

# News from the Diversity Section



Diversity Section of the American Accounting Association

Vol. 7, No. 1, Summer 2005

## President's Message

The Diversity Section continues to forge ahead in its fulfillment of its stated mission: "to be the primary forum for the enhancement and support of diversity in accounting, education, research and practice". In every aspect of our modern society, individuals have drawn from its diversity to propel itself into the forefront of most, if not all, industries. International and global businesses also depend on diversity to prosper. Indeed, our accounting academy and profession are also dependent on diversity to flourish. While we celebrate the accomplishments that have been made in the enrollment of under-represented groups in undergraduate and graduate programs, we should not even consider diminishing our efforts to increase the number of diverse populations in our accounting academy. The accounting academy is not the only area where our diversity focus should be, we must also recognize the need for effective initiatives that will enhance diversity in our public accounting arena (see Focus on Research, this issue).



With the addition of diverse populations in undergraduate programs, comes the question, "Why should colleges put a high value on diversity in accounting graduate programs?" One answer is suggested by Gerald P. Weinstein and Karen Schuele's *Journal of Accountancy* article, "Practitioners as Mentors: Influencing Students to Study Accounting." The percentage of college students majoring in accounting dropped to 2% in 2000 from 4% in 1990. You will recall studies that report that high school and college students generally view

accountants' work as boring and monotonous." However, because of initiatives of several organizations such as the AICPA Academic & Career Development Team (e.g., Minority Initiatives Committee) and the KPMG PhD Project, the number of accounting graduates (undergraduate and graduate) has increased in recent years. We must constantly tap an often overlooked diverse population to consistently increase our rolls in academia. The benefits of diversity in the graduate accounting programs are many. Higher institutions of learning have recognized that diversity offers flexibility and growth, and conversely, accounting graduate programs that have a diverse population improve their prestige and status in the global community.

A recruiting process that focuses on eligible students from diverse populations should be implemented and/or continued. Colleges and universities are changing with current times. Schools must persistently recognize the advantage of minorities in accounting graduate schools; otherwise they will become the small colleges of tomorrow. Graduate accounting programs must tirelessly create room to accommodate the different cultures.

Some say that the past holds the key to the future, and our past is based on many cultures' influence and contributions to making our nation one of the world's leaders. Increasing diversity in graduate accounting programs will ensure that we keep this distinction, and the result will be heighten diversity in the accounting academy. As stated in our Section's Vision for Diversity, "to maintain diversity, enhanced cultural and intellectual awareness by all members of the accounting community is essential."

## Forward Moving

I wish to take this opportunity to thank the Diversity Section members for allowing me the honor and privilege of serving the Section as its 2004-05 Chair. This year has been a productive one for the Section as evidenced by Committee activities, by an informative Newsletter edited by Jenice Prather-Kinsey, and members' participation in the Annual meeting concurrent sessions and panels. As the year continues, the next anticipated activity is the *First Section Meeting* scheduled for October 2005. At the meeting, important issues will be on the agenda, including presentations on diversity issues and interdisciplinary panel sessions that will provide opportunities to share ideas, solve problems, and stay current on myriad aspects of "accounting business." We speak about how important it is to have the time to network with our colleagues. Do not miss this opportunity to connect and re-connect. Enjoy our Diversity Section Newsletter and continue your support of the Section and your involvement in its activities. Remember also our ongoing membership drive; it is urgent that we commit to increasing our Section membership.

## References

American Institute of Certified Public Accountants (AICPA) 2004.

The supply of accounting graduates and the demand for public accounting recruits-2004. AICPA: New York.

KPMG International. 2005. Celebrating Diversity-KPMG Foundation 2004 Annual Report. KPMG Foundation: New Jersey.



Annual meeting

## 2004 Business Meeting Minutes

American Accounting Association Diversity Section  
Breakfast/Business Meeting Minutes  
August 10, 2004, World Center Marriott--Orlando,  
Florida

The incoming Chairperson Ida Robinson-Backmon called the meeting to order at 7:02 a.m.

