

Essential Qualifications: Accounting Faculty Selection Trends

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Colleges and universities are challenged with attracting faculty with the essential qualifications to deliver accounting degree programs that meet the accounting profession's needs. Budget constraints and accreditation standards further influence colleges and universities hiring trends, particularly in the specialized areas of tax and audit. Before the pandemic, business schools began adjusting their hiring practices to address these challenges. Furthermore, institutions were redesigning degree programs to be consistent with the implemented changes in professional certification exams. The disruptive effects of the COVID-19 pandemic on enrollment and operational budgets have exacerbated these challenges. Consequently, institutions may need to alter their recruitment strategies to contend with faculty shortages and provide a curriculum to meet the profession's needs. This study explored what qualifications decision-makers deemed essential for recently hired accounting faculty. Further, we investigated to what extent particular academic institutional characteristics influenced the selection of an accounting faculty candidate. Finally, this study also reports on the trend in the essential qualifications preferred for new accounting faculty hires.

Keywords: accounting faculty, accreditation, faculty qualifications, hiring, professional experience, professional certifications

INTRODUCTION

The accounting profession has radically changed from 1896, just as the accounting profession was taking shape (Van Wyhe, 2007, p.167), to the 21st century with advancing technologies, expanding globalization, and evolving regulations (Islam, 2017). As a result, colleges and universities are challenged with attracting faculty with the essential qualifications to deliver accounting program courses to meet the profession's needs. Budget constraints and accreditation standards further influence colleges and universities hiring trends, particularly in the specialized areas of tax and audit (Hunt & Jones, 2014; O'Donnell, 2019).

Years of research highlight the changes in academic qualifications, professional experience, and practice credentials among accounting faculty. Before the 1970s, colleges and universities recruited faculty

with substantial practical experience and professional credentials, with a minority of faculty (40%) holding terminal degrees (Swieringa, 2019). A trend progressed where faculty academic qualifications were primarily essential over practical experience and professional credentials. In their study, Jordan and Clark (2017) discovered a significant drop in the percentage of accounting faculty at AACSB-accredited schools holding a certified public accounting (CPA) credential between 1970 and 2015. Similarly, Fogarty (2021) found a decline in practice credentials among accounting faculty, from 90% in 1980 to just under 70% in 2018. In recent years, practice credentials have been more prominent among non-tenured track faculty (Fogarty, 2021).

Before COVID-19, business schools were adjusting their hiring practices to address the shortage of doctorally-qualified accounting faculty (Boyle et al., 2015; Cardwell et al., 2019; Pathways Commission, 2012; Prescott et al., 2017). Furthermore, institutions began redesigning curricula to align with the proposed CPA Evolution Model Curriculum (Bakarich et al., 2021; Boyle & Hermanson, 2020; Pathways Commission, 2012). The disruptive effects of the COVID-19 pandemic on enrollment and operational budgets have exacerbated these challenges (Oler et al., 2021; Thomas, 2020). As a result, institutions may need to alter their recruitment strategies to contend with faculty shortages, budget constraints, and curriculum changes while striving to preserve their accreditation.

This study explored what qualifications decision-makers deemed essential for recently hired accounting faculty. Further, we explored to what extent particular academic institutional characteristics influenced the selection of an accounting faculty candidate. Finally, this study reports on the trend in accounting faculty hires and the essential qualifications preferred for future accounting faculty hires.

This paper is organized as follows. The first section presents prior relevant literature and study research questions. The second section is a description of the study methodology. The third section contains a summary of the study results and a discussion. The final section identifies potential future research, followed by study conclusions.

PRIOR RELEVANT LITERATURE

Accounting Profession Landscape

In recent years, there have been disruptive developments in the accounting profession and academia. Advancements in technology, expanding globalization, and increasing regulations are changing the essential skills and competencies required by new accounting graduates (Coffey, 2019; Islam, 2017). Accountants no longer merely process accounting transactions but must understand the holistic business process. The approved changes to the CPA exam for 2020 reflect the changing landscape of skills required by CPAs. Similarly, the IMA adjusted certain aspects of the certified management accountant (CMA) exam to incorporate topics of information systems (IS) and data analytics (Tysiac, 2019). Furthermore, the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) collectively are moving forward with the proposed new Core plus one CPA licensure model, with a new CPA exam launch in 2024 (NASBA, n.d.). The proposed CPA licensure model reflects the profession's transformation, and the response is a more holistic change to CPA certification than just adding data analytics to the audit section of the exam.

Rapid technological advances in the 21st century are disrupting the current accounting environment and are changing the role and essential skill sets of today's accounting professionals. Driven by client demand, accounting professionals are expected to provide deeper insights, analyze larger data sets, and provide assurance on non-financial subject matters that require skills and techniques not historically feasible (Coffey, 2019). In addition, large and small accounting firms are shifting accounting services not to be left behind and need professionals with solid core technical accounting competencies and information technology aptitude (Coffey, 2019; PWC, 2015). Inevitably, accounting education evolved over the years to address these changes in the accounting profession. Moreover, significant changes in essential faculty qualifications were required to support these changes.

Accounting Academia Landscape

Earlier accounting programs were practitioner-focused and entirely tied to the public accounting profession. Accounting education began as an apprenticeship with educational institutions offering recordkeeping instruction (Clayton, 2012; Van Wyhe, 2007). The development of accounting degree programs gained momentum with the establishment of the CPA examination requirement for licensure to practice public accounting (Van Wyhe, 2007). The AICPA implemented in the late 1950s the requirement for the CPA certification to include an earned baccalaureate degree (Pathways Commission). At this time, most of the faculty were accounting practitioners, with only 40% of teaching faculty holding doctorate degrees (Swieringa, 2019; Van Wyhe, 2007).

