President’s Message: 

The Challenges of Accounting Education Today

What an exciting time to be leaders in accounting education. Change is all around us: in the accounting profession; with the type of students we teach; in the economic environment in which we work; and within the academy itself. With these challenges come opportunities to make a difference.

One change demanding our attention is the move to international accounting standards. Although it can be debated when a move in the US to international standards will happen as well as the specific nature of the changes that need to be made, the reality is that changes are coming and we need to be ready to incorporate these changes into our curriculums.

Another issue is the ongoing discussion of the 150/120-hour debate for sitting for the CPA exam. A proposed move to requiring 120 hours has been posted by NASBA for input - see www.nasba.org and click on “The 120/150 Hour Paper”. We should all be aware of this proposal and join in the discussion. The potential impact of this proposal on our programs could be very significant.

The AICPA recently announced a project to reconfigure the structure and content of the CPA exam – see the Fall 2008 edition of The Uniform CPA Exam Alert from the AICPA. Although the CPA exam is not a driving force for most accounting programs, changes in the CPA exam content and structure will impact many of our graduates. We as accounting educators should be aware of the changes and get involved in the discussion. Students today are different than students in years past. They have not only different interests, but also different modes of learning and communicating. These differences have resulted in more active/participatory teaching approaches. The use on technology within and outside of the classroom has become almost a requirement. Student expectation of faculty involvement and understanding of the practice of accounting in all areas of the world has increased significantly.

The economic current environment should be of major concern to all. State and federal budget deficits are forcing cost cutting actions at most if not all institutions with additional cuts anticipated. Not only will this impact our program support, funding for new positions and funding levels for current positions might be impacted. The process of fundraising from alumni and friends outside of the university will be much more challenging. The relative ease at which our graduates have found employment becomes more challenging.

Another issue of concern is the aging professorate and the low numbers of new accounting Ph.D.s coming out of doctoral programs – especially in specialty areas outside of financial accounting. A consortium of over 70 firms and several state CPA societies have contributed over $16 million in financial support of accounting doctoral students focusing on audit or tax. The “Accounting Doctoral Scholars Program” is actively involved in an effort to increase the flow of new Ph.D.s in accounting – see www.adsphd.org for program details.

Addressing these and other important changes is part of what we do as leaders of accounting programs. Let me invite you to participate in the 2009 APLG Conference to be held in Nashville, Tennessee on...
Greg Carnes, president of the APLG, called the meeting to order at 9:00 am on Sunday, August 3, 2008 at the Hilton Anaheim in Anaheim, CA. Both current and new Board members were invited to attend the meeting. Members attending included Greg Carnes, Doug Ziegenfuss, Lee Knight, Mary Wartick, Julie Peters, Gerald Lobo, Bette Kozlowski, Kevin Stocks, Bud Fennema, Jim Young, Dan Murphy, Phil Reckers, Ellen Glazerman, and Lydia Rosencrants. Due to the mixture of returning and new members, Greg Carnes had the Board introduce themselves to start things.

Minutes
The Board approved the minutes of the February 10, 2008 meeting in Charleston.

Treasurer’s Report
Treasurer Dan Murphy passed out documents showing 1) Count of Active Section Members, 2) Budget to Actual for the fiscal year ending 6/30/2008 and budget for the fiscal year ending 6/30/2009, and 3) Profitability of Mid-Year meetings from 1998-2008. As expected, the bulk of our membership comes from the United States, with one or two members in countries around the world. On the actual results for the fiscal year ended 6/30/2008, Ellen Glazerman questioned why the membership increased by 45 members, but dues revenue only increased by $150. Dan Murphy will check into it with AAA staff. Bud Fennema requested that in the future the ending cash balance for the section be included in the documents received by the Board. The question was raised that nothing was budgeted or charged for the Board of Governors’ meeting held at last year’s annual meeting in Chicago. Kevin Stocks explained the increase in the budgeted speaker fees for the 2009 midyear meeting as compared to the 2008 meeting. He and his planning committee are talking with several speakers who specialize in communication who are expected to cost more than those engaged last year. Kevin also pointed out that FSA will cover half of the cost of the midyear meeting. Greg Carnes requested a motion to approve the budget for the fiscal year ending 6/30/2009. The budget was approved.

Appropriate Use of Cash Balance
The APLG cash balance for the fiscal year ending 6/30/2008 is approximately $130,000. Greg Carnes and Kevin Stocks discussed ways the section is trying to spend this down such as co-sponsoring the breakfast for Ph.D. coordinators at the AAA annual meeting and holding a fall meeting of the Board.

