

Submission date: January 31, 2020

Program/s in this review: Accounting BBA

Specialized accrediting agency (if applicable):

Campuses where the program is delivered: Anchorage

Members of the program review committee:

- Gökhan Karahan, Chair and Professor of Accounting and Finance, ANC, gkarahan@alaska.edu
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1. Centrality of Program Mission and Supporting Role (700 words or less)

Accounting is the language of business! It is very important to our business community throughout the state that we graduate well-trained accountants. Some common themes when discussing the current issues in Alaska business is the cost of training an educated workforce and the shortages that exist especially in the areas of accounting/finance. We can cite tens of publications that mention these shortages nationally (please see the December issue of Strategic Finance and the article, “New Accounting and Auditing Jobs Predicted by 2026). However, we will focus on demand in our local region with supporting evidence generated from an email survey of Anchorage employers. Also, some of our BBA Accounting students come from our upstream AAS Accounting program. Therefore, it is very important for us to have an AAS program to supply well-trained accounting students. Professor Stasia Straley has singlehandedly kept the AAS program going in recent years.

Student success is of paramount importance in the UAA accounting program. Accounting faculty members have extensive contact with students, both inside and outside of the classroom, from their first class in ACCT 201 through alumni relations after graduation. Faculty advise students, do regular workshops on skills and career development (e.g., an annual interview workshop and accounting week workshop to prepare students for the fall recruiting cycle), and oversee internship programs. Members of the Accounting Club, one of the largest and best run student clubs at UAA, provide regular tutoring and networking opportunities. Some faculty do weekend study sessions, all in the name of enhancing student success. Accounting faculty and students have very close professional relationships with our external constituencies, for example by hiring them as adjunct instructors, inviting them as guest speakers to our classrooms and Accounting Club meetings, and networking with them through the Accounting Club socials (attended by over 100 participants each semester).

Our faculty are well-regarded throughout Alaska, serving as board members to utility companies, non-profits, and other professional organizations. Some examples are Anchorage Water and Wastewater Utility (AWWU) Board, Institute of Management Accountants Alaska Chapter Board, Alaska Society of CPAs (AKCPA) Board, and the Investment Advisory Commission of Municipality of Anchorage. Professor Stasia Straley is President-Elect, as well as a board and committee member (Relations with Education), of the AKCPA, a statewide organization that advocates for its members, provides CPE, networking events, etc. It is a conduit between CPAs in the state and the State Board of Accountancy.

Moreover, Relations with Education Committee engages in many activities, including striving to improve and maintain regular channels of communication with administrators, teachers and students of local educational institutions.

In January 2019, our department organized a large “Firms/Faculty” event to enhance connections with external constituencies. The evening was filled with an open exchange of ideas on how to meet challenges as well as leverage opportunities in the constantly-changing fields of accounting and finance. More than 40 entities representing public and private accounting, non-profits, banking, and energy participated. The gathering allowed faculty and external constituencies to network and discuss options to ensure relevancy in our programs and ways to increase our students’ competitiveness and success. The exit survey showed overwhelming support to organize this event on an annual basis.

Our accounting program has been very privileged to receive endowments and scholarships from individuals as well as public accounting companies. One of the largest donations was the Hedla fund (\$1.5 million) and public accounting firm(s) KPMG and BDO have donated huge funds to our accounting programs.

In conclusion, - BBA in Accounting program, in conjunction with our AAS in Accounting and BBA in Finance programs, contribute to the mission of the University of Alaska Anchorage by specifically addressing our five core themes: Teaching and Learning, Research, Scholarship and Creative Activity, Student Success, UAA Community, and Public Square. Evidence of contribution to these core themes will be provided in the rest of this document.

2. Program Demand (including service to other programs), Efficiency, and Productivity (7 year trend; 1400 words or less)

In 2012, we had a total of 9 full-time accounting faculty members (and as many adjuncts) teaching in both the AAS and BBA programs. Currently, we are down to a total of 5 accounting faculty members, which is a 44% decline. Four (4) accounting faculty members are responsible for covering classes in the BBA in Accounting program, graduate classes, and service (one serves as Chair of the Accounting & Finance Department). One (1) accounting faculty member runs the AAS Accounting program (in recent years, both programs have relied heavily on adjunct faculty to cover required courses). Due to our commitment to student success, all permanent accounting faculty engage in high levels of service activities, requiring far more time than allotted in workload agreements. Based on the IR data, the decline in the number of accounting faculty has been mirrored by a decline in the number of majors. Although one might argue that we responded to a decline in majors by cutting faculty lines, we would argue the opposite: our faculty resources have been stretched to the point that our individualized attention to students have diminished, and it has been a factor that contributed to fewer majors over the review period.

The BBA Accounting program generates the second highest number of graduates from the BBA programs in CBPP. Even though by 2019 we have exceeded our average performance over the last 6 years, much work remains to be done and our industry is telling us that they have dire needs in terms of hiring qualified students. Over the last few weeks, we have surveyed both accounting and financial industry firms. Because of time constraints, we were not able to do a comprehensive statewide survey. Despite this, we can state that the demand for our graduates is extremely strong. In this informal email survey, we posed one question: How many BBA graduates (accounting/finance) will you hire in the

next two years? These email communications are available upon request. Based on the 15 firms' responses, the following paragraph details our findings (Please note: In a previous version of this document we supplied all the names and data but we were told to delete ANY data tables, web links, etc.).

This data reveals that a total of 97 to 111 will be hired by all accounting and finance firms. Based on the 2019 number of degrees granted, the data reveal that just the above mentioned firms could hire up to 80 percent of the graduates from the BBA in Accounting program in the next two years (and up to 56 percent of all accounting and finance BBAs). Please note that the reported data demonstrates demand primarily from public accounting firms and does not capture the true total demand from all potential employers. Even though we report a few private firms above, at this time, the total public and private accounting demand very well exceeds the number of AAS and BBA graduates.¹ Based on anecdotal evidence, the cost for Alaska accounting firms to hire from out of state is about \$15,000, and the tenure of these out-of-state hires is rather short. Despite this, the situation is so desperate that even small accounting firms are looking for qualified graduates from places such as Colorado, Montana, Wyoming, and Minnesota. Moreover, Professor Straley provides evidence that shows the need for bookkeepers, especially in the Anchorage metro area, is high. However, the need for bookkeepers and BAA graduates in accounting as well as finance elsewhere in Alaska is also very real. The CFO of a health complex on Kenai Peninsula recently visited with the chair of the department and business law professor, R. Clayton Trotter. He mentioned his desire to collaborate to see what we can do in terms of supplying graduates as he stated that he does not have qualified applicants.

Given that not all our graduates will remain in Alaska, one then wonders if the situation is unique to Alaska or if this is a countrywide phenomenon. There are many reports in the business press that the need for accountants is very real throughout the United States. One may think that new technologies may diminish the role of accountants but apparently that is an unfounded fear: Glassdoor website recently published about expected job gains in different industries when AI and data analytics, etc. become more prevalent in the work place. Accounting and auditing was sixth ranked with 140,000 "additional jobs" that will be created.

With respect to demand for our program, on August 9, 2019 the President of the Alaska Society of CPAs wrote letter to the UA Board of Regents describing the need for strong accounting programs at all main campuses of the UA system. Recently the current President of AKCPAs reiterated his concerns in a personal email to the Chair of the Accounting & Finance Department. He stated the following (entire email available upon request):

I am writing in my capacity as the President of the Alaska Society of CPAs, an organization that represents over 600 CPAs in the State of Alaska. As a local CPA practicing in Anchorage for over 35 years, I cannot emphasize enough the importance of having a strong Accounting Program available to all students at all campuses in Alaska. Our community is constantly in need of educated accountants that want to develop their career locally. Our university system plays an integral role. Students from Alaska that attend our university system are more likely to build and continue their career in our State because of their personal attachment and investment in their home community. To provide a supply of these valued professionals for the needs of

¹ Banking/Finance and others (i.e., oil) companies tend to advertise these positions as accounting/finance. Moreover, for business analyst positions, economics and data analytics degrees may be acceptable.

local businesses and firms, our State University system must provide a strong program accessible to any student with an interest in the field. Based on my personal experience and that of others, accounting subjects are best taught in a classroom setting to provide students the best opportunity for success, and as such online learning programs are not as effective. We encourage the University to continue the Accounting program at all campuses, and would strongly suggest working toward a more robust curriculum with a focus on the CPA exam.