In the second half of the 20th century, accounting programs evolved from practitioner-focused to a theoretical base emphasizing the creation of knowledge and elevating the quality of accounting education to a level comparable to the other programs in social sciences (Pathways Commission, 2012; Van Wyhe, 2007). Subsequently, professional certification and practical experience became secondary importance among essential faculty qualifications to terminal degrees (Pincus et al., 2017; Smith & Emerson, 2017). As a result, researchers discovered a decline in credentialed faculty and faculty years of professional experience, with the most significant drop in faculty in the financial accounting teaching area (Fogarty & Black, 2014; Smith & Emerson, 2017; Zimmerman et al., 2017). Furthermore, Fogarty and Black (2014) and Zimmerman et al. (2017) noted that a faster and stronger decline among professionally qualified faculty was more prevalent at research-oriented and doctoral-granting institutions.

The emphasis on terminal degrees as an essential faculty qualification has become a hiring challenge for most institutions (Fish et al., 2017; Plumlee & Reckers, 2014). Moreover, Hijazi et al. (2020) and Plumlee and Reckers (2014) cited the most acute shortage of qualified doctoral faculty for audit and tax specifically. In addition, Oler et al. (2021) cited budget constraints as the catalyst for the substantial increase in nontenure track faculty over a 40-year period, with the most significant increase (165%) between 1981 and 2016. Similarly, Pincus et al. (2017) observed that small accounting programs report strategic changes in faculty recruitment, adjusting the mix of doctorly-qualified, research-oriented, and clinical teaching faculty as a cost-saving strategy. Finally, the COVID-19 pandemic placed further financial strain on institutions in supporting degree programs, meeting accreditation standards, and achieving their mission.

Institutional Characteristics

Research has shown that institutional orientation, the highest degree awarded, and business school accreditation are key influences on essential qualifications candidates must possess. For example, in their study, Smith and Emerson (2017) discovered that research-oriented institutions had a lower incidence of faculty with professional qualifications. Further, Paisey and Paisey (2017) noted that institutions entrenched in research focus value Ph.D. as an essential qualification. Bergner et al. (2022) also concluded that faculty at doctoral-granting institutions, which are typically research-oriented, are less likely to possess professional certifications or have practical experience. Conversely, institutions only offering undergraduate programs have a higher percentage of faculty with professional qualifications and the lowest percentage of scholarly qualifications (Finch et al., 2016).

Jordan and Clark (2017) found that doctoral-granting institutions had a lower percentage of faculty with the CPA credential, 46%, compared to 61% at nondoctoral-granting institutions. Further, the analysis revealed that more than half of faculty teaching in audit or financial areas at doctoral- and nondoctoral-granting institutions are CPAs. Additionally, 75% of faculty teaching audit at nondoctoral-granting institutions are CPAs, while for doctoral programs, 65% are CPAs. These results are consistent with findings by Fogarty and Black (2014) and Apostolou et al. (2021) that over the last two decades, there was a decline in professional certifications among accounting faculty, with more of a decline for doctoral-granting institutions. Further, faculty with professional certifications were significantly associated with institutions with teaching orientation and undergraduate degree the highest degree offered (Apostolou et al., 2021; Fogarty & Black, 2014).

Business school accreditation is one of the key influences on the preferences and qualifications of accounting faculty. The three major accrediting bodies for business programs are the Association to

Advance Collegiate Schools of Business (AACSB), the Accreditation Council for Business Schools and Programs (ACBSP), and the International Accreditation Council for Business Education (IACBE). The AACSB recognizes four distinct faculty qualifications categories and has definitive measurements of each category. Faculty classification is based on “initial academic preparation or professional experience and sustained academic and professional engagement within the area of teaching” as described in Standard 3 of the 2020 Guiding Principles and Standards for Business Accreditation, effective June 2023 (updated July 1, 2022, p.30). In addition, Standard 3 requires that a minimum of 40% of faculty be defined as *scholarly academic* (AACSB, 2020). Scholarly academic faculty members typically possess a “terminal degree related to the field of teaching and sustain currency and relevancy through scholarship and activities related to the field of teaching” at initial appointment (AACSB, 2020, p.30).

Business schools with supplement accounting program accreditation must meet Standard A5, which emphasizes faculty and student’s ability “to adapt to emerging technologies as well as the mastery of current technology” (AACSB, 2018, p.22). Typically, at least 60% of the academic accounting units (i.e., credit hours) must be delivered by faculty with “professional and academic credentials, qualifications, certifications, and professional experience . . .to support high-quality outcomes consistent with the school’s mission and strategies” (AACSB, 2018, p.24). Colleges and universities indicate pressure to meet these mandated requirements because of a shortage of faculty with technological expertise and funding challenges (Andiola et al., 2020; Hijazi et al., 2020; O’Donnell, 2019). Consequently, researchers have noted strategic changes by universities in hiring and deploying of accounting faculty to mitigate the risk of failing to meet AACSB accreditation mandates (Fish et al., 2017; O’Donnell, 2019; Pincus et al., 2017).

Similarly, ACBSP has firm standards related to faculty qualifications but at a much lower sufficiency benchmark of doctorly-qualified faculty than AACSB. ACBSP Criteria 5.2.A (2021) expects that “at least 40% of the undergraduate credits in business and 70% of the graduate credits in business are taught by doctorate degree faculty 100% of the doctorate credit hours in business are taught by doctorate degree faculty” (p.31). Furthermore, the ACBSP standards are broader in terms of defining academically and professionally qualified faculty. The accreditation body recognizes that individuals with extensive professional experience in one’s teaching area and professional certification and academic credentials are well-equipped to serve as qualified faculty (ACBSP, 2021). In addition, this accreditation body emphasizes teaching excellence and faculty involvement in the business world and is less exigent concerning research activities (Cardwell et al., 2019; Nguyen et al., 2020). The ACBSP also provides a separate accounting program accreditation and is the only accrediting body of business programs at the associate degree level (ACBSP, 2021).

