FACTORS TO CONSIDER WHEN CHOOSING

A CAREER IN PUBLIC ACCOUNTING

Honors Thesis (ID 499)

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RECOGNITION

I would like to express my appreciation to those individuals who have assisted me with their time and support:

Dr. Terry Arndt, Honor's Advisor

Daniel W. Chapin, My Husband
Introduction

So much has been said about what CPA firms look for in candidates for professional staff positions. But little is known about how candidates decide among their employment opportunities with CPA firms. According to a study by Harold E. Arnett and Paul Danos, between 60 percent to 90 percent of CPA firms' new professional staff are inexperienced, college graduates. What are the factors these graduates consider when choosing among public accounting firms?

Accounting students need to be concerned with the question as to which are the most important factors to look at when deciding on a job with a public accounting firm. The results of the research are not to determine what each student should consider, but to give students an idea of the type of factors to be considered.

Methodology

Interviews

Four interviews were conducted with recruiting personnel from public accounting firms. The four public accounting firms were a Big Eight firm, a national firm, a regional firm, and a local firm. The intention of these interviews was to gather information and traits distinctive to the size of the firms. These differences will be used to evaluate the relationship between firm size and the most important factors to consider when choosing among CPA firms.
Questionnaires

Questionnaires were utilized to rate the factors to consider when choosing a career in public accounting and to gather other significant data. The questionnaires were sent to sample populations of three groups: accounting undergraduates at Ball State University, recent Ball State University graduates, and Indiana CPAs. The results collected from the three groups will be compared and analyzed.

The sample of CPAs was taken from the population of CPAs registered in The Public Accountancy- Register of Certified Public Accountants, May 16, 1983 edition. The sample of Ball State University's 1984 accounting graduates was chosen from the list of 1984 accounting graduates obtained through Ball State University's Alumni Office. The questionnaires sent to Indiana CPAs and recent Ball State University graduates were accompanied by an explanatory cover letter. These were mailed in May, 1985. The accounting undergraduates who participated were students enrolled in Second Advanced Accounting, CPA Review, or Auditing at Ball State University.

The questionnaires mailed to CPAs and recent Ball State University accounting graduates consisted of sixteen questions. The questionnaires completed by Ball State University accounting undergraduates consisted of eleven questions. The questions were basically the same on both questionnaires, but were worded to relate to a working situation and to a prework situation. The results of these questions will be used to determine what size firm is best for a desired factor and will be compared to determine if undergraduates have realistic views of what public accounting consists of. These questions were also accompanied by a list of twenty factors used in the selection of a CPA firm employer.
The participants were asked to rate each factor from 1 to 5, with 1 being most important, based on what they felt accounting graduates look at when choosing a career in public accounting. A sample of the questionnaires are included in the Appendix.

From 92 questionnaires returned from Ball State undergraduates, only 60 could be utilized. A total of 68 questionnaires were sent back from recent Ball State graduates and CPAs, yet only 18 for recent graduates and 25 for CPAs could be compiled for research purposes. The inadequacy of the other questionnaires was primarily due to an improper rating of the factors.

Very little literature was found concerning characteristics of firms based on their size: Big Eight, national, regional, and local. Each size of firm has certain aspects which are distinct to that size alone. Other characteristics can be related to more than one size firm. The interviews are used to determine such characteristics.

**Characteristics of Firm Size**

**Big Eight**

The interview with a Big Eight firm was held with William G. Heller, Personnel Manager at Coopers & Lybrand's Indianapolis office. He has held this position for eleven years. Mr. Heller was asked to give characteristics descriptive of a Big Eight accounting firm. His reply was that, in general, Big Eight firms have extensive training programs, name recognition, variety of locations, and more competition among fellow staff members.

Mr. Heller viewed the top factors considered by accounting graduates when looking at a career with a Big Eight firm as being the
personality of the office and their relations with other colleagues. Location of the office was ranked as the second most important factor considered. The third and fourth most relevant factors were variety in work assignments and growth of the firm. The remaining factors are ranked in Figure A-1.

