

## Students' Understanding of the Job Market and the Resources Available to Them to Land Their First Job: An Example

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### Abstract

The purpose of this small scale project was to gain a better understanding of the aspirations of accounting majors. A survey was taken of students in the auditing class which is the last required class for accounting majors. The survey consisted of 15 questions. These questions may be grouped as ones measuring the students' knowledge of the market for accountants, their regional preference and their use of the available resources to assist in the search for employment. Of the students about one-half indicated that they planned to take the CPA exam and the others did not. For the CMA exam only one-third expected to take the exam. They are aware of the resources available to help them, but they either underutilize or completely ignore them. Many surveys have shown that compensation is the overriding consideration in job choice. In the current survey, proximity to family was equally, if not more, important to the students. For future studies family seems like an interesting variable to include until some understanding about its influence is achieved.

### Introduction

The purpose of this project is to gain a better understanding of the aspirations of accounting majors: what they expect to do with their education, and the resources provided by the University and the business community to help them realize their goals. As a faculty, if we find strengths, we can accentuate them and if we find weaknesses, we can do our best to correct them. Students likely expect not only an education but help in being able to find a fit where they can apply that knowledge.

The curriculum in accounting at the University is broad based in that it does not specifically encourage students to be Certified Public Accountants (CPA), Certified Management Accountants (CMA), or accountants in government agencies. By taking this approach we are very much like the majority of school in the United States. Only a few require a master's degree in accountancy where the student concentrates on tax or auditing. On the other hand, these majority schools have students who expect to be certified in some form, and can acquire the 150 hours at that school necessary to sit for the CPA by continuing on into the master's program. The students surveyed here are at an undergraduate only school with no chance to receive a graduate business degree. For that they must apply to a larger, more comprehensive school.

A survey was taken of students in the auditing class which is the last required class for accounting majors. A copy of the survey instrument is in Appendix 1. The questions elicit their preference for staying in the region and adding their expertise to that available for economic development. Also importantly it was of interest to know how much the students rely on the career office at the University and the career fairs within the region.

There are a number of issues that may concern the accounting majors desire to stay in the region. Foremost, are the students aware of the opportunities available to them? Do they tend to stay in the area thereby taking into consideration the economic needs of the region? Many companies use the availability of an educated workforce as a factor in locating to an area. As we educate more students with critical thinking ability, we strengthen the workforce and the region if our graduates see opportunities to stay.

As an accounting faculty we explain to them what taking the

Certified Public Accountant examination entails and what the future rewards are. This is also true for the Certified Management Accountant examination. Do they have any interest in these examinations?

Finally, we are conscientious about announcing upcoming career fairs and we encourage the students to attend them. In a similar vein we assume they know about the Career Development office on campus and the help it can provide. Do the students take advantage of these resources?

As the students provide us with an initial set of data on what they want to do, what is important to them, and what resources they use, our ability to help them land that first job will be improved?

### Previous Studies

Surveys of accounting students and the job characteristics they find desirable have a long history. This history goes back at least as far as Carpenter and Strawser [1] who found that the students looked for (1) the nature of the work, (2) possibility of advancement, (3) compensation, (4) working conditions, (5) job security, (6) training, and (7) fringe benefits. Similarly Lathan et al. [2] found students' rankings of (1) promotion opportunities, (2) friendly personnel, (3) high future compensation, and (4) training to be the most important factors in the selection of a job. Nouri et al. [3] surveyed students who perceived a distinct difference between public accounting and other domains of accounting. Specifically, public accounting has lower job security, job autonomy and benefits with more travel, overtime, and a

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“stronger professional image” (294). The students also thought public accounting had greater compensation. Students who preferred a job in some other accounting field thought public accounting was not “conducive to family life” (294).

Compensation and advancement seem to be preeminent in most surveys of students. However, what students say they want and what they reveal to want may be very different. In a study of students' and recruiters' assumption about students' preferences, Butler et al. [4] found that students indicated compensation had less weight than opportunities for advancement. Both were in the middle twenty percent range. But, when the students assessed the attractiveness of hypothetical jobs, compensation was revealed to have forty-two percent of the weight in the decision compared to fourteen for advancement. Not surprisingly the recruiters thought that the distinction between being a CPA and an accountant in the private sector would be the determining factor.

The study by Nelson et al. [5] provided us with interesting outcomes. The percentage of respondents having (or will have) internship experience has increased from 66.7% to 68.5% from 2000 to 2006. In the current study, students are required to have some experiential learning. The internship is a business school class in which the student earns one hour of credit for every one hundred hours on the job (along with other requirements specified by the faculty). They have work experience before they start searching for permanent employment.

Since the University only has an undergraduate program, the school has entered into agreements with some nearby schools to ease the access to their M.B.A. programs by the students. However, Nelson et al. [5] found their students becoming less interested in the M.B.A. degree and more likely to want an accounting-based graduate degree. Eighty-nine percent of their students had taken or were planning on taking the CPA exam, while only eighteen percent of the seniors and of master's students were going to sit for the CMA exam. Finally, they found sixty-one percent of the seniors wanted careers in public practice.

Location desirability does not seem to be a characteristic asked by most researchers in job choice. Butler et al. [4] did include “city size” as a job attribute with the students being encouraged to “personalize the city size distinction to meet your concept of large and small” (342). In self-insight and revealed weighting, city size had about ten percent weight in their study. This may be of interest to us now since based on casual observation it is less stressful to attend a university in a known area of the country. Approximately sixty-six percent of the full-time students come from within the county. This same logic would also seem to make jobs in the immediate area attractive.

Students need to consider a number of resources in their job search. Kimmell et al. [6] used Beta Alpha Psi members to determine which resources are used most often to be successful in landing a job. They found the most used resources are the school's career planning and placement center, business contacts, job fairs, temporary agencies, job-search web sites and employer websites (72). Eighty percent of the students used career planning and placement although one-third thought its reputation for helping students find full-time employment was average or weak (72). Of the students surveyed, career planning and placement produced an offer for 62% who used it. Business contacts were important. In their search 68% of the students used them which produced offers for 56% of the students who tapped this resource.

From the recruiter's perspective Busta et al. [7] suggested recruiters consider a number of things when deciding if a school should be a key school. For CPA firms two considerations are relevant to the school

in which these students are enrolled. First, the curriculum that the students in the current survey are required to take does qualify the students to sit for the CPA examination. However, their second point appears on the surface to be absent. Are there “potential avenues for students to complete 150 credit hours” (63)? They can, but only if they are double majors, which many of the better students are.

The next section describes the students who participated and the method used to collect the data.

## Method

### Participants

Students majoring in accounting and enrolled in a required course in auditing and assurance services participated in a 15 question survey. They expected to graduate during the spring term following the completion of the auditing class or in the immediately following summer. There were seven male and eight female students attending a small (approximately 5,000 students), undergraduate, state supported university in the Midwestern United States. Approximately 70 percent of the students enrolled in the university come from the surrounding five counties served by this campus. All but two of the participants were what is commonly regarded as “traditional” (under the age of 25) students. The majority aspired to be accountants with three wanting to focus on a career in management, one in law and one undecided.

### Materials

The survey consisted of 15 questions and was approved by the university's Institutional Review Board. These questions may be grouped as ones measuring the students' knowledge of the market for accountants, their regional preference and their use of the available resources to assist in the search for employment. The two demographic questions discussed above completed the questionnaire. Appendix 1 is a copy of the complete survey.

### Procedure

During the twelfth week of the fifteen week semester, the instrument was handed out to the students in the last twenty minutes of class. The students were told the following:

You have been asked to participate in a research survey concerning your efforts or future efforts to secure a job after graduation .... These results will help future graduates as they learn from your experiences. The survey should take less than ten minutes of your time.

They were reassured in writing and verbally that there was no interest in identifying any particular student and that their confidentiality would be maintained. They also know that the data would be analyzed only in the aggregate and that since this was voluntary they could stop answering at any time without penalty. One student who worked for the College of Business collected the instruments and coded the results.

## Results

Of the 15 students three expected to graduate in the summer of 2010 with the remaining 12 graduating in the spring of 2010. Seven identified a clear preference for being an accountant while the remainder identified law school, management in general, or were undecided. One was going to be commissioned as a second lieutenant in the U. S. Army and serve in a financial management capacity.

To gauge their understanding of the opportunities for graduates of

an undergraduate program and the market for them they were asked first to list as many career opportunities for an accounting major as they could. Their average number of opportunities was 3.385 with a standard deviation of 3.439. There was a maximum of eight and a minimum of zero.

The United States Bureau of Labor Statistics [8] listed the mean annual salaries for accountants and auditors for both the metropolitan area closest to the university (metropolitan statistical area population of 1,985,429) and the city where the university is located (metropolitan statistical area population of 123,339). In the former the salary was \$57,210, and in the local area it was \$50,740. The entry level should be expected by the students to be lower. In more general terms, without regard to the specific metropolitan area, the web site careers-in-accounting (Accounting Salaries [2010]) reported the median entry level salary in public accounting in 2009 was \$59,000. With a Big Four firm the entry level salary was \$55,000. For the survey respondents, their starting salary or what they expected averaged \$41,269 (s.d. = \$7,880). There is a maximum of \$56,000 (the second lieutenant), a minimum of \$30,000 and a median of \$40,000. When their assumption about benefits was added their total averaged \$46,955 (s.d. = \$9,307). Again, there is a maximum of \$70,000 (I left the second lieutenant out because the benefits pushed it to \$121,000), a minimum of \$32,500 and a median of \$48,000. It appears that on average the students have a reasonable set of expectations.

Next, the students were asked where they would prefer to live and work. The logical options for them were to stay in the locale or relocate the sixty miles to the metropolitan area of two million. Six students wanted to relocate, four preferred to stay and of the remaining three one wanted to travel outside the area, one listed weather as a factor while the third had no preference. (I will not report on the army officer as there are no choices available) Why did they have these preferences? Seven listed family as the reason. Cramér's coefficient was calculated as 0.656 which indicates a moderate influence by the family's location. However it may be unreliable since none of the cells had an expected frequency of 5. This is the usual rule of thumb for the Chi-square test. An inspection of Table 1 is left to the reader to decide if family considerations drive the choice of job location (Table 1).

As certification is critical to the long-run success of an accountant, the students were asked if they planned on taking the CPA examination and/or the CMA examination. In order to meet the 150 hour requirement most would need to get a master's degree at another school. They knew about the various examinations, but the program they are in gives them the minimum number of hours to be considered to have a degree in accounting. There is no Beta Alpha Psi chapter or accounting club for them to be exposed to guest speakers. In their auditing class they were made aware of the CPA and CMA. Eight respondents indicated that they planned to take the CPA examination, and seven indicated that they were not going to take it. For the CMA examination five planned to take it while ten did not. Six students did not plan on taking either examination. This may be due to the dual majors with finance, the army commitment, or some small business tie the student may have. They

Reason Given	Desired Living Location Stated			Total
	City	Local	None Stated	
Family	3	4	0	7
Other	3	0	0	3
None given	0	0	3	3
Totals	6	4	3	13

"Other" reasons were because of less commuting time or more job opportunities  
**Table 1:** Living in the City or Locally and Why?

certainly do not regard their accounting education to be coming from a "CPA factory".

Do these students have the same view of the resources available to them as the University does? They are made aware of career fairs throughout the area and some instructors will encourage them to go. These instructors may even cancel class if the students show enough interest. Students were asked if they had attended career fairs. Seven had, eight had not. Of the eight who had not six regarded them as useless and the other two cited time constraints. The other seven attended the University sponsored career fair. Anecdotally, the eight who did not attend understood that it was dominated by area police departments since it is held during the annual Criminal Justice Week. There were no jobs that were of interest to accountants.

On their own the students could send out resumes or submit them online at companies of interest to them. How many have they sent and are planning to send? The average number sent out was 4.2, but that close to graduation seven had not sent out any. Four had no plans to send any more, with the rest of the group planning from three or four to 25, 50, 100 etc.

Did they seek help from the Career Development office on campus? Not one of the students did! Either they do not know what the office does or they do know and determined that would not be valuable to them.

The final section will attempt to draw some conclusions from the results.

## Conclusions

This paper reported the results of a small scale study of the plans of graduating seniors. They were of particular interest since they were in the last semester before graduating. As accounting majors in an auditing class they should have had a good sense of the job opportunities available for accounting graduates and the starting salaries they would observe. Perhaps the most unique feature of their education was that they had all had internships for at least three hundred hours (3 hours for one semester) at a bank, parts distributor, manufacturer, or CPA firm. They very likely understood the expectations for them of various jobs.

If the mission of the School of Business is to produce accountants and not necessarily CPAs or CMAs, that is being accomplished. Of the students about one-half indicated that they planned to take the CPA exam and the others did not. For the CMA exam only one-third expected to take the exam. These students were at a university that is predominately an undergraduate institution. This may help explain the results concerning the CPA exam. They believed that they may as well get a master's degree in accounting in order to satisfy the 150 hour requirement to sit for the exam. For both the CPA and CMA exam cost may have been a factor. In the short-run if they could get a job without the certification, they may see no reason to add to their student loan debt. Many of their internships did not require either the CPA or CMA.

They are aware of the resources available to help them, but they either underutilize or completely ignore them. Further study may reveal an inability to present themselves in the best light through their résumés. It also may reveal the emphasis or structure of the University's resources is insufficient in an accountant's job search. Both of these points for further study may lead the School of Business to be the primary catalyst for the accounting major's job search.

As a final point, many surveys have shown that compensation is the overriding consideration in job choice. In the current survey,

proximity to family is equally, if not more, important to the students. Of course, this reduces their available job options, but may improve their job satisfaction due to lack of stress from being away from family and friends. For future studies it seems like an interesting variable to include until some understanding about its influence is achieved.

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