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# WORK INTEGRATED PROFESSIONAL ACCOUNTING EDUCATION - DEVELOPMENT OF A PROFESSIONAL INTERNSHIP MODEL

*Iwi Ugiagbe-Green*

*Leeds Business School*

*Leeds Beckett University*

*I.Ugiagbe-Green@leedsbeckett.ac.uk*

## **INTRODUCTION**

*Changes to professional accounting labour and work roles have created new intersections between professional accounting bodies, Universities and employers. Johnson (1972) asserts that there is an increasing dependence on large organisations to provide professions with work (p.85). With rising numbers of people obtaining a degree, the value of a degree is reduced in social terms (Mayhew et al, 2004).*

*Therefore, in order for graduates to access opportunities of graduate work, employers must feel that graduate labour is enhancing the human capital value of their organisation. The knowledge gained at university by graduates is separate and distinct from the knowledge gained during a professional education (Annisette and Kirkham, 2007). Employers are looking for graduate employability (Boden and Nedeva, 2010). Those "aspiring accountants" that either possess prior experience of working within the firm they are applying to, or those that demonstrate the most potential for a seamless 'fit' (Chatman, 1991) are most likely to be recruited to professional work roles.*

*The model of professional competency assessment implemented adopts Biggs (1996) principle of constructive alignment to map learning outcomes of the BA (Hons) Accounting and Finance course with the performance objectives of the professional accounting bodies. A work programme has been developed with Financial Services that is to be undertaken by the students on the internship. Importantly students receive professional accreditation on their work experience, prior to entry into the graduate labour market. They will also develop a portfolio of re-usable, re-purposeful evidence of their professional practice and competency to help them access future professional work opportunities.*

## **RESEARCH AIM**

This paper outlines the process through which the author has gone about developing the model of work integrated assessment to be piloted in September 2015.

Rather than just creating work opportunities for students, the author is focused on providing internal professional work opportunities in which students will achieve professional credit for the work that is undertaken. Principally this approach means that tasks undertaken in the workplace can be used to design learning objects and other course related tasks.

The author is researching in the area of the assessment of professional competency of aspiring professional accountants. One of the propositions determined by the literature review and ongoing interviews with key social actors associated with professional accounting is that professional competency is too narrowly defined and should incorporate the assessment of professional capital (Hargreaves and Fullan, 2012). "Capital relates to one's own or group worth, particularly concerning assets that can be leveraged to accomplish desired goals." (2012, p.1).

The internship model that I will present is scoped using the current professional competency assessment frameworks used by the professional accounting bodies that our undergraduate degree is most aligned to; namely Association of Chartered Certified Accountants (ACCA), (although there is some overlap with ICAEW/CIMA). This forms part of the human capital aspect of professional competency and it is within this context that the paper is presented. Human capital is associated with the development and application of professional skills and competencies.

## THE CURRENT SITUATION

Social structures and labour roles in professional accounting have changed dramatically in recent times, leading to fewer accounting and finance undergraduate students accessing professional accounting work roles.

### CHANGES IN PROFESSIONAL ACCOUNTING INCLUDE;

- 1) Occupational control - 85% of all ICAEW contracts in 2014/15 were offered by Big 4
- 2) The government is once again being vociferous in their championing of apprenticeships and vocational training. The leading vocational accounting body AAT states on their website that the "government is committed to recruiting 75,000 new apprentices by 2014." (AAT website)
- 3) The increasing marketization of higher education has led to an increase in numbers of school-leavers entering the profession via the training route rather than the graduate route. Alvesson and Wilmott (2002) explain as school leavers are easier to train and control, they are more likely to give increased opportunities to impress identity work. They can undergo specialised tasks as part of their initial period of development (professional socialisation) and in doing so go through the development process and become a qualified professional
- 4) Growth in professional body sponsored degree programmes - "traditional Universities," (Newcastle University, Lancaster University, Durham University, and Birmingham University) offer accounting and finance programmes in partnership with professional bodies.
- 5) Accounting professions and organisations within the profession recognised the value of graduates as a source of high quality trainees. Gammie and Kirkham (2008) have explained that accounting firms frequently use degree classification as a means of selection purposes. However, the balance of influence between employers and universities has changed. The knowledge gained at University by graduates is separate and distinct from that gained in a professional qualification (Annissette and Kirkham, 2007). Sikka et al (2007) explains that nowadays accounting courses offered by Universities overlap with professional exams that trainees are required to take in order to become a chartered accountant.

