

The Management Accounting Section of the American Accounting Association

Section History 1982 – 2003

**On the Occasion of the
20th Anniversary of the Section**

Contributions by the following Past-Presidents:

**Bill Ferrara (1983-84)
Tom Klammer (1985-86)
Germain Boer (1987-88)
Shane Moriarity (1988-89)
Don Clancy (1989-90)
Bob Capettini (1990-91)
Don Madden (1991-92)
Amy Lau (1994-95)
Sue Haka (1995-96)
Harry Evans (1997-98)
Ken Merchant (1999-00)
Mike Shields (2001-02)
Ella Mae Matsumura (2002-03)**

Compiled by:

**Bill Lanen (2003-04)
January 2004**

Preface

As will be evident, my contribution to this document is simply one of compiler and therefore the usual "Thanks" that are made are especially heartfelt here. Without the contributions of the following individuals, this history would have been limited to not much more than the list of officers and committee members.

Those who contributed to this history include Germain Boer, Bob Capettini, Don Clancy, Harry Evans, Tom Klammer, Amy Lau, Ella Mae Matsumura, Ken Merchant, Shane Moriarity, and Mike Shields. I want to thank all of them for helping with this effort. I also want to thank Ella Mae for suggesting this project to me. If I have inadvertently left your name off this list, please let me know. Of course, I alone am responsible for any errors of fact or omission.

A special note of thanks is due Don Madden, President for 1991 - 1992 and Sue Haka, President for 1995 - 1996. Don provided extensive notes, especially on the early years of the Section and Sue provided most of the material on the meeting history of the Section. I quote from them extensively. They described very well many of the activities and events of the Section, and I feel no need to simply re-write what they have written.

Thanks, alone, however, are insufficient for one individual who not only provided many of the original documents concerning the organization of the Section, but who was identified by many as truly the force behind its founding. That person is Bill Ferrara who was enthusiastic in his support for this project and responsive to my requests. I am grateful to Bill for all he has done for this history and, more important, for the Section.

The individuals listed above contributed much to the Section. However, a reading of the Appendix, which lists officers and executive committee members, is required to gain an appreciation of the efforts of the Section membership as a whole. Without these volunteers, the efforts of Bill and his colleagues would have been for naught.

I know many others share responsibility for the success of the Section and I apologize if you have not been acknowledged.

Bill Lanen, January 2, 2004

I. Introduction

This document is an outline of the history of the Management Accounting Section (MAS) of the American Accounting Association for the period of 1982 - 2003. It has been prepared on the occasion of the 20th anniversary of the Section to ensure that the contributions of many volunteers to the development of the Section are recognized and so that future officers and members may have a document that records past service, awards, and events.

The document was compiled based on two major sources. First, the Section has maintained an historical listing of officers and executive committee members from its inception. This document, available separately as an Appendix, reveals the broad involvement of Section members in the activities of the MAS.

The second source has been the recollection, in many cases accompanied by original documents or listing, of Section members, primarily members who have served as President of the MAS. As I note in the Preface, this history, as brief as it is, would not have been possible without the participation of those who have been active in the Section, in many cases, from the beginning.

This document is meant to be, and should be, revised, corrected, and updated as time passes and as new information becomes available. It is organized as follows. Part II discusses the origins and early years of the Section. Part III discusses the activities of the Section. Part IV discusses briefly the leadership structure and the evolution of the governance process. Part V offers a brief summary.

The Appendix is a detailed listing of the Section Officers and Executive Committee members, along with award winners and other facts associated with the Section. It remains a separate document because of its length.

II. Section Organization

Sections of the AAA require the approval of the AAA and Bill Ferrara first formally approach President-Elect Tom Dyckman in May

1981 about the possibility of forming a “Section on Management Accounting.” Attachment 1 is a copy of that letter.

Bill’s suggestion to Tom about the establishment of a Section elicited a response from Joe Silvos, who was President of the AAA at the time. As you can see from Attachment 2, Joe promised to put the idea before the AAA’s Executive Committee at that year’s annual meeting. Joe’s letter brought forth Bill’s proposed date for an organizational meeting at the 1982 AAA meetings. This is shown in Attachment 3.

