an online college or university or a traditional, face-to-face institution. They found that public accounting professionals prefer to hire students with a traditional accounting degree rather than an online accounting degree. Their findings did not change even when students from the two different types of degrees passed the CPA examination. In addition, the study showed that these opinions extended across different job titles including partner, manager and senior. However, public accounting firms were more willing to hire a candidate with an online accounting degree if earned from an institution with the AACSB accreditation (Kohlmeyer et al., 2011).

Several professors from Georgia Southern University conducted a study on employer perceptions of online accounting education (Tabatabaei et al., 2014). They presented four factors that were considered important to the hiring process by employers to assess the quality of the job applicant in the field of accounting; reputation of the granting institution, work experience, GPA and mode of education. Ranked least important was mode of education, however, a traditional degree was considered more suitable than an online degree. This indicates that online education is becoming more acceptable in the field but recruiters still prefer a traditional education when it comes to hiring students just out of college (Tabatabaei et al., 2014).

Grossman and Johnson (2016), conducted a study regarding employer perceptions of online accounting degrees at both the undergraduate and graduate level. They found that potential employers in the accounting profession prefer that students earn their degree in a traditional or hybrid educational environment as opposed to an entirely online program. However, they also found that recruiters from both the Big Four accounting firms and other accounting recruiters (except international) were equally inclined to extend a job offer to an online graduate. Potential employers are more accepting of applicants whose lower level coursework was completed online versus the upper-level coursework for an accounting student. More favorability was given to job applicants who obtained at least one degree, either the bachelors or master's degree in business, in a traditional educational environment as opposed to those that received both degrees online (Grossman & Johnson, 2016).

Overall, recruiter perceptions seem to favor traditional education degrees for one reason or another. Summary information in the Kohlmeyer et al. (2011) study indicated that online education needed time to gain acceptance from the public accounting field, perhaps when a firm

hired a candidate that worked well for them or dependable statistics from online degree granting universities that proved their candidates were just as qualified.

Recruiter role in hiring. Recruiters play an important role in the hiring process of accounting students. Depending on the firm, they are the first person to see the resume and last person to have communication with the applicant. However, many students have expressed a desire to meet a variety of individuals from the firm or company (Kimmell, Keltyka, & Ofobike, 2008). Meeting high level executives or a principal in the audit or tax department impresses the candidates and offers a better way to understand the firm's culture. Recruiters want to turn potential new hires into long-term employees, a critical part of this process is making sure the culture of the firm fits the student (Kimmell et al., 2008).

The Human Capital Center of the American Institute of CPA's has established resources for CPA firms in recruiting, staffing and retention (Vance & Stephens, 2010). This resource has given recruiters a wider insight to the generation of students now matriculating. The Generation Xers and the Millennials have high levels of self-actualization and esteem which leads to a strong sense of entitlement that is considered a result of over-indulgent teachers and parents. The competitive accounting community and CPA firms do not place these entitlement characteristics high on their list of desirable qualities of young accounting professionals. Recruiters have the responsibility to communicate the desires of their firm when it comes to work ethic, team relationships and establishing a work-life balance. To reduce turnover, recruiters are hiring accounting graduates that will fit well within the firm's work culture. Understanding these generational characteristics leads them to successful hiring for a long career at their firm (Vance & Stephens, 2010).

Recruiter preferences. Opportunities for online graduates are varied among large and small public accounting firms and private industry accounting positions as they use different criteria to evaluate applicants (Grossman & Johnson, 2016). Large, national accounting firms find that academic success, willingness for advancement and desiring a leadership role are more important than to other employers (Ahadiat & Smith, 1994). Consequently, “Big Four firms target the best students as early as their freshman year and use on-campus activities such as career fairs, social events, and accounting organization meetings to evaluate criteria other than technical competence, such as leadership potential, professional appearance, and soft skills” (Grossman & Johnson, 2016, p. 94). Smaller CPA firms and large corporations value prior work experience higher than Big Four accounting firms (Cook & Finch, 1994). Furthermore, since online students are more likely to have work experience and self-starter characteristics, small and regional accounting firms may be more willing to hire online accounting graduates than larger firms (Grossman & Johnson, 2016).

Communication Gap

According to Cramer (1957), about 75% of public accounting is getting along with people. He goes on to discuss how companies generally do not have a program to train people in “the art of personal relationships” (p. 32). This relationship building skill is very important to employers. New accountants are hired based on a strong resume including a high GPA. While more and more companies do look at other activities and organizations in which the candidate is involved, getting the degree with good grades is of utmost importance. Cramer makes other comments regarding building relationships: “it is no secret to you that more of your students suffer in business because of unsatisfactory personal relationships than because of lack of technical competence” (p. 32).

How a student builds relationships with accounting courses administered online is a concern of employers. Grossman and Johnson (2016) found that “students should be sensitive to the premium that employers place on soft skills, which are overwhelmingly perceived as attainable only in a traditional educational environment” (p. 106). This concern about the ability to interact effectively and harmoniously with others can affect the abilities of new hires to develop interpersonal relationships and engage in team building and verbal communication. Recruiter comments in this study included additional information about the importance of in-person lectures, weekly face-to-face interaction, smaller classroom environments and team projects provide client service skills needed in the accounting field. The best strategy to impress potential employers might be to complete “technically intensive, lower-level accounting coursework online” (Grossman & Johnson, 2016, p. 106).

In the study from Kohlmeyer et al. (2011), public accounting firms were asked to give a reason why they would not hire a candidate with an online accounting degree. Listed first in the given answers were “lacking interpersonal experiences” (p. 156). A student's ability to practice public speaking, interact with other students and engaging in classroom discussions with the professor were lost through online learning. Kohlmeyer et al. addresses the development of ‘soft skills’ by saying “the ability to respectfully and tactfully deal with people can be the difference between a student rising to partner and washing out after a year on the job” (p. 156). How a new-hire presents themselves, interacts with colleagues, handles a discussion, deals with problems and manages their time all contribute to the soft skills attributes required in this profession. While online education is a successful mode to deliver information on just about any subject, soft skills are more difficult to ascertain through online learning (Kohlmeyer et al., 2011).

Transactional distance theory (Boyd et al., 1980; Kearsley & Moore, 2013) offers a possible interaction-related explanation for what kind of differences in communication skills lie between in-class and online delivery (as cited in Chen et al., 2013). Because there is a physical separation between the instructor and online students, a psychological space is created. It's within this space that communication gaps and misunderstandings can sometimes occur. Dron, Seidel, and Litten (2002) found that "dialogue reduces the transactional distance" and that both two way communication and other forms of interaction help enhance student learning (p. 90). Interaction with the professor and/or other students will enable the perceived psychological space to include dialogue and other course collaboration. This interaction will allow online students to feel like they are part of an education community and will increase student satisfaction (Dron et al., 2002).

Summary

Colleges and universities have remained competitive in the marketplace by offering online degrees for both graduate and undergraduate students. While there has been some evidence that shows academic leaders are concerned with learning outcomes with online coursework versus traditional coursework, the majority of research shows that online courses can offer quality education that mirrors a traditional, face-to-face classroom environment. Students are motivated to earn their degree online because of busy work or family schedules, proximity to local college or university campuses, and the flexibility to work on their degree anytime, anywhere. Higher education institutions, whether private or public, have facilitated online learning as a result of meeting the need of a growing number of people who want to enroll in college level courses. In addition, universities are suffering from over-sized classes, limited

classroom space and of faculty work load. Online learning seems to be a win/win for both higher education institutions and students who need flexibility.

Accounting online programs have become increasingly popular to meet the growing demand of students who want to earn a degree. Both traditional universities and non-profit institutions offer online accounting degrees. Research shows that lower level accounting courses taught online can be as effective as traditional face-to-face courses, however, higher level courses should be done in a traditional classroom. This recommendation is a result of the course material taught in each level of course; lower level courses require basic recall, comprehension and a moderate amount of application while higher level courses require analysis, synthesis and evaluation of subject matter. In addition, the accounting profession also relies on its students to be able to practice soft skills when interacting with colleagues and clients. Skills such as working within a team to solve problems, presentation of results and building interpersonal relationships with clients are all required in an accounting position.

CPA's are certified by the AICPA for individuals who wish to pursue a career in either public or private accounting. Included in the certification requirements are 150 semester hours of approved college credit, a certain amount of experience in the field of accounting and passing the CPA exam. Using the CPA exam as an assessment tool for accounting education has been an industry practice for some time and an important accomplishment recognized by recruiters in the field. Research shows that students who earn either their degree online have a significantly lower pass rate on the CPA exam than students who complete their education in a traditional, face-to-face environment. According to Bunker and Harris (2014), "online accounting programs are inferior at preparing candidates for the CPA Exam than traditional bricks-and-mortar academic institutions" (p. 92). Whether the students are not being prepared with the technical

skills needed to pass the exam or the type of students who enroll in online accounting degree programs are not as academically proficient is unclear. However, the fact remains that students with an online accounting degree are struggling with the material on the exam.

Higher education institutions can be accredited by organizations that certify the programs rigor, course assessment objectives and faculty education requirements. Accreditation by the Association to Advance Collegiate Schools of Business is well known among higher education institutions as the gold standard and are well known in the business, education, science, and psychology community as well. The AACSB is known for their rigorous input standards for faculty research and faculty education requirements. Other accreditation organizations include the ACBSP which is the accreditation body for the for-profit institutions and the IACBE that focuses on outcome standards and teaching excellence. Many recruiters acknowledge the importance of the institution accreditation because they can rely on an academic rigor that is required in their firm. Other education standards reviewed by accounting recruiters include a high GPA (Vance & Stephens, 2010).

Recruiters in the accounting industry want to hire graduates that are well prepared for a successful career in accounting. Research results show that recruiters prefer students earn a traditional degree in the field of accounting. However, they are willing to hire an applicant with an online degree if certain other criteria such as university reputation, work experience, high GPA and good communication skills are proven. One of the most significant recruiter requirements is passing all or part of the CPA exam. This accomplishment shows that the student is well prepared in the technical aspects of the subject and is serious about pursuing a career in public accounting. In addition, if a student earns a master's degree in accounting,

recruiters do not mind if either the undergraduate or graduate degree was accomplished through an online program, but not both.

Overall, passing the CPA exam, student GPA, accreditation of institution where the degree was earned and good communication skills are all important to recruiters. Therefore, literature suggests that these skills are recognized by other stakeholders including higher education institutions and students. However, research shows that students with an online degree do not perform as well on the CPA exam as those who earn their degree from a traditional program. If this is a high priority for recruiters as part of the hiring process, then an online degree may not prepare a student for a career in accounting. It is important for students, higher education institutions and the accounting industry as a whole to understand these implications for an online degree. In addition, communication, teambuilding and interpersonal skills are called into question when interviewing a candidate with an online degree. Additional and ongoing research of online programs is needed as higher education institutions continue to expand to meet rising demand. Recruiter perception with an online accounting degree will help employers, students and higher education administrators be better informed about the type of degree that a student will pursue.

Chapter 3: Methodology

Introduction

College students are exposed to a wide variety of technological advances that enhance the learning process and provide endless possibilities to earning a degree in a desired field. The growth of these learning tools have provided institutions with innovative ways to create coursework that allow students to take a required course from anywhere in the world. With these technological advances and worldwide Internet access higher educational institutions are able to administer courses online. New educational platforms bring about questions regarding the differences between traditional education and institutions that provide a college degree administered 100% online. Research shows that online coursework can provide the same learning outcomes as face-to-face coursework. However, when it comes to the subject of accounting, students that earn their degree online perform significantly lower on the common assessment tool, the CPA exam (Bunker & Harris, 2014). Recruiters understand the importance of passing the CPA exam in their field and look for students that have already passed one or more of the four parts or have a good aptitude for passing the exam. Recruiter perception of an online accounting degree is an important part of the marketplace for accountants, gauging their perceptions is the topic of this study.