Students who are already professionally socialised through placements and sponsored degree programmes are accessing professional work more readily. Organisations are hiring talented people of the right ‘fit’ (Chillas, 2010). 30% of aspiring professional accountants employed on ICAEW contracts, already worked for that employer (Graduate Market 2014 High Fliers Report).

The government are seemingly keen to promote the growth of graduates,’ stating that the role of the university in developing a “highly skilled and entrepreneurial workforce” (BIS, 2012, p.7). Yet they are undoubtedly championing and promoting the vocational route into professional work and have been mentioned already - incentivising the taking on of apprentices and lower skilled staff to undertake professional tasks. As a result, new pay scales have been created and it is event that there is a degradation of graduate work in professional accounting firms.

### THE CHALLENGE

One of the factors which ensures students within the talent pipeline being sought out by organisations is the degree to which they have been professionally socialised prior to accessing those work opportunities.

### B.A. (HONS) ACCOUNTANCY & FINANCE

ACADEMIC YEAR	NO. OF STUDENTS ENROLLED	NO. OF STUDENTS REGISTERED	% OF COHORT REGISTERED	NO. OF STUDENTS PLACED	% OF STUDENTS PLACED	NO. OF STUDENTS NOT PLACED
2013/14	92	65	71%	23	35%	42
2012/13	146	96	66%	18	19%	78
2011/12	255	54	21%	17	31%	37

Figure 1: BA (Hons) Accounting and Finance students’ conversion rates for placements

The research informs us that notwithstanding the preference for non- graduates (vocational route) and graduates from other disciplines (Hunt, 2007); that a large proportion of aspiring professional accountants recruited to do professional work in accounting firms will have already worked for them on a placement or internship. In addition to this, is the increasing number of school-leavers recruited to do work historically undertaken by graduates.

So - we need to look at alternatives. That is other organisations in which professional work can be accessed prior to graduation. We do not have to look much further than our own University. It is a learning organisation (Senge, 1990), employing 3,500 staff, many of whom work in centralised professional services such as Financial Services, Marketing, HR, Computing Services to name but a few. Yet as an institution, although historically we have offered placements and graduate positions across our centralised services, this practice is very ad hoc and intermittent. As a learning organisation, it is important that knowledge is created and transferred through internal networks of which our students are the most integral part. The interactions that students have with professionals within the University should be framed in way that shapes effectively and enhances the professional socialisation and development of professional identity of our students.

## THE MODEL

It is principles based model, in order to have a degree of flexibility which enables it to be used across a range of integrated activities such as short term placements, internships, annual placements and graduate scheme.

### 1) Define terms and associated benefits

You need to be able to articulate and market what is being offered. It is really important to align it to a corporate objective, feature of the institutional strategic plan or current initiative. However, I had to be very clear that this proposal was not part of the institutional implementation and was a different offering but that some of the same benefits would accrue.

Examples (taken from December 2014, SMT briefing paper);

“Designed to improve Employability pathways for Leeds Beckett Students, generate reputational benefits for our University and drive institutional cost-efficiencies.”

“This scheme will produce substantive pre-employment experience for students within University support functions and provide structured, cost-effective resourcing to University Departments, many of which currently draw on significant amounts of ad hoc temporary human resource.”

“This scheme complements and aligns closely with the recently approved Leeds Beckett Management Training Scheme by providing a future talent pipeline for the University’s professional support staff.”

### 2) Provide a clear rationale and evidence base to support the benefits for the institution.

1) It was recently highlighted to CMT in the Management Trainee Scheme proposal; analysis of our workforce profile indicates that just 4.4 % of staff is currently in the age range 16-25 with 31.4 % of our workforce over 50 years of age. So, as well as harnessing the potential of young people within the Institution there is an opportunity to demonstrate employer best-practice in our Employment age profile.

