

Factors Affecting Accounting Students' Employment Choices: A Comparison of Students' and Practitioners' Views

Roberto Demagalhaes
University of North Dakota

Harold Wilde
University of North Dakota

Lisa R. Fitzgerald
Eide Bailly LLP

The purpose of this survey study is to assess the relative importance of extrinsic, intrinsic, and other employment factors affecting students' employment choices. We compare students' responses to practitioners' perceptions of the importance students place on the employment factors. Survey participants are accounting students enrolled at the University of North Dakota and audit and tax professionals from Eide Bailly LLP, a regional accounting firm. The survey's results revealed substantial agreement between students, whose preferences are influenced by the values of Generation Y, and practitioners on the importance of various employment factors, although each group ranked important factors differently.

INTRODUCTION

One of the challenges facing the accounting profession has always been how to attract competent applicants. In recent years the demand for accounting graduates has been strong. Although a severe economic downturn beginning in the Fall of 2008 lessened the demand for accounting graduates, the employment outlook for entry-level accountants overall is positive (Bloom & Myring, 2008). The purpose of this survey study is to assess the relative importance of factors affecting students' employment choices. The results of this study can be useful to, among others, employers, students, faculty, and career counselors. Recruiters could benefit from an understanding of factors students consider important when choosing among various employment offers. Greater understanding of influential decision factors can help the recruitment process, improve employee selection, and better match students with suitable employers. This could result in positive outcomes such as a more efficient recruitment strategy, greater employee satisfaction, and lower employee turnover. Accounting faculty and career advisors could also benefit from understanding factors affecting employment choices since they also help students assess employment opportunities.

Today's graduating accounting students are members of Generation Y (Gen Yers), a term used to describe those who were born between 1979 and 1994. Gen Yers currently range in age from 14 and 29. Gen Yers are shaped by their shared experiences due to economic, political, social, and cultural

circumstances just as were members of preceding generations. Yeaton (2008) describes Gen Yers as having a strong sense of morality and civic duty, being technologically savvy, self-confident, possessing high self-esteem, not overly loyal to any organization, and desiring to “have a life.” Yeaton makes specific recommendations related to successful recruitment and supervisory strategies in response to Gen Y’s characteristics. An employer’s ability to identify and assess the relative importance of factors affecting students’ employment choices promotes the development of successful recruitment and supervisory strategies. What students and junior staff today consider important employment factors, and the rank ordering of these factors, are influenced at least in part by Gen Y’s values and preferences.

Prior studies found in both academic and practitioner journals addressed job and employer characteristics that are considered by accounting students. Many of these studies, however, were authored in the 1970s, 1980s and could not have considered the employment preferences of Gen Yers. This study adds to this body of research by assessing the preferences of students who are Gen Yers. Moreover, this paper compares students’ responses to practitioners’ perceptions of the importance students place on employment factors. The survey participants are accounting students enrolled at the University of North Dakota and audit and tax professionals from Eide Bailly, a regional accounting firm, with a rank manager and above.

The remainder of the paper is organized as follows. The next section presents a review of prior studies followed by the survey research methodology, and the results sections. Finally, conclusions and limitations are discussed.

PRIOR LITERATURE

A review of the literature reveals several studies that have attempted to identify intrinsic, extrinsic, and other job factors that are important to accounting students. Intrinsic factors are related to the satisfaction one gets from a job which provides the opportunity to work in a dynamic environment that is intellectually challenging and encourages creativity. These are different from financial and market-related factors which are extrinsic to the nature of the job itself. Financial and market-related factors are associated with job security, career prospects, salary, and benefits. Other factors include peer influence, previous work experience, employer location, proximity to family, and size.