Research has found that learning outcomes are generally the same whether a course is administered online or face-to-face (Bunker & Harris, 2014). When discussing accounting administered online, however, research is more conflicting when it comes to course level (Chen et al., 2013). When moving to courses in Intermediate Accounting, Advanced Accounting and Financial Statement Analysis, all upper level courses in the subject, Betts (2008) suggests that these courses focus on analysis, synthesis, and evaluation of subject matter. Chen et al. (2013)

suggests that this increase in cognitive processing could lead to differences in learning outcomes. Additionally, accounting concepts use qualitative concepts that are used to analyze quantitative data that includes understanding complex math calculations. Sargent et al. (2011) reports that there is an intimidation factor regarding the ability to complete math calculations which causes students to give up quicker, avoid tasks and feel unsure and hesitant about asking for help. The CPA exam, a highly computational exam, shows students in a traditional program doing significantly better than students from a 100% online degree (Bunker & Harris, 2014). The combination of math anxiety and nature of accounting concepts being linked systematically raise the concern regarding the ability to effectively teach an accounting class online.

The CPA exam has been widely used as an assessment tool for accounting students to examine the education received from any given institution (Bunker & Harris, 2014). Additionally, recruiters in the accounting field place a high value on passing one of more parts of the four-part CPA exam (Metrejean & Noland, 2011). Morgan (2015) found that “results provide persuasive evidence (that) graduates of online accounting programs, on average, have lower scores on the uniform CPA exam than do graduates of the matched set of face-to-face accounting programs” (p. 424). Metrejean and Noland (2011) indicate that since recruiters place a high value on passing the CPA exam as a criterion for job applicants and students earning an online degrees in accounting have a lower pass rate than traditional education, a comprehensive look at recruiter perception on online accounting degrees is important.

Restatement of the Purpose

The purpose of this qualitative case study is to determine the recruiter perception of accounting students who earned their degree online and subsequently seek employment in the public or private accounting profession.

Restatement of the Research Questions

The research questions for this study are as follows:

RQ1: What are the criteria used by recruiters to hire students graduating with an accounting degree?

RQ2: What are recruiter perceptions of online accounting programs? Does the recruiter perceive a difference between online and traditional accounting programs?

RQ3: What are recruiter concerns about online learning in an accounting program?

RQ4: How have perception of online degrees changed over the past 5 years?

Description of the Research Methodology

Current recruiter perception of online accounting degrees will enable accounting students, university administrators and the accounting industry as a whole better understand how an online degree is perceived. An exploratory study will help achieve these results and provide insight to how recruiter perception dictates hiring practices among the accounting profession. By interviewing recruiters in different size firms, an exploratory study will allow the researcher to understand how online degrees are perceived in the area of accounting and provide stakeholders with information to make informed decisions regarding online accounting degrees. Semi-structured questions will direct the recruiter to provide feedback on firm hiring practices and perception of online accounting degrees.

Choosing an exploratory interview will allow interviewees to answer semi-structured questions that will provide insight into their process of hiring recent graduates. According to Callaway (2012), “exploratory interviews are meant to gain insight in the frame of reference of an interviewee” (p. 92). By using this type of interview process the researcher can stimulate the recruiter to tell about his or her perception and emotional valuing of a certain topic (Callaway,

2012). The recruiter's personal perceptions, personal interpretations and opinions is the subjective information needed. Their frame of reference will provide understanding on how recruiters make decisions to hire prospective accounting graduates seeking employment in the field.

In order to gather information relating to the study, a definition of an online and degree should be reviewed. The following statement was given to study participants regarding the definition of online accounting degree:

An online education would be defined as a web-based classroom uses a classroom management system, such as Blackboard, to outline the course and provide places for tutorials, reference materials, PowerPoint presentations, discussion boards and a forum for communication with the class as a whole. In addition, other online systems could be used for homework assignments, exams and additional study resources including an e-book that is usually hosted from the textbook publisher. There is no face-to-face interaction between the instructor and the student. Exams can be administered at the university, a testing center or wherever the student can access the Internet. (Kohlmeyer et al., 2011)

Since technology is used in many higher education classrooms, there needs to be a distinction regarding the use of technology to facilitate classroom learning as opposed to coursework being administered online. The definition for traditional and web-facilitated courses used by Allen and Seaman (2011) seems to be most commonly used in research regarding this topic. Traditional courses are where students have 1-29% of the learning in a face-to-face environment. Web-based technology, such as Blackboard, may be used as a management or resource system but the course is administered in a face-to-face environment (Allen & Seaman, 2011).

Process for Selection of Data Sources

Selecting the correct interviewing survey is an important step to building an in-depth picture of an exploratory case study. A survey would have allowed data to be collected and analyzed easily, however, the researcher would not have observed interviewee nuances that would have allowed the researcher to explore additional perceptions that were not thought of in the original survey. A semi-structured survey may have allowed for a more detailed answer by the interviewee and the ability to pick up on additional nuances, however, only asking the questions of the survey leave other issues brought up by the interviewee out of the research. An unstructured interview will allow structured questions to be asked with the ability of the interviewee to expand on his or her thoughts regarding the specific question.

Using geographically convenient sources allowed for the ability of face-to-face interviews as well as gaining insight on the pulse of local recruiters. The types of recruiters that were interviewed include large, global firms, medium-sized regional firms and small, local firms. Public accounting firms typically employ Certified Public Accountants (CPAs) that work in the areas of audit, tax and management consulting. The 2015 Orange County Business Journal publishes accounting firms located in Orange County, CA. The list included 51 accounting firms that were used to determine suitable participants for this study. Four firms, called the Big Four, are the largest global companies in the public accounting industry; these four firms employ 384-759 employees locally and up to 202,885 globally. A recruiter from each of these firms was interviewed. Next, regional firms are those that have multiple offices located in the United States and have an office located in Orange County. Regional firms count for 25 of the firms, four recruiters from regional firms were interviewed. Lastly, there are 22 firms that have offices only in Orange County, Ca; four recruiters from these firms were interviewed. This sampling

represented the three levels of accounting firms positioned in the Orange County area and gave a good indication of recruiter perception with regards to accounting degrees earned online.

The process for selecting participants included one recruiter from each of the Big Four public accounting firms; PriceWaterhouse LLC, Earnst & Young, LLC, Deloitte, LLC and KPMG, LLC. Four recruiters from the regional firms and four recruiters from the small firms were interviewed. An e-mail to all 51 firms in the Orange County, CA area introduced the study and asked for a recruiter from each firm to respond. A sample e-mail script is located in Appendix A. Once the specified number of recruiters had responded, an interview was scheduled.

Definition of Analysis Unit

Perception of the recruiter is the unit of analysis for this case study. The recruiter's perception of online accounting degrees enables them to make a decision about hiring an applicant for a position at their firm. The measurement unit is not whether or not they hire someone with an accounting degree earned online, rather, it's their perception of that degree. Recruiter perceptions are founded in a number of ways including experience with hiring students with an online degree, discussions with co-workers regarding online degrees, news articles, professional journal articles, word of mouth, etc. Perceptions of the recruiter included interview questions that asked if online accounting degrees are perceived the same as traditional degrees, if online accounting degrees are inferior to traditional degrees, or if the recruiter might need additional information regarding the online degree to give an accurate perception. Additional information included questions regarding the reputation or accreditation of the college granting the degree and the fact that the perspective employee has experience in the field or had passed parts of the CPA exam.

Definition of Data Gathering Instruments

Purposeful sampling, as defined by Creswell (2007) indicates that the “inquirer selects individuals and sites for study because they can purposefully inform an understanding of the research problem and central phenomenon in the study” (p. 125). The type of sampling was stratified purposeful sampling because this type of sampling “illustrates subgroups and facilitates comparisons” (Creswell, 2007, p. 127). The sample size for this exploratory study was approximately 12 recruiters, four from each of three levels of accounting firms; large global firms, mid-size regional firms and small local firms. For this exploratory study, there was four recruiters from each of three sub-groups to analyze the similarities and differences in each sub-group, this allowed the researcher to find themes that were prevalent through the sub-groups as well as throughout the group as a whole. While this study was not able to interview all recruiters in the geographic area, this limited sample allowed for in-depth analysis of key stakeholders which provided multiple views on the current climate of accounting online degrees in the workforce.

Recruiters from the national, regional and local firms were e-mailed a participation letter and description of study (see Appendix B). Once participants were confirmed, each was e-mailed an Informed Consent form which confirmed that the interview will be done confidentially (see Appendix C). After the Informed Consent form was reviewed by each recruiter an interview location, day and time was set. The interview took approximately thirty minutes and participants were asked a list of questions relating to each research topic (see Appendix D).

Table 1

Research and Interview Questions

Research questions	Interview questions
A. Background Context	1
B. What are the criteria used by recruiters to hire students graduating with an accounting degree?	3, 7, 8
C. What are recruiter perceptions of online accounting programs? Does the recruiter perceive a difference between online and traditional accounting programs?	2, 4
D. What are recruiter concerns about online learning in an accounting program?	3, 5
E. How have perceptions of online degrees changed over your tenure as a recruiter?	6

Validity and Reliability of Data Gathering Instrument

Validity is defined by Kvale and Brinkmann (2009) as “the truth, the correctness, and the strength of a statement” (p. 246). When dealing with qualitative research, validity has to do with the degree that a method investigates what it intends to investigate (Kvale & Brinkmann, 2009). Each interview question was designed to engage the interviewee in a conversation regarding their perception of online accounting degrees. Questions related to the research questions and purpose statement and were asked in an unstructured format. After the answer was given the participant was able to explain the rationale for the answer, additional time was given to discuss each answer.

In order to make sure the interview questions were appropriate for the study there was a preliminary survey on their validity. After reviewing the research questions with two different research experts and one experienced CPA in the field of accounting, they indicated that the questions were appropriate. After three experts, two research experts and one accounting expert, validated the interview questions the questions were deemed valid. Validity of the interview

questions was based on the issues identified as important as determined by the research questions and the input from the field experts.

Reliability procedures, as suggested by Gibbs (2007), suggest the following:

- Check transcripts to make sure that they do not contain obvious mistakes made during transcription.
- Make sure that there is not a drift in the definition of codes, a shift in the meaning of the codes during the process of coding. This can be accomplished by constantly comparing data with the codes and by writing memos about the codes and their definitions.
- For team research, coordinate the communication among the coders by regular documented meetings and by sharing the analysis.
- Cross-check codes developed by different researchers by comparing results that are independently derived. (p. 344)

The inclusion of several of these procedures provided evidence of consistent results. “Statistical procedures or reliability subprograms in qualitative computer software packages can then be used to determine the level of consistency of coding” (Creswell, 2009, p. 202). It is recommended by Miles and Huberman (1994) that good qualitative consistency in coding be in agreement at least 80% of the time (Creswell, 2009). Reliability in this exploratory study was ensured by using a reputable computer software program to code the interview responses.

Researcher Bias

Beyond using research and industry experts to validate interview questions, the researcher practiced reflexivity throughout the interview, transcription and findings process. Reflexivity “is a rigorous self-scrutiny by the researcher throughout the entire research process” (McMillan & Schumacher, 2006, p. 327). To be able to understand the interview participants meaning as they answered the questions, the researcher was focused on learning what the participants hold about the problem or issue, not the meaning that the researcher held to the research or writers expressed in the literature. (Creswell, 2009). Since qualitative research is interpretive, the researcher identified the biases, values and personal background that shaped

their interpretations. Analyzing interview recordings enabled the researcher to check for these biases throughout the research process.

