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Executive MBA's Accounting Skill Acquisition: An Accounting Boot-Camp Approach

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Abstract

Executive MBA programs have grown in popularity in the United States as well as in many other countries. These programs accept students from a broad range of professional backgrounds: corporate executives, entrepreneurs, physicians, nurses, accountants and engineers to name a few. These individuals also come from many sectors and organizations: the public sector, the private sector, for profit organizations, non-profit organizations, and more. Given the diversity of backgrounds and work experience of these individuals, it is a difficult task ensuring minimum business skill levels necessary to be successful in an EMBA program. This paper will examine the results of using an “Accounting Boot-camp” to ensure a minimum level of financial accounting proficiency in an EMBA program.

Introduction

Executive Masters of Business Administration degrees (EMBA's) have grown in popularity throughout the world. A 2007 survey by the EMBA Council reported that the average number of applicants per program in 2007 was up 25 percent from the previous year. Another study showing increasing interest in graduate management education was conducted by

the Graduate Management Admission Council (GMAC). Results from that study indicated that the volume of applications to MBA programs increased significantly between 2005 and 2006 (Schoenfeld 2006).

Across all MBA program types, the largest increases in enrollments and applications are associated with EMBA programs (EMBA Council 2006). According to the EMBA Council (2006), 69% of executive programs had increased applications between 2005 and 2006. This translates into 195 EMBA programs where enrollments increased out of the total of 283 EMBA programs listed on the EMBA Council website. This growth warrants a closer look at what differentiates EMBA programs from traditional MBA programs.

EMBA Programs

The traditional MBA program has a long and rich history reaching back more than 100 years at some well known universities. Two of the earliest universities to offer programs in graduate management education included Wharton which began in 1881 and Harvard which started in 1908 (Crotty and Soule 1997). As more programs were developed, MBA content evolved to encompass a curriculum consisting of a combination of pre-set courses and a few electives providing some standardization across the degree (Crotty 1971). Admittance into MBA programs was predicated on having sufficient academic knowledge of basic business courses such as accounting, marketing, management as well as quantitative skills. The typical MBA student in a traditional MBA program is generally a younger individual with minimal managerial experience who decides to further his or her formal undergraduate business education with minimal company support or commitment (Crotty 1971).

Older more experienced individuals who wanted to further their education in graduate business curricula were often not well served by most traditional MBA programs. Unlike the traditional MBA student described previously, the more experienced individuals typically have significant managerial experience often in a narrower career path where they have spent years honing their skills in a particular business function. Due to age and experience differences, they have little in common with the typical student found in the traditional MBA program. This lack of fit for older more experienced students facilitated the development of EMBA programs with the first program offered by the University of Chicago in 1943 (Byrne 1991). These programs were

designed for the seasoned employee who could benefit from graduate education. As more employers began to recognize the value of graduate business education for experienced employees, these programs began to flourish (Dizik 2008).

Prerequisite Knowledge Dilemma

Due to the nature and purpose of EMBA programs, student diversity in experience and background offers a challenge for students enrolled in these programs. Ensuring sufficient prerequisite business knowledge for successful student achievement is especially difficult when students attend these programs. Background diversity can be a strength or weakness. The obvious major strength is the experience factor where individuals have actually done the work rather than only reading about it. The problem occurs when EMBA students are not equipped with a business or educational background across all business functions, thus creating a prerequisite dilemma.

Universities have responded with a wide variety of solutions to meet this problem. Some solutions adopted by EMBA programs are as follows:

- Functional business courses in insufficient knowledge areas are taken by students prior to the start of the program in face-to-face classroom settings as a regular class.
- Functional business content in insufficient knowledge areas exposes students to the content prior to the start of the program in a face-to-face classroom setting in an abbreviated non-credit class.
- Functional business content in insufficient knowledge areas exposes students to the content prior to the start of the program using self-paced tutorials including but not limited to CD/DVD and self-paced computerized programs.
- Functional business content is built into the program and requires no additional work on the part of the student.
- Functional business content in insufficient knowledge areas is taken by students in an intense “boot-camp” manner in a short time-frame commonly presented over a weekend.
- This paper will examine the results of a boot-camp approach used prior to beginning class activities for an EMBA program. The boot-camp was designed to introduce EMBA students

to financial accounting concepts and required 16 hours of classroom time over one weekend. The course was a non-credit no additional cost activity for enrolled EMBA students at a large Southeastern U.S. university and was used to help students who did not have the appropriate prerequisite background.