Using data from the IR site, we have also generated some of our own efficiency measures. Apparent in these data is the fact that the number of degrees that we awarded as a percent of declared BBA Accounting majors has been on an upward trend. In 2019, awarded accounting degrees has increased to 69 (second highest under the review period). This data is available upon request.

Also based on the IR data, even though both university and college-wide numbers have been steadily declining, we seem to have reversed the declining graduation ratios in 2018 and have been growing since, even with shrinking resources. Overall, our efficiency and productivity have been outstanding.

Lastly, there are some UAA programs that require our courses. Based on the data downloaded on January 30, 2020, we have counted nine different UAA programs (four in CBPP and five in the rest of UAA) referencing our courses. In other words, our courses and programs are demanded both externally and internally.

3. Program Quality, Improvement and Student Success (1500 words or less)

The historical record shows that we have a high quality program as evidenced by the demand for our graduates in the industry and in prestigious graduate programs and recognitions and accolades the faculty earn. We will present evidence of each of these below. Our faculty serve in our community as board members and presidents of societies. Our department faculty (both accounting and finance) also publish high quality research. We also participate rigorously in university-wide committees, some at the leadership levels. Because our college is AACSB-accredited, over the last few years, our assurance of learning methods and data collection have also improved. Some of these efforts led to more rigorous approaches for program level assessment and some led to curriculum modifications.

Curriculum Changes Driven by Considerations Such As Student Success, External Constituency Feedback, and Resources)

Pursuant to conversations about how best to serve our students, the accounting faculty decided to streamline course offerings by removing a course (ACCT A216) from the major and allowing students more choices in terms of choosing among the available upper division electives. Prior to this change, ACCT A216 (called “baby intermediate” by some of our students) was a stepping stone in terms of getting students ready to be able to go into the major’s core classes, Intermediate Accounting I (ACCT A301) and II (ACCT A302). Accounting faculty observed that some materials in A301 were not as challenging to our students as expected. After considerable discussion and recognizing major overlaps that might have formed over the years between ACCT A216 and A301, we decided to remove ACCT A216 and, thus, better utilize very scarce faculty resources and enhance rigor at the ACCT 301 level. We also shifted some small amount of the material upstream to ACCT 201 and some downstream to Accounting Information Systems (ACCT A316).

With respect to the program level assessment, we have had two major changes to our courses: Our Audit class (ACCT A452) now includes an audit analytics software (ACL). This change was informed by our discussion with not only our students but also our external constituency. Moreover, as part of continuous process improvement, ACCT A316 now includes data analytics/business intelligence software such as Power BI and Tableau.

Naturally, the above change necessitated further alignments in the prerequisite courses, which were successfully completed. In addition, this change allowed us to make more upper division electives available to our students. We consider this a continuous improvement process.

Changes Informed by Assurance of Learning (AACSB driven) Data

With respect to the program level assessment, the professor of the personal tax class (ACCT A409) used a tax return project to assess learning. In response to the Assurance of Learning (AoL) data collection and analysis, the instructor made the project more difficult from one semester to another. In other words, the changes in the course were informed by the AoL data. The instructor saw the need to make improvements, made the changes (increased rigor), and reapplied the project in the next semester. The results were about the same.

The course level assessment results (in ACCT A201 and 202) have been in line with our expectations. However, given the changes that we mention below, especially with respect to the upstream impact on ACCT A201 (Principles of Financial Accounting), we expect to see how more enhanced material will impact the process as well as results.

Signature Programs: Student Engagement and Success

We also have other signature programs that generate recognition for CBPP as well as UAA. One innovative program is Professor Orley's Justice for Fraud Victims Project (JFVP). The JFVP is one of the very few projects/courses in the United States that combine service and experiential learning projects in such a unique manner. Students, with guidance from a mentor, conduct formal fraud investigations on real cases received from the Anchorage Police Department. Since 2011, JFVP students and fraud examiners have identified a total of \$3.2 million dollars of potential fraud (\$2.3 since 2014).