Data Gathering Procedures

Interviews, according to Seidman (2013), is “an interest in understanding the lived experiences of other people and the meaning they make of that experience” (p. 9). While a researcher can examine the experience of people through a variety of sources, understanding the meaning people make of their experiences can be successfully drawn out during an interview (Seidman, 2013). The interview methodology in this study was an open-ended interview approach where each interviewee was asked the same set of questions in the same order. Some allowance for digression from the specified question were allowed if an interviewee wanted to discuss something pertaining to the topic during the course of the interview. All of the interviews were done with prior consent.

Each interview was approximately 20 minutes and was conducted in the Fall of 2016. The interviews were digitally recorded and then transcribed using computer software where answers were coded. All interview notes and transcriptions are stored in hard copy format using alpha-numeric codes to keep identities of the study interviewees confidential. The same codes were used on digital recordings, transcribed recordings and digital notes and are stored on a memory stick with a backup copy on an external drive. All notes, recordings, transcriptions and other documentation from the interviews are kept in a locked office.

Description of Proposed Data Analysis Processes

A single exploratory analysis was conducted providing insight on recruiter perceptions of an online accounting degree. An exploratory analysis was performed to assess the data from all interviews to find main ideas, emerging themes, discrepancies, patterns and completeness. The

data analysis was conducted using qualitative research procedures commonly accepted (Creswell, 2007). The procedures were as follows:

1. Obtained Institutional Review Board approval to conduct research.
2. Validated interview question using research and industry experts.
3. Contacted recruiters from large, regional and local accounting firms via e-mail to obtain interest in participating in my exploratory research study (see Appendix A).
4. Acquired consent to conduct an interview with selected recruiters from designated accounting firms and set meeting date and time.
5. Interviewed the recruiters, four recruiters from each of the three designated accounting firms.
6. Recorded the interviews using a digital recorder.
7. Transcribed each interview into text using computer software.
8. Identify patterns of perceptions derived from interview questions and sort them according to frequency count.
9. Identified themes related to research questions.
10. Analyzed themes to serve as a basis for conclusions and recommendations.

Qualitative computer programs have been in use since the 1980's and have become increasingly more helpful in computerizing the process of analyzing text and image data (Creswell, 2007). Accordingly, the process used for analyzing data analysis is the same for hand coding or using a computer. "The inquirer identifies a text segment or image segment, assigns a code label, and then searches through the database for all text segments that have the same code label" (Creswell, 2007, p. 165). Through this process it was the researcher that did the coding and categorizing, not the computer. Using computer software system has several advantages

including organizing the data, locate material easily, and is able to encourage the researcher to look closely and analyze the relationships among the data and think about the meaning and idea of each theme (Creswell, 2007).

Using a data analysis matrix to examine the data regarding the recruiter perception of online accounting degrees I was able to come up with a matrix shown in Table 2. Most of the interview questions were leading questions to establish credibility to specific study themes. Some of the questions were open-ended to allow for recruiters to give their opinions regarding accounting online degree perception in the industry. Other field related themes not introduced in the study evolved based on how the recruiter described the process of hiring good candidates. Interview questions were aligned with research questions noted in the matrix in Table 2, findings will be discussed in Chapter 4.

Table 2

Data Analysis Matrix Perception of Online Accounting Degree

Theme	Research Questions	Interview Questions
1. Experience of hiring with online degree	2	1, 2, 3
2. CPA pass rate of candidate	1	8
3. School reputation	1, 2	7
4. Firm acceptance of online degree	2, 3	5
5. Undergrad vs graduate online degree acceptance	2, 3, 4	4
6. Changing acceptance of online degree	3, 4	6

Human Subjects Protection

This study involved research using human subjects and complied with all federal and professional standards and falls under the exempt category. An Informed Consent document was provided to each participant with the understanding that their identity will be kept confidential. Participants did not need to sign the Informed Consent, verbal consent was obtained through the

actual interview which implied consent. Keeping a signed consent form would be another means to identify participants, therefore, was not needed. Participants were able to opt out of the interview at any time.

All human subjects interviewed were audio-recorded with the recordings transcribed into a computer software program. Recordings are kept until the research project has been completed and will be subsequently destroyed. Each participant was given an alphanumeric number that will be used to keep their name confidential. The names of the participants and the corresponding alphanumeric number are kept on a list in a locked office. All recordings, transcriptions, notes and additional information regarding the participants were coded using the designated alphanumeric label. Data will be stored for 3 years and then destroyed. A formal application for approval was submitted to the manager of the Institutional Review Board (IRB) for Pepperdine University.

Summary

Understanding recruiter perceptions of online accounting degrees will assist students and university administrators as well as other stakeholders in making decisions regarding online education. Interviewing recruiters from local, regional, and from the Big Four accounting firms gave a good indication of recruiter perception within the industry. Passing the CPA exam has been a good assessment tool of accounting education and has been used by recruiters as a measure of skill and aptitude in accounting. Research has shown that students with online accounting degrees perform significantly worse on the CPA exam than do students with a traditional degree. By interviewing recruiters in the Orange County, Ca area, the researcher was able to gauge recruiter perception of online accounting degrees and add to the research of how online degrees compare to traditional degrees in accounting.

Interviews of 12 recruiters in the local, regional, and large CPA firms over a three month period was conducted. All interviews were 15- 30 minutes and were recorded digitally and then transcribed using computer software. Participant responses are kept confidential by using an alphanumeric code on all recordings, transcriptions and interview notes. While this study does use human subjects, the study falls under the exempt description according to the Institutional Review Board. Once transcribed, information was placed into a Data Analysis Table to record findings, themes and other discussion items notable to the research. Findings and conclusions will be presented in subsequent chapters.

Chapter 4: Results

Introduction

This chapter will provide an analysis of the findings which will be organized according to relevance to each of the five research questions for the study. As discussed earlier in Chapter 1, this study was conducted to identify the perceptions of online accounting degrees by recruiters in the public accounting industry. Participants were recruiters who worked in small, medium and Big Four public accounting firms in Orange County, California. Through reviewing the information provided for each interview question, analysis will be provided to show results for each research question. Much discussion has been accumulated on the topic of online education and whether an online degree is comparable to a traditional degree in higher education as it relates to starting a career in the area of accounting. The purpose of this qualitative case study was to determine the recruiter perception of accounting students who earned their degree online and subsequently sought employment in the public accounting profession. Therefore, the following research questions guided this study:

1. What are the criteria used by recruiters to hire students graduating with an accounting degree?
2. Does a recruiter have an unfavorable perception of online accounting programs?
3. Does the recruiter believe that there are differences between online and a traditional accounting program?
4. What are the concerns of online learning in an accounting program?
5. Are the perceptions of an online accounting degree changing?

Data Collection

Four recruiters from each of the small, medium and large (Big Four) firm size categories were interviewed, the transcripts of the interview were used to compile data to answer each of the study research questions. Eight interview questions were asked of each recruiter in a one-on-one interview regarding the subject on accounting education and their recruitment practices (see Appendix D). Data collected represents responses to the interview questions and additional information provided by the recruiter on the subject of education, experience, CPA certification and the perception of online versus traditional higher education degrees as a candidate entered the job market. All interview notes and transcriptions are stored in hard copy format using alpha-numeric codes to keep identities of the study interviewees confidential. Figure 1 displays the experience, in years, of the twelve accounting recruiters who participated in the study. Years of experience for the recruiters from the three different accounting firm categories range from 1.5 to 19 years.

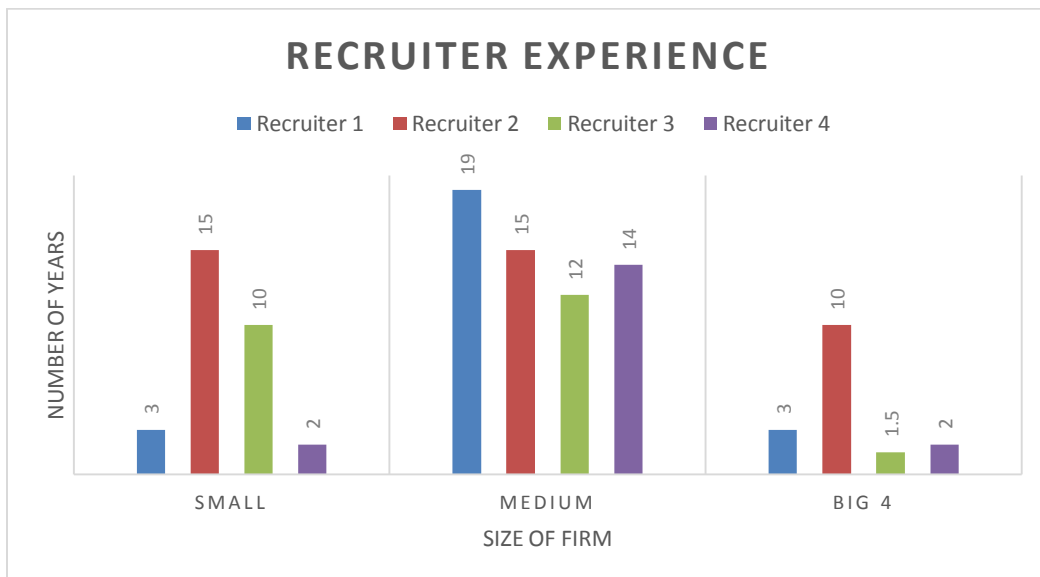


Figure 1. Recruiter experience.

Research Question 1: What are the criteria used by recruiters to hire students graduating with an accounting degree? Recruiter criteria for hiring students was based on several attributes that ranged from academic to social skills. Most firms had a vigorous recruiting process that included firm criteria as well as the standard requirements to become a certified public accountant (CPA) as set forth by the American Institute of Certified Public Accountants (AICPA, 2017a). For most firms, grade point average (GPA) was the jumping off point for recruiters to move onto other criteria used to select a candidate for the interview process within their firm. GPA minimums ranged based on firm, those who gave a numerical number ranged from 3.0-3.5. Once the candidate had satisfied the GPA requirements, recruiters wanted to know more about the candidate. Figure 2 shows the top six recruiter criteria that were most common in all size firms when searching for an entry level accountant. Other criteria included involvement with community and on-campus activities, how the candidate would fit into the firm (diversity), leadership characteristics and a willingness to learn. There was not a criteria that was more prevalent in one size firm versus another. Two of the criteria, designated in Figure 2 with an asterisk (*), indicate those questions that were specifically asked within the interview, see Interview Questions in Appendix D.