While the AACSB and ACBSP have accreditation standards universities must meet, the IACBE has nine guiding principles that set the standard for accreditation (IACBE, 2020). The recommended principle regarding faculty qualifications is more flexible in defining academically or professionally qualified faculty and deployment of faculty (George, 2018). Because IACBE focuses more on effective classroom teaching than scholarly activities, IACBE-accredited institutions often have business faculty with academic and professional credentials across degree levels (Zhao & Ferran, 2016). However, IACBE expects that doctorly-qualified faculty will teach doctoral student credit hours (IACBE, 2017).

Researchers have noted that the essential faculty qualifications differ significantly between AACSB-accredited and non-AACSB-accredited schools (Baldo et al., 2020; Finch et al., 2016; Hunt & Jones, 2014; Jordan & Clark, 2017). In their analysis of over 400 faculty postings, Finch et al. (2016) found a significant difference in hiring qualifications between AACSB and non-AACSB accredited schools, with the most significant difference in professional qualifications of faculty with 24.3% specified by AACSB schools and 52.1% from non-AACSB schools. Hunt and Jones (2014) found that non-AACSB accredited schools were likelier to hire accounting faculty without a terminal degree but with extensive practical experience or doctorates from non-AACSB accredited schools. Moreover, Jordan and Clark’s (2017) study revealed a difference between doctoral and nondoctoral granting institutions with AACSB-accredited accounting programs with respect to professional certifications noting doctoral-granting institutions have the lowest percentage of faculty possessing the CPA credential, with only 47.6% of these faculty hold a doctorate while 53.1% do not hold a doctorate. Finally, Baldo et al. (2020) indicate that a significant percentage of

AACSB-accredited schools required a degree from an AACSB school from candidates among institutions that grant doctoral and master's degrees, 77.8% and 74.4%, respectively.

Based on the above review of prior literature, the following central research questions guided the study:

1. Do the characteristics of the university (i.e., orientation, geographical location, degrees conferred, type of school) influence a school of business school's essential qualifications for accounting faculty candidates?
2. Does the business school accreditation influence essential qualifications for accounting faculty candidates?

The results from this study add to prior literature to better understand the factors that influence recruiting and hiring strategies and which accounting faculty qualifications of accounting faculty are deemed essential. However, the trend of which qualifications will be considered essential in future accounting faculty hiring has yet to be extensively studied. Therefore, by surveying accounting academics, we attempt to identify which qualifications (i.e., terminal degree, professional experience, professional certifications) are deemed essential in future accounting faculty hires from those who are an integral part of the recruiting and hiring process of accounting faculty.

METHODOLOGY

To investigate the research questions, the researchers administered an online questionnaire to gather information from accounting educators regarding their current opinion of essential qualifications of accounting faculty hires. After developing an initial questionnaire, a pilot testing of the survey instrument was conducted using accounting faculty at a university in the U. S. Based on the results of the pilot testing, the survey instrument was revised to improve clarity and conciseness. After gaining Institutional Review Board (IRB) approval, the survey was distributed via email to all accounting educators listed in the American Accounting Association's online faculty directory, *Hasselback Accounting Faculty Directory* (AAA, n.d.). A follow-up email request was sent three weeks following the initial email.

The survey instrument was distributed to 7,267 accounting faculty using *Select Survey*. However, 1,045 surveys were eliminated for problems with email addresses (980) and those who indicated retirement from academia or requested removal from the distribution list (65), resulting in 6,222 possible respondents. A total of 655 participants completed the survey, producing a 10.5% response rate. A survey's response rate may be considered a major indicator of survey quality. However, prior studies state that the response rate for web surveys, on average, have a lower response rate compared to other survey modes (Dillman et al., 2014; Fan & Yan, 2010; Manfreda et al., 2008) with some exceptions (Holtom et al., 2022). Although our response rate is relatively low, we surveyed a sample of accounting educators with significant experience in the hiring process in academia. Therefore, our sample's reliability and representativeness enable us to generalize our results more confidently. To ensure the anonymity of the respondents, we did not link the survey responses with institutional affiliation.

STUDY RESULTS AND DISCUSSION

Demographic Information

As shown in Table 1, 82% of respondents are full, associate, or assistant professors. The highest degree held by participants was typically a doctorate (Ph.D.), with 12% holding a non-Ph.D. doctoral degree. The primary teaching area of the respondents includes financial accounting (42%) or tax and audit (32%), with a small percentage (7%) teaching cost and management accounting. In addition, 73% of respondents hold professional certifications, with 68% holding the certified public accounting certification and 5% holding other certifications. Finally, most respondents (69%) have more than ten years of academic experience, while only 33% indicated having more than ten years of practical experience in nonacademic fields.

