

Corporate Universities' Contribution to the Qualification of Accounting Professionals in Brazil

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Abstract

The objective of this article is to identify the gaps in qualification of professionals in accounting courses offered by Brazilian higher education institutions under the perspective of a corporate university and how this corporate university seeks to overcome these deficiencies. In many professional events, from seminars held in Brazil to professional association activities, there are discussions about the quality of Brazilian professionals, in particular accounting professionals recently graduated. The reason for including the topic of quality of accounting education in these events is the increasing concern of executives, market representatives, regulators, professional associations and other interested parties with regard to the challenges already faced by accountants or Accounting graduates. Higher education in Brazil must enable the professionals to meet market needs, encouraging scientific and critical thinking, in a broader knowledge-building process. To this end, we developed a qualitative, descriptive survey through case study at EY corporate university, based on its professional recruitment and selection process, which basically entails receipt of approximately 100,000 resumes for selecting 3,000 candidates in São Paulo and 1,000 candidates in Rio de Janeiro. The results obtained lead to the conclusion that the knowledge of candidates to work in Accounting is insufficient to meet the company demand and highlights the role of its corporate university as one of the responses to the level of quality required.

Keywords: Quality Teaching in Accounting; Corporate University; Vocational Training

1. Introduction

Corporate universities have increasingly been considered of great significance for continuing education and professional qualification. Under the perspective of senior management, corporate education represents a significant investment for preparing professionals to be better qualified to perform their roles, as these professionals will also be better trained both in topics that are strategic for the company and in technical matters, which theoretically have not been adequately focused on in educational institutions or over these professionals' academic life. According to Eboli (2004), many companies, through their corporate education systems, are playing a key role in this area, actively participating in the process of designing the profile of a new worker, who is able to reflect critically on the organizational reality, build and modify this reality. To the author, in acquiring this new mindset and attitude, the profile change is not restricted only to the corporate world, since through this mindset workers assume a critical and healthy attitude in building the world around them and taking responsibility for this world.

The transformations brought by communication and information technology across the globe, as pointed out by Ricardo (2007), have demanded immediate responses from formal education systems and businesses, for qualifying knowledge workers in the Information Society. The author notes that companies are concerned about the qualification of knowledge workers, who should be able to meet higher and higher intellectual capacity requirements since, in today's society, muscular strength loses space to knowledge.

Lopes (2005) points out that the change in the focus of training in terms of corporate education had a great impact on how the employees' career is currently managed; differently from the past, when careers were controlled by the company and employee expectations were in line with paternalistic tendencies. Today's professionals control their careers, bearing in mind their own updating and market competitiveness. Since 2008/09, when Brazil fully adopted the new Accounting standards, companies have been required to interpret these standards and record their transactions in accordance with the new international practices. The new Brazilian practices are basically in line with international practices, known as International Financial Reporting Standards (IFRS).

The Brazilian Securities and Exchange Commission (CVM), entity that regulates Brazil's capital market, has also become more demanding and stricter regarding compliance with financial statement disclosure requirements, on various Accounting, financial and tax matters. The domestic and foreign capital markets, as well as financial institutions, have become more complex and meticulous about the quality and clarity of the information to be provided by companies. In "Universidade: Torre ou Sino?" Síveres (2006, p. 16) focuses on the contemporary scenario, in which the university is inserted and which may be understood under various perspectives. However, the author highlights "a movement around education that manifests itself through social disenchantment, non-connectivity of the educational project and displacement of the cultural aspect". Síveres (2006, pp. 16 and 18) states that, despite being aware of this ideology, the university disconnected itself from social reality, diluted its institutional identity and reduced its educational purpose", thus largely departing "scientific knowledge from philosophical thinking, technology information from human education and technical qualification from ethics".

As Accounting still presents a large gap in relation to other sciences, it is unfeasible to determine how many professors, highly-technical professionals and researchers Accounting courses failed to prepare in recent years and especially, the effect of the lack of these professionals for the development of Accounting education in Brazil. However, one may easily deduce that the consequences of this strategy error in both the professional and academic field can take decades to be corrected and equalized. (Barros Leite, 2005). As a direct result, despite various measures introduced by regulators that establish agreements aimed at promoting this area, Accounting professionals without minimum educational qualification currently teach in Brazilian higher education institutions. Carneiro says that (2002, p. 25): "The fact is that professionals resort to teaching more as an odd job, to which they are available in their time away from the office".

Although accounting education has improved greatly in recent years, quality in terms of teaching and qualification needs to be strengthened in order to support the overall development of this profession. An estimated number of 1,238 undergraduate programs, 19 master's programs and only four doctoral programs are officially recognized and active in Brazilian universities and colleges. High quality undergraduate programs are generally offered by leading educational institutions in Brazil. The shortage of qualified Accounting instructors contributes to deterioration of the quality of undergraduate Accounting programs offered by many higher education institutions. As a rule, there is a low degree of compliance, by the Universities, with the guidelines set out by the Accounting curriculum. Therefore, this article sought answers to the following questions: Are the professionals who apply for accounting jobs sufficiently knowledgeable? How does a corporate university, facing the demand for quality, seek to overcome these deficiencies?

In light of the growing demand for good or appropriately qualified Accounting professionals, it is necessary to identify gaps or measures that, if adequately addressed, mainly as perceived by a corporate university, may represent improvements in accounting courses and consequently, foster better professional qualification while confirming the importance of this research to society, especially the Accounting market. This article stresses the importance for corporate universities to identify and fill in potential gaps in accounting courses, thus greatly contributing to the qualification of accounting professionals, allowing these professionals to be more prepared, qualified and able to have competitive advantage in the market. In this context, in order to better understand potential gaps and deficiencies, we have researched books and specific articles that describe the history and evolution of the Brazilian educational system and the main measures introduced by governments for education adequacy in the different chapters of Brazilian history and, consequently, to better respond to the demands of the market and society.

2. Literature review

Corporate universities have been discussed for at least 40 years, since the launch of Crotonville in 1955 by General Electric.

However, interest in creating a corporate university, as an strategic complement to management, learning and development of an organization employees, really picked up in the late 80's, according to the Brazilian Educational Technology Association.(ABT, 2013).In the late 1980's, organizations began to realize that they could no longer depend on higher education institutions to qualify their employees and decided to create their own "corporate universities", with the goal of more strictly controlling the learning process by more closely linking learning programs to the company's goals strategic goals and results.(ABT, 2013).Meister's analysis (1999) concludes that successful corporate universities have a mission in common, regardless of their structure, branch of activity or the country in which they operate.

These mission similarities do not change their organizational values, i.e. corporate universities that are on the front lines of success need to meet service goals and satisfy the organizations' expectations so that they can remain competitive in the market. To better understand this demand, by means of a qualitative and descriptive research, this article presents the results of a case study involving EY's annual recruitment and selection process and the activities of EY corporate university. This process comprises receiving approximately 100,000 resumes for a selection of approximately 3,000 candidates in Sao Paulo and 1,000 candidates in Rio Janeiro. Selected candidates are invited to take a multiple-choice test, which consists of 50 questions on the following subjects: Accounting, Portuguese, English and Logic. The results computed consistently show averages below expected for well-qualified or properly qualified professionals. Therefore, considering the permanent demand for Accounting professionals and the commitment to allocate well-qualified professional to EY teams, the Corporate University chose to develop courses of approximately four (4) weeks basically on Accounting, Assurance and Complementary Skills. During the course, the professional is monitored and evaluated under various aspects. This exercise helps identify gaps in accounting courses that, if properly filled in, can contribute to the professionals' qualification.

According to Barros Leite (2005), there are various initiatives sponsored by the private and public sector in favor of the development of this profession, aimed at solving educational problems in Accounting. Nevertheless, these initiatives have produced few effective results. At the same time, there is a prospect of slow time-consuming actions to foster development of the market and of accounting professionals. The concern about improving the quality of courses and of graduates from higher education institutions is evident, given the creation of a series of institutional assessments, both by the government and the civil society, among which Brazil's National Course Examination, Assessment of Offer Conditions and Sufficiency test. Síveres (2006) believes that educational institutions may not simply be the product of economic progress, but rather entities that represent the strength and ability to contribute to the progress of a country, composed of a so-called sustainable society. These institutions should not represent the model established by the economic market, but rather be conceived as drivers of innovative proposals to society, which will lead to development.

These concepts must have a clear relationship with the objectives pedagogic project of educational institutions, including as unquestionable routine the generation and sharing of knowledge with society. Also, the author understands that, despite being aware' of this idea, in general, Brazilian higher education institutions were captive of their own interests and rules established by the State, as opposed to current days, when these institutions are at the mercy of market trends and expectations. As such, educational institutions minimize or annul their ability to contribute to the development of and changes in society. For this reason, universities more notoriously emerge in the Brazilian context in isolated and unfeasible experiments, keeping as main objective the identification of solutions for Brazilian problems.

In his book "AEvolução das Ciências Contábeis no Brasil", Barros Leite (2005) describes the origins, key shortcomings, deficiencies and progress blockers in the Brazilian educational system, whereas other countries have obtain significant advances. The author emphasizes the lack or shortage of Accounting professors and doctors with appropriate pedagogical knowledge and especially with practical experience to enable proper and efficient teaching, which represents an important gap in accounting courses for qualifying good professionals. For the author, it is impossible to quantify the number of professors, researchers, professionals of great capacity and technical performance that failed to be qualified due to the notorious gap between Accounting and other sciences, which negatively impacts or significantly delays progress in the Accounting educational environment. However, it may easily be forecast that decades of investments in education will be required to correct strategic misconceptions and place the academic and professional environment in the foreground.

As a result, despite a series of measures introduced by regulators that invest directly in this area, there are still many Accounting professionals teaching in Brazilian universities, who are absolutely unprepared and lack pedagogical skills. The effect of this situation is an unquestionable loss to Accounting education since, as mentioned earlier, these teachers are not pedagogically prepared and teach according to their preferences or the way that they believe to be the best, i.e. the manner and style that they appreciated in their former teachers, who also lacked pedagogical preparation befitting market progress. As such, there is a great risk that certain deficiencies will be increased, since there is no control over preferences, trends, habits and, above all, the absence of highly-recommended pedagogical techniques. Barros Leite (2005) concludes that this situation can last for decades, if no solutions are identified and implemented in the short and medium term to meet the wishes and needs of Accounting students. Various proposals have been presented and studied in workshops with accounting professors but, despite the passage of time, no effective action was performed.

3. Methodology

This research is classified as of a qualitative nature, since it aims at better understanding the social phenomenon concerning knowledge required from professionals who apply for jobs in the Accounting area as well as corporate university activities. It is also classified as descriptive since it describes the characteristics of referred to phenomenon. We opted for the case study technique, in order to allow aspects that are significant to the study to be closely examined both with respect to the requirements considered in the recruitment and selection process in the Accounting area and to the organization of a corporate university of a large company that operates in the Brazilian market of assurance and Accounting advisory services (Yin, 2010; Stake, 1995). Additionally, documents from primary and secondary sources were analyzed, as well as interviews with the executive responsible for the company's corporate university. (Gil, 1999; Vergara, 2005).

We present below the company that was subject to the case study, its corporate university, Accounting professionals 'recruitment and selection process as well as the result of the interview with the executive in charge of corporate university.

3.1. Ernst & Young - EY

EY roots go back to the 19th century and its founders, Arthur Young and Alwin C. Ernst. Arthur Young was born in Glasgow, Scotland. He graduated in Law, but soon became interested in banking and investment. In 1890, he moved to the US to pursue his career in Accounting. In 1906, he formed an Accounting firm, Arthur Young & Company, with his brother Stanley. (EY, 2014a). Alwin Ernst was born in Cleveland, USA. After leaving school, he worked as a bookkeeper. Then, in 1903, he and his brother Theodore started Ernst & Ernst, a small public Accounting firm. (EY, 2014a).

Both Arthur Young and Alwin Ernst were innovators and appreciated the importance of quality in their work. Ernst pioneered the idea that accounting information could be used for making business decisions and makes a difference to clients' organizations. He inspired his people to deliver better services to clients. Young also positioned himself as a business advisor. Both men understood the importance of their people. In 1920, Ernst & Ernst's operating philosophy stated: "The success of Ernst & Ernst depends wholly upon the character, ability and industry of the men and women who make up the organization". Young supported the development of professionals. In the 1920s, he originated a staff school and, in the 1930s, the firm was the first to recruit from university campuses. Both firms were also quick to enter the global marketplace. As early as 1924, they allied with prominent British firms: Young with Broads Paterson & Co and Ernst with Whinney Smith & Whinney.

These alliances were the first of many for both firms, which opened offices around the world to service their international clients. Alwin Ernst and Arthur Young never met in life, but died within days of each other in 1948. However, their philosophies lived on and, in 1989, were brought together when the firms they started combined to create Ernst & Young. The new organization quickly positioned itself on the leading edge of rapid globalization, new business technologies and continuous business change. Alwin Ernst and Arthur Young would surely be proud of the result: a global organization of 145,000 people sharing their ideals and passion to help their clients strengthen their business around the world. (EY, 2014a).

In Brazil, currently with approximately 3.5 thousand clients and 5 thousand employees, the firm occupies a prominent position in the rank by number of companies listed on the São Paulo Stock Exchange (BOVESPA), with approximately 100 audited companies, and in the provision of audit services, tax and business consulting for large Brazilian and international companies.

EY has led a series of internal and external initiatives, consistently looking for the professional development of its employees. One of the initiatives that deserve greater emphasis is the creation of the corporate university, known as EYU.

3.2. Ernst & Young University - EYU

Between the 1980’s and 90’s, corporate trainings at EY were purely technical and basically aimed to prepare the professionals to work in the most complex Accounting and auditing areas. Classes were taught by professionals with minimum 8 to 10 years’ experience, who had very few technological resources for delivering these training courses. Visuals were restricted to imported slides and dozens of transparencies prepared for each subject. Anything beyond that would depend on the creativity and competence of the instructor, who could use flip charts to illustrate his message or assist in the development of an idea or line of thought. Newly-hired assistants or audit trainees were mostly in the 2nd and 3rd years of Business Administration, Economics and Accounting graduates. A few Law students were directed as assistant trainees to the firm's tax area. All assistants participated in a 30-day training course, 8 hours a day. The course was divided into Basic Accounting and Assurance, and after this phase, as understood by the firm, the assistants could have minimum conditions to accompany the teams, visit customers and participate in their respective projects.

At this point, we should highlight the importance given by Barros Leite (2005) to audit firms for our society’s Accounting developments. For the author, there is a basic difference between the development after the 1930 Revolution, during the Getúlio Vargas Government, and what happened in the Populist Period from 1945 to 1964. The latter came about essentially by means of multinational capital. Together with multinational companies, large audit firms, especially of US origin, also settled in Brazil. Since Brazil had neither trained manpower nor a defined structure, referred to companies had to bring several technical professionals from their headquarters to work in Brazil. This measure entailed important advances to Brazilian Accounting. Barros Leite (2005) also says that the influence of audit firms was so remarkable that behavior and even Brazilian Accounting legislation were changed. In the 1980’s, the number of assistants hired by EY for the São Paulo and Rio de Janeiro offices were 12 and 8 on average per year respectively.

Over 30 years later, EY presents an average 380 and 100 assistants hired per year for these offices, and the understanding remains that, in general, trainee assistants are not properly prepared and require additional accounting and audit training to perform their roles, as can be seen later in this chapter, in the topic on the results of the tests applied as part of the recruitment process. This training course is just one of the annual demands. All EY professionals are required to attend programmed training sessions to meet knowledge standards established internationally and also comply with the training grid established by Brazil’s National Association of State Boards of Accountancy (CFC), which is strictly monitored. Other aspects worth taking into consideration are as follows: (i) training sessions were designed primarily for audit professionals and not importantly adjusted to professionals from other business lines; (ii) these sessions lacked skill training, which has long been considered essential to successful professional qualification.

In 2007, bearing in mind qualitative aspects associated with course diversification and the growing demand for training in light of the significant increase in the number of employees, Ernst & Young University (EYU) was founded, an important milestone for the firm, as it was Brazil’s first corporate university focused on assurance and business advisory. The mission of EYU is: “To support the firm in creating talents capable of performing their professional activities, managing and continuing the business through a continuous learning process, in order to turn today’s professionals into tomorrow’s leaders”. In order to make this mission viable, provide continuity to the university’s proposal and remain competitive, as mentioned by Meister (1999), EYU seeks to increase the volume of training courses and participants with permanent quality, as summarized in Charts 1 to 4.

Chart 1: Investments in Education

QUANTITY
3 training centers located in the cities of São Paulo, Rio de Janeiro and Recife.
14 rooms provided with audiovisual resources, in addition to support rooms and reading rooms.
Daily training capacity – 650 professionals
786 instructors.
Average 84 hours/year of training per professional.
Equivalent to 34,740 professionals who were trained in 2013
Average 7 training sessions per professional in 2013

Source: EYU Strategic Plan (2013) Chart 2: Quality Training Methodology

QUALITY
Understanding needs, mainly by inquiring the various business lines (Assurance, Tax, Advisory, Transaction Advisory Support (TAS) and Financial Services (FSO)), and through guidance provided by EYU US.
- Defining competencies to be addressed, required by the training courses established and programmed for the following year.
- Designing learning strategies aimed at better memorization, through more efficient and effective techniques.
- Annual technical qualification of coordinators, instructors and monitors.
- Annual chart of training courses for instructors.
- Formal assessment of instructors through feedback filled out by all participants and coordinators.
- Coaching actions and instructors qualification.

Source: EYU Strategic Plan (2013)

EYU has a strategic plan, periodically reviewed in conjunction with the Education Committee, which approves the pedagogical projects, budget, and training timetable. Guidelines are as follows:

Chart 3: Basic Guidelines

BASIC GUIDELINES OF THE STRATEGIC PLAN
Improve the services offered by NYU.
Improve the training quality program.
Specialize development actions based on learning schools.
Structure NYU Education Model, also named training modeling.
Program evaluation.

Source: EYU Strategic Plan (2013)

Worth stressing, the constant search for program quality and alignment with the needs of each business line. The competencies regularly addressed in EYU training sessions include:

Chart 4: Competency model

Competency model
Change Management.
Service Innovation.
People Relationship and Relationship Maintenance.
Being result-oriented.
Business Strategy.
People Strategic Management and Assessment of Professionals.
Negotiation Techniques.
Corporate Entrepreneurship.
Decision Making.
Systemic View.
Globalization.
Technical Competencies.

Source: EYU Strategic Plan (2013)

Based on the last item of Chart 4 - Competencies Addressed, Technical Competencies are presented in Chart 5.

Chart 5: Technical Competency model

Technical Competency model
Basic Accounting - IFRS/CPCs .
Intermediate Accounting - IFRS/CPCs.
Advanced Accounting - IFRS/CPCs.
Audit techniques.
Assessment of internal controls and risk factors in audit.
Definition of planned materiality and tolerable error.
Preparation of reports, opinions and technical reports.
Preparation of management letters on potential improvements in internal control and the like.
Documentation of works and procedures and definitive file of working papers.

Source: IFRS/CPCs (International Financial Reporting Standards/Brazilian FASB -CPC)

Based on the items presented, the Subjects Classified as Management Skills should be understood and what these subjects refer to. Management skills are not isolated or one-off training courses. They refer to a continuous organizational process that reaches all EY professionals, irrespective of their years of experience or hierarchical level.

These sessions are designed by EYU and aim at contributing to the qualification of leadership and at increasingly cooperating in building a better working world. Brandão and Guimarães (2001, p. 10) define the concept of competencies at the organization level as “a set of knowledge, skills, technologies, physical and management systems inherent in an organization”. As such, essential competencies for organizations “provide competitive advantage, generate value distinctions perceived by clients and any other interested party”. Brandão and Guimarães (2001, p. 10) also point out that human competencies may be classified as those referring to individuals or the work team whereas organizational competencies refer to the organization as a whole. “Management of competencies should be seen as a circular process, which involves the various levels of the organization, from corporate to individual, including divisional and group level”.

The authors conclude that it is of the utmost importance that competencies management is in perfect harmony with organizational strategy. Worth highlighting, when interviewed, Mr. Armando Lourenzo, Ernst & Young University (EYU) Executive Director, in almost all his answers, emphasizes the topic of competencies and their professional and organizational significance. More specifically in question 4, when mentioning that EYU has a competency model, Lorenzo lists the following expected competencies: change management, service innovation, people skills, being result-oriented, business strategies, people strategic management, negotiation, corporate entrepreneurship, decision making, systemic view, globalization and technical competencies. He also refers to some gaps observed in universities with respect to the qualification of accounting professionals and says that educational institutions are away from the companies and as such; do not meet the expectations of these companies with regard to manpower for the market. Also, teaching professionals are not as up to date as they should, to support their students, who will be the future professionals in action in this market.

The lack of appropriate technical update which Professor Armando Lorenzo refers to is the lack of periodical and specific training courses for teaching professionals on Accounting practices currently adopted in Brazil and internationally through the CPC/IFRS.

In terms of return on investment, EYU Assessment System is based on indicators. These indicators are prepared on a semi-annual basis and discussed in a meeting with EY Education and Executive committees. Based on this data, EYU adjusts its strategies and objectives. It is therefore clear that the firm gives great importance to continuing education, learning, and the qualification level of instructors and participants. Education is one of the foundations for the development of the firm's professionals and applies to all employees, from the candidate who participates in the recruitment process to senior leadership. Currently, Ernst & Young (EY) Corporate University is a key area to create an appropriate environment for personal and professional improvement of the organization's professionals, through a continuous process. The Corporate University plays a fundamental role in the search for operational excellence, market leadership, maximization of investments in education, increase in quality of services and, in particular, for speeding up professional development.

In 2005, EY launched its corporate university in the US and two years later, this project was expanded to other countries, including Brazil. This launch resulted from EY culture to continuously invest in its professionals. Prior to structuring a corporate university, EY had invested in the area of training, but sought to concentrate more strategic initiatives combining theoretical learning with practical experience and leadership advice. Launched in 2007 in Brazil, EYU represented a more mature approach to training actions and an important milestone, since EYU is the first corporate university in the segment of assurance and business advisory in Brazil. Its structure became a great differentiator and is based on the following pillars: learning, coaching, and experience. Since its origin, EYU has a strategic plan, reassessed annually. The plan is discussed with the education committee and validated by Brazil and South America leaders. This committee validates the pedagogical projects, clarifies doubts about matters not provided for in EYU policies and gives the final approval to the forecast budget and calendar for training courses and programs defined by the technical training leader in conjunction with EYU. Monitoring and support from Leadership are essential to the continued success and results obtained by the corporate university. In addition to the aforementioned Committee, the Chief Operating Officer (COO) provides the overall direction to EYU Corporate University Project, validates the budget and annual calendar, and monitors indicators and results.

One of the highlights and reasons for the success of EY Corporate University is the focus on quality of development actions, which include actively working on the design and review of training materials, holding pedagogical meetings with coordinators and instructors, preparing strategies for teaching/learning, coaching and instructor qualification, training modeling and evaluating training programs. The efficiency of its professionals is directly linked to the quality of the programs and alignment of these programs with the actual needs of each business unit. EYU is organized into Business Schools, a model similar to the Business Partner model, in which each School serves one specific business area of the company. The focus on quality also helped build and enable EYU professionals, increasingly allowing for improvement of the services. Nowadays, EYU relies on the excellence of its team to capture demands and suggest improvements to the solutions concerning qualification and development of the business lines. Biannually, EY Corporate University determines the needs of business units. Based on this information, the objectives of the learning programs are planned and the education activities using a wide variety of training methods to achieve the objectives established are designed. In line with the need to employ various learning models, EYU has strongly invested in technology as a learning tool. Through its own Learning Management System (LMS), which offers over 500 training courses, EYU provides: multiple qualification opportunities, flexibility in sharing information and knowledge, while responding to individual needs and encouraging self-development. This system allows EY professionals to access all training courses taken, therefore allowing them to manage their development at EY. This system manages and controls all learning-related information, and shows EY professionals their annual learning track. Since 2007, EYU has been on the path to full maturity and has built new strategic programs in line with EY vision.

One of these programs is Master's Course in Business Administration (MBA) - light, focused on senior leadership (Directors and Partners), which provides development of global competencies by means of experiences, learning and coaching, so that EY leaders become sources of inspiration and entrepreneurs in pillars People and Markets. Another key initiative is the "Certification Program", which encourages professionals from all areas of the company to submit their academic papers and/or research to the Education Committee. The objectives of this program are: add value to professional career, strengthen the firm's culture to encourage development, identify opportunities for improvement and new businesses and encourage EY professionals to be creative. Papers may focus on different topics, such as development of a new product, idea, method or process; defense of a complex technical or controversial theme; or preparation of an article or interview with emphasis on practice. Not only does the program encourage this culture, but it also does enable EY professionals to be better prepared to meet the diverse demands of the firm's clients.

In order to continuously monitor its initiatives, EYU has an integrated assessment model that includes: Corporate indicators – all EYU actions are translated into numbers and tables, such as total number of hours of training, number of hours of qualification per professional and amount invested in revenue and payroll. Response indicators – instructors, didactics and logistics are evaluated at the end of each training session. Learning indicators - knowledge tests are applied at the beginning and end of each training course, thus obtaining average learning indicators. Applicability indicators - program developed and moderated specifically by experts through interviews with professionals, in order to determine whether a given training has applicability. Level of satisfaction - satisfaction of professionals concerning investment in education is measured by means of organizational climate surveys. Client satisfaction - The quality of the work carried out in relation to the training is evaluated based on marketing surveys.

In addition, the firm has organizational indicators, which are informed to all EY employees semi-annually in a quality report, after being previously discussed with the firm's education committee. Annually, this data is included in the firm's sustainability report.

3.3. Ernst & Young Recruiting Process

The recruiting and selection process subject to this research refers to June 2013 and was carried out to supply the São Paulo and Rio de Janeiro offices. Worth noting, this type of process, in any assurance and advisory firm, is extremely important since, over the years, it may represent the continuity of successful and improved operations. For the firm, identifying the best students or graduates represents, among others, the following aspects: - Better opportunities to identify talent; - Possibility of bringing together teams that have better professionals and better performance; - Qualification of professionals who are more thorough and prepared for the challenges established by the firm and the market; - Better client service and maintenance conditions; - Better qualification alternatives for leadership and succession over the years.

At EY, the recruiting and selection process is strict and demanding, and includes the allocation of professionals exclusively dedicated to it. In 2013, 102,000 resumes were received. From this universe, 3,018 candidates were extracted for the São Paulo office and 1,009 candidates for the Rio de Janeiro office, who presented the following characteristics: - especially Accounting, Economics, Business Administration, Actuarial Science, Law, Engineering, Information Technology and International Relations graduates; - students in the 2nd, 3rd and 4th years of the aforementioned courses; and - Fluency in other languages. In the first phase, all selected applicants took a multiple choice test, which consisted of 50 questions on the following subjects: Portuguese, Accounting, English and Logic. In the second phase, in addition to interviews, the candidate was asked to write an essay on current issues. The charts that follow present the numbers of participants per university or college of origin, based on EYU strategic plan (2013). For São Paulo, data on educational institutions that contributed less than 0.3% of participants was omitted and for Rio de Janeiro, educational institutions that contributed less than 0.8%.