Carpenter & Strewser (1970) identified the following characteristics as being important to U.S. students: nature of work, advancement opportunities, salaries, working conditions, job security, training, and fringe benefits. In Reed & Kratchman (1989) students ranked the following highly: opportunity for growth and self-fulfillment, pay, taking responsibility for one’s work, and relations with supervisor. In Lathan, Ostrowski, & Pavlock (1987) students ranked the following as being most important for choosing an employer: promotion opportunities, friendly personnel, high future earnings, training, and continuing professional education programs.

Two studies in the 1990s investigated employment factors important to students. In Bundy and Norris (1992) students ranked the following attributes as most important in choosing a job: job security, interesting work, advancement potential, health insurance, and personality of firm employees. In Tandy and Moores (1992) students ranked opportunities for career advancement as the most important factor when choosing an entry-level position.

On the question of the importance of intrinsic factors prior studies concluded with mixed results. Some studies (Rosen, Paolillo, & Estes, 1982; Haswell & Holmes, 1988; Gul, Andrew, Leong, & Ismail, 1989) have noted accounting students consider intrinsic factors as less important in career decisions. By contrast, other studies (Linden, 1987; Horowitz & Riley, 1990; Felton, Buhr, & Northey, 1994) have found intrinsic factors to be very important in career decisions made by accounting students. Linden (1987) found that the need for achievement and an interesting job are important motivating factors for choosing accounting as a career in New Zealand.

Financial compensation, job availability, job security and opportunities for advancement have been found to be important factors in career choice decision (Cangelosi, Condie, & Luthy, 1985; Felton et al., 1994; Gul et al., 1989; Haswell & Holmes, 1988; Horowitz & Riley, 1990; Kochanek & Norgaard, 1985;

Linden, 1987; Reha & Lu, 1985; Rosen et al., 1982; Shivaswamy & Hanks, 1985). Felton et al. combined all job market-related factors and found that on average these factors were valued significantly more by students who opted for careers in public accounting.

Other factors such as peer and parental influence, prior work experience and performance in accounting courses at a university also have been included in prior decision studies (Gul et al., 1989; Rosen et al., 1982; Silverstone & Williams, 1979). Peer influence, employer location and size, along with additional other factors are considered in this study.

SURVEY RESEARCH METHODOLOGY

The survey was distributed to upper-level accounting students (juniors and seniors) at the University of North Dakota (UND) in 2009 and 2010. Graduates of UND's accountancy program are recruited by offices of Big 4 national firms as well as by regional and local firms. UND students have high passing rates on the CPA exam and benefit from internships at many of the firms that recruit on campus. As an initial step in our study we asked a small group of about 30 students to list factors that they considered important in their employment choices. This preliminary survey allowed us the opportunity to consider employment factors of importance to Gen Yers for our survey that perhaps were not considered in prior studies. Both students and practitioners completed the survey anonymously. We collected a total of 129 student responses.

To compare student responses with those of practitioners, we distributed the survey to practitioners at Eide Bailly, a regional accounting firm that ranks among the 25 largest accounting firms in the country, and serves approximately 39,000 clients in 9 states. We collected a total of 119 responses practitioners ranking manager or higher. Our sample of practitioners included 48 managers, 29 senior managers, and 42 partners. Individuals with a rank of manager or higher are more likely to influence firm recruitment and supervisory policies. Significant differences in the responses by the students and practitioners should be taken as a cautionary warning that a firm is out of touch with the preferences of its entry-level job applicants and junior staff.

The survey instrument, shown in Appendix A, asked respondents to indicate the importance of 25 the employment factors shown in Tables 1 and 2. The surveys distributed to students and practitioners, however, purposely listed the extrinsic, intrinsic, and other employment factors in random order. The instructions included in the practitioners' surveys were different from those included in the students' surveys. Practitioners were expressly asked to rate employment factors and select the top 5 factors in order of importance to students who might be seeking employment at their firm.