Wanda Mattei-Ballester, Member of the Nominations Committee presented the 2004-05 slate of officers:

Chair: Ida Robinson-Backmon

Vice-Chair: Harold Little

Secretary: Cheryl Allen

Treasurer: Linda Holmes

Program Liaison: Vaughan Radcliffe

The outgoing Chair, Fred Jacobs, spoke of the excellent accomplishments of the Section in its first few years. He stressed the importance of bringing the Section into the work lives of our members. He encouraged the Section to hold more than one meeting per year. Former Chair Jacobs then presented the Section's award for Outstanding Leadership in Advancement of Diversity 2004, to Bernie Milano, President and Trustee of the KPMG PhD Foundation.

Byron Henry, Treasurer, presented the financial report and highlighted the contribution from the AICPA Minority Initiatives Committee for the sponsored reception and lunch during the Annual Meeting of the American Accounting Association. The report was unanimously approved.



Outstanding Scholarship Award for the Advancement of Diversity in Accounting



Cynthia Jackson was recognized and applauded for her outstanding efforts as chair of the 2003-04 Membership Committee. As a member of the AICPA Minority Initiatives Committee (MIC) Cynthia Jackson then presented the AICPA Outstanding Research Award to Dahlia Robinson and Jennifer Joe.

Chairperson Robinson-Backmon presented the following awards on behalf of the Diversity Section Awards Committee: the Excellence in Accounting Research Award to Michael Kimbrough, which was accepted by Lynette Wood, and the Exemplary Mentorship award to Bill Kinney. The outgoing Chair Fred Jacobs presented the Outstanding Scholarship

Award for the Advancement of Diversity in Accounting to Leslie Weisenfeld and Ida Robinson-Backmon.



Outstanding Mentoring Award

Cheryl Allen reported on the Section's regional and annual programs. Ida Robinson-Backmon, Cheryl Allen, Kelly Richmond and Cynthia Jackson presented a research panel on diversity research at the Accounting, Behavior and Organizations' Section meeting in

October 2003. The Diversity Section did not have sessions at any other regional programs, but retains a goal of doing so. Kevin James' Committee assembled an Annual Meeting panel on recruiting high school students into accounting and the session was scheduled for Monday; the Section's concurrent paper session was scheduled for Wednesday. Cheryl Allen reported that there were many reviewers that volunteered to critique annual meeting papers; and requested that more Section members volunteer as discussants. Cheryl thanked those who participated in all the Annual program events.

Delano (Del) Barry, Interim Chair of the Membership Committee, presented the Membership Committee report. The latest information from the AAA is that the Section needs 60 more members to meet the 400-member minimum. The AAA has sent an email to its entire membership to encourage members to join the Section. The Committee is developing two more data sources, the 105 Historically Black Colleges and Universities (HBCUs) and the Management Education Alliance. Del Barry emphasized his need for contacts at the smaller HBCUs. Peter Johnson was recognized as the recipient of the Membership Committee contest for signing up the most new members (13) of the Section. Peter received a digital camera for his efforts.

Ola Smith, Newsletter Editor, presented the report for the Newsletter Committee. The Newsletter, she reported, should be out soon. Her biggest need is for more material, and she encouraged those present to submit.

Harold Little, submitted his Research Committee report. He encouraged everyone to respond to the survey the Section is conducting-188 emails were sent out, only 50 replies were received. There were approximately 40 undeliverable surveys. Fred Jacobs encouraged the Section members to take ownership of the Section and pointed out that the Section members can and should increase the survey response rate.

Kevin James presented the Student/Faculty Recruitment Committee Report. The first goal for the year was fulfilled. The Committee will present a AAA Annual meeting panel session on minority recruiting in the profession. The title of the session is The Accounting Career Awareness Program (ACAP): A Proven Means of Attracting Talented Minority Students into Your Accounting Program. The Committee's second goal is to work more closely together with other organizations such as KPMG, the AICPA, and NABA.

