

The Effect of Mindset on Students' Desire to work for Big Four Accounting Firms and on Academic Performance

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Abstract

This study examines the relationships between students' mindset and performance on an accounting exam and their desire to work for Big-Four accounting firms. Consistent with our hypotheses, we find that students with a growth mindset perform better on an exam relative to those with a fixed mindset. Further, students with a growth mindset placed greater priority on working for Big-Four firms relative to those with a fixed mindset. However, contrary to our expectation, students who placed higher priority on working for Big-Four firms perform worse on the exam relative to those who placed a lower priority on working for a Big Four firm. We explore possible explanations for this unexpected result. In summary, this study suggests that mindset plays an important role in students' aspiration to work for a Big Four firm, but such aspiration does not necessarily translate to better exam performance.

Key words: *Mindset; growth and fixed mindset; Big-Four accounting firms; academic performance.*

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Introduction

The recruiting market for young accounting professionals is a highly competitive and challenging (Gladden & Beed, 2007), thus, recruiting qualified staff has consistently been a major issue for accounting firms (AICPA 2009) (Kimmell et al., 2008; Violette & Chene, 2008). Contemporaneously, prospective professional accountants find it difficult and stressful to choose a career path and to find their first job. We posit that educators should help accounting students to reconcile career interests in alignment with the hiring requirements of potential employers. To be effective in this role, educators must understand the factors that influence students' choice of a particular career path, and understand the potential consequences of choosing a particular career goal. This study contributes to understanding this process by examining factors that affect students' career decision to work for Big Four accounting firms. Prior studies suggest that students' choice of working for a Big Four accounting firm is influenced by beliefs about the benefits and challenges of working for that type of firm (e.g., Bagley, Dalton, & Ortegren, 2012). Specifically, although individuals who seek jobs at Big Four firms believe that the job is more demanding than working for other firms, they are motivated to pursue careers with Big-four firms because of social pressure, perceived prestige of working for the firm, and perceived superior training and career development opportunities. Consequently, students' choice of working for a Big Four firm includes an assessment of long-term career goals and opportunities for achieving these goals. We add to the literature on factors that affect students' career choices by exploring whether students' preference for working for a Big Four firm is influenced by individual characteristics such as mindset.

An individuals' mindset, or the tendency to respond positively or negatively to challenges and setbacks (U.S. Department of Education, 2013), can be viewed as a bipolar construct that exists on a continuum ranging from a *fixed mindset* at one end of the spectrum to a *growth mindset* at the other end. Individuals with a growth mindset believe that their intellectual abilities are malleable and can be improved over time, while individuals with a fixed mindset believe that their intellectual abilities are static (Dweck & Leggett, 1988; Dweck, 2006; Molden & Dweck, 2006). Since mindset affects individuals' attitude towards challenges and exertion of effort towards achieving goals, it is likely that mindset may affect the choice to work for a Big-Four accounting firm. Further, setting specific goals can motivate individuals to higher levels of performance on activities that support achieving those goals (Locke & Latham, 1990). Since mindset can affect goal setting, which in turn motivates performance on activities that are congruent with achieving the set goals, we examine whether mindset affects students' desire to work for Big Four accounting firms, and whether this goal affects academic performance.

Several studies have shown that individual response to perceived failure to achieve goals varies depending on the individual's mindset (Lehmann, 2002; Blackwell et al., 2007; Krakovsky, 2007; Murphy & Thomas, 2008; Stump et al., 2009). Particularly, some individuals see failure or mistakes as learning opportunities, while others see failure as an insurmountable roadblock to success. Individuals who are afraid of failing may set easier goals, while those who see failure as an opportunity to learn and grow may set more challenging goals. Specifically, Dweck (2006) provide evidence that mindset explains some differences in individual responses to challenges and setbacks, implying that achievement of goals may depend on the individual's mindset. Therefore, we posit that mindset might affect the difficulty of self-determined goals. In the context of college education in accounting, students set goals such as passing exams, graduating, and working for a Big-Four accounting firm. Consequently, college educators who want to enhance students' academic performance and increase their chance of career success should seek to understand whether a particular mindset affects student's decision to set a challenging career goal such as working for a Big-Four

accounting firm and whether setting challenging career goals affects students' academic performance.