The responsibilities of a first year staff were expressed as mostly auditing which is limited to accounts such as cash, accounts receivable, and fixed assets. These limitations are due to the client base consisting mainly of Fortune 500 and other large publicly held companies.

When the firm's fringe benefits were inquired about, Mr. Heller commented that most Big Eight and national firms' fringe benefits consist of some type of pension plan, health and life insurance, paid holidays and vacation, banked overtime, and paid overtime. Mr. Heller stated that the only time he felt fringe benefits were considered is when a person has a large number of offers.

Mr. Heller was then asked to rank the top eleven factors combined from the results of recent Ball State graduates and CPAs questionnaires. The top four factors are as stated above. The factor ranking last of eleven was job security. He feels that public accounting is a position of mobility and most accounting graduates are not looking for a lifetime position with their first career choice.²

**National**

The national firm interviewed was McGladrey Hendrickson & Pullen. Ron Lindwall is a partner for the firm in its Indianapolis office. He has been with the firm for eleven years and is involved in the area of recruiting. Mr. Lindwall was asked why he felt graduates joined the
He replied with two strong factors, variety of clients and opportunities available.

Extensive continuing professional education and prestige were two characteristics Mr. Lindwall used in describing a national firm. He felt the greatest difference between a Big Eight and a national firm is the client base. Big Eight firms have mostly large companies as clients, where national firms have a variety of size from a large publicly held company to a small privately held company.

Mr. Lindwall was also requested to rank the top eleven factors from combining results from recent Ball State graduates and CPAs. The four most relevant factors, according to Mr. Lindwall, are growth in the firm, variety of work assignments, promotional potential, and compensation. Job security was ranked eleventh. Mr. Lindwall explained that public accounting is not a secure job position and related this through the ranking. Mr. Lindwall also ranked the factor of responsible in decision-making low, because he believed this factor is not open to a person in public accounting until experience is gained. Figure A-1 shows the ranking of the top ten factors.

The responsibilities of a first year staff include all areas of an audit, the financial statements, and tax returns. With this type of work, a person can gain a broad range of experience. The responsibilities are narrowed the larger the client.

Location was stressed as an important factor by Mr. Lindwall. He ranked this factor as seventh, but he felt it ranks much higher when considered by accounting graduates. He also felt that client type is an important factor to be considered by graduates.³
George S. Olive was the regional firm interviewed. J. Thomas Porter is the partner in charge of recruiting at the Indianapolis office. Mr. Porter has been with the firm for fourteen years.

Mr. Porter was asked why he enjoys working for a regional firm. His response was that he was more involved in both administrative and managerial aspects of the firm than possible in a larger firm, that there were more opportunities to make a difference in a regional firm, and that a regional firm has more resources to work with than a local firm.

Characteristics Mr. Porter felt are representative of a regional firm include a client base ranging from medium to small closely held companies with a few large companies, greater variety of clients and work experience, and an atmosphere of cooperation rather than competition. Mr. Porter believes a regional firm is in the position to offer an employee the fullest range of public experience possible.

When asked to rank the top eleven factors from recent graduates and CPAs' questionnaire results, Mr. Porter considered the most relevant four to be interpersonal relations with co-workers, room for creativity, responsible in decision-making, and location of the firm. He also ranked job security last based on the "up or out" concept of public accounting. Mr. Porter also felt that graduates could consider job security in the sense that they are not being hired to fill in for a tax season then let go afterwards.

The responsibilities of a first year staff, as expressed by Mr. Porter, are all inclusive. The staff will work through the complete audit, prepare financial statements, prepare tax returns of the company
as well as for the owners. Consulting is a responsibility which is gained through experience.

The factor of fringe benefits is considered unimportant by Mr. Porter. He believes most firms have similar benefits packages including health and life insurance, pension plan, paid vacation and holidays, and banked and paid overtime. Mr. Porter also believes compensation and travel are of little importance in deciding among offers.¹

Local

The local firm was represented by John Schick, Senior Accountant at K.B.Parrish & Co. in Indianapolis. Mr. Schick has been with the firm for approximately five years and has been active in recruiting for the past four years. Mr. Schick feels the variety of work available in a local firm is the most relevant factor to him.