Peter Johnson presented the Historian's Committee report. The most significant accomplishment of the past year was the Chair's compilation of the history for both the Minority Faculty Development and Initiatives Committee and its successor, the Diversity Section. The Committee has two goals: to document and share the significant events in the Diversity Section and to educate students and others on how pioneering minority accountants have contributed to where we are today. The Committee is in the process of establishing a speakers' bureau to make universities and colleges aware of available speakers. In April 2004 Brigham Young University held a very successful event when Professor Larzette Hale, the first black woman to earn a CPA and a Ph.D. in Accounting, spoke to over 240 students.

Buky Folami presented the report of the Faculty Development Committee. The Committee's goal is to focus on increasing the representation of under-represented groups on editorial boards. To this end, the committee is developing a list of qualified under-represented minorities. The Committee is also exploring ways to ensure that minority faculty knows about seminars and conferences that might help develop their careers.

The Chair called for a motion to approve these reports. The reports were unanimously approved.

Wanda Mattei-Ballester then asked for nominations for the 2004-05 Section's Nominations Committee. The following individuals were

nominated; Linda Poulson, Aretha Hill, Cheryl Allen and Winnie Scott. The ballot posting and voting process will occur via the AAA internet. The Chair requested that all members participate in the election process.

The meeting was opened for general questions and comments:

- Tony Tinker, an editor of Critical Perspectives on Accounting, invited submissions to his journal and to his conference to be held in New York in April.
- Vaughan Radcliffe reported that he will be a persistent and tenacious Section Program Liaison. Dr. Radcliffe encouraged members to send him paper submissions and topics for panel sessions.
- Del Barry emphasized his need for contacts at the smaller HBCUs.

The meeting was adjourned at approximately 8:30.

*Respectfully submitted,*

*Theresa Hammond, 2003-04 Diversity Section Secretary*

### **Focus on Research**

*Floran Thomas of Thomas & Carr, LLC (Tampa) and Dr. Theresa Hammond of Boston College*

While some progress has been made, the numbers of black accountants in management at public accounting firms is still abysmal. The National Association of Black Accountants (NABA) has played a leadership role in countering the dearth of African American CPAs, but the mainstream of the profession has not made the issue a high priority. Exacerbating this problem is the lack of firm-specific information on the progress of African Americans in the profession. In contrast to law firms, public accounting firms do not report publicly the composition of their ranks.

The National Association of Black Accountant's Center for Legislative Studies (NABA CLS) recently conducted its own independent survey of the top 10 public accounting firms. Six of the ten firms responded to the survey. NABA CLS concluded that fewer than one in one thousand partners in major public accounting firms were African American; three in one thousand were Latino.

	White (not Latino)	African American	Latino	Asian American	Other
Partners	98.7%	0.1%	0.3%	0.6%	0.2%
CPAs	96.5%	0.4%	0.9%	1.9%	0.2%
Professionals	92.7%	1.4%	1.5%	3.9%	0.4%
Acct. graduates	74.0%	8.4%	7.0%	7.4%	3.0%
U.S. population (2004)	75.1%	12.3%	12.5%	3.6%	1.0%

As is evident in the above table, the shortage of minority-group members, particularly African Americans and Latinos, permeates all layers of the major firms. Attaining a position working for one of these firms is critical to the career path of financial professionals.

### **Committee Updates**

#### Mid-Year Diversity Section Conference

The Diversity Section will have its first Mid-Year Conference on October 6-8, 2005, in New Orleans, Louisiana. The purpose of this conference is to enhance and support diversity in accounting, education and practice through completed papers, abstracts and panel discussions. Submissions are due to Georgia Saemann at gsaemann@uwm.edu by July 30, 2005.

#### Awards Committee

The Awards Committee grants three categories of awards each year at the Annual AAA Meeting. The three categories are:

1. The Diversity Scholarship Award is a best research paper/author award that goes to an under-represented faculty (member of the Section) who has written refereed paper(s) worthy of recognition. The two service awards are to Diversity Section members who have a good record of service to the under-represented minority accounting profession. Here the nominee could be a minority member himself/herself or a non-minority member who has done work in favor of the Diversity Section or minority accounting groups.
2. The Diversity Leadership Award is defined as service to the organized profession, for example, accomplished leadership in serving on diversity related professional accounting committees. Last year's recipient was Bernie Milano. The Outstanding Mentoring Award is for a member of the Section who has distinguished herself/himself in helping minorities advance in the profession through professional articles, service in professional organizations or similar professional outlets that



help our students or faculty develop and become Ph.D. candidates, tenured and/or promoted and/or help more undergraduate students enroll in the accounting curricula in their respective universities or locations.

We ask for your continued support in securing nominations for these three awards. Nominations should include a statement about why a person is deserving of the award and should be e-mailed to Juan Rivera at [jrivera@nd.edu](mailto:jrivera@nd.edu). We close the nominations on May 15, 2005 and announce the awards at the AAA meeting in August. The awards include a plaque and an honorarium.

Awards granted in August 2004

- Diversity Leadership Award-Bernie Milano
- Diversity Scholarship Award-Ida Robinson and Leslie Weisenfeld
- Outstanding Mentoring Award-Bill Kinney
- Outstanding Research Award--Michael Kimbrough

#### History Committee

Committee members include Peter Johnson, Chair, Winnie Scott, and Theresa Hammond. This is adapted from what Peter wrote for the AAA meeting in August

The documenting and the sharing of history has always been an essential aspect of the human family and will continue to be through out eternity. History is what unites and strengthens a community and provides guidance and structure to enhance success for the future. History is to know who we are and provides a glimpse of whom and what we can become.

We have spent the fall focusing on one of our major goals:

*To educate, inform, and inspire students, faculty, and the professional community of the significant contributions made by the many pioneers of the accounting profession--specifically, the under-represented groups of the accounting profession who have contributed much to open doors for many of us today.*

In order to accomplish this goal, we have begun work on a "Speakers Bureau." The Speakers Bureau (SB) will consist of the many pioneers who have contributed much to the accounting profession and who through an informal process have spoken at different university across the country. What we hope to do is to establish a formal process of sharing unique experiences of the

past that has played an important role in who we are today as members of the FDI.

Presently, we have gained commitments from 7 pioneering minority CPAs to form the charter members of the SB. (Dr. Ruth Harris, Mr. Hank Wilfong, and Mr. Jerome Broadus in the DC/Richmond Area; Mrs. Bernadine Gines in New York; and Dr. Talmadge Tillman, Mr. Robert Hill, and Mr. William Collins in Los Angeles.) Using Hasselback, we have identified department chairs at nearly 100 universities within 50 miles of these pioneers' residences. We are now in the process of mailing these universities to suggest that they invite these pioneers to speak to their students and faculty. The costs of this program are being covered by Brigham Young University, the University of Delaware, and Boston College.

#### Nominations Committee

The nominations process for 2004-05 officers was as follows:

1. Suggestions for nominations were solicited from the Section membership;
2. The nominations committee reviewed suggestions and identified potential officers;
3. These potential officers were contacted by the chairperson;
4. If the potential nominee accepts, their name is placed in nomination; if the nominee does not accept, the next potential nominee is contacted.
5. The nominations were President - Ida Robinson Backmon Univ. of Baltimore), VP-Harold Little (Univ. of Western Kentucky), Secretary - Cheryl Allen (Morehouse), Treasurer-Linda Holmes (Univ. of Wisconsin-Whitewater), Program Chair-Vaughan Radcliffe (Univ. of Western Ontario), Section Representative-Harold Little.

#### **Announcements**

- AICPA to Sponsor Minority Faculty to AAA Conference

For the fourth consecutive year the AICPA Minority Initiatives Committee (MIC) will sponsor a select number of untenured minority accounting faculty to attend the annual meeting of the American Accounting Association (AAA). The 2005 meeting will be held August 7-10 in San Francisco, California.