Boot-Camp Process

Three months prior to the first boot-camp, 50 questions covering financial accounting concepts were developed and tested by a panel of EMBA accounting faculty. After initial review by the panel, questions were rewritten when necessary to remove ambiguity and improve reliability. The questions were constructed with an “I don’t know” response where students were asked not to guess when they did not know an answer. It was felt that eliminating or minimizing guessing would provide a more accurate determination of accounting skill levels for students. The questions were further tested on 100 non-EMBA senior accounting students to check for reliability and validity. After receiving feedback from the accounting students, the 50 questions were edited for a final time. EMBA faculty determined that a score above 80% correct indicated that a student had a satisfactory background of financial accounting.

One month prior to the boot-camp weekend, students were administered an on-line pretest consisting of the 50 multiple choice questions covering the financial accounting content. Students scoring over 80% could exempt themselves from the weekend although it was not required. At the end of the weekend, the students were again administered the same 50 questions for an on-line post-test performance measure.

The instructional format for material covered over the weekend consisted of Power-point presentations, lectures and extensive hands-on work using previously constructed spreadsheets covering financial accounting content. For the hands-on work, debits and credits were not used. For example, a transaction for the purchase of inventory would reduce cash and increase inventory and only conceptual knowledge of this was required. The results of the transaction would be recorded in the spreadsheet. The full accounting cycle was covered in this manner where the completion of the last spreadsheet permitted the construction of the Balance Sheet and Income Statement. In this way, students were allowed to gain familiarity with the financial accounting cycle and be prepared to undertake the graduate coursework in this content area.

Methodology

Study Participants and Items

Respondents in this study were 91 Graduate Students enrolled in the EMBA program at a large Southeastern university as stated previously. Demographic breakdowns and collected data items did not always total 91 as some respondents failed to report requested information.

Educationally, all individuals held a Bachelor's degree with 16 holding an advanced degree. Majors or degree concentrations were divided into those that were more quantitative as opposed to those that were primarily qualitative. These classifications were formed from an expert panel of nine faculty comprised of individuals representing most of the majors or degree concentrations represented in this study. Those classified as more quantitative numbered 55 with 33 being classified as more qualitative. Acceptance into the program required the completion of the General Management Aptitude Test (GMAT) for all enrolled students. The mean GMAT score was 515.54 with a range from a low of 400 to a high of 710.

Demographically, gender breakdowns showed that 66 individuals were male and 25 were female. Only 59 individuals reported age showing the average age at 35.25 years. Of those reporting, 22 were under the age of 33 while 37 were that age or older.

Analyses

A number of analyses were used to show relationships between variables in the study. First, correlations were used to find possible associations between metric level variables. This was followed with regression analyses that were then used to better understand the significant associations found with the correlation analysis. Finally, univariate ANOVAs analyzed possible relationships between categorical predictors and corresponding criterion variables.

Data Collection

Demographic data was collected from program enrollment records. Pre and post-test scores were obtained by administering online tests consisting of the 50 questions with a randomized presentation. The same

questions were used for both the pre and post-tests. As stated previously, the pretest was given one month prior to the start of the boot-camp. The post-test was the last activity of the boot-camp.

Results and Discussion

Items used in the correlation analysis included the pretest score, post-test score, GMAT score, and age. Table 1 contains the results from the analysis. As can be seen from Table 1, pretest and post-test scores were significantly associated at $p < .01$ level. The post-test scores were also correlated with the GMAT score at $p < .05$. No other associations were found in this analysis.

	Pretest	Post-Test	GMAT	Age
Pretest N		.386** 91	.001 74	.168 59
Post-Test N			.252* 74	.177 59
GMAT N				.047 52
Age N				

* $p < .05$

** $p < .01$

Further analyses using regressions are shown in Tables 2 and 3. The regression model using the GMAT scores and pretest scores predicting post-test scores was significant with $F(2, 73) = 10.538$, $p < .001$ as shown in Table 2. Results indicate that the GMAT scores and pretest scores do predict how well students will do on the post-test following the intensive program of study. It is interesting to note that GMAT scores were not influential on predicting pretest scores (results not shown). If the end result of high GMAT score is ultimate success in a business program of study, these results support the notion of the predictive power of the GMAT. It is also not surprising that higher pretest scores predict higher post-test scores. Table 3 provides details on the significance of both predictive variables on post-test results.

Regression for the Criterion Predictor Post-Test

	Sum of Squares	Degrees of Freedom	Mean Square	F Ratio
Regression	1506.014	2	753.007	10.538***
Residual	5073.445	71	71.457	

*** $p < .001$

Variables in the Equation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std Error	Beta		
(Constant)	50.9	7.2		7.042	.000
Pretest Score	.227	.058	.407	3.902	.000
GMAT Score	.030	.013	.252	2.424	.018

Analyses were also conducted to determine the impact of categorical variables on both pretest and post-test scores. The data variables of gender, education and major (concentration) were collected and recorded as categorized items. Gender was classified as male or female. For education, respondents had either attained a bachelor's degree or had an advanced degree. For educational majors (concentrations), degrees were placed in either quantitative or qualitative categories as described previously. Examples of quantitative majors included engineering, information technology, business related degrees or chemistry. Examples of qualitative majors included law, anthropology, nursing and liberal studies. Additional categorization was also conducted for age where it was thought that older versus younger students might provide some differences on the pretest and post-test criterion variables. Younger students were classified as those who were 32 years or younger. Older students were classified as 33 years or older.