Another major venture is the Adrian Project, conducted in collaboration with the Internal Revenue Service – Criminal Investigation office in Anchorage. The Adrian Project demonstrates how a criminal investigation is conducted by IRS by having students engage in mock investigations. Student groups, mentored by experienced special agents, gather and analyze evidence of fraud and arrest tax evaders.

The Adrian Project also provides students with information about career options for accounting majors in law enforcement, as well as networking opportunities. All major Alaskan television networks covered the event in 2018.

Student Professional Development

Faculty value student research and, in the last four years, two of our students won "Best Paper" awards at the Society of Business, Industry and Economics Conference. Drs. Dayanandan (Finance), Donker

and Karahan were instrumental in their research. One student co-authored a publication (with Drs. Dayanandan (Finance), Donker and Nofsinger (Finance)) in Global Finance Journal. An MBA student worked with Drs. Kilpatrick and Karahan to present a paper in the American Accounting Association's 2019 Joint Midyear Meeting of the Accounting Information Systems Section and the Strategic and Emerging Technologies Section. Through these engagements, students gain their research capabilities in our classes and have networked with other faculty and their counterparts at different institutions. These engagements help students in terms of developing not only their hard skills, but also soft skills.

Scholarships and Financial Aid to Enhance Student Success

Professor Han Donker nominated a number of students for scholarships from the Institute of Management Accountants (IMA) and the Public Company Accounting Oversight Board (PCAOB). Students have received \$60,000 in scholarships that contribute greatly to advancement of our fields in terms of attracting the best talent, enhancing student confidence, professional development and success, and faculty recognition.

Student Placement into Graduate Programs

A number of students were recently placed into graduate accounting programs throughout the nation: Cornell University (Ph.D.), Washington State University (Ph.D.), Gonzaga University (MAcc), The Ohio State University (MAcc), and Northern Illinois University (MAcc). Being able to place students is a recognition and testament to the quality of our program.

Faculty Awards/Recognitions

Faculty members promote student success by employing the newest pedagogical techniques (i.e., HIPS), making themselves available for weekend problem solving sessions, funding their research, etc. The following are the awards the accounting faculty members have earned over the years:

Professor Stasia Straley (AAS Program)

- The UAA Center for Advancing Faculty Excellence: "Outstanding Contributions to Faculty Development" Award (2019).
- Grant from UAA Center for Advancing Faculty Excellence to attend "Using High Impact Practices (HIPs) to Teach First-Year Students" conference hosted and to implement a HIP in a first-year course (2018).
- Travel grant from United Academics AAUP/AFT to attend the Lilly Conference on Teaching for Active and Engaged Learning (2017).
- UAA Accounting Club Teacher of the Year Award; Recipient of UAA Student Access, Advising, & Transition Influential Faculty Award (2016).
- UNAC Faculty Development Award (2015).

Dr. Gökhan Karahan (BBA Accounting)

- Chancellor's Excellence Award for Promoting Diversity (2019)
- Chancellor's Excellence Award for Promoting Student Achievement (2017)

- Most Commended Paper Award: International Journal of Accounting & Information Management Literati Award (co-authored with Drs. Dayanandan and Donker)

4. Program Duplication / Distinctiveness (300 words or less)

The accounting programs at UAA serve the in the largest city and business center of the state. The demand for our graduates is more than we can handle (or much more than UAF can handle). There is space for everyone and, as noted earlier, this is attested to by the President of the AKCPAs. We can cooperate in certain areas (perhaps offering a joint master's program) but we are unique, and this uniqueness is driven by the quality of our faculty and needs of our students.

5. Summary Analysis (500 words or less)

In CBPP, we have two outstanding accounting programs. Our AAS program has a unique niche that addresses the need for bookkeepers. It not only produces excellent bookkeepers but also provides well-trained students for our BBA in Accounting program. The need for the BBA in Accounting graduates is apparent from the local data that we have collected. These data provide evidence that our accounting and finance industry need more than what we can produce. Both AAS and BBA accounting programs have room to grow. Chancellor Sandeen's commitment to hiring additional faculty is a testament to the vitality of our programs.