There are at least two reasons why this study should be relevant to college educators. First, career coaches and educators should recognize that they can help students understand that their mindset is malleable and not let it be the *de facto* reason for not pursuing challenging goals and thus undermining their career potential. Secondly, our study should assist college educators to better assist students to pursue high academic performance by developing an appropriate connection between intellectual ability, effort, and academic performance.

The next section of this paper presents a literature review and hypotheses development. The succeeding section outlines the research methodology by describing the measures used in this study and the data collection procedures, followed by the results section. Finally, we conclude by summarizing the study and discussing the practical implications as well as the limitations.

Literature Review and Hypothesis Development

Effect of Mindset on Academic Performance

There is evidence from education research that students' academic success is a function of academic ability and a resolve to overcome adversity and setbacks. Indeed, professors often observe that students vary in how they respond to negative feedback such as failing an exam or earning a lower than expected grade. Some students learn from negative feedback by adjusting study strategies to earn better grades in the future, while other students exert less effort and perform worse. Prior research suggests that mindset, an individual dispositional characteristic, explains some differences in individual response to challenges and setbacks (Dweck, 2006). Mindset is defined by the U.S. Department of Education (2013) as "... perseverance to accomplish long-term or higher-order goals in the face of challenges and setbacks". Mindset can be characterized as a bipolar construct that ranges from a fixed mindset at one end of the spectrum to a growth mindset on the other end. Individuals with a fixed mindset believe that intellectual ability is a stable personal attribute, while individuals with a growth mindset believe that intellectual ability is malleable and can be improved through learning and expending increased levels of effort (Dweck & Leggett, 1988; Dweck, 2006; Molden & Dweck, 2006).

Mindset has profound implications for learning and performance (Dweck & Leggett, 1988; Dweck, 2006; Molden & Dweck, 2006). Particularly, because students with a fixed mindset believe that innate intellectual ability, rather than the level of effort they exert, is the primary determinant of performance they tend to view impaired performance or failure as evidence that they lack ability and are, thus, incapable. Consequently, when individuals with a fixed mindset encounters failure and difficulties they are likely to disengage from the activity associated with failure and do not exert further effort to improve performance (Robins & Pals, 2002; Dweck, 2006). In contrast, individuals with a growth mindset believe that intellectual ability is malleable and can be developed through exerting greater effort, and are likely to view failure as temporary, appropriate feedback. Consequently, individuals with a growth mindset are likely to learn from failure, make adjustments to be better prepared, and they exert more effort to improve performance (Dweck, 2006).

Prior studies show that student's perception of the malleability of intellectual ability affects their academic performance. For example, Jones et al. (2009) find that students who believe that intellectual ability is malleable are more academically motivated and perform better than students who believe that intellectual ability is a stable personal

attribute. Consistent with this perspective, other studies suggest that relative to students with a fixed mindset, those with a growth mindset perform academically better (Blackwell et al., 2007; Cury et al., 2008; Atwood, 2010; Dweck, 2010). Further, in accounting related research involving senior-level accounting undergraduate students, Ravenscroft, Waymire, and West (2012) provide evidence that mindset is significantly associated with exam outcomes. Summarizing our discussion in this section, we posit the following hypothesis:

H1: *Students with a growth mindset will perform better on an accounting exam than those with a fixed mindset.*

Effect of Mindset on the Desire to Work for Big Four

In addition to examining the effect of mindset on exam performance, this study also examines whether mindset affects students' desire to work for Big Four accounting firms. Since mindset captures individuals' beliefs regarding the degree to which their skills and abilities can be improved through effort, we posit that mindset could influence the degree to which individuals adopt difficult personal goals. Specifically we hypothesize that students with a growth mindset will set more challenging career goals compared to those with a fixed mindset. Our hypothesis rests on the evidence that mindset can affect career choices in two ways. First, individuals with a growth mindset believe that intellectual ability can be developed and improved through exertion of effort, are not very fearful of failure, and are willing to take risks. In contrast, individuals with a fixed mindset believe that their skills and abilities are innate and static and are more likely to pursue only those activities that they have succeeded at in the past or believe they can succeed at in the future. Further, individuals with a growth mindset are less concerned with "looking smart" and see failure or mistakes as learning opportunities (Lehmann, 2002; Blackwell et al., 2007; Krakovsky, 2007; Murphy & Thomas, 2008; Stump et al., 2009). Since pursuing challenging goals imposes greater risk of failure, we expect that individuals with a growth mindset are likely to adopt more challenging career goals than those with a fixed mindset.