Characteristics of local firms, which Mr. Schick considered important, are more interpersonal contact, less travel, more responsibility sooner, and more job security than larger size firms.

Responsibilities of first year staff include all areas of an audit, financial statements, tax returns, and advisory services. Most local firms give staff an all-inclusive range of experience.

Mr. Schick believes fringe benefits are important to consider in local firms, because local firms vary to a great extent in the benefits offered. Some local firms offer banked and paid overtime while others do not compensate for overtime. Some local firms offer paid health insurance, others do not. Local firms' differences are due to different services offered. Write-up services or tax return preparation services are not going to offer as many fringe benefits as those firms which have more complex services such as auditing and financial planning.
In Mr. Schick's ranking of the eleven factors, the four most important factors were job security, promotional potential, growth in firm, and compensation. Job security was ranked most important because Mr. Schick believes local firms screen their professionals more carefully than larger firms. Reasons for this are that local firms need only consider professionals they feel have great potential because of their size and that the costs of training and "bringing along" someone who has no potential is too costly for a local firm. The remaining top ten factors are shown in Figure A-1.  

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>BIG EIGHT</th>
<th>NATIONAL</th>
<th>REGIONAL</th>
<th>LOCAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotional Potential</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Growth in Firm</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Interpersonal Relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>with Co-workers</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Travel</td>
<td>6</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Location of Firm</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Availability of Continuing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>8</td>
<td>6</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Room for Creativity</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Responsible in Decision-making</td>
<td>9</td>
<td>10</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Variety of Work Assignments</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Job Security</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Compensation</td>
<td>7</td>
<td>4</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

FIGURE A-1
Results of Questionnaires

Factor Ranking

Ball State University undergraduates were sent 100 questionnaires and 92 replied. Only 60 of these were properly completed. Recent Ball State graduates were mailed 100 questionnaires which resulted in only 27 returned questionnaires. Only 18 could be used in compiling results. CPAs were also mailed 100 questionnaires with 41 being returned and only 25 were applicable for the research.

The twenty factors listed on the questionnaires to consider when choosing a career in public accounting were rated by Ball State undergraduates, recent Ball State graduates, and Indiana CPAs. From their ratings, the factors were then ranked from 1 to 20. The results of only the top ten factors are being reported.

The combined results of the factor ratings from all three groups concludes promotional potential as the number one factor considered in choosing among offers. The remaining top five are growth in the firm, variety of work assignments, responsible in decision-making, and interpersonal relations with co-workers. For the complete ranking of factors, see Figure B-1.

Some differences in ranking of factors were found when separated into the three groups. Ball State undergraduates rated job security second overall. The idea of job security considered here probably consists of having a position for a period of time long enough to determine ability and potential. For example, more than one tax season. The undergraduates' results also displayed some importance in fringe benefits and payment of further education by the firm employer. These differences could be related to the undergraduate group being more aware of their financial situation other than compensation. See Figure B-2.
<table>
<thead>
<tr>
<th>Factor</th>
<th>Average Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotional Potential</td>
<td>1.66</td>
</tr>
<tr>
<td>Growth in Firm</td>
<td>1.84</td>
</tr>
<tr>
<td>Variety in Work Assignments</td>
<td>1.89</td>
</tr>
<tr>
<td>Responsible in Decision-making</td>
<td>1.91</td>
</tr>
<tr>
<td>Interpersonal Relations with Co-workers</td>
<td>1.95</td>
</tr>
<tr>
<td>Availability of Continuing Education</td>
<td>2.01</td>
</tr>
<tr>
<td>Compensation</td>
<td>2.10</td>
</tr>
<tr>
<td>Job Security</td>
<td>2.12</td>
</tr>
<tr>
<td>Room for Creativity in Work</td>
<td>2.20</td>
</tr>
<tr>
<td>Location of the Firm</td>
<td>2.38</td>
</tr>
</tbody>
</table>

Note: The average ranking of each factor is shown in parentheses.