Update of Bylaws Vote
Greg Carnes updated the Board on the two different votes recently taken of the membership. The first, a change to the vision statement, was approved 54 to 0. The second, a change to the bylaws, was also approved 54 to 0. Lydia Rosencrants reported that the updates will soon appear on the web site.

Advocacy Initiative
Greg Carnes informed the Board about conversations he has been having with Sue Haka, President of the AAA. Greg and Sue have agreed to form an AAA/APLG Advocacy Committee which will “advocate of behalf of the academic accounting community to constituencies that have the opportunity to influence the quality and effectiveness of the accounting academy.” During the 2008-2009 academic year, the committee will focus on advocacy around the following four issues: shortage of accounting Ph.D.s, accounting faculty demographic profile, trends in business schools that impact resources and commitments to accounting education, and accounting research issues. The advocacy committee will work in conjunction with various task forces.

Membership Survey Report
Doug Ziegenfuss discussed the results of the 2008 membership survey. Doug noted that 128 responses were received, giving a 25% response rate. Some interesting results included: 34% of respondents are not currently section members, most of the respondents are from large schools which offer a master’s degree, and the midyear meeting is very important to respondents. Doug recommends that the membership committee administer this survey at least every two years.

APLG Award
Greg Carnes called for nominations for this year’s APLG award to be presented at the 2009 midyear meeting in Nashville. No nominations have been received from the membership so far. Greg mentioned several possibilities. A selection was made and approved by the Board. To maintain the element of surprise when the award is presented at the midyear meeting, the name is not included in these minutes.

Update of the 2009 Annual Meeting
Paula Thomas, Chair of the Program Committee for the APLG annual meeting, joined the Board to discuss possible topics for the meeting. The meeting is in Nashville, TN. Paula pointed out that the Renaissance has been selected as the conference hotel. The dates of the meeting are February 8-10. The new chairs seminar will continue on Sunday morning, with a luncheon on Sunday afternoon.

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THE CENTER CANNOT HOLD: 
THE END OF “AQ” AS A DISCIPLINING MECHANISM

Timothy J. Fogarty
Case Western Reserve University

…Things fall apart, the center cannot hold… The ceremony of innocence is drowned, the best lack all conviction, and the worst are filled with passionate intensity…

W.B. Yeats
The Second Coming

Nearly 170 schools, most of which are in the US, now sport accounting departments that possess separate accounting accreditation. We should take great pride on this achievement, especially to the extent that its accomplishment and maintenance represents substantive quality upgrades in pedagogy and scholarship for the discipline.

While we are patting ourselves on our collective back, we need to ponder the future of accreditation and its relationship to academic accounting. The position that I take is to suggest that what we have built is not sustainable. Toward the imagination of the future, I offer a couple of alternative scenarios.

Accreditation does not possess a monopoly on what constitutes quality in higher education, no matter how strenuously the AACSB attempts to forge this link. The principal elements of accreditation constitute a particular ideology about the effective management and the correct deployment of academic resources. For the most part, the pillars of this philosophy have been accepted by the governed on the basis of their “face validity.” This taken-for-grantedness gainsays the power possessed by accrediting bodies to grant or withhold their imprimatur.

The purpose of this piece is not to problematize the whole of accreditation, or even to challenge the necessity of any of its elements. Instead, I wish to debate the feasibility of one criteria. In other words, even if one were to assume that it was the right criteria, the question is can we as a discipline continue to use it.

Included in the AACSB’s short list of reasons that schools have accreditation problems is the inadequacy of the academic qualifications of resident faculty. Although the AACSB leaves it to schools to define what AQ is, and to “make the case” that they have a sufficient number of AQ faculty to accomplish their mission, this sort of inadequacy persists as a major hurdle for many seeking the separate accounting accreditation designation.

Let us assume, without argument, that the engagement of faculty in research improves the quality of teaching in the accounting classroom. This tenet of faith is central in understanding why schools are constrained against excessively gaming their AQ definitions, and chiseling their AQ percentages. In their willingness to toe the line regarding the importance of academic research, accounting departments willingly slip their heads in the accreditation noose. This all stems from an institutional inability to fashion mission statements with modest and achievable objectives. We have been, and will continue to be, hoisted by the petard of our own hubris.

The hub of the problem is not what accreditation makes us value, and then to consequently do. What takes us from the daunting to the impossible lies in the fact that accreditation is increasingly taking a back seat to other objectives of business schools. Whereas we might not yet be able to say that “it is all about the money,” we could say that it is all about those things believed to be very close to the money.