In order to assess the interest in the proposed MAS, Bill placed an announcement in the January 1982 edition of Accounting Education News. The announcement, shown here as Attachment 4, outlined the purpose of the proposed Section, some tentative plans for the Section and, with Bill’s contagious enthusiasm, noted that the announcement was “intended to generate well in excess of 100 minimum interested members ...”

It did not take long for the interest in the Section to manifest itself. On March 2, 1982, Bill wrote a letter to Paul Gerhardt, the Administrative Secretary of the AAA, noting that over 300 members had expressed an interest in the joining the Section. This letter is shown here as Attachment 5.

Soon after, on March 22, 1982, Tom Dyckman, now President of the AAA, wrote Bill that the Executive Committee gave unanimous approval to the new Section. That letter is copied here as Attachment 6. Paul Gerhardt followed up with his own letter, providing some administrative details and support, on March 31, 1982 (Attachment 7). Notice that even before the formal start of the Section, one (potential) member had already started paying dues.

The tentative statement of objectives for the new Section provided the Section’s initial charge and outlined some potential “products” that seemed to have potential. This is shown on page 2 of Attachment 5 and in Attachment 8.

This brief overview of the organization of the Section does not do justice to the efforts of Bill and his colleagues in setting up the Section. Don Madden offers additional insights:

Bill came to my room during the 1982 AAA Meeting in San Diego and described for me his thoughts on the need to create an AAA Management Accounting

Section. We agreed that a Section could serve as a catalyst for developing more fully the field of Management Accounting within the academic community. Given our mutual commitment to moving forward formally, Bill asked me to serve as the Discussion Leader in an organizational Session that he had previously scheduled.

Many of our AAA contemporaries attended the Session (perhaps 100 to 200 in total), so it was clear that Dr. Ferrara understood the AAA process for forming a Section. My observations during the meeting focused on opportunities that were available to AAA Sections. Ultimately, my proposal to the group was that we select Dr. Bill Ferrara "by acclamation" to become our President-Elect for the 1982-1983 year and then to serve as our first President during 1983-1984. The group was most enthusiastic in its acceptance of this approach. After graciously accepting his leadership role, Bill described the process that could be followed to form a Section. Also, he suggested that a Coordinating Committee be formed to accomplish necessary tasks. Many individuals volunteered to participate, so our planning efforts began immediately!

Bill Ferrara and his colleagues did not wait to begin planning activities for the Section. Prior to the initial Section meeting, Bill sent out a message to members of the AAA who had expressed an interest in becoming members. This message is shown as Attachment 9. In the message, we see the plans for the organizational structure and a hint at two types of activities that have been important in the success of the Section over time—Meetings and Publications (see Section III).

The initial business meeting was held at the AAA meetings in San Diego in August of 1982. A copy of the minutes of the meeting is shown as Attachment 10. Included in these minutes are the names of those who served as chairs of task forces, later to be committees, and the names of those who served as members of the coordinating committee. Attachments 11 and 12 list volunteers in the Section for the years 1982-1983 and 1983-1984, respectively.

Broad participation in the Section has been important throughout the life of the Section. Tom Klammer states,

One of the keys to the success of the section was the careful approach to structuring the organization to encourage broad and changing participation in section leadership.

By August 1984, the Section was already well established. A notice in *Management Accounting* (Attachment 8) documented the rapid growth of the Section. By 1984, Section membership was more than 900 and the MAS continues to be one of the largest Sections of the AAA with a membership of roughly 1,500 members after of peak of over 2,000 members in the late 1990s.

III. Section Activities

With the establishment of the Section and with a large membership, the activities of the early leaders of the Section turned to identifying and delivering services of value to the membership. Although the form of these services would change over time, in response to changes both in the Section and in the profession, there have been three common activities that the Section has emphasized from the beginning: conferences; communications; and, links to practitioners.

1. Conferences

Meetings were one of the first activities of the Section. There are three distinct, but overlapping, periods that can be identified in the history of the Section's meetings: Case Symposia; Focused Research Conferences; and the current mid-year meeting. A summary listing of the meetings is shown as Attachment 13.

a. Case Symposia

From 1984 - 1999, the Section was a co-sponsor with the Institute of Management Accountants (IMA), originally the National Association of Accountants (NAA) of a case symposium, typically pairing an academic and a practitioner. As Tom Klammer notes,

It was designed as a spin off of the Trueblood conference to get academics and practitioners talking about real problems facing firms.