TABLE 1
INDIVIDUAL DEMOGRAPHICS

Participant Rank	Professor (Assistant, Associate, Full)	82%
	Lecturer/Instructor	7%
	Clinical/Exec Residence	5%
	Retired	3%
	Other	3%
Years of Experience in Academia (have more than 10 years of experience)		69%
Administrative Experience (hold an administrative position + academic)		23%
Practical (nonacademic) experience (have more than 10 years of experience)		33%
Highest Degree Earned	hold a PhD	69%
	hold non-PhD doctorate	12%
	hold masters	15%
	No Response	4%
Area of Study	Financial Accounting	42%
	Tax and Audit	32%
	Cost and Management Accounting	7%
	Other	19%
Professional Certifications	hold professional certification*	73%
	hold CPA certification	68%
	hold other certifications	5%

Note: N=655

* Have multiple certifications

Table 2 presents the institutional demographics of respondents. The data collected encompass wide-ranging attributes of respondents' institutional affiliation. All U.S. regions are represented with the Midwest, Southeast, and Northeast regions with the most respondents, 20%, 18%, and 13%, respectively. Furthermore, 57% of respondents are employed by public institutions, while 22% are employed by private institutions. Most respondents are from AACSB-accredited business schools (82%); 54% also indicate that their respective accounting program has a separate AACSB accreditation. Concerning the primary focus of the survey respondents' affiliated institution, 38% are employed at a balance-orientated institution, with teaching- and research-oriented institutions accounting for 22% and 20%, respectively.

Most respondents indicated that the highest degree offered at their affiliate institution is a master's degree (49%), followed by a doctorate (32%), a bachelor's degree (14%), and an associate degree (5%). In addition, 35% of respondents come from schools with 100 graduates per year, while 29% come from schools with graduates between 41 and 100 graduates per year. Finally, 49% of respondents have served on a faculty search committee in the last three years.

TABLE 2
INSTITUTIONAL DEMOGRAPHICS

Degrees Awarded	Doctorate (Ph.D., D.B.A.)	32%
	Masters (MA, MS, MBA, MAcc)	49%
	Bachelors	14%
	Associate	5%
Accreditation	AACSB	82%
	ACBSP	6%
	IACBE	1%
	No Accreditation	11%
Accounting Program Accreditation (Yes)		54%
Institution	Public Institute	57%
	Private	22%
	No Response	20%
Region	Mid-Atlantic	9%
	Midwest	20%
	Northeast	13%
	Southeast	18%
	Southwest	9%
	Western	11%
	No Response	20%
Orientation	Research-oriented institutions	20%
	Teaching-oriented institutions	22%
	Balanced research/teaching	38%
	No Response	20%
Graduates Per Year	above 100 graduates per year	35%
	Between 41 and 100 graduates per year	29%
Faculty Size/Hiring Practices		
Faculty appointments in Account Dept, Tenure-track (last 3 years)		52%
Non-Tenure-track (last three years)		6%
Full-time faculty in Accounting Dept (Have 10 or more)		53%
Served on Faculty Search Committee in past 3 years		49%

Note: N=655

To assess the sample representativeness, a chi-square analysis using multiple variables such as participation type, earned degree, teaching experience, professional experience, and professional certification was applied (See Table 3). In addition, these variables were used to examine whether there was a significant association among these variables between private and public institutions (Type of School). The analysis for *type of school* showed that all variables are not significant as the p-values of all the variables are greater than (0.05), implying no significant relationship between the current faculty position, degree earned, teaching experience, professional experience, and professional certification with public or private schools.

For *accreditation*, the result shows that the p-value of teaching experience variables ($p=0.002$) is less than (0.05), indicating a significant relationship between teaching experience with AACSB-accredited

faculties. As a result, if the faculty has received AACSB accreditation, more lecturers will have more than ten years of expertise than faculty without AACSB accreditation.

For *region*, the p-values of all variables are greater than (0.05), implying no significant relationship between the current faculty position, degree earned, teaching experience, professional experience, and professional certification with college/school regional location. For *primary focus*, the results show that the p-values of the earned degree (p = 0.001), teaching experience (p = 0.021), and professional experience are significant at the 5% level implying significant association indicating that there is a significant association between the three variables with the primary focus.

TABLE 3
SUMMARY OF VARIABLES USED IN THE CHI-SQUARE ANALYSIS

Variables	Type of School (P-value)	Accreditation (P-value)	Region (P-value)	Primary Focus (P-value)
Participant Type	0.722	0.057	0.575	0.108
Earned degree	0.117	0.491	0.310	0.001
Teaching experience	0.432	0.002	0.072	0.021
Professional experience	0.394	0.570	0.953	0.000
Professional certification	0.310	0.845	0.172	0.237

Results and Discussion

The primary analyses in Figures 1 and 2 compare the accounting faculty recruitment between private and public schools. The results indicate that candidates at private and public schools predominantly hold either a Ph.D. or D.B.A. in accounting as a top essential faculty qualification. In addition, the analysis shows that private institutions have a higher rating for Ph.D. or D.B.A. in accounting as an essential qualification and a terminal degree from an AACSB-accredited school. Conversely, public institutions prioritize candidates with professional certifications and practical experience, particularly in business reporting and analysis, and information systems and controls. The results also indicated that private schools have a stronger preference for experience in tax compliance and planning, and degree in tax and law as essential faculty qualifications over public schools.

Further detail of hiring trends of accounting faculty can be seen in Figure 2. which presents the hiring trends at private and public schools in the last three years and anticipated for the next three years. Although both private and public schools show similar patterns, private schools recruited candidates with a Ph.D. or D.B.A. in the last three years and will consistently do so in the next three years. However, public schools show a diminishing trend in recruiting candidates with a Ph.D. or D.B.A. in accounting or a related discipline background in the next three years. In addition, the trend is the same for candidates with a terminal degree from AACSB-accredited institutions. In contrast, public schools show an increase in recruiting candidates with experience in business reporting and analysis, a degree in law and tax, and experience in IS and controls background over the next three years. Interestingly, the respondents from private schools also indicate an increased interest in candidates with these essential qualifications over the next three years; however, not at the same pace as public schools. These results suggest that the level of challenges faced, or resources needed differ between public and private schools affecting recruitment and hiring strategies.