**FIGURE B-1**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Average Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotional Potential</td>
<td>1.77</td>
</tr>
<tr>
<td>Job Security</td>
<td>1.98</td>
</tr>
<tr>
<td>Responsible in Decision-making</td>
<td>2.03</td>
</tr>
<tr>
<td>Variety in Work Assignments</td>
<td>2.03</td>
</tr>
<tr>
<td>Growth in Firm</td>
<td>2.05</td>
</tr>
<tr>
<td>Compensation</td>
<td>2.05</td>
</tr>
<tr>
<td>Interpersonal Relations with Co-Workers</td>
<td>2.08</td>
</tr>
<tr>
<td>Available Continuing Education</td>
<td>2.13</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>2.13</td>
</tr>
<tr>
<td>Firm Pays Tuition for Further Education</td>
<td>2.30</td>
</tr>
</tbody>
</table>

Note: The average ranking of each factor is shown in parentheses.

**FIGURE B-2**
Recent Ball State graduates also rated job security somewhat higher than in the combined results. Again, the same idea exists in this case. Figure B-3 contains the group ranking of the factors to consider in a career decision.

<table>
<thead>
<tr>
<th>Very Important</th>
<th>Neutral</th>
<th>Unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Promotional Potential (1.39)
- Responsibilities in Decision-making (1.39)
- Growth in the Firm (1.50)
- Interpersonal Relationship with Co-workers (1.50)
- Variety in Work Assignments (1.61)
- Job Security (1.61)
- Room for Creativity in Work (1.83)
- Availability of Continuing Education (2.00)
- Compensation (2.06)
- Travel (2.35)

Note: The average ranking of each factor is shown in parentheses.

FIGURE B-2

Indiana CPAs rated availability of continuing education higher than the other two groups. The CPAs rely heavily on continuing education lectures, courses, and self study programs for all new learning experience. This is a factor a recent graduate or undergraduate overlooks to some degree because of the ties to the university as the major learning source. Location was a factor CPAs ranked in the top ten, whereas it was ranked lower by recent graduates.
and undergraduates. Some graduates have ties to a certain location and only seek employment with firms in that area. Most graduates are willing to relocate for the best career opportunity available to them. The CPA rankings are shown in Figure B-4.

<table>
<thead>
<tr>
<th></th>
<th>Very Important</th>
<th>Neutral</th>
<th>Unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in the Firm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1.56)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotional Potential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1.60)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of Continuing Education</td>
<td>(1.72)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety of Work Assignments</td>
<td>(1.76)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interpersonal Relations with Co-workers</td>
<td>(1.96)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible in Decision-making</td>
<td>(2.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room for Creativity in Work</td>
<td>(2.20)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2.24)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2.44)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2.52)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The average ranking of each factor is shown in parentheses.

FIGURE B-4

Undergraduate Views

Ball State undergraduates were given questionnaires consisting of ten questions. The results of these questions show the undergraduates' perceptions of a career in public accounting. The undergraduates' views will be compared to the results of recent Ball State graduates and Indiana CPAs to see if the undergraduate has a realistic understanding of the public accounting world.
Ball State undergraduates were asked their firm size preference. Out of 60 replies, 17 preferred a Big Eight or a national firm, 21 preferred a regional firm, and 22 preferred a local size firm. This is an equitable distribution among firm sizes, unlike the rumor that everyone wants to go "Big Eight".

Ball State undergraduates' salary expectations are very much in line with salary ranges supplied by CPAs and recent Ball State graduates. An average beginning salary of $19,000 to $20,000 can be expected from Big Eight, national, regional, and some local firms. Other local firms' beginning salaries could be slightly lower.

The average overtime per tax season based on CPA and recent graduates' questionnaire results is ten to twenty hours per week. During the summer, five or less hours of overtime is the average. Ball State undergraduates were again well informed concerning overtime in public accounting.

Travel expected by Ball State undergraduates is an average of ten to twenty percent. This is in line with the results of the other groups. Each person within each firm will have a different travel percentage. If this is an important factor in a person's decision of a career in public accounting, the travel requirements for the position applied should be inquired about.

The results of the Ball State undergraduate survey of fringe benefits expected of a public accounting firm is somewhat unrealistic. Too much is expected of local firms on the average. The undergraduates expected country club memberships and payment of CPA exam preparation. Health insurance is realistic in some local firms. Few Big Eight or national firms have dental insurance, but undergraduates expect it.
Ball State undergraduates were asked where they see themselves in five years and in ten years. The majority saw themselves as supervisors or managers five years down the road. At ten years, the majority saw themselves as managers. Approximately 30% expected to be partners after ten years. Making partner, even in a local firm, takes at least eight to ten years. The larger the firm, the longer it takes to become a partner. For a national firm, it would range from approximately ten to fourteen years before making a partner. The undergraduates' goals seem a little high in respect to becoming partners.

The number of undergraduates interested in auditing is slightly higher than those interested in tax or management advisory services. The remaining are roughly divided between tax and management advisory services. The clientele which interest undergraduates most is manufacturing and retail companies. The type of clients most worked with by the CPA and recent graduate respondents were manufacturing and retail companies. This research points out the chances a person has to work in his area of interest. According to these results, the chances of a staff person working with clientele which interests him is very likely.

The results of the research on Ball State University undergraduates shows that they are well aware of many aspects of public accounting. The only areas where the undergraduates displayed a lack of knowledge were fringe benefits and the progress through the levels of advancement in a public accounting firm. These areas are viewed by undergraduates in a more impressive way than they are in reality.
How Firm Size Relates to Factors

A firm size can be suggested for most of the factors which are important to accounting graduates in choosing a firm. These suggestions are made using the information gathered in the four interviews as well as a few articles concerning firm size.

The number one factor is not one for which a firm size is simple to recommend. Promotional potential is too complex to consider. Within this factor different points to consider include room for advancement, rate of progression, the competition factor and the ability to make a difference in the firm's future success. Regional and local firms would seem to be the best suggestion here, especially if a person wishes to become a partner someday. Both regional and local firms have less of a pyramid-type structure of advancement, which results in a greater opportunity to advance to a partner. The rate of progression is also quicker in these firms. According to Mr. Heller of Coopers and Lybrand, local and regional firms have less competition for advancement within the firm than national and Big Eight firms. Mr. Porter of George S. Olive stated that staff in local and regional firms are cooperative instead of competitive because there are fewer staff at the same level. According to an article on recruiting, a person has the ability to make a difference in the future success of a smaller firm. A local or regional size firm is suggested if promotional potential is an important factor to a person.

It is impossible to suggest a firm size for the factor of growth in a firm. Growth can be seen through an increase of clients or by broadening the type of services offered or clients serviced. The smaller firms have more room to grow, but not all do. Each firm,
independent of size, must be considered when deciding among offers.

The third factor of importance, variety in types of clients and variety in areas of work. All size firms have a variety of types of clients, but local firms sometimes tend to specialize in a few types. A variety in areas of work is offered by local and regional size firms. Larger firms usually cannot offer a variety of work because of their specialized departmental structure. Even within the audit department of a Big Eight or national, a beginning staff is limited to working in a few areas, such as cash, accounts receivable, and fixed assets.

Responsibility in decision-making is given to a person after he has gained some experience with and knowledge about the client. This responsibility is usually given to a person in a local firm sooner than in a national firm, because the staff is working more closely with the client in a local firm.9

According to an article in The Ohio CPA Journal, the satisfaction with co-workers is higher in Big Eight and national firms. The reason for this is that there are more people with the same interests and preferences, as well as similar in age.10 This is important, but there is more to interpersonal relations with co-workers. In a smaller firm, regional or local, more personal attention is given to a beginning staff by others above him. This enables closer relationships between co-workers of different ages and experience, which creates a "family" atmosphere.11

The availability of continuing education is present with all firms, but Big Eight and national firms prepare more extensive programs. Not only do large firms prepare extensive in-house continuing education programs specified to their needs, but some have a training program.
prior to starting with the firm. Most local firms rely on the AICPA for their employees' continuing education.