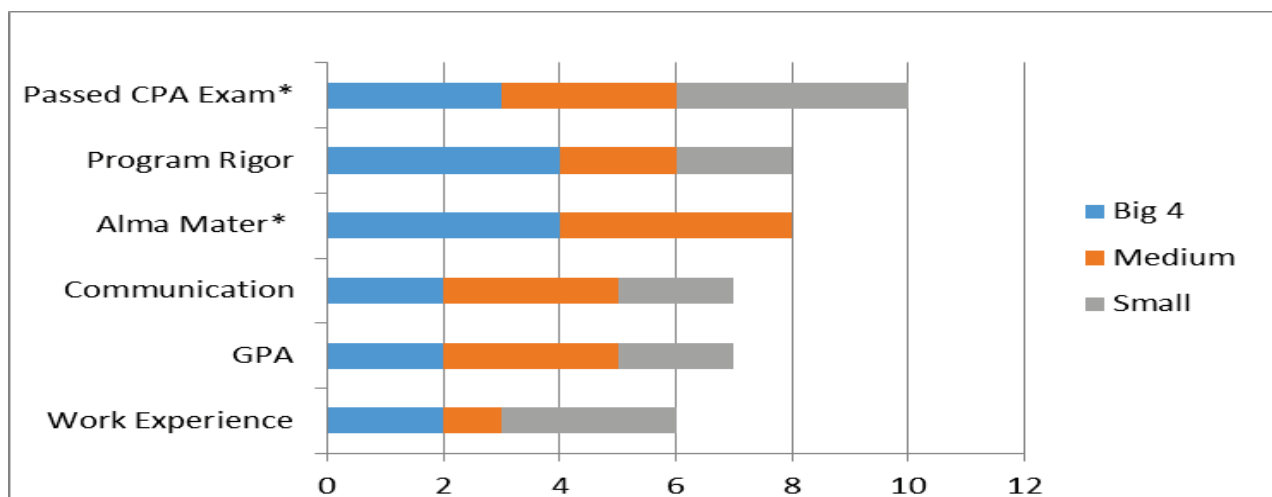


Figure 2. Recruiter criteria.

During the interview process in the Big Four and medium size firms, often during the candidate's junior year in their undergraduate education, the recruiter would require the student to map out the completion of the 150 units before an offer was made. Should the student not fulfill the 150 units prior to their projected start date, the offer could be revoked. Eligibility to sit for the CPA exam and meeting the 150 unit requirement by the California Board of Accountancy was a top priority. This recruitment process showed the candidate how serious the firm was about completing the necessary requirements to be eligible to sit for the CPA exam. However, passing the exam was not a requirement, in fact, most firms had a program that included paying for a review course and release time for new hires to prepare for the exam.

Academic requirements for small firms were less regimented. Only one of the small firm recruiters gave the GPA minimum; it was a 3.0. Earning the required courses and units by the AICPA was a plus, however, smaller firms would work with students to complete the coursework and unit requirement after the candidate started working. Smaller firms focused on candidates who were quick learners and those that didn't have an ego about what kind of work they would start with. "Attitude is a big thing, do they seem like they are willing to do anything without the arrogance or an ego where they feel they have certain expectation that needed to be met (P329). Experience is a plus with small firms as well, "we usually need someone who can come in and do remedial tasks that will help us out from the beginning and learn as you go" (P324).

Communication skills were mentioned by almost every recruiter. Throughout the interview process recruiters want to make sure a candidate could properly communicate in a business setting. One recruiter from a small firm indicated that since communication is such a big deal in business they wanted to make sure the candidate had certain skills. "During the

interview, communication skills are big, can they articulate themselves, are they comfortable, can they hold a conversation” (P329). One medium size firm recruiter indicated that communication skills were more important than GPA, “the perception of accountants is that we sit in our cubicles and crunch numbers all day-that is not what we do, we are talking to people every day. I would rather have a 3.3 GPA and someone who can communicate versus a 3.8 candidate who doesn’t have communication skills” (P326). A Big Four recruiter mentioned communication skills as part of a package of skills outside of academic skills they were after, “we want students that have a combination of leadership experience, showing they are able to balance multiple responsibilities so they can balance multiple tasks, also communication skills, cover letters and the commitment to the career path are all important characteristics we look for” (P328).

Personality of the candidate is important to all types of recruiters. One Big Four recruiter talked about how they were always comparing who is the better candidate to give an offer to. Many things go into this decision including personality, which candidate will fit into the firm better, does this candidate have a diverse background. The online degree was not a huge factor. Working well in a group or team environment requires individuals to be open and available to challenge each other while being challenged themselves (P323).

When recruiters were asked about passing all or part of the CPA exam being more important than whether the candidate had an online degree, all of the recruiters said it was a plus. One Big 4 recruiter indicated that it does add some weight to the candidate. “It does show a different commitment to accounting to finish school in addition to passing the CPA” (P320). Candidates that choose to pursue a graduate degree to earn additional units may have time to get some work experience and pass parts of the CPA exam. Another Big Four recruiter liked this

combination and agreed that this would definitely be a person they would want to bring in for an interview (P323).

As part of the CPA exam discussion, Big Four and medium size firm recruiters mentioned that they don't see this situation very often with an entry level accounting candidate recruited at an undergraduate institution. They indicated that they see candidates for higher level positions come in with graduate degrees, work experience and the CPA exam passed. One medium size recruiter mentioned this situation when hiring someone with an online degree. "The only way we would consider someone with an online degree is if they have passed the CPA exam and have a history at another firm performing in a positive fashion and were coming in as a senior auditor" (P325).

Passing all or part of the CPA exam was encouraged by all of the small firms. When asked the interview questions, 'would passing all or part of the CPA exam be more important to you that whether a candidate earned their degree traditionally or online.' a small firm recruiter wasted no time in answering "yes, because it is hard to get them to pass the CPA exam!" (P329). This recruiter went on to say that the preference was to have someone who has already passed the CPA exam with an online degree then someone who hasn't passed the CPA exam and has a traditional degree. Another small firm recruiter had the same feeling when asked about passing the CPA exam, "absolutely, the end result is to make sure they get the CPA certification behind them" (P327). Since the education requirements in California have recently been increased, whether the education was earned 100% online or traditionally, the recruiters opinion was that the ultimate goal was passing the exam (P327).

Research Question 2: Does a recruiter have a negative perception of online accounting programs? Recruiter perceptions of online accounting degrees varied from

supportive to negative. When asked if the recruiter would ever consider hiring a candidate with an online accounting degree, all but one responded that yes, they would consider an applicant with an online degree. Table 3 shows the perceptions of each recruiter. All of the Big 4 and small firm recruiters had a favorable perception of an online accounting degree. All of the medium size firm recruiters had a negative perception of an online degree even after three of them said they would consider hiring someone with an online accounting degree in the future. All twelve recruiters had no problem with candidates taking some of their classes online or in a hybrid setting, understanding that with limited course availability in Cal State and UC schools, these students were forced to use online education as a supplement to their traditional learning.

Table 3

Perception of Online Accounting Degree

Type of perception	Big Four	Medium	Small
Favorable	4	0	4
Unfavorable	0	4	0

Medium size firm recruiters had the most unfavorable perception of online accounting degrees. When asked the interview question, “in the future, would you hire someone with an online accounting degree” one recruiter replied, “we would never say never, however, most likely not” (P325). Another medium size firm recruiter made the comment, online learning is inferior. Although this recruiter went on to say that as long as the undergrad degree was done through a reputable traditional institution they wouldn’t mind if the graduate degree was done online (P326). Yet another medium size recruiter responded that some of the partners and managers who make the hiring decisions would be tentative about hiring someone with an online degree, saying that online learning is perceived as easier than traditional education (P331).

A recruiter from the Big Four firm was surprisingly open to hiring someone with an online degree, although this recruiter admitted that they didn't have very much experience in this area. This particular recruiter said "I don't think the online degree is the issue, different schools are perceived differently" (P323). The recruiter used the example of putting a candidate from an Ivy League school up against a student from an online university, inferring that the schools are perceived differently. "There are schools that have a reputation of more difficult coursework and so when you see that a student got an A at a specific school sometimes there is an understanding that they have worked a lot harder than somebody who got an A from somewhere else" (P323). Online degree programs were mentioned from Chapman University and Arizona State University, the recruiter indicated they may not be able to tell the difference in the transcripts if the degree was completed 100% online or traditionally. If hiring a candidate from a state school was the goal, an online degree would not make much of a difference (P323).

Research Question 3: Does the recruiter believe there are differences between online and traditional accounting programs? Value of a traditional degree was discussed by several recruiters. A recruiter from a Big Four firm emphasized the college experience in a traditional setting. This recruiter preferred the traditional setting because "there is value that comes through the comradery of learning from your peers so you can mirror that in your actual work experience" (P320). In fact, when asked about the perceived difference in undergrad versus graduate level online degrees, the recruiter indicated that a graduate online accounting degree might be considered but only if the candidate was working full time and going to school online. The recruiter wanted to be able to understand the motivation for why a candidate would pursue an online degree in the first place (P320).

It seemed that recruiters from smaller firms were most considerate of online degrees. According to recruiter 321, "I think there are certain circumstances that necessitate online degrees, for example people who are working full time, in the military or overseas or in a variety of other reasons where they may need to do an online degree" (P321). This recruiter went on to say that there is probably some confusion and unknowns about online degrees. The recruiter inferred that others may think an online degree are those that are advertised during daytime TV rather than a national recognized university offering both traditional and online degrees within the same program. If a candidate with an online degree demonstrated that they were a working single parent in a program that was known for academic rigor, the recruiter would see that as an acceptable reason to decide against a traditional degree (P321).

A small firm recruiter was impressed by the study and mentioned that they were very much involved in the accounting community on the administrative and HR side and thought this topic would be a good one to bring up to the community as a whole. This recruiter did not think there had been an opinion formed in regards to an undergrad online accounting degree and was the only recruiter who wanted me to follow up with them when the research was complete. During the interview, this recruiter mentioned that they didn't have a perception that one degree was lesser of an education than another (P327).

Interview Question number 7 asked about the Alma Mater of the candidate. The large and medium size firms answered this questions simply in the choice of universities they recruit from. The Big Four and medium size firms hold recruiting events and attend events on university campuses in the area. All of the recruiter universities were traditional education degrees institutions, none of them recruited from a university with an online degree. A small firm recruiter even mentioned that while perception of the alma matter did not matter to them

personally, however, “to the general population, Big Four, yes I think Big Four do look at almas maters, having that higher regarded institutions behind your name gets you a little bit more clout but I think that it’s unfair” (P327).

Competition for spots in Big Four and medium size firms were highly sought after. Recruiter 325 noted that of the hundreds of resumes submitted, 40-50 applicants are chosen for interviews for the 10-15 available new hire positions each year. With the supply so overwhelming, this recruiter did not see any reason not to stick to the strict requirements discussed in research question 1 (P325).

Of the twelve recruiters interviewed, only one had ever hired a candidate with an online degree. While the responses were varied regarding the perception of an online accounting program, there was no real evidence gathered regarding the differences between an online and traditional degree because the majority of recruiters didn’t have experience with a candidate with an online degree (see Figure 3).

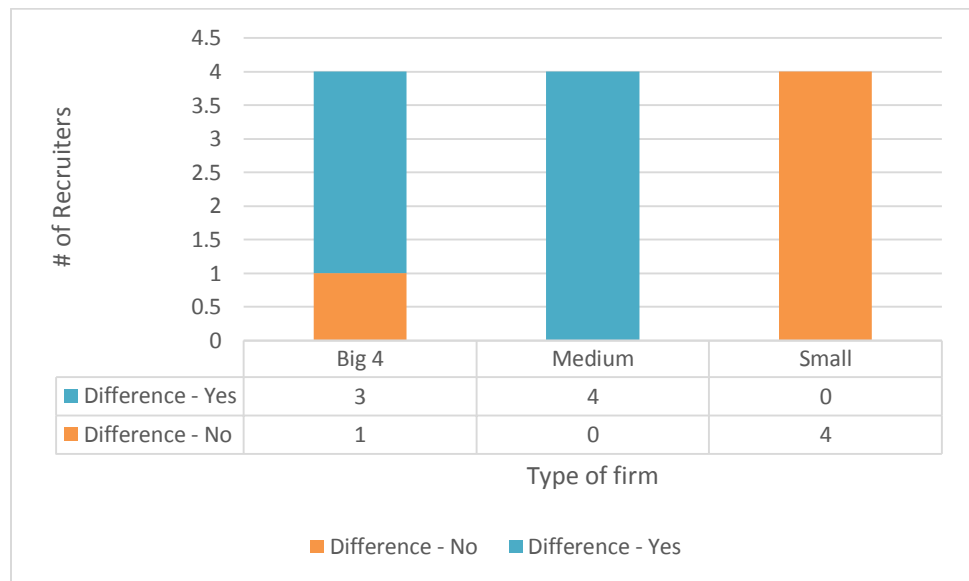


Figure 3. Perceived difference between online and traditional accounting programs.