With the AAA's national focus on the broader needs of accounting educators, tenure-track minority faculty will have increased opportunities to build strategic

alliances, participate in professional development programs and identify research opportunities. The MIC believes this initiative supports both the tenure process and advances the mission of the AAA Diversity Section.

The Committee will select a limited number of minority accounting faculty from the pool of applicants to participate in this initiative. Selected participants will receive reimbursement for expenses incurred in conjunction with the meeting including registration, airfare, and hotel costs, not to exceed \$1,500.

Additional details, program requirements and deadlines will be available by March 15th at the following website:

[http://www.aicpa.org/members/div/career/mini/fac\\_devel.htm](http://www.aicpa.org/members/div/career/mini/fac_devel.htm)

or by sending an e-mail to

[MIC\\_Programs@aicpa.org](mailto:MIC_Programs@aicpa.org)

### **Have you seen.....**

#### Refereed Journal Publications

Daneshfar, A., and R. Hema (2004). Gender differences and effects of pressure from superior in tax compliance decisions in class room ethics interventions. *Journal of Professional Responsibility and Ethics in Accounting*. 9: 189-215.

Kimbrough, M. (2005). The effect of conference calls on analyst and market underreaction to earnings announcements. *The Accounting Review*. 89(1): 189-219.

Kilian, C.M., D. Hukai, and C.E. McCarty (2005). *The Journal of Management Development*. 24:2: 155-168.

Louis, H., and D. Robinson (2005). Do managers credibly use accruals to signal private information? Evidence from the pricing of discretionary accruals around stock splits. *Journal of Accounting and Economics*. 39: 361-380.

Kilian, C. M., D. Hukai, and C.E. McCarty (2005). Building diversity in the pipeline to corporate leadership. *The Journal of Management Development*. 24:2: 155-168.

Prather-Kinsey, J., and N. Rueschhoff (2004). An analysis of international accounting research in U.S. and non-U.S. based academic accounting journals. *Journal of International Accounting Research*. 3(1):1-20.

Prather-Kinsey, J., and G. Meek (2004). The effect of Revised IAS 14 on segment reporting. *European Accounting Review*. 13 (2): 213-234.

Prather-Kinsey, J., and S. Shelton (2005). IAS versus U.S. GAAP: Assessing the quality of financial reporting in South Africa, the United Kingdom and the U.S. *Advances in International Accounting*. 18.

Roberts, A.A. (2005). The implications of joint cost standards for charity reporting. *Accounting Horizons*, 19 (1): 11-24.

Stewart, L. J. and V. Owoso (2005). Derivative financial instruments and nonprofit health care provider. *Journal of Healthcare Finance*. 31 (2).

#### Books

Kinney, M., J. Prather-Kinsey, and C. Raiborn (2005). *Cost Accounting: Foundations & Evolutions*. Ohio: Thomson South-Western.

### **Awards/Promotions/Honors**

Daneshfar, A and H. Rao. 2004. The Effect of Machiavellianism on Accounting Ethics Training programs. American Accounting Association (mid-Atlantic) Best Manuscript Award (April 16). Washington D.C.

Kozlowski, Bette of KPMG LLP, Mid-Atlantic Director of University Relations, was just elected to a three year term on the Board of Directors of AACSB International as the representative for noneducational member institutions

Little, H. 2004. Received tenure at Western Kentucky University's Gordon Ford College of Business.

Pitre, T. Terence. 2005. Hired as an assistant professor in accounting at Moore School of Business, University of South Carolina in Columbia, SC after receiving his PhD from Michigan State University.

Robinson-Backmon, Ida. 2004. Appointed Chair of the Accounting Department of North Carolina A&T State University, School of Business and Economics.

Stout, William. 2005. Promoted to Associate Professor and appointed Director, School of Accountancy at the University of Louisville.

### **In Memorial**

Mr. Benjamin Louis King, Maryland's first African-American Certified Public Accountant died March 2005 of kidney failure at the age of 77. Mr. King received a bachelor's degree in accounting from Virginia State College in 1949. He sat for the CPA exam after taking graduate courses in accounting at American University. To many, he is known as Benny, as he mentored many

African-American accountants. Benjamin opened an office in Baltimore where he hired African-American CPAs who at the time were not allowed to work for the majority CPA firms. Moreover, he taught at Morgan State University and worked to have it recognized by the State Board so that African-American students could qualify to sit for the state CPA exam. In 1973, he founded the Baltimore chapter of the National Association of Black Accountants and used it as a platform to help younger professionals grow professionally and network. Mr. King was appointed to the Maryland State Board of Public Accountancy in 1969 where he also served as chairman. He served in several capacities for the Industrial Bank of Washington until 2004. Benny will be missed.

**From the Treasurer**

Following is the Diversity Section’s budget for the fiscal year September 1, 2004, through August 31, 2005.

**Inflows**

Dues<sup>1</sup>

Associate member .....	\$ 300
Full member .....	6,000
Annual meeting CPE registration ...	500
Interest income .....	<u>50</u>
Total inflows .....	6,850

**Outflows**

Annual meeting, Diversity section breakfast/luncheon .....	1,000
Administrative	
Postage .....	25
Council allocation .....	50
Staff support <sup>4</sup> .....	50
Awards <sup>4</sup> .....	800
Miscellaneous <sup>2</sup> .....	<u>80</u>
Total administrative .....	<u>1,050</u>
Total outflows .....	<u>2,005</u>

**Net inflow .....** **\$4,845**

<sup>1</sup> Amounts based on projected membership of 50 associate members (\$6) and 400 full members (\$15).  
<sup>2</sup> Estimated credit card collection fee allocation.  
<sup>3</sup> The council fee is equal to projected interest income.  
<sup>4</sup> Board estimates.

Prepared by Linda Holmes, Treasurer  
 August 30, 2004

**AAA Annual Meeting**

Make sure you attend the following in San Francisco:

- Panel Session: Minority Recruiting in the Profession: Closing the Expectations Gap. The Accounting Career Awareness Program (ACAP): A Proven Means of Attracting Talented Minority Students into Your Accounting Program.  
 Moderator: Kevin James, Middle Tennessee State University  
 Panelists: Barbara Lofton, University of Arkansas; Annie McGowan, Texas A&M; Alex Ampadu, AICPA Minority Initiatives Committee
- Research Papers Session, "Utilizing Diversity in Research to Improve Pedagogy and Reporting"  
 Moderator: Aretha Hill, Florida A&M University
  - The Effect of Related Financial Indicators on Investor Evaluation of Alliances, by Alireza Daneshfar, University of New Haven, Henry Adobor, Quinnipiac University. Discussant: Robert Yetman, University of California at Davis.
  - Using Action Research to Promote Increased Learning for Educationally Disadvantaged Students: A Critical Accounting Intervention, by Lawrence B. Logan, University of Massachusetts Dartmouth; C. Richard Baker, University of Massachusetts Dartmouth. Discussant: Stephen Bukowy, UNC Pembroke
  - An Investigation of the Non-Traditional Student: Success in an Upper-Division Undergraduate Accounting course-Predictors and Outcomes Assessment, by Susan Lynn, University of Baltimore.
- Forum Session Paper:
  - Multicultural Mentoring Survey, by Dawn Hukai, University of Wisconsin-River Falls.

## Editor's Corner

I was happy to serve as Editor and Chair of the *Diversity Section Newsletter* committee. This committee, and Bill Stout, have worked diligently in putting together a newsletter that recognizes section members' accomplishments and informs readers of opportunities helpful in the professional development of doctoral



students and faculty. I strongly encourage you to become involved in a Diversity Section committee, presenting a research paper, presenting on a panel or discussing a research paper so that you might help others as you climb the academic ladder. Moreover, as you help others, you too will develop into a more productive and accomplished academic. Finally, I hope that each of you will recruit at least one person to join the Diversity Section so that our membership will be 616 rather than 308.

Jenice Prather-Kinsey

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