Compensation is the seventh most important factor when choosing a career in public accounting. This factor did not appear to be as important as the other factors because most offers extended by firms are within a narrow range. The average range determined by the research is between $19,000 and $20,000, with offers from local firms being slightly lower. If a difference of $500 to $800 per year is important to a person, his best offer would most likely be with a Big Eight or national firm.12

The eighth most important factor considered by graduates when choosing a CPA firm is job security. The results of the interviews conducted show that the Big Eight, national, and regional firms all rated job security last of eleven. They felt the nature of public accounting allows no room for long-term job security. The "up or out" theory is used in all public accounting firms, but is more prevalent in larger firms. Local size firms have less turnover, resulting in higher job security. Mr. Schick of K.B. Parrish & Co. believes this is because of the involved screening process used by local firms to choose people with the potential to advance within that firm.13

According to a survey by Larry Kreiser and Eugene Wills, CPAs, local firms offer employees a greater opportunity to explore and carry out their own ideas.14 Room for creativity in work was rated second by Mr. Porter of George S. Olive. If having room for creativity in work is important, the best firm size to choose would be regional or local.

The location of a firm can be important to graduates who have a family to consider. A local or regional firm is suggested if a person
is concerned about being transferred. On the other hand, if a person plans to move to another state at a later time, he should consider a career with a Big Eight or national firm and a transfer between offices when he moves.

Each of the top ten factors graduates use to decide among offers has been analyzed. The firm size which best suits each factor has been suggested. These suggestions are based on research data collected, but are by no means the only possible choices. The advantages and disadvantages of firms based on size are pointed out by these suggestions.

Comparing Results to Other Research

Some research has been done as to how graduates rank attributes of potential employers. Results from this prior research will be compared to the results of the research of this paper. Among the research to be compared are results from research done in January 1985, May 1984, April 1977, and April 1971. Different factors were considered in each case, but many are the same ideas.

Recent Research

The research by others in 1985 and 1984 is to be compared to the top ten factors determined by the questionnaire results.

1985

The results from Richard A. Scott, Ernest J. Pavlock, and Malcolm H. Latham, Jr.'s research in January 1985 are very similar to the questionnaire results. Five of the same factors are included in both results. Promotional potential is ranked number one in both research results. Interpersonal relations with co-workers ranked second in Scott, Pavlock, and Latham's research, while it was fifth in the
research of this paper. Variety in work or clients also ranked high in
both results. The top ten factors are listed in Figure C-1.15

<table>
<thead>
<tr>
<th>Rank</th>
<th>Questionnaire Results 1985</th>
<th>Scott &amp; Pavlock 1985</th>
<th>Bergmann &amp; Taylor 1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promotional Potential</td>
<td>Promotional Potential</td>
<td>Growth in the Firm</td>
</tr>
<tr>
<td>2</td>
<td>Growth in Firm</td>
<td>Interpersonal</td>
<td>Location of Firm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relations with</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Co-workers</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Variety of Work</td>
<td>High Future Earnings</td>
<td>Interesting Work</td>
</tr>
<tr>
<td>4</td>
<td>Responsible in Decision-making</td>
<td>Variety of Client Mix</td>
<td>Interpersonal</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Relations with</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Co-workers</td>
</tr>
<tr>
<td>5</td>
<td>Interpersonal Relations with Co-workers</td>
<td>Continuing Education</td>
<td>Fringe Benefits</td>
</tr>
<tr>
<td>6</td>
<td>Continuing Education</td>
<td>Fringe Benefits</td>
<td>Fairness of Firm</td>
</tr>
<tr>
<td>7</td>
<td>Compensation</td>
<td>Youthful Personnel</td>
<td>Variety in Tasks</td>
</tr>
<tr>
<td>8</td>
<td>Job Security</td>
<td>Compensation</td>
<td>Recognition of Good Job</td>
</tr>
<tr>
<td>9</td>
<td>Room for Creativity</td>
<td>Travel</td>
<td>Job Security</td>
</tr>
<tr>
<td>10</td>
<td>Location of Firm</td>
<td>Overtime</td>
<td>Working Conditions</td>
</tr>
</tbody>
</table>

FIGURE C-1

1984
The research of Thomas Bergmann and M. Susan Taylor also has five of the same factors in the top ten as does the questionnaire results.
show instead the importance of different factors not included in the 1985 research. Growth in the firm was the top factor in the 1984 research. This is close to the questionnaire results, as is the factor of job security. Location ranked much higher in the 1984 research than in the research of the paper. The 1984 results are probably more in line with what actually occurs in a job search situation with many graduates. Most graduates are told not to make this a factor, but graduates with families must consider location. Figure C-1 shows the top ten factors.\(^\text{16}\)

**Earlier Research**

Research was found as early as 1971 concerning factors important to graduates in choosing among CPA firms. This research from the 1970s is to be compared to the results from the questionnaires.

1977

In 1977 Carlton D. Stolle completed research concerning differences among public accounting firms which affect job choices. The top five factors from this research are listed in Figure C-2. The top five factors from the 1977 research were all factors considered in the questionnaires sent out. Four of the five are included in the top ten from the questionnaire results. Interpersonal relations with co-workers was most important in the 1977 results, with promotional potential second.\(^\text{17}\)

1971

James R. Barnhart's research in 1971 resulted in the top five factors listed in Figure C-2. All these factors were considered in the questionnaire research but one, the firm office visit. Promotional potential ranked first in both results, while the other three factors
from the 1971 research were in the top ten of the questionnaire results. 18

<table>
<thead>
<tr>
<th>Rank</th>
<th>Questionnaire Results</th>
<th>Stolle 1985</th>
<th>Barnhart 1971</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promotional Potential</td>
<td>Interpersonal Relations with Co-workers</td>
<td>Promotional Potential</td>
</tr>
<tr>
<td>2</td>
<td>Growth in the Firm</td>
<td>Promotional Potential</td>
<td>Firm Office Visit</td>
</tr>
<tr>
<td>3</td>
<td>Variety in Work</td>
<td>Continuing Education</td>
<td>Location</td>
</tr>
<tr>
<td>4</td>
<td>Responsible in</td>
<td>Compensation</td>
<td>Compensation</td>
</tr>
<tr>
<td></td>
<td>Decision-making</td>
<td>Travel</td>
<td>Variety of Work</td>
</tr>
<tr>
<td>5</td>
<td>Interpersonal</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Co-workers</td>
<td></td>
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</tr>
</tbody>
</table>

FIGURE C-2

The comparisons of the results of the paper to other research concludes that the results deduced from this paper present a fair picture of what accounting graduates consider important when choosing a career in public accounting.

Comments

Grading offers is not an easy job. One must attempt to be objective when assessing the relative qualities of the various offers. All offers should be analyzed carefully. Most important is that each person establishes his own criteria for evaluating offers. Each person must rank the factors to consider in choosing a career according to his
own values. A graduate should not base his job decision on the expectation that he will spend a lifetime with the company he chooses either.

These factors are not exclusively for choosing a career in public accounting, but can be used by any accounting graduate in any career area.
QUESTIONNAIRE COMPLETED BY RECENT BALL STATE
ACCOUNTING GRADUATES AND INDIANA CPAS
QUESTIONNAIRE

Years in the accounting field? ________ Years with your current employer? ________

Highest Degree Attained: BS or Masters or PhD  Position or Title ________________

Firm Size:  Local  Regional  National  Big Eight

Salary:  Under $20,000  $20,000-25,000  $26,000-30,000  $31,000-40,000  Over $40,000

Position you expect in 5 years ________  Sex:  Male  Female

Average overtime per week during tax season. __________________________

Average overtime per week during off season (summer). __________________

Percentage of time spent traveling? ________________________________

Fringe Benefits provided by your firm? List. ________________________________

Instructions:  Circle only one.