FIGURE 1
ACCOUNTING FACULTY CANDIDATES' QUALIFICATIONS BASED ON
TYPE OF SCHOOL

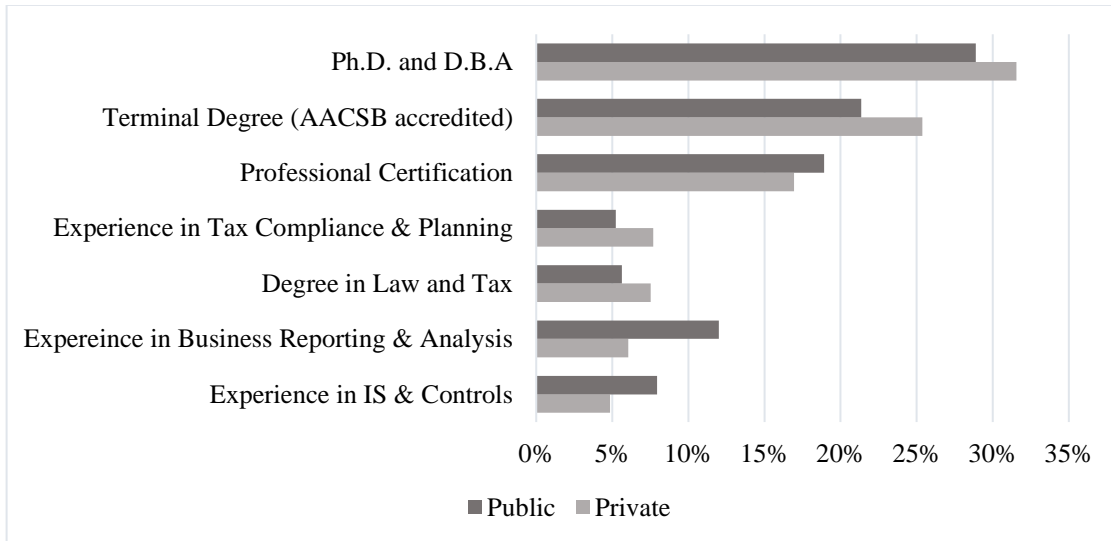
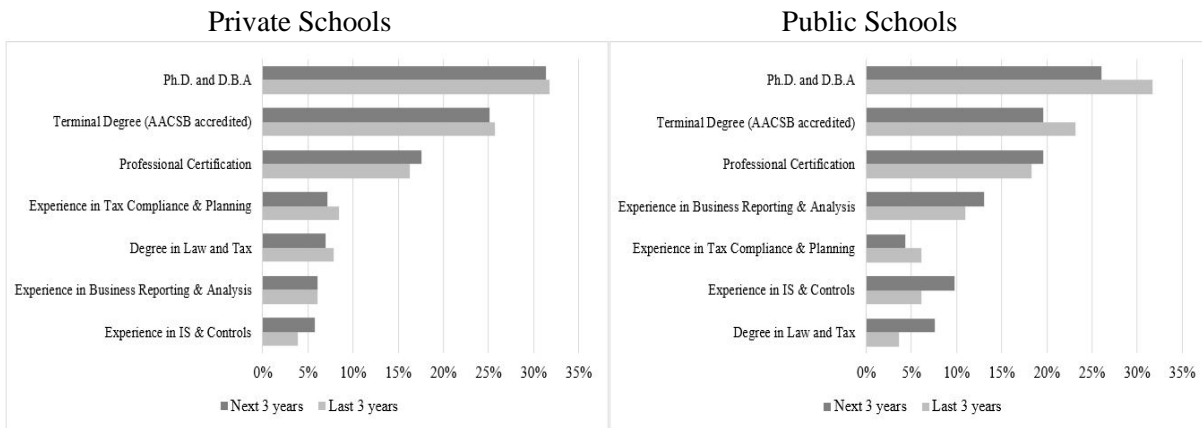


FIGURE 2
ANTICIPATED ACCOUNTING FACULTY CANDIDATES' QUALIFICATIONS BASED ON
TYPE OF SCHOOL



As observed in Figure 3, hiring a candidate with a Ph.D. or D.B.A. ranks the highest by AACBS-accredited and non-AACSB-accredited schools. In addition, candidates with a terminal degree from an ACSB-accredited school and professional certifications rank second and third, respectively, as essential qualifications. However, non-AACSB-accredited schools emphasized faculty professional certification and professional experience in tax, compliance and planning, and business reporting and analysis, as well as degree in law and tax more than AACSB-accredited schools. The results are consistent with prior research (Baldo et al., 2020; Finch et al., 2016) in that accreditation influences the preferred essential faculty qualifications.

Participants indicated the essential qualifications preferred in candidates during the last three years and the next three years to investigate the accounting faculty recruitment trends. Results are presented in Figure 4. For AACSB-accredited schools, candidates with a Ph.D. or D.B.A., a terminal degree from an AACSB-accredited school, and professional certification ranked as the highest essential faculty qualification in the

last three years. However, respondents from AACSB-accredited schools indicated a slight reduction in recruiting interest for candidates with Ph.D. or D.B.A. and terminal degrees from AACSB-accredited schools in the next three years. A similar result can be observed in the responses from non-AACSB-accredited schools. Interestingly, both groups indicated an increased preference for professional certification in future essential faculty qualifications. These results suggest that the increasing preference for professionally qualified candidates among AACSB and non-AACSB-accredited schools reflects the movement to align with the new AACSB standards and the profession's expectations.