The second reason that mindset could influence whether individuals adopt challenging goals is that mindset affects individual tendency towards giving up when faced with adversity and/or failure. Prior research suggests that mindset leads to different reactions to setbacks. For example, students with a growth mindset report that they change their study strategy by working harder following setbacks, whereas, students with a fixed mindset report that they would study less (Da Fonseca et al., 2004; Bivens, 2008; Dweck, 2008b; Carter, 2009). These results suggest that mindset affects individual's response to challenges and thus may affect career choice. Particularly, students with a fixed mindset are less likely to pursue challenging career goals relative to those with a growth mindset.

We posit that students perceive that working for a Big Four accounting firm is more challenging than working for a non-Big four firm. In addition to making decisions about the type of firm they would like to work for, students have choice between pursuing different accounting specializations and working for non-accounting companies. Common career paths in accounting firms include auditing and taxation, while in non-accounting firms the individual can choose between corporate accounting and management accounting, and they can choose governmental accounting in not for profit and public sector companies. Anecdotally, we find that a high proportion of students are interested in working for public accounting firms in the areas of auditing and taxation. Meanwhile, students who are interested in private companies accounting, non-profit and governmental accounting, and those who are not sure which career path to pursue also consider public accounting to be a good place to start their career. This belief is supported by the fact that working for an accounting firm provides exposure to accounting practices in different industries, which allows the young accountant to

accumulate knowledge and to build their business network. Within the public accounting sector, Big Four accounting firms are viewed as more prestigious than other accounting firms. Additionally students perceive that Big Four firms provide better compensation and benefits and more networking/future job opportunities, they have larger clients, provide better training, offer more opportunities to gain experience across a wider variety of industries, more opportunities for gaining international business experience, and provide access to better work resources (Bagley, Dalton, & Ortegren, 2012). Due to the perceived advantages of working for a Big four firm, students are likely to believe that Big Four hiring is highly competitive and working for them is more challenging. As discussed previously, students with a growth mindset are likely to choose more challenging career goals than students with a fixed mindset, thus, we hypothesize that students with a growth mindset are more likely to set a career goal of working for a Big Four accounting firm than students with a fixed mindset. We state our hypothesis formally as follows:

H2: *Students with a growth mindset are more likely to set a career goal to work for a Big Four firm relative to those with a fixed mindset.*

Effect of Career Goal of Working for Big Four on Academic Performance

Goal-setting theory purports that setting goals can be a source of motivation that affects task performance (Locke & Latham, 1990). Setting goals leads to improvements in task performance because goals direct individuals' effort and attention to activities that are relevant to the task. Goals induce energy and persistence (Locke & Latham, 2002). In addition, goals enable individuals to focus task-related knowledge and task strategies towards the activities that facilitate achieving the goal, which has positive effects on performance (Locke & Latham, 2002). Goal-setting theory has been tested in more than 200 laboratory and field studies using more than ninety different tasks, which provide strong support for the theory (Locke & Latham, 1990). Subsequent reviews confirm the earlier findings that setting challenging goals is positively related to motivation and performance (Locke & Latham, 2002; 2006). The motivating power of goals is affected by two characteristics, goal difficulty, and goal specificity. Difficult but attainable goals are more motivational than easy goals because the former induce greater effort. Specificity, although not directly related to performance, reduces ambiguity about what should be achieved and thus helps the individual to focus effort towards performance. Consequently, specific and difficult goals are more likely to lead to greater motivation and better performance than simple exhortations to "do your best" (e.g., Locke et al., 1981; Bandura, 1988). Results from a meta-analysis provide strong support for these inferences (Mento e al., 1987).