Which accounting area most interests you?
1) Auditing
2) Tax
3) Management Advisory Services
4) Other (be specific) ________________________________

Which accounting area do you work most with?
1) Auditing
2) Tax
3) Management Advisory Services
4) Other (be specific) ________________________________

Which type of clientele most interests you?
1) Manufacturing
2) Retail
3) Government
4) Real Estate
5) Universities, Hospitals, or other not for profit
6) Other (be specific) ________________________________

Which type of clientele do you work most with?
1) Manufacturing
2) Retail
3) Government
4) Real Estate
5) Universities, Hospitals, or other not for profit
6) Other (be specific) ________________________________

What is the average beginning salary of a Staff Accountant in your firm? ________
INSTRUCTIONS
Rate the following factors independent of each other based on how important you feel they are to a graduate making a career decision in public accounting using a scale from 1 to 5 where 1 is most important.

Advancement Opportunity
____ Promotional Potential
____ Growth in the Firm
____ Partners Chosen From Within the Firm
____ Availability of Transfers Between Offices

Personal Judgment Relating to Various Aspects of the Firm
____ Interpersonal Relations With Co-workers
____ Location of the Firm
____ Required Working Hours
____ Graduates' Impression of the Interviewer for the Firm

Staff Education
____ Availability of Continuing Education
____ Firm Pays Tuition for Further Education

Travel
____ Amount of Travel Involved
____ Length of Periods of Travel

Assignments
____ Room for Creativity in Work
____ Responsible in Decision-making
____ Clientele of Firm
____ Variety in Work Assignments
____ Routine or Specialization in Work

Other
____ Job Security
____ Fringe Benefits
____ Compensation
____ Other (be specific)
QUESTIONNAIRE COMPLETED BY BALL STATE ACCOUNTING UNDERGRADUATES
QUESTIONNAIRE

Sex: Male  Female

1) What size firm would you like to work for?

<table>
<thead>
<tr>
<th>Local</th>
<th>Regional</th>
<th>National</th>
<th>Big Eight</th>
</tr>
</thead>
</table>

Why? ____________________________________________________________

2) What beginning salary do you expect as a staff accountant? __________

3) What are the average hours you expect to work during tax season?

__________/week. During the summer? __________/week

4) What percentage of time do you expect to spend traveling? __________

5) What "Fringe Benefits" do you expect a public accounting firm to offer?

____________________________________________________________________

6) Where do you see yourself in 5 years if you choose public accounting?

Senior Staff  Supervisor  Manager  Partner

7) Where do you see yourself in 10 years if you choose public accounting?

Senior Staff  Supervisor  Manager  Partner

8) Which area most interests you?

A) Auditing
B) Tax
C) Management Advisory Services
D) Other (be specific) ________________________________________________

Why? __________________________________________________________________

9) Which clientele most interests you?

A) Manufacturing
B) Retail
C) Government
D) Universities, Hospitals, or other not for profit
E) Other (be specific) ________________________________________________

Why? __________________________________________________________________

10) Are you planning a career in public accounting? ________________

Have you considered a career in private accounting? ________________

Give reasons for your answers. __________________________________________
**INSTRUCTIONS**

Rate the following factors independent of each other based on how important you feel they are to a graduate making a career decision in public accounting using a scale from 1 to 5 where 1 is most important.

**Factors**

<table>
<thead>
<tr>
<th>Advancement Opportunity</th>
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<td>Location of the Firm</td>
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<td>Required Working Hours</td>
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<td>Firm Pays Tuition for Further Education</td>
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<td>Amount of Travel Involved</td>
</tr>
<tr>
<td>Length of Periods of Travel</td>
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<tr>
<th>Assignments</th>
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<tbody>
<tr>
<td>Room for Creativity in Work</td>
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<tr>
<td>Clientele of Firm</td>
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<td>Variety in Work Assignments</td>
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<tr>
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</tr>
<tr>
<td>Compensation</td>
</tr>
<tr>
<td>Other (be specific)</td>
</tr>
</tbody>
</table>
FOOTNOTES


6 Heller, personal interview.

7 Porter, personal interview.


13 Schick, personal interview.


15 Scott, pp. 61-62.


18 Barnhart, pp. 88-89.
BIBLIOGRAPHY


"How Local Firms can be Successful in College Recruiting." Practicing CPA, July 1985, pp. 1-6.