These symposia resulted in the publication of cases, many of which have been, and continue to be, used by MAS members.

As described by Sue Haka,

The NAA (IMA)-MAS Management Accounting Symposia Series originated in 1984 under the watchful eye of Shane Moriarity. He edited the first four volumes of NAA published cases, copyrighted from 1985-1987.

In the early years of the Section, Dassie Baum of the IMA was a superb partner to work with on the NAA (IMA) - MAS Case Symposia Series. She is now with the AICPA and continues to be an important resource and partner for the Section.

The Case Symposium was merged with the research conference in 2000, although there were pedagogical sessions at meetings other than the case symposium before this (see below). If there is one common recurring concern about the current activities of the Section as of this writing, it is the lack of a dedicated case conference and the perceived lack of opportunities for presenting case and other pedagogical work. As Ken Merchant writes,

One lament I have is essentially the loss of the Case Symposium. The MAS, with the support of the IMA, had a real good thing going for a while. The Case Symposium, which was held at a different time from the research conference, was very interesting for different reasons. The cases were developed and presented by an academic and a practitioner.

The Section currently is working to address the issue of cases and conferences. There is a broad consensus that members benefit from both presenting and hearing new case materials.

b. Focused Research Conferences

Sue Haka provides the following about the focused research conferences:

The first annual Section-sponsored Spring Symposium was offered in 1987 at Vanderbilt University. Bob Capettini and Don Clancy edited the volume of papers from the first symposium entitled "Cost

Accounting, Robotics, and the New Manufacturing Environment.” The volume of papers was distributed to all Section members. Although this conference was described as jointly sponsored with the NAA, it was not part of the jointly sponsored symposia series [described above].

Don Madden writes about these early conferences held at Vanderbilt:

The Educational Conferences at Vanderbilt were extremely significant from a Section growth viewpoint because participating members recognized clearly the potential contributions that a Management Accounting organization could yield. Interactions between talented presenters and involved audiences insured that these Conferences operated at “full capacity” for each session. Our section thus gained an immediate reputation for offering powerful programs, and the ensuing financial rewards served to some extent to nurture the initiation of JMAR. Important also was the fact that steady increases in our Section’s membership provided the impetus for additional involvement and support from management accounting professionals in the field.

One of the practices that continues to this day in the Section is that of passing down suggestions, ideas, and hints from one organizer to the next. Although it has become more formalized recently through the efforts of Naomi Soderstrom, Leslie Eldenburg, Sue Haka, Steve Hansen, Ramji Balakrishnan, and Shiva Sivaramakrishnan, the practice has early roots. Attachment 14 is a list of suggestions from Bill Ferrara. Most of his suggestions are included, perhaps in more elaborate form, in the current operating manual of the Section.

In 1989, the Section Journal was launched (see below). Sue Haka writes that that was an impetus for a research conference organized in a different fashion from those of the 1980’s.

The start of the Section’s journal (first issue in 1989) drew attention to the research needs of members. The majority of previously sponsored conferences seemed to focus on the teaching needs

of members. As a result, the first fall research conference was held in 1990 in San Antonio. The conference was designed to be small and was typically restricted to a small number of attendees (50 or 60). The small number of attendees allowed for a conference format very different from the Section's current mid-year meeting format. All attendees listened to the 8 to 10 paper sessions and or panels. Because every one attended the same sessions, interaction among attendees about the conference topics was very high. The small numbers in attendance required that the conference be subsidized by Section funds. Because of the initial popularity of both the teaching and research conferences, the Section decided to sponsor both conferences every year going forward.

A quick glance at Attachment 13 reveals that MAS members were able to attend up to three different conferences annually. One result of this is that few conferences had sufficient attendance to be viable financially. This, combined with the costs of the new Journal, led to a financial crisis in the Section.

Don Madden offers a first-hand account of the period:

For perhaps the first time our Section was confronted with stable growth in membership, financial resource limitations, and the need to re-examine existing priorities. