

# **The Enron Fallout, A Positive or Negative for Accounting Education at Christian Liberal Arts Colleges?**

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## **Abstract**

Had financial reporting irregularities been limited to Enron, this paper might have focused on methods of incorporating a study of Enron as an ongoing case in the intermediate financial accounting sequence. Unfortunately, Enron was only the first of a parade of firms with financial reporting irregularities. The end result is that the accounting profession is forever changed. The question of interest in this paper is the extent to which these changes to the accounting profession represent opportunities for accounting programs at Christian liberal arts colleges.

In this paper I argue that these changes to the accounting profession represent opportunities for accounting programs at Christian liberal arts colleges. First, post-Enron there is a greater premium placed on ethical behavior in the accounting profession. In this regard, the Christian component of a Christian liberal arts education offers a comparative advantage for providing ethical graduates, graduates who value honesty and integrity as ends in themselves, not as means to attaining greater control over created material things. Second, post-Enron the transition in accounting education from the preparer to user perspective will continue at an increased pace, with the user perspective placing a greater premium on accountants skilled in critical thinking, problem solving and communication. In this regard, the liberal arts component of a Christian liberal arts education offers a comparative advantage for providing graduates skilled in critical thinking, problem solving and communication.

The unanswered question is the extent to which accounting programs at Christian liberal arts colleges will take advantage of these opportunities. Transitioning from the preparer to user perspective offers long-run benefits, but such a transition carries short-run costs. Both accounting educators and their administrators must be willing to incur these short-run costs in order to realize the long-run benefits. Given the short-run focus that often goes with enrollment driven institutions, accounting educators may first need to educate their administrators concerning the necessity of transitioning from the preparer to user perspective, the short-run costs of such a transition, and the long-run benefits of such a transition.

## **Brad Lemler Biography**

Currently, I am Professor of Business at Grace College in Winona Lake, Indiana. Previously I have held academic positions at schools ranging from a major state university to a Christian liberal arts college.

Along with a Ph.D. in Business (Accounting Major) from Indiana University, Bloomington, I hold an MA in Theological Studies from Bethel College (Indiana). I am a Certified Public Accountant (Indiana).

My wife Jennifer and I have a one-year-old son, David Martyn Lemler. We attend The Country Church in Bourbon, Indiana, where I teach the adult Sunday school class.

A distance runner since 1978, I enjoy running approximately 50 miles per week.