Chart 6: Number of Participants per University/College in São Paulo

University/College	Number of Participants	%
MACKENZIE – Universidade Presbiteriana Mackenzie	286	9%
FMU – Faculdades Metropolitanas Unidas	225	7%
UNIP – Universidade Paulista	194	6%
UNINOVE - Universidade Nove de Julho	182	6%
PUC SP - Pontifícia Universidade Católica de São Paulo	157	5%
USJT - Universidade São Judas Tadeu	156	5%
USP - Universidade de São Paulo	98	3%
FECAP - Fundação Escola Comércio Álvares Penteado	89	3%
FEI - Centro Universitário da FEI	71	2%
UNESP - Universidade Estadual Paulista Júlio de Mesquita Filho	69	2%
SENAC - Centro Universitário SENAC	68	2%
UAM – Universidade Anhembi Morumbi	68	2%
UMESP - Universidade Metodista de São Paulo	60	2%
FATEC SP - Faculdade de Tecnologia de São Paulo	59	2%
ANHANGUERA - Centro Universitário Anhanguera	56	2%
UNICSUL - Universidade Cruzeiro do Sul	51	2%
Universities/colleges located in other countries	50	2%
CUFSA - Centro Universitário Fundação Santo André	48	2%
UMC - Universidade Mogi das Cruzes	37	1%
UNIFIEO - Centro Universitário FIEO	34	1%
ESPM - Escola Superior de Propaganda e Marketing	33	1%
UFABC - Universidade Federal do ABC	32	1%
USP - São Carlos	32	1%
FOC - Faculdades Oswaldo Cruz	25	1%
UNIBAN - Universidade Bandeirante de São Paulo	25	1%
FAAP - Fundação Armando Álvares Penteado	24	1%
UNICAMP - Universidade Estadual de Campinas	24	1%
FIAP - Faculdade de Informática e Administração Paulista	22	1%
UNIFIAM-FAAM - Centro Universitário FIAM-FAAM	22	1%
IFSP - Instituto Federal de Educação Ciência e Tecnologia	19	1%
UNICID - Universidade Cidade de São Paulo	18	1%
FDSBC - Faculdade de Direito de São Bernardo do Campo	17	1%
FGV - Escola de Administração de Empresas de São Paulo	17	1%
USCS - Universidade Municipal de São Caetano do Sul	17	1%
ISES – Faculdade Sumaré	15	0.5%
UFSCAR - Universidade Federal de São Carlos	15	0.5%
CEUN-IMT - Centro Universitário do Instituto Mauá de Tecnologia	14	0.5%
FRB - Faculdades Integradas Rio Branco	14	0.5%
INSPER - Instituto de Ensino e Pesquisa	14	0.5%
UNISANTA - Universidade Santa Cecília	14	0.5%
FCDA - Faculdade Carlos Drummond de Andrade	13	0.4%
UNG - Universidade de Guarulhos	13	0.4%
UNIITALO - Centro Universitário Ítalo Brasileiro	13	0.4%
ESAGS - Escola Superior de Administração e Gestão	11	0.4%
TREVISAN - Escola Superior de Negócios	11	0.4%
UNIRADIAL - Centro Universitário Estácio Radial de São Paulo	11	0.4%
IGABC – Faculdade Anchieta	10	0.3%
PUCAMP - Pontifícia Universidade Católica de Campinas	10	0.3%
UEL - Universidade Estadual de Londrina	10	0.3%
UFV - Universidade Federal de Viçosa	10	0.3%

Source: EYU Strategic Plan (2013)

Chart 7: Number of Participants per University/College in Rio de Janeiro

University/College	Number of Participants	%
UNESA - Universidade Estácio de Sá	115	11.4%
UFF - Universidade Federal Fluminense	100	9.9%
UCAM - Universidade Cândido Mendes	90	8.9%
UFRJ - Universidade Federal do Rio de Janeiro	79	7.8%
PUC-RIO - Pontifícia Universidade Católica do Rio de Janeiro	66	6.5%
IBMEC - Instituto Brasileiro de Mercados e Capitais	44	4.4%
UERJ - Universidade do Estado do Rio de Janeiro	44	4.4%
UGF - Universidade Gama Filho	38	3.8%
UFRRJ - Universidade Federal Rural do Rio de Janeiro	29	2.9%
UVA - Universidade Veiga de Almeida	27	2.7%
CEFET/RJ - Centro Federal de Educação Tecnológica Celso Suckow da Fonseca	22	2.2%
UNILASALLE - Centro Universitário La Salle do Rio de Janeiro	22	2.2%
UNIGRANRIO - Universidade do Grande Rio Professor José de Souza Herdy	21	2.1%
UNIVERCIDADE - Centro Universitário da Cidade	19	1.9%
FMJ - Faculdade Moraes Junior (Mackenzie Rio)	17	1.7%
UNIRIO - Universidade Federal do Estado do Rio de Janeiro	15	1.5%
UNICARIOCA - Centro Universitário Carioca	14	1.4%
UNIVERSO - Universidade Salgado de Oliveira	14	1.4%
Universities/colleges located in other countries	12	1.2%
UNIPLI - Centro Universitário Plínio Leite	12	1.2%
UCP - Universidade Católica de Petrópolis	11	1.1%
UNISUAM - Centro Universitário Augusto Motta	11	1.1%
EBAPE - Escola Brasileira de Administração Pública e de Empresas	8	0.8%
UNIABEU - Universidade ABEU	8	0.8%

Source: EYU Strategic Plan (2013)

3.4. Results from Interview with EYU Executive Director

The interview was held on May 8th, 2014 at the EYU São Paulo headquarters, transcribed and subsequently submitted to the respondent's review. The objective of the interview was to obtain an understanding of the EYU daily routine, mostly in setting goals and objectives, in responding to the expectations of instructors and participants and in the qualitative control of the training programs and continuing education. In common agreement, it was decided to present the interview in full.

1) What is your name and position in the firm?

Professor Doctor Armando Lourenzo, Director of the Corporate University for Brazil and South America.

2) Who attends courses at EYU?

All EY professionals, from trainees to partners

3) What is the professional profile of these students?

EY has five service lines: Assurance, Advisory and Management, Tax Advisory, Corporate Transactions and Financial Services. Within each service line, we have professionals from various categories, which are: trainee, advisor/auditor, senior, manager, senior manager, director, and partner. Given this variety of categories and services, we hire professionals from various academic backgrounds such as accountants, administrators, lawyers, engineers, economists and actuaries. In addition to the various professions, our professionals perform different activities ranging from very technical to managerial activities.

4) Does EYU have a competency model? What are these competencies?

Yes, we have a competency model. These competencies are: change management, service innovation, people skills, being result-oriented, business strategies, people strategic management, negotiation, corporate entrepreneurship, decision making, systemic view, globalization, and technical competencies.

5) What is your development program like?

We rely on three pillars: experience, training, and coaching.

The pillar that works in a more structured manner is training, which is subdivided into three levels: technical, elective and management courses. The contents of the respective training programs are developed internally, through joint work of technical professionals and the training team. The professionals attend an average 84 hours of training a year and trainees attend 140 hours of training a year. Besides the training activities, our professionals also work on the other pillars, through field work, where these professionals increase their knowledge level due to the experience acquired, and also receiving coaching from more experienced professionals.