The shortage of doctoral students in accounting threatens to return us to the modality of MBA/CPA faculty credentials. The inability of production to even approach 50% of the replacement demand suggest a diminishing of the population with the ability and interest to be academically qualified. The “outside the box” thinking about the problem has mostly accelerated the substitution of professionally qualified (PQ) faculty for the AQ ones. The structural problem, features doctoral programs, facing high costs, with inadequate incentives to do much more than limp along. In such a harsh world, doctoral programs prefer to aggregate resources to train a smaller number of higher quality candidates, as a means to maximize the reputational value of their investments. Nobody wants to commit to go broke producing the “good enough” masses.

Schools with sufficient resources to pay the shortage-inflated starting salaries of research-enabled accounting faculty proceed to undermine their recruiting success. The establishment of hardly attainable research productivity standards for new faculty may ease the pain of extant faculty who have been salary compressed or inverted. However, these expectations not only set in motion a failure dynamic for new faculty, but also jeopardize the schools’ AQ attainment. Setting forth precise quantity targets in a highly restricted set of accounting journals is tantamount to a message that publishing elsewhere is a waste of time. Given stiff odds of success in the preferred journals, talented researchers risk coming up empty. If these faculty can survive the psychological bashing of rejection, and can be successfully reprogrammed, they might make AQ faculty at their second school. Nonetheless, this systemic “eating of the young” is inconsistent with the ideals of faculty development. By virtue of the five-year “free AQ pass” given by AACSB to freshly minted PhDs, schools are encouraged to fish for superstars by routinely burning out the capable. Yes, the perfect is the enemy of the good.

The demand side of the faculty labor market is subjected to the same forces as the supply side. Schools seek to further their brands with the highest impact faculty. Anybody else is a bad investment for the considerable money involved. This strategy can be accomplished within the constraints of accreditation as long as the existing faculty maintains its AQ status. As these people retire, more pressure is put on the school to have its AQ cake and eat it too by endlessly

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The Center Cannot Hold....cont’d from page 3

searching for “home run” capable new faculty.

The AACSB has started to recognize the difficult position it is in. Before high prestige schools renounce the pursuit of separate accounting accreditation, the accrediting agency must make AQ standards less of an obstacle. A variety of “mission accomplished” possibilities exist. The easiest approach would be to soften the interpretation of its standards. The word on the street could re-characterize the existing AQ norms as aspirational rather than minimal. Ritual classifications such as “Improving” might be useful especially for accreditation maintenance purposes. Visit teams could be more accepting of less ambitious definitions of AQ. Perhaps this could include less insistence upon outcome oriented measures of research activity, and more a test of scholarly effort.

The existence of excellent accounting teachers who do not do research presents a problem for the AACSB. Calling these individuals “unqualified” does not sit well with those familiar with the value they bring to their students. The exit from this conundrum is the rumored new category—“mission qualified.” This represents a retreat from the position that research is the only true faith for academics. As of this writing, it is unclear how this category can be incorporated into the AACSB canon. Did the value of these master teachers dawn on the organization suddenly and surprisingly? Will the AACSB emulate the National Football League and impose quotas for the “franchise player” who will then act outside, but parallel to, the established rules? Neither solution is conceptually satisfying, but who says that accreditation has to make sense?

A third possibility represents the most radical scenario, and therefore the least likely. In the wake of the recent critique of business and accounting research, that has come close to characterizing it as useless to business practice, the very notion of what research is could be blown up, with accreditation as the leading wedge. Business disciplines, as applied areas, would equate various consulting work with publication. In a way this development would merge AQ with PQ, and the expectation would be that faculty would have to be “something-Q.” This approach is outlined in a major white paper recently completed by the AACSB, which will either be a turning point for the organization or will be completely forgotten. The former would require considerable retraining for faculty that have perfected the art of publishing in lower-tier journals. Traditional academic publishing would go from an expectation for most faculty to that restricted to a tiny priesthood. At the same time, the academy would need to invest in the development of metrics that would assess faculty impact upon practitioners.

In conclusion, I bring good news and bad news. The good news is that those that have been beaten up by AQ standards will outlast them. AQ was predicted upon a set of assumptions about institutional resources and system capabilities that have become untenable. Actions, mostly motivated by economic necessity for individual actors, rendered the distinction of AQ (as it exists today) routinely unattainable for the collective. The bad news is that AQ will be replaced by a new disciplining mechanism that will either erode the value of the attainment of accreditation, or make it unrecognizable. Hold onto your hats, ladies and gentlemen!