RESULTS

Table 1 presents how respondents rated the importance of job factors individually on a 1 to 5 Likert scale (1= not important and 5=very important). Chi Square tests show that many factors, regardless of their importance to the respondents, were rated significantly different by the two groups. Practitioners rated the following 8 factors significantly higher in importance than did the students: starting salary, dynamic work environment, employer size, type and size of employer's clients, peer influence, promotional materials, initiatives for women and/or minorities, and experience as an intern. By contrast, students rated the following 9 factors significantly higher than did the practitioners: job experience one can take elsewhere, opportunity for advancement with the employer, CPA exam preparation assistance, "in house" training and professional development, employer support for graduate study, job security, employer culture/values, meaningful duties and responsibilities, and opportunities for international work experience.

Of the ten most highly rated factors, shown in Table 1 with their rank order in parenthesis, many are extrinsic and intrinsic. Both groups agreed that the opportunity for advancement with employer is the most important factor; students and practitioners rated it 4.63 and 4.52, respectively. Although salary was not one of the 10 factors most highly rated by students, it received high ratings by both groups. The

importance of salary will be discussed further in relation to the results shown in Table 2. In general, there seems to be agreement on the relative importance of extrinsic factors related to career advancement, compensation, and job security although practitioners rated benefits significantly lower than did the students. Moreover, both groups agreed, as shown in the ratings, that intrinsic factors such as employer culture and meaningful duties, and especially work-life balance, are also fairly important. Only one of the “other” factors, employer location, was among the 10 factors most highly rated by both groups. Although practitioners rated the people the applicants meet during recruitment as relatively important (4.11), students rated this factor significantly lower (3.74).

Table 2 presents the results of the top 5 most frequently selected factors from the list of extrinsic, intrinsic, and other factors by both groups. Respondents were asked to select and rank their top 5 factors. Table 2 shows the percentage of respondents who included a factor in their group of 5 most important factors. This smaller list of factors presumably would be most influential in a job decision. The table also ranks the five factors most frequently selected by respondents in each group as one of their “top 5” choices. The following five factors were most frequently selected by practitioners: 1) salary (62.2%), 2) opportunity for advancement (52.1%), 3) work-life balance (50.4%), 4) employer culture/values (42%), and 5) employer location (40.3%). By contrast, the following five factors were most frequently selected by students: 1) work-life balance (60.5%), 2) salary (51.9%), 3) opportunity for advancement (49.6%), 4) employer location (45.7%), and 5) benefits (44.2%). Consistent with values attributed to members of generation Y, work-life balance is very important as it was selected by 60.5% of students. Nonetheless, these results also affirm the importance of extrinsic factors to students: salary, opportunity for advancement, and benefits. When asked to select their top 5 factors, practitioners and students mostly agree on their choices, although they order the importance of the factors differently. The only exception is that students consider benefits as an important factor; it was the fifth most frequently chosen factor in their list of top 5 factors. By contrast, practitioners underestimate the importance of benefits; they rated benefits as 3.72 whereas students rated it 4.14 (Table 1), and only 24.4% of practitioners (Table 2) selected it for their top 5 group of factors.

CONCLUSIONS AND LIMITATIONS

In this study of the importance of employment factors we noted differences in the way practitioners and students assessed employment factors. Some of the differences merit additional investigation because they may influence the firm’s recruitment and supervisory strategies. For example, students consider benefits more important than did the practitioners. This finding is corroborated by survey conducted by Robert Half International (2007), in which Gen Yers ranked benefits second in importance out eleven job factors; salary was ranked most important. Overall, however, there was remarkable agreement between the groups on the importance of various factors as shown in Table 2, although some factors were ranked differently in order of importance. The results also indicate that Eide Bailly understands the employment preferences of accounting students at a university from which the firm regularly hires entry-level staff, suggesting that the firm can effectively compete with other employers for the best and brightest individuals.

This survey study has two limitations. First, the sample sizes for both practitioners and students are relatively small. Second, this study is based on the responses of students at a university and practitioners from a regional accounting firm. The scope of the study should be expanded to include students from other universities and practitioners from other firms. By doing so, one could generalize the results to a broader population.