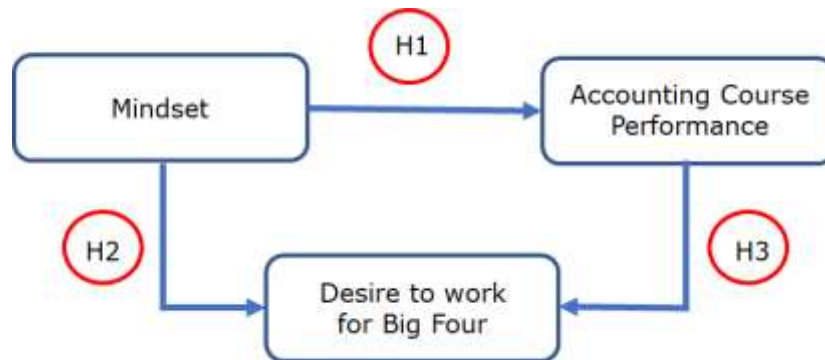
To the extent that working for Big Four is viewed as challenging for undergraduate accounting students, adopting such goals should increase students' motivation to exert effort and achieve higher performance in accounting courses, because course grade is one of the criteria used by recruiters to evaluate job candidates. Achieving higher grades in core accounting courses is an indicator of students' knowledge of accounting that is essential for work performance and for passing the CPA exam. Higher grades also increase student's chances of gaining an internship, and obtaining positive reference letters from professors. Therefore, the desire to work for Big Four could motivate students to achieve higher grades in accounting courses. In summary, we expect that mindset will indirectly affect course performance through setting the challenging career goal of working for a Big-four accounting firm.

H3: *Students who set a goal of working for a Big Four accounting firms are likely to perform better on accounting courses than those who do not adopt such goal.*

The predictions regarding the relations among students' personal characteristics, career goals of working for Big Four accounting firms, and accounting course performance, are depicted in Figure 1.

Figure 1:

Hypothesized Relationships among Mindset, Desire to Work for Big Four and Course Performance



Methodology

Participants

Participants in our study were seventy undergraduate students in the junior year of the accounting major at a medium size university in the north eastern United States of America. Participants were enrolled in Intermediate Accounting, which is mandatory for accounting majors. The group of participants was comprised of 51 percent male and 49 percent female. Prior to the start of the study, participants were informed of the purpose of this study and to get them to agree that the performance assessment would be conducted throughout the semester. The study was reviewed and approved by the Institutional Review Board of the university.

Procedure

At the beginning of the study, students were asked to complete a questionnaire during a scheduled class just after taking the midterm exam but prior to knowing their score on the midterm exam. The questionnaire captured students' career specialization preference, their mindset, and demographics. Mindset was measured using a four-point Likert type scale developed by Dweck (2006). A mindset score was computed for each student by taking the average response across ten questions, after adjusting for reverse-coded questions (1 = Fixed mindset; 4 = Growth mindset). The Cronbach's alpha coefficient of the ten items is 0.701, indicating good internal consistency of the items in the scale. The desire to work for Big Four was measured using the question, "to what extent do you think working for one of the Big Four accounting firms is important to you?" Data was also captured on potential control variables that affect career choice preferences such as work-life balance, desire to obtain wealth through their jobs, and desire to start their own business. Demographic questions covered the students' major, gender, year at school, and whether they are domestic or international students.

RESULTS

Descriptive Statistics

Table 1 shows descriptive statistics for our sample. The average exam grade is 81 and 78 for midterm and final exam, respectively. The average mindset score for student participants was 2.99 (1 = Fixed mindset; 4 = Growth mindset), suggesting that participants generally exhibit a growth-oriented mindset. Participants reported the importance of working for a Big Four public accounting firm using a nine-point Likert-type scale where a score of one indicated "Not at all important" and a score of nine indicated "Extremely Important". The mean score of the importance to work for Big Four is 5.28, which suggests that, on average, working for a Big Four accounting firms is somewhat important to participants.

Participants were also asked to indicate their preferences for work-life balance, obtaining wealth through their job, and starting their own business, using a nine-point Likert-type scale with a score of one indicating "Not at all Important" and a score of nine indicating "Extremely Important". The mean score for work-life balance is 7.84, indicating that students have a strong preference for work-life balance and may be less motivated to take on challenging goals. The mean score for obtaining wealth through their jobs is 7.09, suggesting that students generally prefer to earning more money from their jobs, and may be motivated to work harder to achieve better pay. Finally, the mean score for starting their own business is 3.86, suggesting that students generally do not plan on starting their own business, and are thus more likely to be focused on doing well in their accounting program to increase their appeal to potential employers.

