

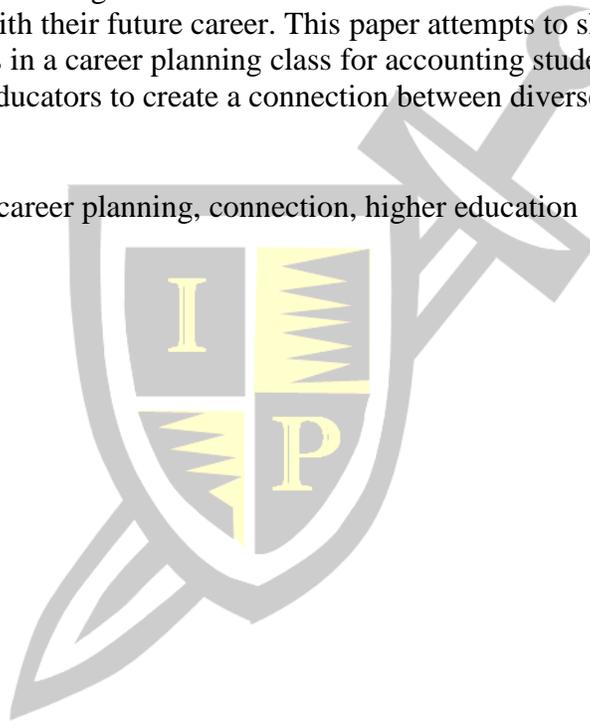
## **Finding connections: Using accounting concepts in a career planning class**

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### **ABSTRACT**

In higher education, the most common challenge for students is the ability to find a connection between one subject that they have learned and another subject. Thus, students' learning becomes compartmentalized and piecemeal. For instance, accounting students may find attending a drawing class boring and a waste of time. Science students may wonder how a music class could help them with their future career. This paper attempts to share ideas about how to use accounting concepts in a career planning class for accounting students. The aim is to encourage and inspire educators to create a connection between diverse subjects to supplement students' learning.

Keywords: accounting, career planning, connection, higher education



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## INTRODUCTION

According to Brickner and Etter (2008), principles of accounting courses present multiple challenges for instructors with regard to low student motivation, attendance, participation, and knowledge retention. How to motivate and increase student interest in accounting as a major has been a constant challenge for many accounting instructors. Five years of teaching accounting to students in Taiwan and the United States, has made the writer realize that many students find it difficult to grasp accounting concepts and terminologies. Accounting is a new business language. Student cannot speak the language if they do not understand the concepts. The writer's constant challenge was how to make accounting interesting and more personalized. In 2008, the writer chose to conduct career planning classes for accounting students in place of teaching them accounting. The two-credit course is designed to assist students successfully establish and achieve their educational, career, and life goals. Students are guided through a reflective process that focuses on their interests, values, skills, and personality. The important topics covered include self-assessment, job search techniques, resume preparation, interviewing for jobs, and follow-up. This class is important because it offers students an opportunity to discover themselves and plan their career and life. Unfortunately, some students do not take this class seriously. In order to make this class interesting and beneficial, the writer has started looking for an effective pedagogy to motivate students. It is interesting to introduce accounting concepts into a career planning class consisting of accounting students. Hopefully, this will allow students to get a new perspective on accounting and find ways to connect the two subjects.

## ACCOUNTING AND CAREER PLANNING

Teaching accounting is different from teaching career planning. In an accounting course, students learn basic accounting concepts and learn how to prepare financial statements. In career planning, students learn self-assessment, job search strategies, resume writing, and interviewing skills. Despite the differences in the content and learning outcomes, is it possible to use accounting concepts to explain career planning? The following is the list of accounting concepts that the writer has identified and use to build connections in the career planning class for accounting students.

### Connection 1: “Reliability of Accounting Information” and “Work Ethics”

According to Sin, Reid and Dahlgren (2011), the accounting profession, which has commercialized its services extensively over the past two to three decades, is facing the challenges of change. Currently, the ethical aspect of accounting work is a focus of practitioners. A research study by Ho (2009) that examined the association between the ethical-reasoning abilities and religious beliefs of accounting students revealed a strong and positive relationship between the two. Irrespective of whether students have religious beliefs, it is imperative to emphasize the importance of preparing reliable financial information because its reliability affects the financial well-being of everyone. The lessons learned from the 2001 Enron scandal and the dissolution of Arthur Anderson, one of the five largest audit and accountancy partnerships in the world, makes it all the more necessary to address and highlight the importance of ethics in accounting.

Reliable accounting information is created by reliable accounting team members. These team members should practice values such as honesty and integrity that would eventually reflect on their personal conduct. In other words, accounting information reflects an accountant's values and beliefs and is a direct result of their everyday behavior and actions. From a career planning perspective, students need to reflect on how their behavior and actions contribute to their well-being and the well-being of others. They need to address questions such as how can they become someone who can be trusted and relied on by their prospective employer?

### **Connection 2: “Accounting Equation” and “Work-Life Balance”**

The basic accounting equation is the foundation for the double-entry bookkeeping system. For each transaction, the total debits should be equal to the total credits. The accounting equation is as follows:  $\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$ . This is a very simple equation that reflects that the assets of an entity must be supported by both debt and equity. This equation is the golden rule in accounting. The beauty of this equation is the concept of finding balance. Our life has its checks and balances. From a career planning perspective, students need to understand the importance of work-life balance. Work-life balance is about effectively managing the juggling act between paid work and other activities that are important to everyone – including spending time with family, taking part in sport and recreation, and volunteering and undertaking future study. In January 2010, the first lady of the United States, Michelle Obama, encouraged U.S. companies to more aggressively implement policies that will help their employees achieve a better work-life balance, so they may be attentive to familial obligation (Career Advice & News Center 2010). Using the concept of finding balance from the accounting equation helps students to reflect on the kind of career/job responsibilities, working hours, or location that can bring about a better work-life balance in the future.

### **Connection 3: “Users of Accounting Information” and “Customer Satisfaction and Social Network”**

Users of accounting information include internal users like business owners and managers and external users like investors, suppliers, and creditors. The financial information is used internally within the company for performance measurement, business operations, and decision-making. It can also be used externally by investors who want to ascertain the financial health of the company for making investment decisions and by creditors before granting loans or credit. In life, every individual has internal and external customers who invest in him for his growth and learning. From a career planning perspective, students can start identifying their internal and external customers in their job search process. Internal customers can be the students themselves and their parents. External customers can be their prospective employers and coworkers. How and what services can they provide in order to satisfy their customers and what can they do in order to meet their parents, future employer's, and more importantly their own expectations? Job search is a long and stressful process that includes creating a resume, searching for companies, attending job fairs, going for job interviews, negotiating salary, and finally dealing with possible rejections. Students can create their own social network by inviting their parents, relatives, friends, and professionals in their desired field to help them with their job search because social networks play an important role in supporting job search success (Cannata 2011).

#### **Connection 4: “Income Statement” and “Goal Setting”**

An income statement is a profit and loss statement. The two major accounts are revenue and expenses. Revenues increase as a result of rendering services. Expenses incur because of the need to either sell products or deliver services and continue business operations. Net income is the company’s net earnings or net profit. From a career planning perspective, revenue is salary or wages that students earn. Expenses are costs that students require to fulfill their survival and safety needs, such as food and rent. A good exercise for students to do is to make a note of their bank balance and reflect on what they have earned and spent in the past. The bank balance can also help students reflect on life events because these events actually reflect their past. Knowing their past can help them plan their future. This corresponds to the postmodern counseling process that is based on an individual’s subjective narrative or life story, which states that an awareness of the past and present can help an individual build a better future (Brott 2005). Students can visualize how much they want their bank balance to be in three to five years, and subsequently focus on how to increase it in order to achieve their financial goal. Goal setting is an essential skill for all job seekers. Students need to learn how to write a meaningful goal statement that is practical, measureable, specific, and which has a timeline. A study by Koivisto, Vuori and Vinokur (2010) reveals that an individual’s motivation to achieve work-life goals has an effect on enhancing employment preparedness. In addition, it is important to know why individuals pursue achievement tasks as well as how they engage in those tasks (Pintrich & Schunk 2002). Students should be encouraged to write down their financial goal first, and then follow it up with an action plan. They should know that a job search is an action-oriented process. Their financial goal can build up their job search motivation and help them stay motivated during the process.

#### **Connection 5: “Assets/Liabilities” and “Strengths/Weakness”**

Assets are things of value owned by a business. Liabilities are amounts owed by a company to others. Financial resources are essential for any company to run its business and they can be obtained from a variety of sources, such as owner’s investment and bank loans. More assets can increase the company’s financial profile. Too many liabilities can cause financial hardships. From a career planning perspective, assets and liabilities can be described as students’ strengths and weaknesses. Students require taking the time to develop insights into themselves and assess their strengths and weaknesses because self-awareness and understanding are central concepts of career planning and development (Singh 2006). Students can also take the opportunity to reflect on the areas that they need to improve on and the strengths that they want to build in order to have a successful career in the future.

#### **Connection 6: “Cash Account” and “Maslow’s Hierarchy of Needs”**

Decision makers consider accounting earnings to be crucial for economic analyses (Shiri, Vaghfi, Shirdel & Ahmadi 2011). One component of accounting earnings is cash. Cash is king for business. Having a substantial amount of cash can help retain a company’s financial stability. Thus, cash account is one of the most important accounts in accounting. Knowing how to manage cash inflows and outflows is essential for controlling financial status. In reality, cash is relatively important in everyone’s life. How can a person learn more about himself from cash

inflows and outflows? From a career planning perspective, it is important to enable students to understand the reasons for their cash inflows and outflows. They should be encouraged to document how they earn and spend their money and document their cash transactions for one or two weeks. Further, they should group their cash transactions based on Maslow's hierarchy of needs, both the lower-order needs – survival, safety, and social needs, and higher-order needs – self-esteem and self-actualization. This exercise can help students to understand more about their life situation and themselves. More importantly, it can help students to distinguish between needs and wants. Unethical behavior across many businesses originates from people's greed and their uncontrollable desires and wants (Bawa, Ani & Nuhu 2009). Business scandals that took place in WorldCom and Tyco explain that greed causes a leadership and financial crisis. It is essential for college students to start developing an inner strength and capacity to monitor their desires and eventually have wisdom to make the right decisions involving money.

From a career planning perspective, needs and wants are synonymous with job and career. Those who are compelled to fulfill survival and safety needs would try to get any job that would pay for their food and rent at the earliest. Once their basic needs are fulfilled, they would have the inclination and time to start thinking about what they really want and will eventually bring meaning to their lives. It is important to make students understand the difference between a career and a job. Looking for a job and a career require different job search strategies. The time required for a career search is normally much longer than that compared to a job search. Students can reflect on their life by discussing ways of earning and spending cash. Do they spend money based on needs or wants? For example, many students spend a significant amount of money on technology. Is it a need or a want? Questions such as these can be asked to students to help them reflect on their career planning: "What do you really need and want in life?" "What do you absolutely love in life?" "What kind of work will bring you happiness?"

### **Connection 7: "Prepaid Expense Account" and "Education Qualification"**

Prepaid expenses refer to items paid for in advance of receiving their benefits. Prepaid expenses are assets. By using this prepaid concept, students can make a list of their prepaid items, such as prepaid rent. An important prepaid expense account for students at the beginning of the semester is tuition. Students should record their tuition expense after receiving teaching services from instructors. Not many students can pay their college tuition by themselves but need their parents' or government's support. Asking students to calculate their prepaid tuition and perform the monthly adjusting entry for the account can enable them to start reflecting on whether they are getting a good level of education with respect to the tuition paid. From a career planning perspective, students need to understand that having a good educational qualification can help them with their future employment because of their adequate skills and proficiency to enter the job market.

### **Connection 8: "Accrued Expense Account" and "Life Priorities"**

Accrued expenses are expenses that have occurred but have not yet been recorded through the normal processing of a transaction. This account needs adjustment once it is applied to a given accounting period. In life, what are the costs that have occurred but have not been paid and unrecognized yet? Researchers found that 65% of college students reported playing video

and online games regularly in a study in which 27 institutions of higher education across the U.S. participated (Hivner 2009). Excessive amounts of time spent on playing online video games can be severely disruptive to school and work (Van Rooij, Meerkerk, Schoenmakers, Griffiths & Van De Mheen 2010). Using the concepts of accrued expense and the time value of money, time spent on playing video game is an expense that has been incurred but has not been recorded yet. Students need to learn the concept of cause and effect that depicts actions and corresponding results from those actions. If students cannot think about the consequences of playing excessive video and online games and not focusing on their studies, what kind of future will they have? It is important to teach students to start thinking about their life priorities. Students should be encouraged to think about whether their daily actions will create accrued expenses in their life.

### **Connection 9: “Depreciation Expense Account” and “Health”**

Depreciation expense is a portion of a tangible asset that is deemed to be consumed or expire, and has thus become an expense, such as depreciation expense for a car. The physical body is like a machine and has a depreciation expense associated with it. The pace at which it depreciates depends on how an individual takes care of himself. Businesses are important consumers of healthcare services. Faced with rising healthcare costs, employers either have to contain wage growth or find methods to contain their share of premium expenses to prevent significant increases in total compensation for their employees (Yu & Dick 2012). This puts more pressure on employees to take responsibility for their own health. Without health, employees cannot work and perform. It is time for students to reflect on how to live a healthy life and maintain a healthy body. Furthermore, students should be asked to reflect on how to bring about a healthy work environment, which in turn brings about greater job satisfaction (Weinberg, Avgar, Sugrue & Cooney-Miner 2013).

### **REFLECTION**

Finding a connection between subjects requires time and effort. The concepts with regard to accounting and career planning seem different. However, instructors can still discover and create a relationship between the two. It is important for faculty to determine the connection first and subsequently help students to make learning more meaningful. The purpose of sharing the writer’s thoughts is to encourage and inspire educators to create connections between diverse subjects to supplement students’ learning.

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