FIGURE 3
ACCOUNTING FACULTY HIRING CANDIDATES BASED ON SCHOOL ACCREDITATION

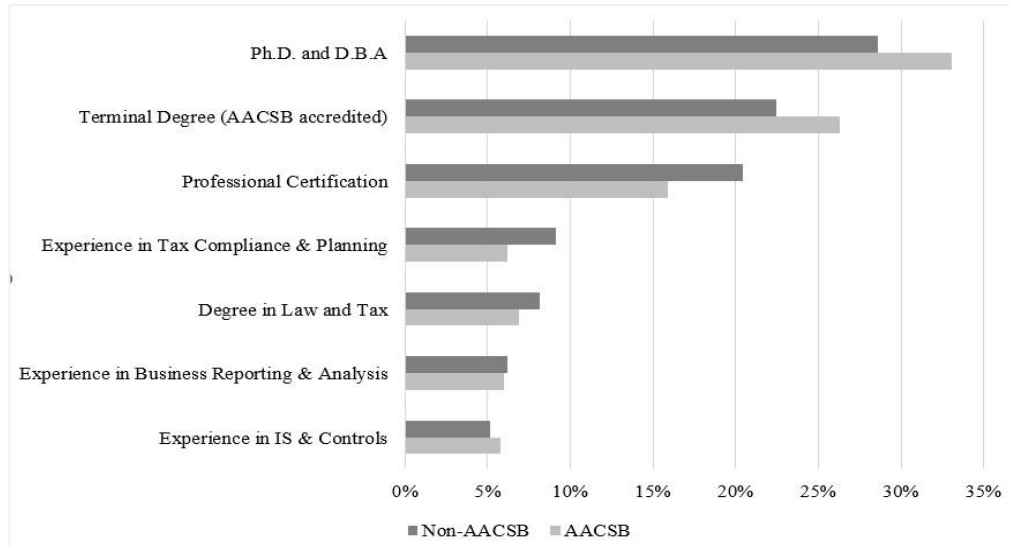
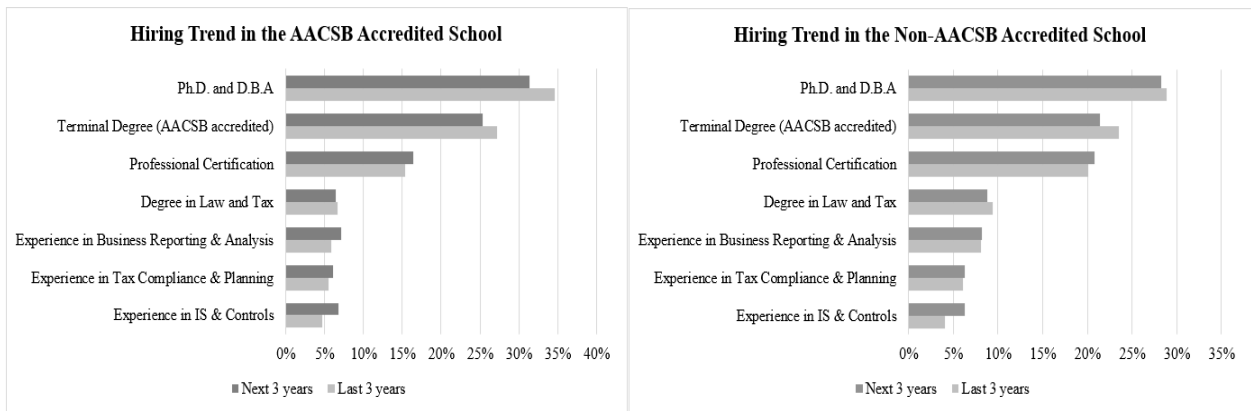


FIGURE 4
RECRUITMENT TRENDS COMPARISON AACSB AND NON-AACSB ACCREDITATION

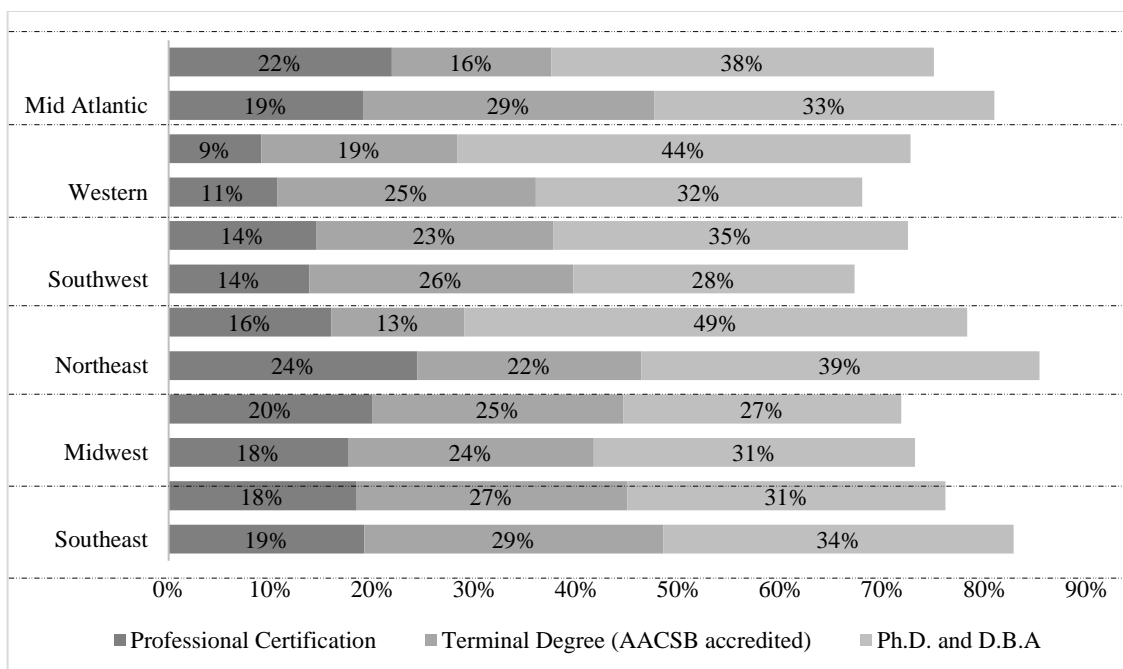


As shown in Figure 5, the three highest essential qualifications in demand of potential accounting faculty in each region are a Ph.D. or D.B.A. in accounting-related fields, a terminal degree from AACSB-accredited schools, and professional certification. Recruiting trends in the next three years show that hiring a Ph.D. or D.B.A. in accounting-related fields and professional certification candidates as faculty are becoming more popular in the Western and Northeast regions. The Western region signaled a significant emphasis for this essential qualification in candidates from 32% in the last three years to 44% in the next

three years. A similar pattern is documented for the Northeast region, as 49% of respondents will recruit a Ph.D. or D.B.A., an increase from 39% of respondents over the last three years. In the Mid-Atlantic region, 19% of respondents chose candidates with a professional certification as faculty in the previous three years. Moreover, respondents continued to show interest in choosing such background as a faculty in the next three years, which grew to 22%. Likewise, in the Midwest, where 18% of respondents chose candidates with a professional certification, the interest in choosing this background as a faculty for the next three years increased to 20%. However, in some places (Western, Northeast, and Southeast regions), the interest in selecting candidates with a professional certification background as faculty has waned in the next three years.

Candidates with terminal degrees from AACSB-accredited schools showed decreased interest in every region except the Midwest. In the Midwest, where 24% of respondents chose candidates with terminal degrees from AACSB-accredited schools as an essential qualification, the interest in choosing this background for the next three years increased to 25%. However, the Mid-Atlantic and Northeast regions have seen substantial decreases in interest in choosing this background in a faculty for the next three years. Candidates with a Ph.D. or D.B.A. in accounting-related fields will be recruited heavily in each region during the next three years. There is a significant increase in interest in recruiting Ph.D.s in the Western and Northeast regions. In the Western region, where 32% of respondents chose candidates with a Ph.D. or D.B.A. in an accounting-related background as a faculty, the interest in choosing similarly credentialed faculty for the next three years increased to 44%. This increase is a significant improvement. Furthermore, 39% of respondents in the Northeast chose a Ph.D. or D.B.A. in an accounting-related background as prioritized candidates in the last three years. This number increased to 49% of respondents who chose the same candidate background for the next three years.

FIGURE 5
ACCOUNTING FACULTY HIRING TREND BY LOCATION



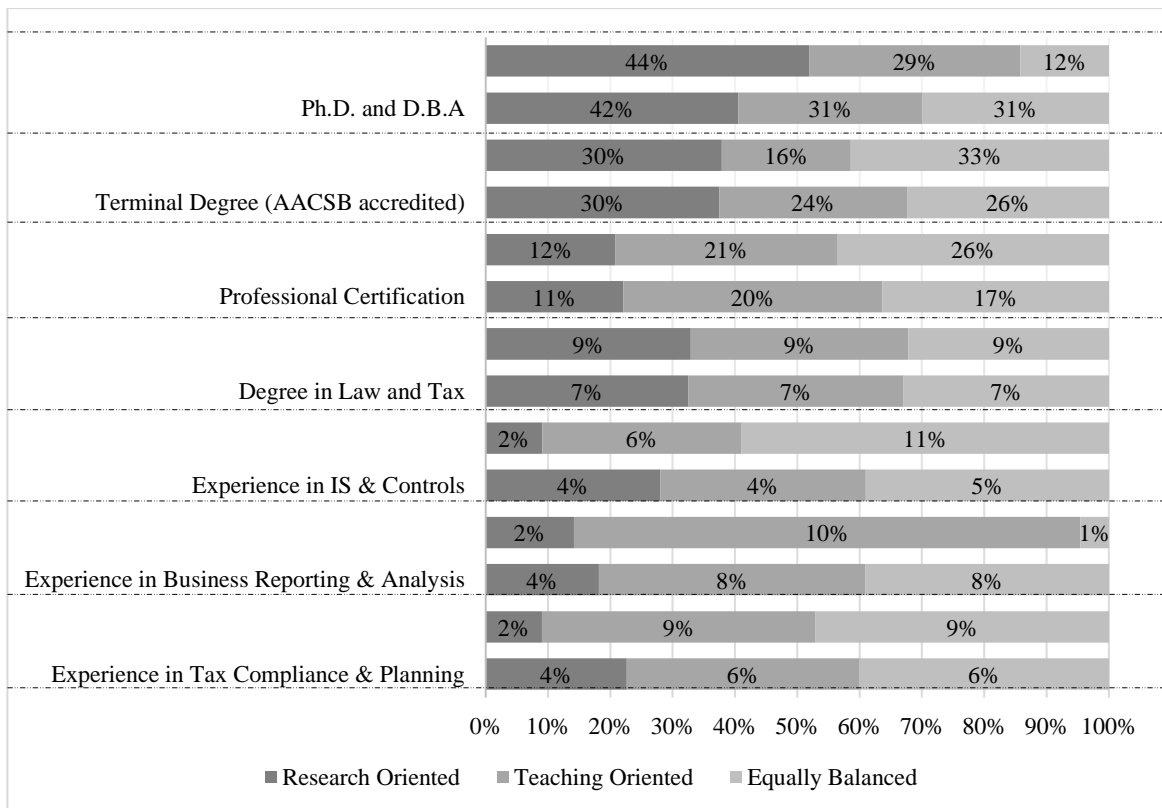
Legend: Top bar: Next 3 years, Bottom bar: Last three years

Examining the essential faculty qualifications preference summarized by school's primary focus in Figure 6 yielded expected results. Respondents indicated candidates with a Ph.D. or D.B.A. in an accounting-related field, a terminal degree from an AACSB-accredited school, and professional

certification as their top three essential qualification in the last three years among all school orientations. Study findings show that 42% of respondents from research-oriented institutions selected a Ph.D. or D.B.A. in an accounting-related field in the last three years, which increased to 44% of the respondent that will continue to choose this background as a candidate in the next three years. Conversely, respondents from teaching-oriented schools indicated a decrease in preference for Ph.D. or D.B.A. and a terminal degree from an AACSB-accredited school as essential faculty qualification in the next three years. However, the findings indicate that these institutions have an increased preference for professional certification, a degree in law and tax, and practical experience in business, tax, or public accounting in the next three years.

Interestingly, equally balanced institutions show less interest in hiring candidates with Ph.D. or D.B.A. in accounting-related backgrounds in the next three years. The findings indicate that in the last three years, as many as 31% of respondents from institutions with an equally balanced orientation chose Ph.D. or D.B.A. in accounting-related fields. However, only 12% of respondents will continue to choose this background in the next three years, which leads to a 19%-point decrease. Institutions with an equally balanced orientation for the next three years prefer candidates with a terminal degree background from an AACSB-accredited school and professional certification for the next three years. The trend is evident in respondents' interest in choosing a terminal degree from an AACSB-accredited school, increasing from 26% in the previous three years to 33% to be selected three years later, and those who chose professional certification increasing from 17 to 26%.

FIGURE 6
ACCOUNTING FACULTY HIRING TRENDS BY SCHOOL PRIMARY FOCUS



Legend: Top bar: Next 3 years, Bottom bar: Last three years

The research question as to the extent that institutional characteristics influence the essential qualifications yielded interesting results. The findings indicate an overall upward trend in professional certification as an essential faculty qualification, with a more pronounced increase at institutions with

equally balanced focus and AACSB-accredited schools. The results indicate a movement toward the recommendation of the Pathways Commission for closer integration of accounting education and research with practice (Pathways Commission, 2012). The results showed that contrary to the abovementioned groups, research-oriented institutions, private and public institutions still favor faculty holding Ph.D. or D.B.A. degrees and terminal degrees from

AACSB-accredited institutions. This emphasis on the noted essential qualifications holds across all regions except the Midwest and Southeast regions. Over, the findings suggest that institutional characteristics potentially influence the essential qualifications sought in accounting faculty candidates.

The results pertaining to the research question regarding how much the business school accreditation influence the essential qualifications were as expected. The research results show that AACSB-accredited schools still viewed a Ph.D. or D.B.A. in accounting-related fields from AACSB-accredited schools as the highest essential faculty qualification. However, respondents from AACSB-accredited schools indicated a reduced emphasis on these essential faculty qualifications in candidates in the next three years. Additionally, non-AACSB-accredited schools ranked a Ph.D. or D.B.A. as the highest essential qualification in the next three years. This result indicates that both groups seem reluctant to reduce their standards in recruiting and hiring accounting faculty. Interestingly, both groups indicated an increased preference for professional certification in future essential faculty qualifications. This trend suggests that the increased preference for professionally qualified candidates among AACSB-accredited schools meshes with the recent changes to the AACSB faculty qualification standards.

FUTURE RESEARCH

The distribution of the survey used in this study occurred early in the COVID-19 pandemic. The disruptive effects of the pandemic added another layer of complication to institutions that were already facing multiple challenges in their hiring practices. Therefore, this external shock may have changed the dynamics of hiring trends in the post-COVID-19 environment. One area of future research could be to replicate and expand this study to consider the impact of the post-COVID-19 environment on accounting faculty hiring trends. In addition, the location of a university in a particular region significantly influences its recruiting and hiring practices. The influence could be due to differences in regions' social and economic development and the impact on the university's ability to attract and hire qualified accounting faculty. Therefore, another avenue of future research could investigate how regional characteristics influence accounting faculty hiring trends to better understand the essential faculty qualifications associated with accreditation.

CONCLUSION

The purpose of the study is to explore the essential faculty qualifications with respect to the selection process for accounting departments at institutes of higher education. Two instrumental events took place in 2020, which sparked our research inquiry. First, the AACSB revised the business accreditation standards with a transition to take place between January 2021 and June 2023 (AACSB, 2020). As a result, accredited business programs will need to hire qualified faculty to support an integrated, interdisciplinary curriculum that emphasize data management and data analytics (AACSB, 2020). Second, the new CPA licensure model and changes in the CPA exam are set to launch in 2024 with an increased focus on data and technology concepts. Because of these changes, there is an increasing need for accounting faculty with specialized knowledge in tax and accounting information systems. These candidates potentially have the background to better align the accounting program curriculum with changes mentioned above.

Our research results show that candidates with a Ph.D. or D.B.A. in accounting-related fields are in demand and are more likely to be recruited into the accounting faculty at either research-oriented or teaching-oriented institutions in the next three years. Moreover, our study shows that there is a tendency for institutions to recommend hiring candidates with terminal degrees from AACSB-accredited schools and

candidates holding professional certifications (e.g., CPA, CMA). These candidates are more likely to be hired in the next three years.

In sum, there is a growing demand for accounting faculty candidates with professional experience in business reporting and analysis, tax compliance and planning, IS and controls in the next three years. As a result, respondents in our study demonstrated a widespread desire to meet the requirements of AACSB and to satisfy the current and future needs of the profession through increased technology integration.

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