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TABLE 1
EXTRINSIC, INTRINSIC, OR OTHER FACTORS RATED ON 1 TO 5 LIKERT SCALE:
(1 = NOT IMPORTANT; 5 = VERY IMPORTANT)**

Employment factors	Practitioners n=119	Students n=129
Extrinsic factors:		
Opportunity to gain experience the job applicant can take elsewhere.	3.93* (10)	4.36* (3)
Opportunity for advancement with the employer.	4.52* (1)	4.63* (1)
Starting salary.	4.11* (4 tie)	3.89*
Benefits.	3.72*	4.14* (8)
Flexibility of career options with the employer.	3.83	4.00 (10)
CPA exam preparation assistance (cost reimbursement, bonus upon passing).	3.40*	3.81*
Opportunity for “in-house” training and professional development.	3.77*	4.03* (9)
Employer-supported opportunity for graduate study.	2.84*	3.26*
Job security.	4.07* (7)	4.42* (2)
Intrinsic factors:		
Flexible work schedule and work-life balance.	4.30 (3)	4.31 (4)
Employer reputation and prestige.	4.02 (8)	3.83
Dynamic and challenging work environment.	4.08* (6)	3.89*
Employer culture/values.	4.00* (9)	4.24* (6)
Meaningful duties and responsibilities.	3.87*	4.20* (7)
Other factors:		
Employer size.	3.51*	3.03*
Employer location.	4.31 (2)	4.28 (5)
The people the job applicants meet during the recruitment process.	4.11* (4 tie)	3.74*
Type and size of employer’s clients.	3.26*	3.03*
Job applicant’s friends and classmates are currently working for the employer (peer influence).	2.95*	2.40*
Proximity of employer location to the job applicant’s parents (family).	2.97	3.17
Promotional materials (web, brochures, etc.).	2.67*	2.47*
Employer has initiatives/programs for women and/or minorities.	2.97*	2.74*
Opportunities for international work experience.	2.06*	2.91*
Opportunity to participate in employer-sponsored community programs.	2.58*	3.26*
The job applicant’s work experience as an intern with the employer.	3.69*	3.13*
*denotes Chi Square statistical significance, $p < .05$.		
**The ten most highly rated factors by each group are ranked; their rank order is shown in parenthesis.		

TABLE 2
EMPLOYMENT FACTORS AND THE PERCENTAGE OF RESPONDENTS WHO SELECTED
THEM AS ONE OF 5 MOST IMPORTANT FACTORS*

Employment factors	Practitioners n=119	Students n=129
Extrinsic factors:		
Opportunity to gain experience the job applicant can take elsewhere.	8.4%	24.8%
Opportunity for advancement with the employer.	52.1% (2)	49.6% (3)
Starting salary.	62.2% (1)	51.9% (2)
Benefits.	24.4%	44.2% (5)
Flexibility of career options with the employer.	15.1%	13.2%
CPA exam preparation assistance (cost reimbursement, bonus upon passing).	14.3%	14.7%
Opportunity for “in-house” training and professional development.	26.1%	18.6%
Employer-supported opportunity for graduate study.	0.0%	2.3%
Job security.	23.5%	32.6%
Intrinsic factors:		
Flexible work schedule and work-life balance.	50.4% (3)	60.5% (1)
Employer reputation and prestige.	22.7%	13.2%
Dynamic and challenging work environment.	39.5%	12.4%
Employer culture/values.	42.0% (4)	32.6%
Meaningful duties and responsibilities.	18.5%	15.5%
Other factors:		
Employer size.	5.9%	8.5%
Employer location.	40.3% (5)	45.7% (4)
The people the job applicants meet during the recruitment process.	16.8%	9.3%
Type and size of employer’s clients.	8.4%	3.1%
Job applicant’s friends and classmates are currently working for the employer (peer influence).	2.5%	1.6%
Proximity of employer location to the job applicant’s parents (family).	7.6%	14.0%
Promotional materials (web, brochures, etc.).	0.8%	0.0%
Employer has initiatives/programs for women and/or minorities.	0.0%	0.8%
Opportunities for international work experience.	0.0%	10.9%
Opportunity to participate in employer-sponsored community programs.	0.8%	1.6%
The job applicant’s work experience as an intern with the employer.	10.1%	3.1%
*Respondents selected only 5 factors from the list of extrinsic, intrinsic, or other factors. The five most frequently selected factors by each group are ranked; their rank order is shown in parenthesis.		

