INCORPORATING INDUSTRY PRACTICES INTO TEACHING MANAGERIAL ACCOUNTING

Sewon O, Texas Southern University, U.S.A
Kun Wang, Texas Southern University, U.S.A.

dx.doi.org/10.18374/IJBS-23-1.3

ABSTRACT

This study explores ways to enhance effective teaching in managerial accounting courses. As students' lack of industry experience makes it challenging to teach the subject in a classroom setting, mitigating factors are examined and incorporated in the teaching process utilizing the widely available resources.

Keywords*: Managerial Accounting, Practice-based Teaching, Industry Practices*

1. INTRODUCTION AND LITERATURE REVIEW

Managerial Accounting plays an increasingly critical role in today's business management. As many of the traditional functions of financial accounting are automated more and more by technologies, education should put more emphasis on the contents of Managerial Accounting that offers valuable skills for students to enter into job markets. However, research as well as teaching managerial accounting courses have indicated accounting students find Managerial Accounting somewhat more challenging than other accounting courses (Maher, 2000). The primary reason is due to their lack of industry experiences and the concentration on traditional teacher-centered theoretical teaching and learning, a teaching approach that fails to provide students with a reflective learning experience. Even more challenging is that the internal decision-making process in corporations is not publicly available, thus leaving a gap between classroom learning and real-world practice.

Students in a managerial accounting course are not usually prepared and familiar with the practical implication (Thein, 2006) and unable to relate the classroom lecture to daily occurrences in a corporate world. There is well established evidence of a positive association between the learning outcome and the learner's experience (Kolb, 1984; Shallert, 1982). However, most of the students don't have manufacturing experience and cannot imagine the factory layout and process movement and managerial accounting textbooks are usually written based on actual process, which leads to student perception that managerial accounting is difficult (Lightbody, 1997). This results in a lack of interest and motivation which impedes effective learning. To overcome these obstacles, various approaches should be taken by instructors. Some suggested role-playing activities in classrooms would enhance the learning experience (Krause,1988) and others introduced a continuous process where students are constantly tested regarding concepts and knowledge is generalized to become student's new experience (Kolb, 1984; Halpern and Hakel, 2003). Nevertheless, instruction of managerial accounting to students lacking real-world experience proved to be challenging.

Another factor attributing to the difficulty of teaching managerial accounting is that many faculty do not have first-hand experience in manufacturing process themselves. The focus on academic research these days in academia, especially to meet the requirement of accreditation bodies exacerbates the problem. Big accounting firms offer limited number of internship opportunities to faculty members in an effort to mitigate these problems. Cheatham (1984) addresses this industry practice and challenges. Notably, industry practices are ever changing and need frequent brush-up but that's not a viable option in academia. Faculty teaching managerial accounting therefore need to utilize other tools to help student understanding.