### 2) This analysis suggests that:

- there is a high level of demand for resource across several departments, sufficient to warrant planned schemes which could incorporate structured internships
- there is scope to drive efficiency through better coordination of this resource utilisation
- University departments have capacity to deploy student internships without on-costs, given the existing costs incurred in implementing temporary resources.
- Internships could be paid at market rates - with consequent positive reputational effects
- the following departments have particular opportunity based on current usage patterns:

Financial Services

Human Resources

Estates

CARES  
Marketing  
Quality Assurance & Governance  
Services for Students  
Student Administration

This was followed up with an analysis of pay spent on casual work, agency staff etc. across the areas - this formed the basis of the business case - I provided evidence to support the business case.

Below is a snapshot of the temporary rather than contractual hours being used in different Faculty functions.

Faculty/Function	Timing & Person-Hours deployed												Annual Total for Faculty Area	% of Total per Faculty/Service
	2013 SEP	2013 OCT	2013 NOV	2013 DEC	2014 JAN	2014 FEB	2014 MAR	2014 APR	2014 MAY	2014 JUN	2014 JUL	2014 AUG		
AET	724.75	589.00	793.50	573.25	1151.00	1161.50	670.50	878.25	685.00	400.00	323.50	334.50	8284.75	10.9%
CARES	300.00	70.00	73.00	119.00	334.50	387.00	112.25	56.50	204.75	466.75	984.25	877.75	3985.75	5.3%
CARN	699.00	771.00	975.50	142.00	209.50	550.50	530.75	324.00	145.00	59.25	122.00	297.50	4826.00	6.4%
ESTATES	671.00	729.50	364.50	35.00	458.00	462.00	90.50	93.00	108.00	152.00	76.50	146.00	3386.00	4.5%
FBL	525.50	464.50	217.25	115.75	110.50	167.50	95.50	35.50	190.00	153.50	162.50	147.00	2385.00	3.1%
FINANCE	254.00	133.50	24.00	0.00	0.00	0.00	0.00	22.50	133.50	0.00	0.00	0.00	567.50	0.7%
HR	72.75	141.75	181.75	136.00	156.50	75.00	171.00	128.50	347.50	548.50	145.00	143.50	2247.75	3.0%
HSS	1060.50	1011.00	736.50	524.00	1007.25	970.25	447.00	230.00	648.50	584.50	188.00	411.00	7818.50	10.3%
MKTG	1388.75	312.50	529.75	343.50	774.75	1459.00	1346.75	511.25	2764.00	2547.75	849.25	745.50	13572.75	17.9%
OTHER	1409.75	1040.50	1247.25	902.00	1166.25	1116.00	789.00	1922.25	1446.50	1875.50	3945.50	2301.25	19161.75	25.3%
Sfs	558.00	150.00	139.50	642.25	1108.00	1119.75	556.75	487.25	321.25	426.00	1303.00	2798.75	9610.50	12.7%
<b>TOTAL for Month</b>	<b>7664</b>	<b>5413.25</b>	<b>5282.5</b>	<b>3532.75</b>	<b>6476.25</b>	<b>7468.50</b>	<b>4810.00</b>	<b>4689.00</b>	<b>6994.00</b>	<b>7213.75</b>	<b>8099.50</b>	<b>8202.75</b>	<b>75846.25</b>	<b>100.0%</b>

Figure 2 Temporary hours used across different Faculties and central functions

Taking these factors into account it is proposed that an Internship Programme (part of a wider, Integrated Work Programme) should be introduced (with a phased implementation) leading to the following benefits:

- Further positive adjustment of our workforce age-profile, promoting diversity.
- Clear and structured opportunities for Student acquisition of valuable work experience, leading to improved Employability levels.
- Departmental efficiencies by reducing reliance on ad hoc temporary resourcing
- Reputational benefits from a communicable programme of fairly-paid Internships
- Student opportunity to acquire formal accreditation from certain Professional Bodies.
- Providing Interns with an introduction to working within certain professional specialisms and disciplines.
- Providing Interns with an introduction to Higher Education working in a non-academic setting.
- Identification of potential high achievers for University talent acquisition in Administration.
- Generating synergies with our Graduate Management Trainee Programme.