ANOVA was used to investigate the relationships between the previously described categorical variables as predictors of both pretest and post-test scores. Table 4 contains the results of the analysis on pretest scores while Table 5 contains the results predicting post-test scores.

ANOVA Results for Pretest Scores

Source	Mean	F	Sig
Education		5.796	.005
Bachelors	51.1		
Graduate	55.2		
Major		9.400	.003
Quantitative	56.4		
Qualitative	45.8		
Age		.013	.987
Older	52.9		
Younger	50.9		
Gender		3.169	.048
Male	55.0		
Female	48.0		

As seen from Table 4, education ($F = 5.795$; $p < .01$), major or concentration ($F = 9.400$; $p < .01$) and gender ($F = 3.169$; $p < .05$) were significant predictors of pretest scores. Age was not influential as a predictor. For education, as might be expected, those with a graduate degree had higher pretest scores compared to those holding only a bachelor's degree. More education prepares students prior to the program when compared to undergraduate degrees only. Quantitative oriented degrees had higher pretest scores than those who had qualitative oriented degrees. The Executive MBA has a high degree of quantitative requirements reflected in required courses such as accounting, finance, operations, quantitative methods and statistics. These quantitative skill sets are measured and reflected in the pretest/post-test given to students. Individuals with degrees where coursework in math, statistics, and other quantitative areas would be expected to be better prepared and have higher pretest scores prior to the program. Another finding indicated that men scored higher than women on the pretest. Explanation of this finding needs additional data interpretation. While not included in Table

4, the percentage of men (67.2%) with quantitative oriented degrees was substantially higher than women (50%) with the same quantitative background. This may explain at least some of the differences regarding gender differences on pretest scores.

ANOVA Results for Post-Test Scores

Source	Mean	F	Sig
Education		1.145	.324
Bachelors	78.1		
Graduate	80.1		
Major		.737	.394
Quantitative	79.7		
Qualitative	77.2		
Age		2.544	.086
Older	78.3		
Younger	75.8		
Gender		.604	.549
Male	78.8		
Female	76.6		

The most interesting finding from Table 5 is that there is no overlap from the previous findings regarding pretest scores. Any influences from education, major and gender as previously discussed as effecting pretest scores disappears on the post-test measure. The executive MBA program that students participate in brings all groups across every category up to speed on the knowledge measured by the tests. This is not meant to mitigate what was indicated earlier. Higher GMAT scores are predictors of higher post-test scores. Higher pretest scores predict higher post-test scores. However, the advantages from educational level are not sustained.

Likewise, advantages associated with quantitative majors and gender differences dissipate after the program is concluded.

Conclusion

By their very nature EMBA programs are different than a typical MBA program. EMBA programs attract older students with more diverse backgrounds. According to the EMBA Council in their 2007 report, "Students entering Executive MBA Council member programs have had the same average work experience the past three years: 12.7 years. On average, students have 8.2 years of management experience. Average student age holds steady. The average age of students in Executive MBA Council member programs was 36.3, on par with the past five years." The composition of a typical EMBA class introduces a dilemma associated with academic prerequisites for business education.

As presented, EMBA programs have adopted a wide variety of strategies associated with the prerequisite dilemma (Hermansen et al 1998). One strategy not presented by Hermanson was an intense weekend boot-camp.

The accounting boot-camp as presented in this paper can meet the prerequisite needs of the typical EMBA student relative to financial accounting. The results of this study indicate that students who experience the financial accounting boot-camp are prepared to enter graduate financial accounting courses and be successful regardless of background. The significant difference between pre and post-test scores indicate that learning did occur and the objective of the boot-camp was achieved. What remains to be seen is the longitudinal impact of the boot-camp. Ideally, an end of program post-test would have been able to determine the long-term retention of financial accounting concepts presented in the boot-camp. However, it was felt that too many intervening variables such as curriculum structure and delivery sequence would have confounded the interpretation of any results and, accordingly, no end-of-program measurements were taken.

Regardless of the long-term implications, the short term results were impressive. Accordingly, EMBA program designers should consider an intense weekend boot-camp as a means to introduce business concepts to a widely diverse group of students.

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Table 1. Correlations

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