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CHAIR/DIRECTOR POSITIONS

The following positions were listed on the American Accounting Association web page as of November 25, 2008. For more information, consult the American Accounting Association website at: http://www.aaahq.org.

**University of Wisconsin-Milwaukee** invites nominations and applications for the position of Dean of the Sheldon B. Lubar School of Business. Date Posted: November 21, 2008

**California State University, East Bay** DEPARTMENT CHAIR for Accounting and Finance full-time tenure-track OAA Position No. 09-10 ACCT-DEPTCHAIR-TT Date Posted: November 18, 2008

**Texas Christian University** M. J. Neeley School of Business, Chair, Department of Accounting, invites applications and nominations for the position of Chair of the Department of Accounting to begin in August 2009. Date Posted: October 16, 2008

**Northeastern State University** (www.nsuok.edu) is seeking applicants for the William Tolbert Chair of Accounting effective August 2009. Date Posted: October 8, 2008

**Chatham University** invites applications for a Director, Business Programs. Date Posted: September 26, 2008

**University of Massachusetts Dartmouth** invites applications and nominations for the position of Dean of the Charlton College of Business www.umassd.edu/charlton. Date Posted: September 26, 2008

**Kennesaw State University** (KSU) invites nominations and applications for the Dean of the Coles College of Business. Date Posted: September 5, 2008
New Chairperson’s Program
Sunday, February 8, 2009

7:00 am - 8:00 am
Breakfast

8:00 am - 8:15 am
Welcome
Charles Davis (Baylor University)

8:15 am - 9:45 am
Difficult Conversations… Managing Emotions When the Stakes are High
Dr. George Dempsey

9:45 am - 10:15 am
Break

10:15 am - 11:05 am
Show Me the Money – Fundraising Tips and Strategies
Finley Graves, University of North Texas

11:05 am - 12:05 pm
Survivor Nashville – Strategies for the Successful Department Chair
Marcus Odom, University of Southern Illinois Carbondale
Frank Buckless, North Carolina State University
Rosie Morris, Texas State University

2009 APLG/FSA Program
Sunday, February 8, 2009

12:00 pm - 1:00 pm
Welcome Lunch
Casper Wiggins, FSA President
University of North Carolina at Charlotte
Kevin Stocks, APLG President
Brigham Young University

1:15 pm - 2:30 pm
Speaking Well: Belief, Trust, and Credibility
Ralph Hillman, Voice Doc; The Breathe System

2:30 pm - 3:30 pm
CPA Exam Update and NASBA
Denny Reigle, AICPA
Billy Atkinson, NASBA
Melanie Thompson, NASBA

3:30 pm - 4:00 pm
Break

4:00 pm - 5:00 pm
The Changing Financial Environment and the Accounting Profession’s Place
Jim Turley, Chairman and CEO Ernst & Young

5:00 pm - 6:00 pm
Reception

Monday, February 9, 2009

7:00 am - 8:00 am
Breakfast

8:00 am - 10:00 am
Firing on All Cylinders: How to Manage Your Energy Effectively
Ann Matteson, The Energy Project

10:00 am to 10:30 am
Break

10:30 am - 12:00 pm
The Psychological Secrets of Connection
Dr. George L. Dempsey, Corporate Psychologist

12:00 pm - 1:30 pm
Lunch: Opportunities to Enhance Section and Region Strategies
Sue Haka, AAA President

3:00 pm - 5:00 pm
Managing Time and Technology
Bill Dixon, Ernst & Young

5:30 pm - 7:30 pm
Reception

Tuesday, February 10, 2009

7:00 - 8:00 am
Continental Breakfast

8:00 am - 9:00 am
Concurrent Sessions

Session 1: Current AASCB Accreditation Update
Jerry Trapnell (Executive Vice-President and Chief Accreditation Officer)

Session 2: Incorporating Valuation Concepts into the Classroom
Rebecca Shortridge, Northern Illinois University

Session 3: Integrating IFRS into the Accounting Curriculum
Rama Ramamurthy, The College of William & Mary

Session 4: Innovations in Teaching. Recipients of the 2008 Mark Chain/Federation of Schools of Accountancy Innovation in Graduate Teaching Award and the 2008 Bea Sanders/AICPA Innovation in Teaching Award
Brigitte Muehlmann (Suffolk University) – Mark Chain award recipient
Akhilesh Chandra, Thomas Calderon, and Mak Welfley (University of Akron – Bea Sanders award recipients

9:00 am - 10:00 am
Repeat of Concurrent Sessions

10:00 am - 10:30 am
Break

10:30 am - 12:00 pm
Fundraising for Accounting Departments
Jim Benjamin, Texas A & M University
Dan Murphy, University of Tennessee
Ellen Glazerman, Ernst & Young Foundation
Finley Graves, University of North Texas

12:00 pm
Meeting Ends
ACCOUNTING PROGRAMS LEADERSHIP GROUP

2008–2009 Officers and Board Members

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President: Kevin Stocks, Brigham Young University
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Ohio: Marc Rubin, Miami University
Southeast: Ralph Welton, Clemson University
Southwest: Roselyn Morris, Texas State University, San Marcos
Western: Michael Davis, University of Alaska, Fairbanks

2008–2009 Nominating Committee Chairs

David P. Donnelly, University of Missouri, Kansas City
Connie Esmond-Kiger, Ohio University
Ananth Seetharaman, Saint Louis University

President's Message...cont’d from page 1

February 8-10, 2009. The exchange of ideas and best practices among peers is a major benefit of attending this conference. Additionally there will be conference sessions directly addressing each of the major challenges we are facing and a special set of sessions for new department chairs offered Sunday morning. Additional information regarding the conference and registration forms can be found at aaahq.org/aplg/seminars/2009/regis.htm. A step the APLG is taking is to try and expand the involvement of the membership more broadly. To this end several standing committees are being organized. The APLG Board is working on the development of committee charges and operational policies. These will be posted on the APLG website in the near future. What an exciting time to be involved in the leadership of accounting programs. Working together we can continue the advancement of accounting education.

AACSB International Accounting Accreditation

Accreditation Seminar
February 7, 2009 - Nashville, Tennessee

Perfect for deans, accounting administrators, department chairs, faculty members, and key stakeholders of AACSB-accredited accounting programs, the seminar focuses on:

* The AACSB maintenance of accounting accreditation process, documentation, and important standards.
* The importance of continuous quality improvement.
* A new Assurance of Learning Module is included

A Peer Review Team training session will also be offered.

The seminar will be held just prior to the 2009 APLG/ FSA Annual Meeting in Nashville, Tennessee.

To join us, visit: http://www.aacsb.edu/conferences/events/seminars.asp. AACSB International accounting accreditation representing earned excellence, the best accounting programs in the world.
Registration is now open for the 2009 APLG/FSA meeting in beautiful Nashville, Tennessee at the Renaissance Hotel (located in downtown Nashville), February 8-10, 2009. Nashville International Airport is only minutes away from downtown Nashville. Be sure to book your hotel reservations early to take advantage of our special room rate ($180/night). Registration details, hotel information and a preliminary meeting outline are available at http://aaahq.org/aplg/seminars/2009/regis.htm. Program Chairs Paula Thomas (APLG) and Larry Tunnell (FSA) put together a wonderful program with the theme “The Challenging Environment of Accounting Education.” Keynote speakers include:

- Jim Turley: Chairman and CEO of Ernst & Young
- Ann Matteson, The Energy Project. Ann works with many Fortune 500 companies showing leaders how to be happier and more effective by managing personal energy rather than spending more time on the job.
- Dr. George L. Dempsey, a corporate psychologist who will discuss the psychological secrets of establishing connections with others.
- Dr. Ralph Hillman, “The Voice Doc,” who will address how our voice, diction, facial expressions, and body language impact communication skills.
- Andy Walsh, CIO of Ernst & Young who will share steps and techniques to help manage time and the use of technology. Other sessions will focus on fundraising strategies, current actions and issues among accounting regulatory bodies, accounting program assessment, teaching IFRS and valuation, the new CPA Exam, the NASBA 120 hour proposal and international accounting education issues.

Your registration fee includes Sunday lunch beginning at 11:45 a.m. Several awards will be presented at this luncheon so please attend. Charles Davis has also planned a great program for new chairs on Sunday morning, February 8. We look forward to being with you in Nashville.

Kevin Stocks
APLG President
BECOME AN APLG MEMBER!

The mission of the Accounting Programs Leadership Group is to stimulate excellence in accounting education through outstanding leadership of accounting programs. APLG members include directors and chairpersons of accounting programs, as well as individuals who anticipate they may assume such positions. If you are not a member of the Accounting Programs Leadership Group, it is easy to become one. Annual dues are only $50. Mail this application form along with your check or credit card information to:

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5717 Bessie Drive
Sarasota, FL 34233-2399

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