Table 1:
Descriptive Statistics

Variables	Mean	Std. Dev.
<i>Midterm Exam</i>	81	9.89
<i>Final Exam</i>	78	7.78
<i>Mindset</i>	2.99	0.65
<i>Big Four</i>	5.29	2.29
<i>Work-Life Balance</i>	7.84	1.10
<i>Hours</i>	8.34	4.53
<i>Effort</i>	7.83	0.98
<i>Compensation</i>	7.09	1.36
<i>Entrepreneurship</i>	3.86	2.20
<i>Gender</i>	0.51	0.50
<i>n</i>	70	

Variable Definitions:

Midterm Exam = actual exam score for Midterm Exam

Final Exam = actual exam score for Final Exam

Mindset = lower scale values reflect more fixed mindset, whereas larger values are indicative of a growth mindset.

Big Four is measured by asking participants to indicate how important for them to work for Big Four accounting firm. Lower scale values reflect that working for Big Four accounting firms is less important to students, while larger values indicate that working for Big Four accounting firms are more important to them.

Work-Life Balance = lower scale values reflect that work-life balance is less important to students, while larger values indicate that work-life balance is more important to them.

Hours = self-reported hours students spent in this course each week

Effort = self-reported level of effort students put into this course

Compensation measures students' personal preference of making money through their jobs.

Entrepreneurship measures students' personal preference for owning a business.

Gender is a binary variable, which equals 1 if participants are male, and 0 otherwise.

Concerning choice of accounting career specialization, approximately 66% of the participants chose audit, 11% chose tax, 6% chose AIS or management accounting, and 11% of students chose other accounting concentrations. In addition, when asked what type of accounting firms they would like to work for, approximately 60% of the participants preferred to work for a Big Four accounting firm (these results are untabulated).

Tests of Hypotheses

The first hypothesis tests the relationship between mindset and exam performance. We test H1 using the following model,

$$\text{Final Exam Performance} = \text{Mindset} + \text{Midterm Exam Performance} + \text{Other Control Variables} \quad (1)$$

In addition to our independent variable of interest, mindset, we also control for factors that potentially affect students' course performance. Particularly, we control for effort, measured as self-reported hours spent on the course each week (*Hours*), self-reported level of effort (*Effort*), and students personal preference and/or motivation to study, such as the importance of work-life balance (*Work-Life Balance*), making money (*Compensation*), and starting one's own business (*Entrepreneurship*). We also expect that midterm exam performance can be predictive of students' final exam performance (*Midterm*). In the model, we also included the demographics of gender as a control variable.

Table 2 shows the results of our regression analysis, which suggests that mindset is statistically positively associated with exam score ($t = 2.12$, $p = 0.019$, one-tailed), indicating that the students with a growth mindset are more likely to earn a higher exam score than those with a fixed mindset. Therefore, H1 is supported. We also find that midterm exam performance is positively correlated with their final exam performance ($t = 3.08$, $p = 0.003$, two-tailed). In addition, reported preference for work-life balance is negatively associated with students' final exam performance ($t = -2.84$, $p = 0.006$, two-tailed), demonstrating that students who are less concerned about work-life balance tend to perform better on the accounting exam. Both accounting coursework and accounting careers are very demanding, thus a weak preference for work-life balance suggests a high willingness to sacrifice personal life for achieving career goals. A lower work-life balance score may cause higher effort level and higher motivation to achieve academic and professional excellence.

Table 2:
Test of H1

Regression Analysis of The Directional Effect of Mindset on Students' Academic Performance			
Independent Variables	Coefficients	t-stats	p value
<i>Mindset</i>	2.979	2.12	0.019**
<i>Midterm Exam</i>	0.278	3.08	0.003**
<i>Work-Life Balance</i>	-2.395	-2.84	0.006**
<i>Hours</i>	-0.107	-0.52	0.602
<i>Effort</i>	0.593	0.62	0.535
<i>Compensation</i>	-0.435	-0.66	0.510
<i>Entrepreneurship</i>	-0.330	-0.83	0.410
<i>Gender</i>	0.168	0.10	0.924
n	70		
Adjusted R-squared	0.209		

Note: A linear regression model is applied. *, ** Significant at the .10 and .05 level, respectively.