6) How much is invested in Education?

Our investment in education is approximately 5% of the total revenue of EY Brazil. This percentage is significant and material under any circumstances and should be seen as evidence of the firm’s commitment with EYU and its continuing education system.

7) How could traditional universities work to more appropriately prepare students for the corporate world?

I believe traditional universities are too far away from the companies and do not maintain a relationship with these companies aiming to actually meet their needs. Another aspect to be mentioned is the qualification of professors - I note that some of these professionals are not fully up to date in order to be able to prepare our less experienced professionals, in a more extensive and appropriate manner. In this sense, I believe that traditional universities should invest more in technical and professional aspects.

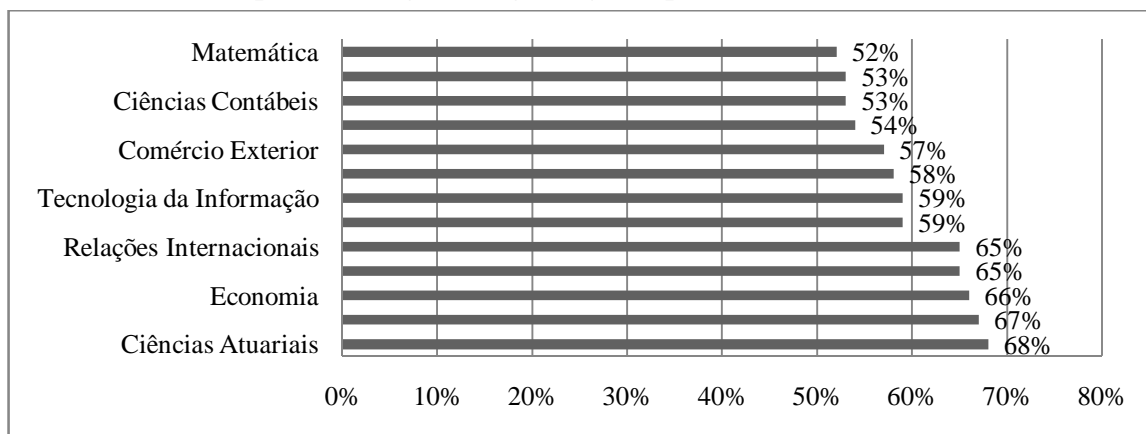
8) What could be added to Accounting courses in order to better prepare these professionals?

EY professionals pursue a career, i.e. as they are promoted and take on leadership roles. At that moment, we realize that these professionals have expertise, supplemented by topics introduced and studied at the Corporate University; however, many do not have managerial and behavioral competence to act as leaders. Currently, Accounting courses do not include subjects related to behavior management in their pedagogical project, i.e. leadership, negotiation, corporate communication, project management, time management and presentation techniques, among others. I think that these subjects should be part of the curriculum of regular Accounting courses and I assume that some technical subjects do not have the level of knowledge required by our competency model.

4. Analysis and Discussion of Results

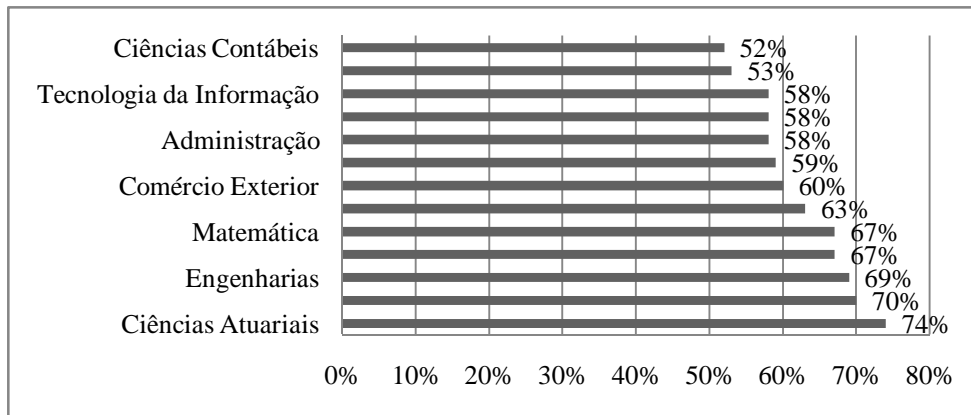
The graphs below were adapted from EYU Strategic Plan (2013) and present average grades in Portuguese, Logic, English and Basic Accounting, separated per higher education course, obtained by candidates who participated in the recruiting and selection process for São Paulo and Rio de Janeiro.

Graph 1: Average Portuguese grade per Course – São Paulo



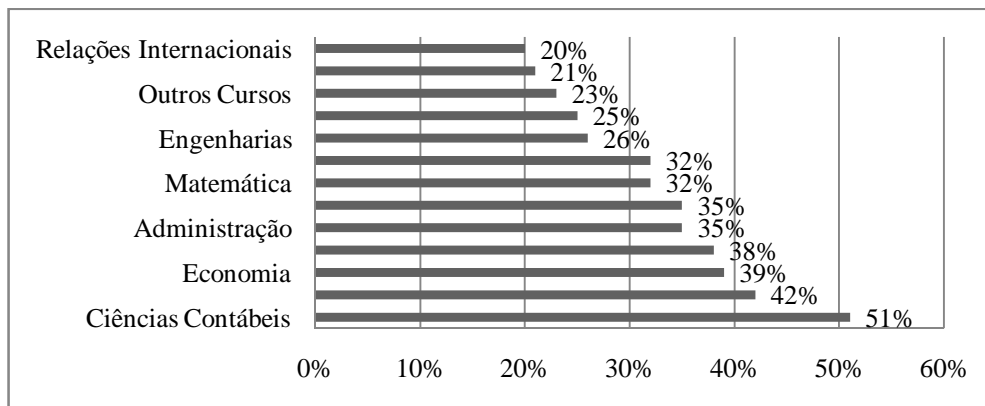
Mathematics/Accounting/Foreign Trade/IT/International Relations/Economics/Actuarial Sciences

Graph 2: Average Logic grade per Course – São Paulo



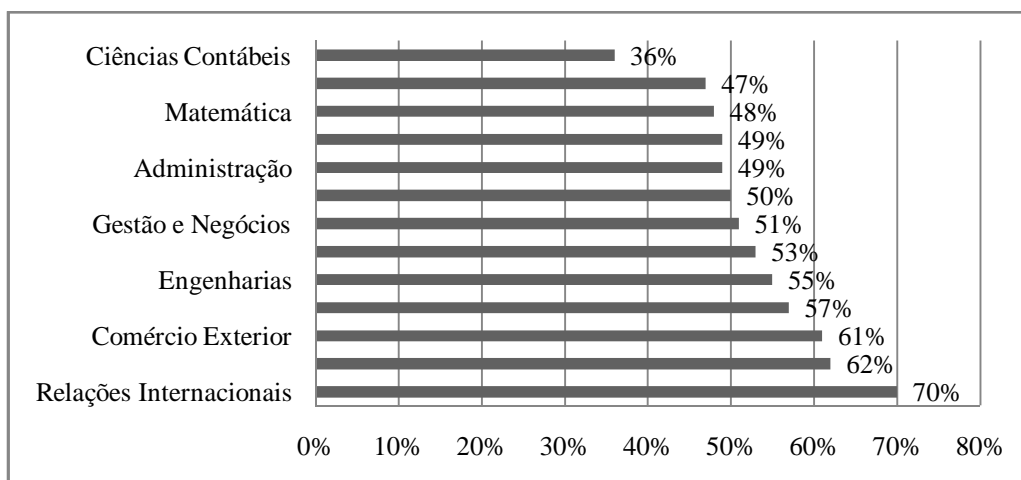
Accounting/IT/Business Administration/Foreign Trade/Mathematics/Engineering courses/Actuarial Sciences

Graph 3: Average accounting grade per Course – São Paulo



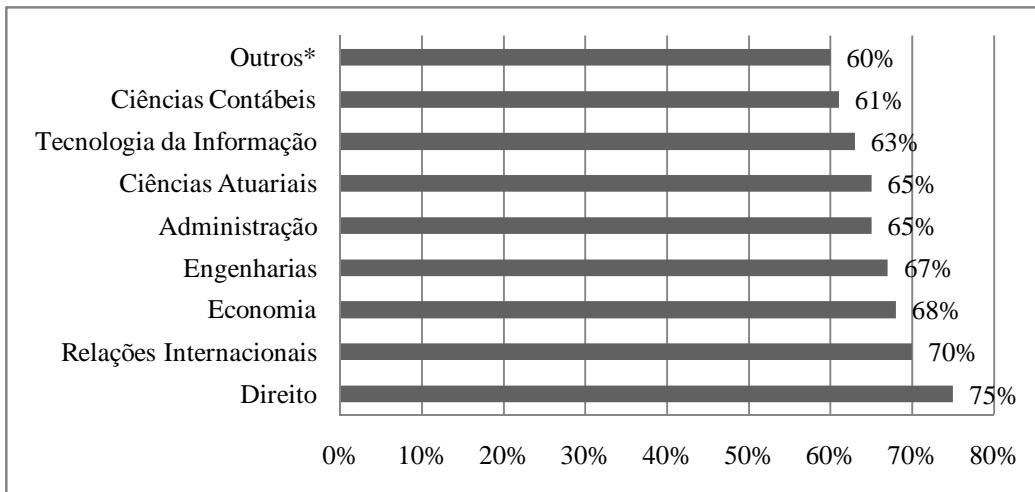
International Relations/Other/Engineering courses/Mathematics/Business Administration/Economics/Accounting

Graph 4: Average English grade per Course – São Paulo



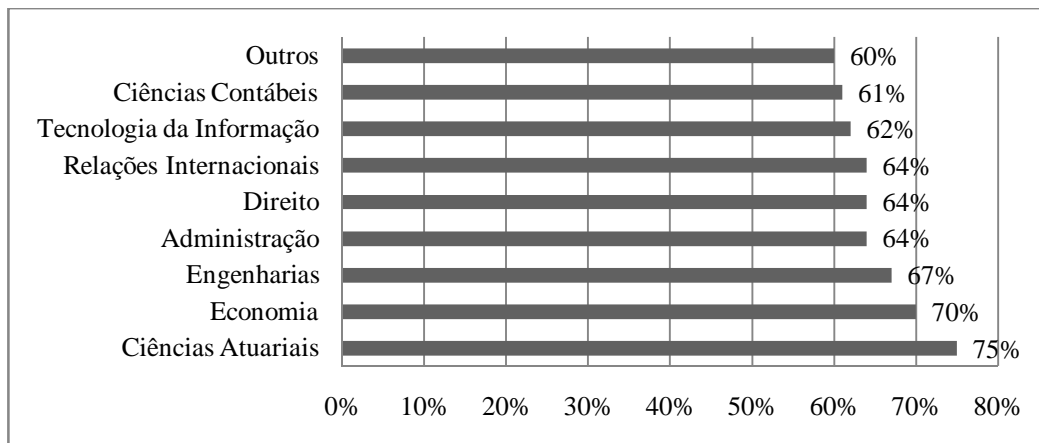
Accounting/IT/Mathematics/Logistics/Business Administration/Other/Management and Business/Law/Engineering courses/Economics/Foreign Trade/Actuarial Sciences/International Relations

Graph 5: Average Portuguese grade per Course – Rio de Janeiro



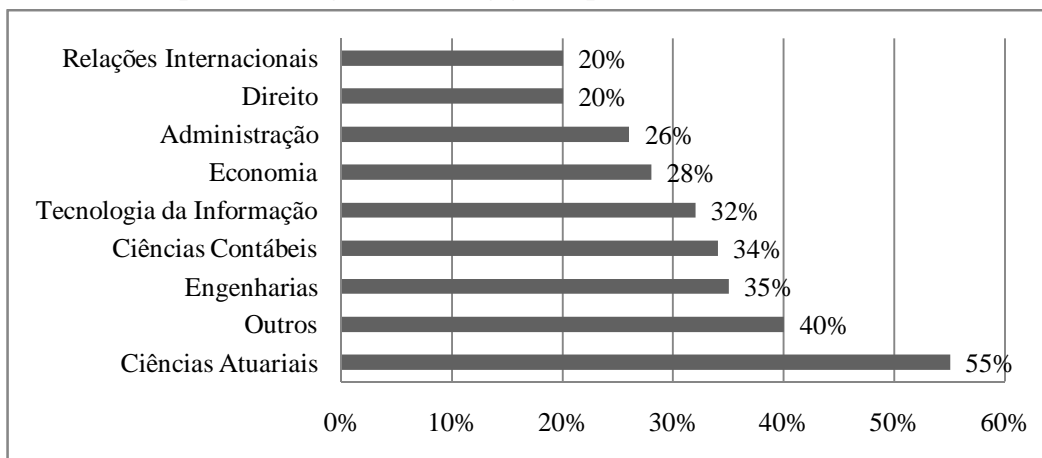
Other*/Accounting/IT/Actuarial Sciences/Business Administration/Engineering courses/Economics/International Relations/Law

Graph 6: Average Logic grade per Course – Rio de Janeiro

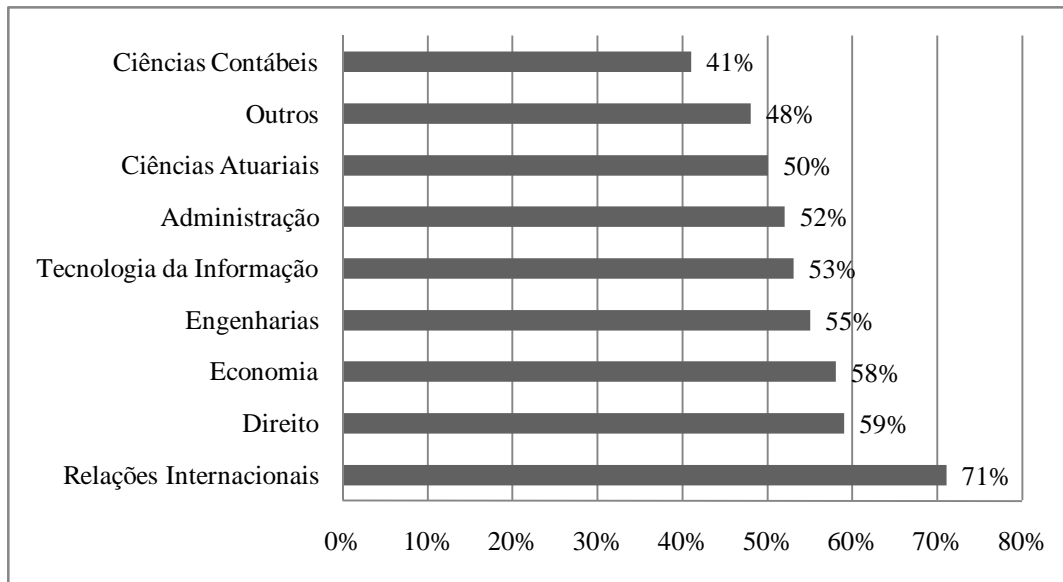


Other/Accounting/IT/International Relations/Law/Business Administration/Engineering courses/Economics/Actuarial Sciences

Graph 7: Average accounting grade per Course – Rio de Janeiro



International Relations/Law/Business Administration/Economics/IT/Accounting/Engineering courses/Other/Actuarial Sciences

Graph 8: Average English grade per Course – Rio de Janeiro

Accounting/Other/Actuarial Sciences/Business Administration/IT/Engineering courses/Economics/Law/International Relations

By analyzing the data presented above, Professor Armando Lourenzo, understands that Accounting professionals need to improve their qualification in the competencies evaluated in the tests applied as part of EY selection process. In these competencies, Accounting students have the best classification only in the basic Accounting test and, even so, with a rate of 51%. Average results in the other competencies are:

- Portuguese: 53%
- Logic: 52%
- English: 36%

From the results obtained, two aspects can be noted: the results obtained in the tests are very low and Accounting students have the worst results when compared with other professions contracted, except for the basic Accounting test. In this sense, it is recommended that other competencies, in addition to knowledge in Accounting, be developed in undergraduate Accounting courses. Worth stressing, the Portuguese test results, obtained by Accounting students, was below average and worse than most of the averages presented by students of other courses.

5. Final considerations

Research has indicated considerable advances in the educational area and consequently, in the qualification of Accounting professionals. However, based on the results of our research, we noted that investments are increasingly required in various areas, including research and education institutions, professionals with master's and doctor's degrees, special programs including exchange programs with more developed markets than the Brazilian market, continuing education programs for private sector workers and education professionals. No reference or mention was identified to the lack of mandatory continuing education for accountants, who are responsible for the preparation of financial statements, including those of companies listed on the São Paulo Stock Exchange and traded in other international markets.

In his interview, Professor Lourenzo, EYU Executive Director, very importantly pointed out various aspects that contribute to the conclusion on the existence of gaps in the Accounting course referring to the qualification of accounting professionals, under the perspective of a Corporate University. He observes that, basically, recently graduated professionals or Accounting graduates and EY new hires present a series of difficulties and potential deficiencies in understanding Accounting issues and applying basic knowledge in the subjects considered skills. The first evidence that corroborates this observation is the low average of grades obtained in the Accounting, Portuguese, and English and Logic tests taken by the candidates in the firm's recruitment process.

Based on the results presented, Prof. Lourenzo believes that Accounting professionals need to improve their qualification, especially the competencies valued by EY and required by the market. In these competencies, Accounting students have the best classification only in the basic Accounting test and, even so, with a rate of 51%. Average results in the other competencies are: Portuguese, 53%; Logic, 52%; English, 36%. As mentioned in section III, from the results obtained, two aspects can be perceived: the test results are very low and Accounting students have the worst results when compared with other professions contracted, except for the basic Accounting test. Writing skills and command of Portuguese are another important aspect, not always valued by educational institutions. The average presented in the Portuguese test by accounting students is below the average presented by students of other courses.

Nevertheless, Accounting professionals are expected to have formal communication skills, which are used on a daily basis, for instance when writing a description of procedures and internal controls, accounting practices and notes to the financial statements, and public documents, which require precision, clarity and objectivity. Little knowledge on Brazilian or international Accounting practices also represents an important gap in the professionals' qualification. The concepts of basic, intermediate and advanced Accounting (CPC and IFRS) are emphasized in the EYU training program and meet a demand for indispensable basic knowledge so that technical professionals can be better qualified to start their career and, consequently, to properly perform the tasks established by the team. Skills are of no less importance and require continuous training for professionals to have better conditions referring to work, relationship with teams and clients and their own performance monitoring.

The Financial Management Department and the Operations and Services Department of the World Bank's Office in Brazil, Latin America and the Caribbean, through research presented earlier, observe the need for improvements in accounting courses. Although formalizing the progress in recent years, the report draws attention to the teaching methods used by educational institutions across the country, which lack criticality exercises as well as analytical reasoning. Also, the requirements for registration in the CFC/CRCs system as an "accountant" fall short of international best practices and pronouncements issued by the International Accounting Education Standards Board (IAESB) of the International Federation of Accountants (IFAC). According to international best practices, monitored practice training is an integral part of the education pre-qualification and training and registration as a member of a professional Accounting organization.

Introduction of the proficiency test was a significant and positive step for the development of the Accounting profession in Brazil. However, to strengthen this achievement, the content and focus of the proficiency test need to be upgraded in order to be comparable with international best practices, in this case standard IES 6 (International Education Standards for Professional Accountants), which refers to "evaluation of capabilities and professional skills". Therefore, the objective of this research, referring to the gaps existing in accounting courses, as perceived by a corporate university, was achieved. Our observations are summarized as under:

- Lack of research and case studies involving all stakeholders, i.e. professors and students; practices or procedures that should be mandatory for all years of undergraduate and graduate programs.
- Lack of professors and doctors in Accounting, with appropriate pedagogical knowledge and mainly with practical experience.
- Lack of technically updated faculty.
- Lack of technology use.
- Inclusion, in the Accounting curriculum, of management competencies relating to communication, people management, and relationship with the market.
- Additional Portuguese studies with emphasis on commercial communication techniques.
- Emphasis on studies on accounting principles established by the CPC, which are already in consonance with IFRS.

We suggest the need for additional research on matters that are closely related to the study presented, such as: - Checking inconsistency among educational institutions at country-wide level, specifically in relation to methodology used and subjects, focused on CPCs/IFRS; - Checking potential benefits from introducing mandatory continuing education, to be established by regulators for accountants, who are responsible for preparing financial statements.

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