All of these were cited as benefits of proposed professional work based internships.

### 3) Other activities;

- 1) Scope out the offering - this was done via conversations and negotiations with Financial Services - need to be prepared to compromise. We are looking to offer 10 work integrated opportunities over the next 18 months in Financial Services. However, we are piloting with 2 placements from September to see what works and what does not.
- 2) Set a clear budget and associated cost savings for each work integrated activity - this should be agreed beforehand - seek advice from University accountants if needs to or use the institutional costing tool - I was very clear that this should not be treated as "cheap labour."

#### Anticipated costs;

- £5,100 per intern (net) would be required to deliver this scheme based on a pay rate of £11.50 per hour for a proposed 12-week Internship at 37 hours per week.
  - Additional set up and administrative costs of £500 per intern would be required in order to cover training, supervision and administration in each department.
  - Additional communication and marketing costs of £2,000 for the scheme.
  - Recruitment/Appointment costs of £500 per individual.
- 3) Clearly map workflow/activities and work products against professional body competence framework over the timeframe of the work based activity.
  - 4) Clearly identify a process by which assessment will be undertaken - diarise meetings with supervisors, set clear agendas for discussion, share assessment briefings or requirements with them before the start of the work integrated activities
  - 5) Clearly identify who will have responsibility to monitor the health and well-being of the students during the work period - given that this is an integrated activity. This is supported by a contract specific to the internship roles has been drafted by central HR and incorporates well-being service provision (open to all staff and students). In addition, provisions such as Data Protection additions have been made.
  - 6) Clearly identify and confirm arrangements for employment contractual obligations, health and safety - start dates, role expectations, probationary period etc. - all aligned to existing staff recruitment practices.
  - 7) Monitor the impact on the student in terms of development e.g. through objective testing, interview (We have an experienced researcher who will undertake analysis before, during and after the work integrated activity)

- 8) Clearly map course learning outcomes/professional body competencies with work based activities - with a clear timeline and schedule of activities. This required extensive planning and liaison with Associate Director of Finance and Chief Management Accountant.
- 9) There is a clear separation of mentoring (work owned) and assessment (course owned) duties. However, feedback from mentoring and validation of work undertaken forms part of the assessment evidence.

## **HOW TO MAKE IT HAPPEN**

### **BE CLEAR, FORTHRIGHT, INFORMED & TENACIOUS!**

There is a clear opportunity cost in not developing students and developing succession planning for talent pipelines within the University. I ensured that this could be quantified in terms of money and that this was also done as a time series, showing seasonal changes and fluctuations in labour over a period of 3 years.

I cannot understate the need to have open, continuous dialogue in which both sides have an opportunity to negotiate and put forward concerns. Planning is absolutely crucial, as well as having support from members of the University with positional power.

### **TEAM**

I ensured that a team of “can do” people were actively involved and consulted in to move things forward with the support of the senior team. Can do means knowledge, ideas, capabilities, resources and influential/positional power.

### **ASSESSMENT**

Students will provide verified evidence of their work in a secure, institutionally approved electronic personalised learning system. The restricted Gateway will be only accessed by their workplace mentor and me as their course leader. I will review the artefacts and associated student reflections and mentor feedback. In addition, I will have a professional conversation with the students and their workplace mentor to determine whether the professional competencies being assessed have been met. I will then sign off competencies (in the capacity of assessor) that I am assured have been met by the student.

## **CONCLUSION**

This is the first pilot of a succession of work integrated models to be rolled out across Faculties and central services within the University. Although this model focuses on the development of human capital (skills, knowledge and experience) within the context of professional development, it is important to recognise that students will develop their social capital (building relationships, ideas and understandings that improve performance over time) as well as their decisional capital (ability to exercise professional judgment). The author’s PhD research to date suggests that these are imperative elements of learning and development to achieve successful accomplishment of performance as a professional accountant.



This paper reflects an important contribution to this research. The author hopes that her research will inform accounting education pedagogy. It is hoped that in adopting a work integrated model that integrates both technical knowledge and practical experience, students will engage in an opportunity to develop their professional capital and excel in their contribution to wider society in the future.

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