Research Question 4: What are recruiter concerns about online learning in an accounting program? Recruiter's major concern regarding an online accounting degree were about the reputation and reliability of the institution and coursework. Of those recruiters that would consider an online education as acceptable, they wanted to make sure the coursework was on par with what has been traditionally taught in the classroom setting. A summary of major concerns regarding online accounting degrees is listed in Figure 4 below.

As discussed earlier, online education is tricky when it comes to verifying who is actually doing the work in the course. One recruiter said, "you don't know who is completing the online work, a parent or friend could be assisting with the course, you really don't know" (P325).

Other concerns include the fact that students don't have the one-on-one relationship with the instructor and with others in the class. This ability to collaborate face-to-face carried a lot of work with recruiters and the managers they were hiring for. A Big Four recruiter wanted the college experience, "there are some non-negotiables with a traditional degree, some things that come through in a traditional sense." This recruiter went on to discuss how a graduate degree should be done traditionally as well, "from a master's perspective again, we would prefer a traditional schooling because there is some value that comes through the comradery of learning from your peers so you can mirror your actual work experience" (P320).

When comparing an online undergraduate accounting program and a graduate online accounting program, recruiters had different opinions depending on the size of the firm. All of the Big Four recruiters did not see a difference between an online undergraduate or online graduate degree. One recruiter believed the type of degree wasn't the issue, "no, I don't think the online degree is the issue, I think that of course, different schools are perceived differently" (P323). Three of the four recruiters preferred the student to pursue traditional education in both

types of degrees. However, one of these recruiters did indicate that if an online degree was chosen by the student, the recruiter wanted to see some significant work experience to justify the need for online coursework. “I need to understand the motivation for a student who is not working full time, why they are pursuing an online degree,” this recruiter went on to say, “I’d like to see the hours on your resume and how you are juggling it all (P320).

All four small firm recruiters felt there was a difference between an online traditional and undergrad degree. They seemed to agree that graduate degree students would be more likely to enroll in an online program to gain further knowledge while working full time. One recruiter believed the student would have less of a stigma attached to the degree if only the graduate degree was online and the undergraduate degree was traditional. A graduate degree adds to a student’s hire-ability, it is an added bonus for someone because “these days an undergrad is expected, you cannot even apply to firms without it” (P329). For small firm recruiters hiring for higher level tax positions, a master’s degree in taxation would be required, whether online or traditional did not matter (P321).

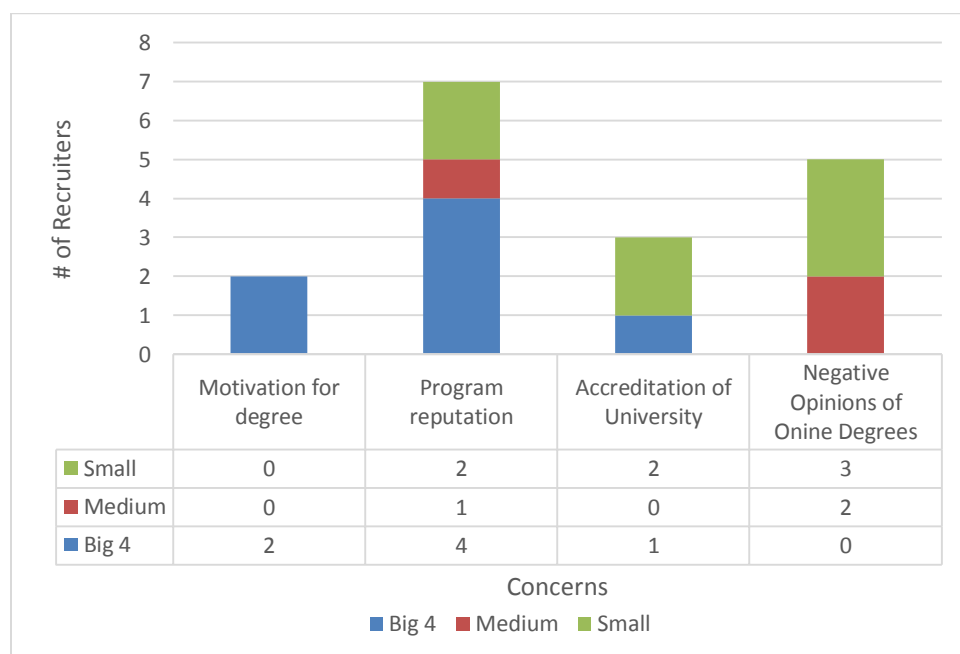


Figure 4. Concerns regarding online accounting degrees.

Research Question 5: How have perceptions of online degrees changed over your tenure as a recruiter? Changing perception of online accounting degrees over time were not viewed as anything significant in their tenure as a recruiter in the Big Four firms. These recruiters gave the impression that changes were still coming. Even though online learning has been around for decades, most recruiters gave the impression that an online degree was virtually new. Two of the Big Four recruiters indicated that they were waiting for the more traditional universities to offer online degrees to have the perception change. One recruiter commented, “the evolution with the way the world in general is moving where so much more is online, and as more universities and colleges expand their program offerings, it becomes more of an accepted norm” (P320). Again, these recruiters did acknowledge that they had seen students using online coursework to supplement their traditional degree or to get courses necessary to obtain the required units for the CPA certification. Recruiters were excepting of these online courses as fill-in units (P328). Figure 5 shows the number of recruiters from each size firm and whether the perceptions of online accounting degrees were changing.

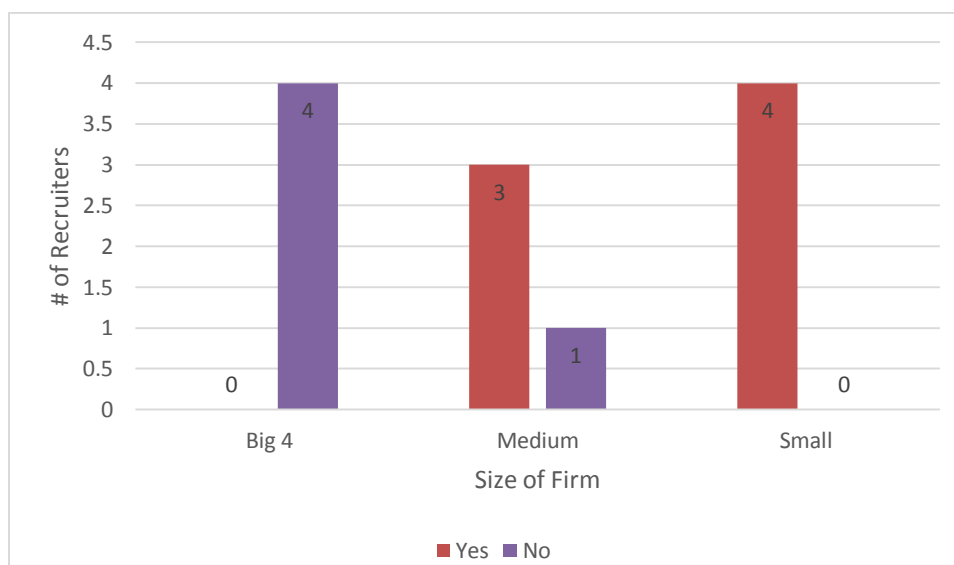


Figure 5. Responses regarding whether perceptions of online accounting degrees are changing.

Medium and smaller firm recruiters had a much different philosophy regarding online learning. Three out of four medium size firms and all four recruiters from the small firms agreed that the perception of online degrees has been changing over time. One small firm recruiter had taken an online course as part of a master's program as well as currently taking another online course for CPE. "I think it's been changing a lot. Before, people treated an online degree as it wasn't really a legitimate degree, now people are seeing an online degree as a real degree. Personally, I have a lot of experience with the online format, it's a lot of work!" (P329). This particular recruiter went on to say that as more and more people are working from home from remote locations within a certain company, an online degree would assist someone in how they might work in this environment.

Since our world is moving in this direction, online schooling might be sought after in the market place (P329). Another recruiter from a small firm indicated that an online degree shouldn't be thought of as lesser of an education. Things are becoming remote, both in learning and in the workplace makes an online degree make more sense to this recruiter. "Everyone has a different style of learning, taking an online class on their own time while working around their schedule might be better than sitting in a classroom" (P327). "People are working from home, people are doing what they would online for school what they may do latter for their work environment, living somewhere and having the company being located in another city" (P329).

One medium size firm recruiter agreed that perception is changing, "before there was a stigma that online degrees weren't worth as much as a traditional degree," they go on to say "I think that once we get that one person who has a degree online and proves themselves we will change our perception" (P331). However, one medium size recruiter had a negative reaction, "in

my experience it has not changed at all, it wasn't a positive experience 19 years ago, it is not positive now" (P325). This recruiter went on to say that they have seen resumes with online accounting degrees, they pass on them every time. The only way this recruiter would look at a candidate with an online degree is if they have 5 or more years of experience in public accounting, have passed the CPA exam and have positive reviews, they would be considered for a senior auditor position which is a more difficult position to fill (P325).

While online coursework have been accepted by all recruiters, some recruiters were waiting for "the evolution with the way the world in general is moving where so much more is online, and as more universities and colleges expand their program offerings, it becomes more of an accepted norm" (P321). Since the passing of the 150 unit rule in California several years ago, recruiters mentioned seeing more and more students taking online courses to fulfill this requirement. This was the change that was mentioned most often. Recruiters across all firm types have seen an increase in online coursework over the past few years based on the change in unit requirement in California.

Summary of Key Findings

Researching the topic of recruiter's perception of online accounting degrees gave way to the development of several topics including academic requirements, work experience and soft skills such as communication and leadership qualities. In the public accounting environment, several criteria were required in order to move forward in the recruiting process for an entry level position. These criteria included work experience, GPA, reputation of alma mater, passing the CPA exam, communication skills and other academic and personality characteristics. All Big Four and medium size firm recruiters had an alma mater preference as they regularly recruited from certain institutions in the local and regional area. Historically, these universities would

produce enough qualified candidates to meet the needs of each firm, no outside recruiting would take place. Small firms would be more willing to look at candidates from all kinds of sources as they often posted job opportunities on their company website. Their requirements included a good GPA, good communications skills and the ability to show they were committed to hard work and flexibility. Small firms were much more interested in candidates with an online accounting degree because they felt their skill set was more advantageous to their working environment.

All Big Four and small firms had an open mind when it came to the perception of an online accounting degree, however, none of the twelve recruiters interviewed had ever hired someone with an online accounting degree. Their openness may have been for two different reasons. As mentioned before, the small firms liked the idea of an online degree because they felt the skill set of an individual who earned their degree online was the type of skills they thought would make them successful in their firm. However, the Big Four recruiters had no experience with an online degree candidate so did not want to speak poorly about a category of students they knew little about. All four of the medium size recruiters had a negative perception of online accounting degrees and preferred the experience students received in the face-to-face traditional college experience.

The majority of Big Four recruiters (three out of four) and all four of the medium size recruiters acknowledged a difference between online and traditional coursework. These firms liked the idea of face-to-face interaction with professors and other students. The learning that takes place in the classroom and in group or team projects mirrors what they do in their firm. They also found value in participating in on-campus events and the overall college experience. All four of the small firms did not find a difference between the two, they felt that the experience

was based on the learner and how well the individual student was able to learn in their college experience. Small firms did not have a preference when it came to sitting in a classroom versus sitting at home.

Concerns of online learning have been mentioned throughout this chapter. Most notable concerns from the Big Four and medium size firms are the alma mater of the candidate. It seems that brand does matter to these recruiters and they don't have much of an interest in exploring other candidates from different universities than the few they recruit from regularly. They have come to know the professors and administrators of these universities and appreciate the rigor of the curriculum. Going to an unknown school doesn't seem to be something these recruiters want or need to do to meet their annual new hire needs. Small recruiters did want to make sure that the coursework was accredited and the university was reputable, however, other candidate characteristics were more important.

The last research question asked the recruiters if the perceptions of online accounting degrees have been changing over time. Once again, the Big Four recruiters didn't have many years' experience doing the job so responded that in their short tenure the perceptions have not changed. The most change was seen by both the medium and small firm recruiters as they have been recruiting students for many years. They agreed that technology has been the biggest driver in these changes. Medium size firms welcomed students' ability to use online coursework to fill in where the traditional class wasn't available or additional units to satisfy the recent 150 unit rule. Small firms welcomed the change as it allowed for students to learn to communicate with others via technology, using tools that small firms used in their work environment.

Overall, there was definitely a difference in the recruiter perceptions within the firm size. While not one of the recruiters interviewed had ever hired a candidate with an online degree,

perceptions of how online degrees have a place in the current market differed. Leading the acceptance of students with an online accounting degree were the small firm recruiters. Not only were they open to individual student learning preferences, they saw the technological tools used in an online learning environment as the same as what they used in practice. The Big Four and medium size firms both preferred traditional education and the experiences that came with attending classes on a college campus. These recruiters looked to the universities to drive the acceptance of online learning. If universities actively recruited from offered online curriculum, only then would they be open to students with an online degree.

Chapter 5: Conclusion

Introduction

The purpose of this chapter is to review the content of the first three chapters and provide a summary of the research findings. Included in this discussion are how current findings align with the research as well as discussing findings that contradicted the current research. In addition, extensions of the research will be discussed including possibilities for future research and changes in methodology that may assist in gaining better knowledge that will further this research and other projects moving forward. Those that may benefit from this research include accounting students in both traditional and online degree programs, university professors and administrators and public accounting firms and organizations that hire recent graduates in the area of business and accounting.

With the increase in online course offerings in the last decade, accounting courses have been included in these online course options. With the recent adoption of the 150 hour rule for the CPA certification process in California and other states, more and more students are turning to online education as a part of their undergraduate studies or to complete the 20+ units after graduation to satisfy the new rule. With online accounting courses being relatively new to the university environment and the addition of the 150 hour rule, educators in the accounting area are struggling with teaching such a technical subject online. As accounting combines technical information, synthesis in understanding and explaining complex computations, and overall communication skills, there is a question to whether this can all be taught in an online format.

Accounting students are graduating each year with an objective of being employed in the accounting industry, either in public accounting or within the business industry. With the increase in online degrees in this major, the professional marketplace is concerned with how this

may impact the accounting industry. Recruiters in this area understand that courses in accounting are conceptually difficult and therefore are concerned that communication gaps and misunderstandings can exist. They also understand that much of an accountant's job involves communicating detailed financial information. Accounting students that earn an online degree may not be as prepared for a job in the accounting industry as those students that earn their degree from a traditional higher education program. This unfavorable perception by a recruiter plays a role in the hiring process. Therefore, students should be made aware that an online accounting degree may hinder their ability to get a job in the accounting field when they graduate.

The purpose of this qualitative case study was to determine the recruiter perception of accounting students who earned their degree online and subsequently sought employment in the public accounting profession. The research questions are as follows:

1. What are the criteria used by recruiters to hire students graduating with an accounting degree?
2. Does a recruiter have an unfavorable perception of online accounting programs?
3. Does the recruiter believe that there are differences between online and traditional accounting programs?
4. What are the concerns of online learning in an accounting program?
5. Are the perceptions of an online accounting degree changing?

Using the eight interview questions described in Appendix D, recruiters were able to give their perceptions of accounting education and their opinions regarding earning an accounting degree 100% online.

Research shows that while there has been some evidence that academic leaders are concerned with learning outcomes with online coursework versus traditional coursework, the majority of research shows that online courses can offer quality education that mirrors a traditional, face-to-face classroom environment (Chernish et al., 2005). Higher education institutions, whether private or public, have facilitated online learning as a result of over-sized classroom space and flexibility of faculty work load. Overall, online learning seems to be a win/win for both higher education institutions and students to need flexibility.

Overall, passing the CPA exam, student GPA, accreditation of institution where the degree was earned and good communication skills are all important to recruiters. Therefore, literature suggests that these skills are recognized by other stakeholders including higher education institutions and students (Dinius & Rogow, 1988). However, research shows that students with an online degree do not perform as well on the CPA exam as those who earn their degree from a traditional program (Bunker & Harris, 2014). If this is a high priority for recruiters as part of the hiring process, then an online degree may not prepare a student for a career in accounting. It is important for students, higher education institutions and the accounting industry as a whole to understand these implications for an online degree.

An exploratory study was undertaken to provide insight to how recruiter perception dictates hiring practices among the accounting profession. By interviewing recruiters in different size public accounting firms, an exploratory study will allow the researcher to understand how online degrees are perceived in the area of accounting and provide stakeholders with information to make informed decisions regarding online accounting degrees. Semi-structured questions directed the recruiter to provide feedback on firm hiring practices and perception of online accounting degrees. The recruiter's personal perceptions, personal interpretations, and opinions

will provide understanding on how recruiters make decisions to hire prospective accounting graduates seeking employment in the field.

Methodology

An accounting career often drives an individual to become certified in the profession and attain their CPA license. CPAs are certified by the AICPA for individuals who wish to pursue a career in either public or private accounting. Current recruiter perception of online accounting degrees will enable accounting students, university administrators and the accounting industry as a whole better understand how an online degree is perceived. An exploratory study will help achieve these results and provide insight to how recruiter perception dictates hiring practices among the accounting profession. By interviewing recruiters in different size public accounting firms, an exploratory study will allow the researcher to understand how online degrees are perceived in the area of accounting and provide stakeholders with information to make informed decisions regarding online accounting degrees. Semi-structured questions will direct the recruiter to provide feedback on firm hiring practices and perception of online accounting degrees. The recruiter's personal perceptions, personal interpretations and opinions is the subjective information needed. Their frame of reference will provide understanding on how recruiters make decisions to hire prospective accounting graduates seeking employment in the field.

Discussion of Key Findings

Recruiters in the current study reported the same concerns researchers in the past found, online learning is still new and the verdict is still out on what mode of learning will provide the best outcomes for different individuals. Duncan et al. (2012) cautioned the use of online education because valuable college experiences would be lost. Recruiters confirmed the value in

a college experience and learning through face-to-face interaction with professors and other classmates. However, recruiters also acknowledged the growing use of online coursework to satisfy current undergraduate coursework, usually if a student was at a state school and traditional courses were tough to get through if the school was impacted. Graduate online work was more accepting if the student was working full time.

Findings from the current study included what recruiters were looking for in an accounting graduate, current perceptions and concerns of an online accounting degree, and whether there was a perceived difference in online versus traditional education and if these perceptions had changed over time. Criteria included a candidate's work experience, GPA, passing the CPA exam, alma mater and accounting program reputation of undergrad or graduate degree, and communication skills. Recruiters wanted a well-rounded individual that had the technical knowledge and soft skills required for the position. Current perceptions of online accounting degrees were negative with medium size firms but positive with Big Four and small firms. The positive results were different for Big Four and small size firms. Big Four firms did not have a negative perception, however, they did not recruit from universities that offered an online accounting degree. Small firms had a better perception of online accounting degrees and appreciated the attributes that an online degree offered including self-motivation, technology tools and working while attending school.

Concerns regarding perceived differences with online and traditional education were highest from medium size firms. The majority of the Big Four firms also believed there was a difference between the two learning models, however, none of the small firms believed there was a difference. Recruiter concerns regarding online accounting degrees were program reputation, accreditation of undergrad or graduate degree, motivation for the online degree and negative

opinions in the marketplace about an online degree. The biggest concerns between the two learning models was the opportunity cost, what was given up with the online model. Recruiters were concerned about candidates missing out on the benefits from sitting in a classroom, interaction with the professor and other students as well as group projects that encouraged actual public accounting experience.

Findings regarding how the perceptions of online accounting degrees have been changing over time were mixed. Eight of the twelve interviewed believed that perceptions had been changing. This was explained partly by three of the Big Four recruiters who had only been in their job for a couple years, they had not seen a change in their tenure. Overall, perceptions of online accounting degrees were not good. The Big Four and medium size firms looked to traditional universities for their new recruits and while the small firms did see the benefits in earning their degree online, they do not have the hiring capacity to employ these graduates. Until the traditional universities in the area offered a comparable online accounting program, recruiters would continue with their current strategy of recruiting from universities where they were familiar with the curriculum.

Conclusions

Conclusion 1: Criteria used by recruiters are work experience, GPA, passing the CPA exam, program reputation and communication skills. This research determined the criteria recruiters look for in a candidate for a position in public accounting. The criteria in order of importance are passing the CPA exam, alma mater and accounting program reputation and rigor, communication skills, GPA and work experience. Dinius and Rogow (1988) supports these findings showing that recruiters are concerned with both academic requirements as well as particular soft skills students develop over time. This study found that recruiters were

particularly interested in GPA, the reputation of the university and good communication skills, which was consistent with Dinius and Rogow (1988) who found that entry level accountants from the large firms were most concerned with high GPA, quality of university and certain personality traits. The position paper by Arthur Anderson & Co. (1989) published on behalf of the Big Eight accounting firms at the time also confirmed that communication skills and a strong fundamental knowledge of accounting and auditing were essential for success in the business. The fact that the Big Four and medium size firms only recruit from specific universities, confirms that reputation and academic achievement are at the top of their list of candidate attributes.

There were both similarities and differences in the criteria used by recruiters from Big Four, medium size and small firms. Similarities included passing the CPA exam, eleven of the twelve recruiters agreed that passing all or part of the CPA exam was a plus in the recruiting process. Communication skills and GPA were also mentioned by recruiters across all firm types. The most notable difference was in alma mater and work experience. All of the Big Four and medium size firms wanted their candidates from a school they had a relationship with. These recruiters were out doing campus events, meeting faculty and had success with candidates from these schools in the past. None of the small firms listed alma mater as a criteria for recruitment. Work experience was mentioned most by small firm recruiters. They wanted students to have experience in multi-tasking their education and holding down a job. Work experience wasn't as important to Big Four and medium size recruiters, their main concern was more academic and soft skills.

Conclusion 2: Recruiters have a mixed perception of online accounting degrees.

Regarding unfavorable perceptions of an online accounting degree, this research showed

reactions were mixed. All of the medium size firm recruiters did have an unfavorable perception of online accounting degrees, however, all of the Big Four and small size firms had a favorable perception. Concerns from medium size recruiters included the lack of social experience gained in a classroom and university campus setting as well as the question regarding who is completing the online coursework. This is supported by Grossman and Johnson (2016) in their study that indicated that recruiters place importance on in-person lectures, weekly face-to-face interaction, smaller classroom environments and team projects. The literature also supported students having a negative perception of online learning, according to Duncan et al. (2012), “the degree of comfort, classroom interaction, and communication with other students was far less in an online course” (p. 176).

Recruiters from the Big Four and small firms had different reasons for their favorable perception of online degrees. Big Four recruiters didn't have a negative perception of an online accounting degree, however, they had never hired someone with an online degree and did not see themselves doing so in the future. Since the Big Four recruiters had never hired a candidate with an online accounting degree, it was interesting that they had a favorable perception of the degree. It seemed that the recruiters didn't want to say anything negative about an online degree, however, actions spoke louder than words. They were set on the criteria used in their recruitment process and since they found more than enough qualified candidates each year, they had no reason to look elsewhere. Small firms, however, had a different reason for a favorable perception. While none of the recruiters had ever hired someone with an online degree, all four interviewed said they would be willing to hire an online degree candidate. They favored the ability to multi-task work and school and like the tools that were learned using an online platform.

Conclusion 3: There is a perceived difference in online versus traditional accounting programs. The results showed that all of the medium size recruiters and the majority of Big Four recruiters did perceive a difference between online versus traditional accounting programs, however, all of the small firm recruiters did not perceive a difference. 11 of the 12 recruiters interviewed acknowledged the benefits and opportunities an online degree provided. Benefits included the ability to work and go to school at the same time or recognizing different learning styles. Small firm recruiters saw online education as a good learning platform for what an employer might need, the use of technology and remote communication with different geographical locations. Myring et al. (2014), supports these ideas of online learning providing opportunities for students to complete coursework at any time, day or night. Online learners have the ability to re-play lectures and demonstrations over and over again until they understand the material, something that cannot always be done with face-to-face traditional learning.

Recruiters from Big Four and medium size firms did perceive a difference between online and traditional programs. They liked the college experience that was received from going to school in a traditional setting, citing one-on-one interaction with the professor and on-campus group collaboration to solve problems. This was supported in the literature from Kohlmeyer et al. (2011) regarding the perception between online and traditional accounting programs. Kohlmeyer et al. looked at hiring preferences of public accounting professionals, their research showed that public accounting professionals prefer to hire students with a traditional accounting degree rather than an online accounting degree. While Big Four recruiters had some degree of openness about hiring a candidate with an online degree and saw benefits of this type of learning, however, none had actually hired a candidate with an online degree. These large firm recruiters were very careful about saying they were open to online learning, not wanting to give the

impression they would discriminate in their hiring process because of legal issues. The fact that they had never hired a candidate with an online degree gives the impression that they are not willing to look at this type of education at this time. As mentioned before, all of the large and medium size firm recruiters had relationships with local universities where they would do on-campus recruiting.

Conclusion 4: The concerns of online accounting degrees are program reputation, negative opinions of online accounting degrees, motivation for the online degree and accreditation of undergrad or graduate degree. The recruiter concerns in order of importance are program reputation, negative opinions of online accounting degrees, motivation for the online degree and accreditation of undergrad or graduate degree. Program reputation was mentioned with all of the Big Four recruiters, in other words, brand does matter. Recruiters cited that accounting rigor, program reputation, relationship with university professors were all conflated and highly important. Being recruited from a Big Four accounting firm is very prestigious for an accounting student. These firms are known for their recruiting program and having experience from one of these top firms will do a lot for a career. That being said, these firms are able to recruit from the best institutions and have a multi-faceted set of qualifications required by a candidate. Accreditation of an institution is also very important to recruiters, this is consistent with the literature from Webley (2012) where university accreditation signals an institution's dedication to high-quality instruction and teaching practices.

Negative opinions of online degrees were a concern for both small and medium size firms. All four of the medium size firm recruiters indicated that online coursework was easier than traditional coursework. These concerns were consistent with a study done by Webley (2012) that indicated that many for-profit institutions have gained the reputation of a diploma

mill because the perceived degree of rigor and course content are inferior. Additional negative opinions from the literature include a study by Kohlmeyer et al. (2011) that asked public accounting firm recruiters why they wouldn't consider a candidate with an online degree. Listed first in their research were "lacking interpersonal experiences" (p. 156). The students' ability to practice public speaking, interact with other students and engage in classroom discussion with the professor was lost through online learning (Kohlmeier et al., 2011).

Conclusion 5: Perception changing to accept online accounting degrees. The majority (66%) of recruiters agreed that things have been rapidly changing over their tenure as a recruiter. All recruiters were open to some courses being administered online and the flexibility of students to use this type of learning to successfully supplement their traditional education with online classes. The small firm recruiters were much more open to 100% online education, citing their personal experience with online courses or referencing the growing use of technology and how students could learn useful technological tools that would assist them in the job market. Three of the four medium size recruiters also believed perceptions had been changing over their tenure in the business, indicating the use of technology advances and how more and more institutions are opening courses up to be taken online. Only one of the Big Four recruiters thought perceptions have been changing. This was a result of the tenure of the recruiters. The only one that agreed perceptions were changing was the one that had worked in the industry more than three years as the others had done.

Key Findings That Disagreed With Literature

Research question one asked about the criteria used by recruiters to hire students graduating with an accounting degree. Criteria used to hire students with an accounting degree seemed to be along the same lines in the literature as it was in the current study and had not

changed over time. One thing that was mentioned several times by small firm recruiters was how they believed attending school online and working full time was something that showed a certain level of maturity and responsibility. This was consistent with a study conducted by Myring et al. (2014) where they found that university administrators felt that online learning students needed to be more disciplined than traditional students.

In research question number two, recruiters were interviewed regarding an unfavorable perception of online accounting programs. Findings in the current study confirmed that Big Four and medium size firm recruiters do have an unfavorable perception of online accounting programs. However, a study by Grossman and Johnson (2016) found that recruiters from the Big Four accounting firms and other accounting recruiters were equally inclined to extend a job offer to an online graduate. This contradiction could be as a result of the high supply of accounting graduates from reputable institutions in the area where the current study was conducted.

In research question three, recruiters were asked what their perception was for undergraduate versus graduate online accounting degrees. In an interview question, recruiters were asked if they perceived a difference between online undergraduate and graduate accounting degrees. All small firm recruiters saw a major difference between the two degrees, citing the benefits students and their ability to continue their graduate education while working full time. However, a study by Metrejean and Noland (2011) found that when they surveyed CPA recruiters there was no significant difference in recruiters' perceptions of a graduate online degree versus a traditional graduate degree.

Research question four discussed the concern of online learning in accounting programs. All of the Big Four and medium size firms had concerns with online learning, however, a study conducted in 2010 by Huh et al. that analyzed data from students who took an accounting online

course and students who took accounting traditionally found data that contradicted the current study. Huh et al. (2010) found no significant difference in GPA or test performance for the students who took the course online versus in-class even though all the material, exams and instructor were the same.

Research question five inquired about the changing perception of online accounting degrees over time. All recruiters interviewed identified how technology has been changing, identifying the plethora of available classes, both traditional and online, that a student could take to earn their 150 units to meet current profession guidelines for certification. While the literature didn't contradict the technological advancements or indicate any change in recruiter perception over time, it did mention university professor acceptance of online education. A study by Allen and Seaman (2013) indicated that "faculty acceptance of online education has dropped, citing faculty acceptance at the same level it was nearly a decade ago in 2004" (p. 27). This indicates a concern by academia to provide comparable education through online platforms.

Implications for Policy and Practice

These conclusions have several clear implications for university administrators, faculty, students, public accounting firms, and businesses that employ accounting students just after graduation. Implications for each group will be discussed here.

University administrators: Local universities should review the data collected in this study and consider how they offer accounting programs in the future. In addition, a university that is not currently being recruited from by large and medium size firms should extend the invitation to visit the campus, engage in curriculum discussions and invite the firms to on-campus recruiting events.

Faculty: Moving to an online format for accounting courses has likely been discussed by institutions large and small. Faculty can review comments made by recruiters to enhance the areas of concern in both a traditional and online course platform.

Students: Since none of the public accounting firms interviewed in this study had ever hired a candidate with an online accounting degree, this has a huge impact on recent graduates. In fact, the majority of the firms didn't see themselves hiring a candidate with an online accounting degree in the near future.

Public accounting firms: Big Four and medium size firms have a history of successful recruiting practices. As more and more universities offer online accounting degrees, the firms will need to add this variable into their structured recruiting practices. This study will allow them to consider some of the concerns and attributes online accounting degree candidates bring to the marketplace.

Public accounting in Orange County, CA has been a highly competitive industry for many years. Accounting students wishing to go to work for a Big Four firm need to understand that they will be up against the best of the best amongst their peers for a few highly coveted positions. Those not ready for the Big Four or wanting more of a work-life balance may choose to apply to a medium size regional firm where opportunities for growth and learning are high, but the position is not as prestigious and they are not as competitive as the Big Four. Both of these size firms have high standards for academics, community or on-campus involvement and soft skills. Big Four and medium size firm perceptions of online degrees were either negative or a non-issue as recruiters didn't recruit at universities that currently offered these degrees.

Small firms, however, were more open to online accounting degrees and would not be deterred in recruiting a candidate with this type of degree. Advances in learning techniques and

technology have allowed recruiters to acknowledge certain benefits of this type of learning that mirror what is happening in small firm business transactions. They also appreciated how driven and dedicated an online student needed to be and thought those skills were useful. Recruiters assumed that online degree students were earning their degree online because they were working full time, this ability to multi-task was also thought of highly. These characteristics of online learning will allow the door to be more open to candidates with an online accounting degree. Once these students have their foot in the door in the arena of public accounting, growth will continue, albeit at a snail's pace. Unfortunately, small firms do not hire entry level accountants as rapidly as large and medium size firms do. This slow hiring process will keep the online accounting degree candidates at a disadvantage in the near future.

As indicated in the research study by Sargent et al. (2011), accounting is a subject that is difficult for many students to grasp. The complex nature of learning and explaining financial information is daunting. The online platform requires a certain type of individual to keep up with the material, ask the right kind of questions and teach themselves the concepts in each course. Two of the medium size recruiters mentioned this concern in the interview, they don't believe upper level accounting courses can be taught successfully online. They want to see critical accounting courses taken in a traditional setting with one-on-one interaction with the professor.

All respondents at Big Four and medium size firms didn't see online accounting degrees as being a factor in their future recruiting practices. Until the universities that they recruit from offered an online accounting degree with comparable curriculum, the firms felt that the subject was a non-issue for them. As the desire for online courses are demanded by the study body, universities will be faced with the decision to offer this type of program. Students have certainly

indicated they would like more options in their education; it seems the process is slow moving with respect to universities supplying what they are demanding. Some faculty are slow to offer certain classes online, recognizing that the material is difficult to teach in a classroom with face-to-face contact on a regular basis. Developing coursework with enough rigor and collaborative interaction that will mirror the classroom experience is something university IT departments and faculty should continue to work on and refine.

Limitations of the Research

Limitations of the research include both geographical and accounting subject restrictions. First, since the study was conducted in Orange County, CA, only recruiters from this area were interviewed. This limitation doesn't allow for other views from different areas of Southern California or in the US overall. Interviewing recruiters from other areas would give a different view of online degrees in the area of accounting. Other limitations include interviewing hiring managers from other accounting areas including Fortune 500 companies and other companies that hire accounting students and CPA's. These hiring managers could give an opinion on how candidates with online accounting degrees are doing in the field of accounting outside of public accounting. Last, only recruiters were interviewed in the current study, managers of the hired candidates were not interviewed to see how candidates actually performed on the job.

Recommendations for Future Research

Areas to research as it relates to this study include the participation of recruiters who have experience with hiring candidates with an online accounting degree. The brand name of the university was a prevailing criteria when it came to Big Four and medium size regional firms recruiting undergraduate students. As technology continues to develop and more and more traditional universities add online programs that use the same philosophies and curriculum from

their traditional platform, students will have the alma mater on their resume that recruiters want to see. Because of this addition in university offerings, online students will have the opportunities to participate in recruiting events at their university. This will allow recruiters to have more experience with online degree candidates and can do a proper comparison with online and traditional recruits. This research will need to wait until universities in the Orange County, CA area offer an online program comparable to their traditional program.

Additional research can be done now using some of the findings from the current study. Rather than a qualitative study on a sampling of recruiters in the Orange County, CA area, the study could include all 51 firms and a quantitative study on recruiter perception of online accounting degrees. This study would have less open-ended questions that allowed for the recruiter to explain their reasoning for their answer but would focus on specific questions regarding online accounting degree perception in their field. Second, researching companies that hire students from online degree institutions can be interviewed to compare candidates with online degrees versus a traditional degree. Interviewing recruiters or managers with the same interview questions used in this study from companies that recruit from online programs will provide results on how prepared an online degree student is for the position they have been recruited for. Third, conducting research on students who have an online accounting degree will allow the researcher to understand where these students were recruited and what type of positions they found. Fourth, other regional or national studies with the current research and interview questions may provide additional information for stakeholders to use on the subject of online accounting degrees. Last, taking this study and going to a location that has a larger presence of online accounting program graduates will allow the researcher to possibly find recruiters from public accounting firms who have experience with this type of candidate.

Summary

Thanks to technology, online coursework has been the wave of the future for higher education for nearly two decades. Students and professors have been utilizing online tools to enhance the learning process and gain access to knowledge otherwise left for textbook authors. With this increase in online learning tools, both public and private institutions have been offering online degrees for about 10 years. As with any new method teaching method, a fair amount of criticism has surfaced regarding online learning as it compares with traditional higher education. With so many students graduating with online accounting degrees, how these students would be accepted in the marketplace was the reason for the current study.

A qualitative study was conducted with recruiters from public accounting firms to find the perceptions of an online accounting degree in Orange County, CA. Methodology included selecting four recruiters from each firm size (Big Four, medium regional firms, and small firms) to participate in an interview that included open-ended questions. Results indicated that online accounting degrees are not thought of highly with Big Four and medium size firms. Small firms, however, were much more willing to consider a candidate with an online degree as the experience with online learning mirrors the type of work done in these firms. Unfortunately, small firms do not hire candidates on a regular basis and are not actively recruiting these graduates. Those firms that hire annually and on a much larger scale were not in a position to accept a non-traditional education.

Overall, research shows that there is not a difference in learning outcomes of online versus traditional coursework. However, previous research does show that recruiters are concerned with online learning because of the difficulty in teaching the subject of accounting and how online learning is currently designed. Other concerns included communication skills,

relationship with a professor and interaction with a group to facilitate real-world work experience. Research also supported the CPA exam being a good measure of higher education effectiveness. Using the CPA exam as an assessment tool for accounting education has been an industry practice for some time and an important accomplishment recognized by recruiters in the field. Research confirmed that students who earn either their degree online have a significantly lower pass rate on the CPA exam than students who complete their education in a traditional, face-to-face environment.

Findings included the criteria recruiters were looking for in a candidate, including passing all or part of the CPA exam, the alma mater of the undergraduate or graduate degree, communication skills, GPA, and work experience. Also included in the findings were the favorable and unfavorable perceptions of online accounting degrees in the marketplace. All of the medium size recruiters had an unfavorable perception, however, all of the Big Four and small firm recruiters had a favorable perception. When asked about the differences in online versus traditional degrees, both the Big Four and medium size firm recruiters perceived a difference. The small firms thought that it didn't matter as long as the degree was from a reputable institution. When asked about the concerns of online accounting degrees the number one answer was program reputation. This was followed by negative opinions of online degrees, motivation for earning the degree online and accreditation of the university granting the undergraduate or graduate degree. Last, when asked if perception of online accounting degrees had been changing over time, eight of the twelve recruiters agreed that yes, online accounting degrees were changing in a positive way over time.

Future areas to research included interviewing both online accounting degree students as well as firms that recruited from online degree programs. Both would give good insight on how

students accounting degrees are serving them in the marketplace. Surveying all public accounting firms in the OC area would give a better consensus on certain criteria. Additional research would include redoing this study in five years from now or taking the study to another area with more of an online degree presence. Orange County seems to be rich in reputable traditional programs where recruiters have their pick at qualified candidates.

There is one thing that can be counted on regarding online education: change. With the continued advances in technology, online learning will continue to evolve. Teaching accounting online will continue to make improvements, students will continue to learn how to learn better online and employers will come to accept online education as the norm. However, I believe it is ultimately the university administrator and faculty members who have the biggest influence. If traditional programs hold onto their strong views of a traditional education, recruiters will likely find that these are the same programs that they see their best candidates come from. If university and faculty start adding programs online, the recruiters will hire them and change will begin more rapidly.

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APPENDIX A

E-mail Script for Potential Recruiter Interview

Dear Recruiter,

My name is (Insert Name), and I am a doctoral student in the Graduate School of Education and Psychology at Pepperdine University. I am conducting a research study examining recruiter perception of online accounting degrees and you are invited to participate in the study. If you agree, the study will be conducted via an interview regarding your perceptions of how an online accounting degree is viewed in the industry.

The interview is anticipated to take no more than 30 minutes and will be audio-recorded. Participation in this study is voluntary. Your identity as a participant will remain confidential during and after the study. Your name will be kept confidential by assigning an alpha-numeric code to your audio recording and notes. All audio recordings will be discarded at the completion of the study.

If you have questions or would like to participate, please contact me at (E-mail address) or at (phone number).

Thank you for your participation,

(Insert Name)

Pepperdine University

Graduate School of Education and Psychology

Doctoral Student

APPENDIX B

Interview Participation E-mail

Dear (Insert Name),

Thank you for agreeing to be a part of my exploratory research study on Recruiter Perception of Online Accounting Degrees. I appreciate your willingness to take part in this study. Please find attached the Informed Consent Letter that will give you additional information regarding my study and the interview process. After you review this document we can set up a date and time to meet, the interview will take approximately 30 minutes.

Please let me know if you have additional questions, I look forward to our interview.

Sincerely,

Tammie Burkhart
Pepperdine University
Graduate School of Education and Psychology
Doctoral Student

APPENDIX C

Informed Consent for Participation in Research Activities

Recruiter Perception of Online Accounting Degrees

You are invited to participate in a research study conducted by Tammie Burkhart, MBA and Dr. Paul Sparks, PhD at Pepperdine University, because you are a recruiter in a public accounting firm. Your participation is voluntary. You should read the information below, and ask questions about anything that you do not understand, before deciding whether to participate. Please take as much time as you need to read the consent form. You may also decide to discuss participation with your family or friends. You will also be given a copy of this form for your records.

PURPOSE OF THE STUDY

The purpose of this qualitative case study is to determine the recruiter perception of accounting students who earned their degree online and subsequently seek employment in the public accounting profession.

STUDY PROCEDURES

If you volunteer to participate in this study, you will be asked to give your responses to approximately ten interview questions. The questions will be related to your perception of an online accounting degree and other questions regarding what you are looking for in a recent graduate in accounting.

The interview will last approximately 30 minutes and will be audio recorded. You will not be able to participate in the study unless you agree to be audio-recorded.

POTENTIAL RISKS AND DISCOMFORTS

The foreseeable risks associated with participation in this study include breach of confidentiality, loss of self-esteem and self-efficacy.

POTENTIAL BENEFITS TO PARTICIPANTS AND/OR TO SOCIETY

While there are no direct benefits to the study participants, there are several anticipated benefits to society which include adding to the research of the perception of online accounting degrees. This research will be valuable to current and perspective accounting students regarding online accounting degree, university faculty and administrators of traditional and online accounting degrees and the accounting industry. This is an exploratory research study, benefits are contingent on the results of my interviews.

CONFIDENTIALITY

The records collected for this study will be confidential as far as permitted by law. However, if required to do so by law, it may be necessary to disclose information collected about you. Examples of the types of issues that would require me to break confidentiality are if disclosed any instances of child abuse and elder abuse. Pepperdine's University's Human Subjects Protection Program (HSPP) may also access the data collected. The HSPP occasionally reviews and monitors research studies to protect the rights and welfare of research subjects.

The data will be stored on a password protected computer in the principal investigator's place of residence. The data will be stored for a minimum of three years. The data collected will be coded, de-identified, and transcribed.

Any identifiable information obtained in connection with this study will remain confidential. Your responses will be coded with an alpha-numeric code and transcript data will be maintained separately. The audio-tapes will be destroyed once they have been transcribed. The alpha-numeric list will be kept in a locked file.

SUSPECTED NEGLECT OR ABUSE OF CHILDREN

Under California law, the researcher(s) who may also be a mandated reporter will not maintain as confidential, information about known or reasonably suspected incidents of abuse or neglect of a child, dependent adult or elder, including, but not limited to, physical, sexual, emotional, and financial abuse or neglect. If any researcher has or is given such information, he or she is required to report this abuse to the proper authorities.

PARTICIPATION AND WITHDRAWAL

Your participation is voluntary. Your refusal to participate will involve no penalty or loss of benefits to which you are otherwise entitled. You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study.

ALTERNATIVES TO FULL PARTICIPATION

The alternative to participation in the study is not participating or only answering the items for which you feel comfortable.

EMERGENCY CARE AND COMPENSATION FOR INJURY

If you are injured as a direct result of research procedures you will receive medical treatment; however, you or your insurance will be responsible for the cost. Pepperdine University does not provide any monetary compensation for injury

INVESTIGATOR'S CONTACT INFORMATION

You understand that the investigator is willing to answer any inquiries you may have concerning the research herein described. You understand that you may contact the following if you have any other questions or concerns about this research.

Tammie Burkhart, tammie.burkhart@pepperdine.edu
Dr. Paul Sparks, paul.sparks@pepperdine.edu

RIGHTS OF RESEARCH PARTICIPANT – IRB CONTACT INFORMATION

If you have questions, concerns or complaints about your rights as a research participant or research in general please contact Dr. Judy Ho, Chairperson of the Graduate & Professional Schools Institutional Review Board at Pepperdine University 6100 Center Drive Suite 500 Los Angeles, CA 90045, 310-568-5753 or gpsirb@pepperdine.edu.

APPENDIX D

Interview Questions

1. How long have you been involved in the hiring process for your company?
2. To the best of your knowledge, has your company hired anyone with an online accounting degree? If so, how do online degree accounting employees differ from traditional accounting degree employees?
3. Would you hire someone with an online accounting degree? If so, why? If not, why?
4. Is an undergrad online accounting degree perceived differently than a graduate online accounting degree?
5. What are public accounting firms' overall perceptions of online accounting degrees?
6. In your experience as a recruiter, how has the perception of an online accounting degree been changing?

Follow Up Questions

7. Would the University the student graduated from present the candidate in a more favorable light than the fact that they earned their degree online?
8. Would passing all or part of the CPA exam present the candidate in a more favorable light than the fact that they earned their degree online?