APPENDIX A

Survey - Employment Decision Factors (listed in random order).						
Please rate, by circling the appropriate number, the importance of the following factors when deciding whether to accept an employment offer.						
		Not Important				Very Important
1)	Employer size	1	2	3	4	5
2)	Employer location	1	2	3	4	5
3)	Opportunity to gain experience the job applicant can take elsewhere	1	2	3	4	5
4)	The people the job applicants meet during the recruitment process	1	2	3	4	5
5)	Flexible work schedule and work-life balance	1	2	3	4	5
6)	Opportunity for advancement with the employer	1	2	3	4	5
7)	Type and size of employer's clients	1	2	3	4	5
8)	Employer reputation and prestige	1	2	3	4	5
9)	Starting salary	1	2	3	4	5
10)	Job applicant's friends and classmates are currently working for the employer (peer influence)	1	2	3	4	5
11)	Benefits	1	2	3	4	5
12)	Proximity of employer location to the job applicant's parents (family)	1	2	3	4	5
13)	Flexibility of career options with the employer	1	2	3	4	5
14)	Dynamic and challenging work environment	1	2	3	4	5
15)	Promotional materials (web, brochures, etc)	1	2	3	4	5
16)	CPA exam preparation assistance (cost reimbursement, bonus upon passing)	1	2	3	4	5
17)	Employer culture/ values	1	2	3	4	5
18)	Meaningful duties and responsibilities	1	2	3	4	5
19)	Employer has initiatives/programs for women and/or minorities	1	2	3	4	5
20)	Opportunities for international work experience	1	2	3	4	5
21)	Opportunity to participate in employer-sponsored community programs	1	2	3	4	5
22)	The job applicant's work experience as an intern with the employer (if applicable)	1	2	3	4	5
23)	Opportunity for "in-house" training and professional development	1	2	3	4	5
24)	Employer-supported opportunity for graduate study	1	2	3	4	5
25)	Job Security	1	2	3	4	5

Please select the top 5 factors affecting employment choice from the following list and rank them in order of importance; “1” is most important and “5” is least important:

- _____ Employer size
- _____ Employer location
- _____ Opportunity to gain experience the job applicant can take elsewhere
- _____ The people the job applicants meet during the recruitment process
- _____ Flexible work schedule and work-life balance
- _____ Opportunity for advancement with the employer
- _____ Type and size of employer’s clients
- _____ Employer reputation and prestige
- _____ Starting salary
- _____ Job applicant’s friends and classmates are currently working for the employer (peer influence)
- _____ Benefits
- _____ Proximity of employer location to the job applicant’s parents (family)
- _____ Flexibility of career options with the employer
- _____ Dynamic and challenging work environment
- _____ Promotional materials (web, brochures, etc.)
- _____ CPA exam preparation assistance (cost reimbursement, bonus upon passing)
- _____ Employer culture / values
- _____ Meaningful duties and responsibilities
- _____ Employer has initiatives / programs for women and / or minorities
- _____ Opportunities for international work experience
- _____ Opportunity to participate in employer-sponsored community programs
- _____ The job applicant’s work experience as an intern with the employer (if applicable)
- _____ Opportunity for “in-house” training and professional development
- _____ Employer-supported opportunity for graduate study
- _____ Job security