The second hypothesis posits that participants' mindset will affect their choices of career goals. Specifically, we investigate whether students with a growth mindset have greater desire to work for Big Four than participants who have a fixed mindset. We test H2 using the model (2) below. We included control variables, which potentially affect the desire to work for a Big-four firm. These variables include the preference for work-life balance, making money, and starting one's own business.

$$\text{Big Four} = \text{Mindset} + \text{Control Variables (2)}$$

The results show a positive association between students' mindset score and their perception of importance for working for Big Four ($t = 1.76$, $p = 0.042$, one-tailed), suggesting that the students with a growth mindset valued working for Big Four as more important compared to participants with a fixed mindset.

Table 3:
Test of H2

Regression Analysis of The Directional Effect of Mindset on Students' Desire to Work for Big Four			
Independent Variables	Coefficients	t-stats	p value
<i>Mindset</i>	0.782	1.76	0.042**
<i>Work-Life Balance</i>	0.004	0.01	0.989
<i>Compensation</i>	0.202	0.98	0.330
<i>Entrepreneurship</i>	0.053	0.42	0.675
n	70		
Adjusted R-squared	0.018		

Note: A linear regression model is applied. *, ** Significant at the .10 and .05 level, respectively.

The final hypothesis tests whether participants who adopt more challenging career goals perform better academically than participants who prefer less challenging career goals. We expect that adopting more challenging career goals (e.g., aiming to work for a Big

Four accounting firm) motivates students to exert more effort and study harder. We test H3 using the following model,

$$\text{Final Exam Performance} = \text{Big Four} + \text{Midterm Exam Performance} + \text{Other Control Variables} \quad (3)$$

Contrary to expectation we find that the desire to work for Big Four has a negative effect on final exam performance ($t = -2.21$, $p = 0.016$, one-tailed), indicating that a greater desire to work for Big Four has a negative effect on the final exam performance. In terms of control variables, students' prior exam performance is statistically positively correlated with their final exam performance ($t = 3.46$, $p = 0.001$, two-tailed). Furthermore, students' preference for work-life balance is statistically negatively associated with students' final exam performance ($t = -2.16$, $p = 0.035$, two-tailed).

Table 4:
Test of H3

Regression Analysis of The Directional Effect of Desire to Work for Big Four on Students' Academic Performance			
Independent Variables	Coefficients	t-stats	p value
<i>Big Four</i>	-0.846	-2.21	0.016**
<i>Midterm Exam</i>	0.315	3.46	0.001**
<i>Work-Life Balance</i>	-1.762	-2.16	0.035*
<i>Hours</i>	-0.083	-0.41	0.683
<i>Effort</i>	1.238	1.29	0.201
<i>Compensation</i>	-0.382	-0.58	0.562
<i>Entrepreneurship</i>	-0.156	-0.39	0.694
<i>Gender</i>	0.370	0.21	0.834
n	70		
Adjusted R-squared	0.213		

Note: A linear regression model is applied. *, ** Significant at the .10 and .05 level, respectively.

Additional analysis

Our result suggests that *Big Four* is negatively associated with students' academic performance. We examine this effect further by performing an additional regression analysis, using model 4 below.

$$\text{Final Exam Performance} = \text{Big Four} + \text{Mindset} + \text{Midterm Exam Performance} + \text{Other Control Variables} \quad (4)$$

Model 4 extends model 3 by adding *mindset* variable as an additional independent variable. Model 4 results are reported in Table 5 below. Similar to model 3, the coefficient on *Big Four* is negative and significant ($t = -2.84$, $p = 0.003$, one-tailed). The comparison of model 3 and 4 suggests that after adding *mindset* variable, *Big Four* become more statistically significant. The p-value of *Big Four* is 0.016 in model 3, it becomes 0.003 in model 4 after *mindset* is added to the model.

Table 5:
Additional Analysis of H3

Regression Analysis of The Effects of Desire to Work for Big Four and Mindset on Students' Academic Performance			
Independent Variables	Coefficients	t-stats	p value
<i>Big Four</i>	-1.055	-2.84	0.003**
<i>Mindset</i>	3.764	2.77	0.004**
<i>Midterm Exam</i>	0.318	3.68	0.001**
<i>Work-Life Balance</i>	-2.311	-2.89	0.005**
<i>Hours</i>	-0.18	-0.92	0.361
<i>Effort</i>	1.001	1.10	0.277
<i>Compensation</i>	-0.343	-0.55	0.583
<i>Entrepreneurship</i>	-0.255	-0.68	0.501
<i>Gender</i>	0.393	0.24	0.814
n	70		
Adjusted R-squared	0.291		

While the results are contrary to our prediction, there are potential explanations for our results. First, the goal of working for a Big Four firm may seem unattainable by some students. Goal setting theory suggests that as a goal becomes increasingly difficult, above a certain threshold it no longer motivates effort and performance (Locke & Latham, 1990). If some students perceive that there is only a slim chance that they can get into Big Four, they may not exert much effort. In model 3 and 4, we have two variables control for students' effort level. The variable, *hours*, elicits the self-report hours of study. The second variable, *Effort*, elicits the perceived effort level on a 9-point scale ranging from 1, indicating a very low level of effort to 9, indicating a very high level of effort. In both model 3 and 4, the results suggest that neither *hours* nor *effort* is statistically significant. Therefore, giving up is unlikely to account for such results. Second, the goal of working for Big Four might cause students to experience stress during the week of the final exam. One requirement of Big Four recruitment is that GPA needs to be maintained at a certain level. In addition, anecdotal observation suggests that employers are interested in particularly the grades of core accounting courses including intermediate accounting, the course from which our sample was collected. If students become too concerned about their grades, they might experience stress during the final exam. This might account for the negative association between *Big Four* and *final exam performance*.

Conclusion

The primary purpose of this study is to explore whether accounting students' mindset affects their desire to work for Big Four accounting firms and their academic performance. Our results suggest that, consistent with our expectation, a growth mindset is positively associated with exam performance and the desire to work for Big Four. However, contrary to our expectation, the desire to work for Big Four is *negatively* associated with the final exam performance. Potentially, students who have a high desire for Big Four may be stressed and anxious during the final exam and therefore had a lower performance.

The results of this study have two implications for accounting educators. First, consistent with Dweck (2006), we find that accounting students' mindset determines their academic performance. Specifically, students with a growth mindset perform

better on exams than those with a fixed mindset. To improve overall students' learning, accounting educators may consider fostering a growth mindset in students inside and outside of the classroom. A growth mindset enhances self-efficacy and encourages students to exert more effort towards learning. Second, students' mindset influences career goals. Theoretically, motivation decreases in the difficulty of achieving career goals. However, we observe that students who placed more importance on working for Big Four actually performed worse in a course. We posit that the emphasis on GPA and excessive stress and anxiety brought on by a strong desire to work for a Big-four firm may result in poor performance. While further research should be conducted to investigate this effect, career advisors and educators might be able to help students cope with stress and to fulfil their potential.

We acknowledge that this study has limitations. First, the sample consists of students who took a single accounting course at a single institution. To increase the generalizability of our results, future research could consider using data from multiple accounting courses across multiple institutions. Second, our results suggest that students who consider working for Big Four as more important underperformed those who see working for a Big four firm less important. Alternatively, the goal of working for a Big Four firm may increase the student's focus on obtaining a higher GPA, which increases stress and, thus, lowered exam performance. Future research could replicate our study with additional variables to measure focus on obtaining a higher GPA and associated stress to see if our explanations are valid. Third, while we explore the effect of career goals on the performance on a single course, future longitudinal studies could examine the effect of mindset and career goals on job placements and long-term career outcomes.

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Appendix

10- Item Mindset Scale

1. Your intelligence is something very basic about you that you can't change very much.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
2. No matter how much intelligence you have, you can always change it quite a bit.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
3. Only a few people will be truly good at sports, you have to be born with the ability.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
4. The harder you work at something, the better you will be.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
5. I often get angry when I get feedback about my performance.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
6. Truly smart people do not need to try hard.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
7. I appreciate when people, parents, coaches, or teachers give me feedback about my performance.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
8. You can always substantially change how intelligent you are.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
9. You are a certain kind of person, and there is not much that can be done to really change that.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
10. An important reason why I do my school work is that I enjoy learning new things.
 - Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree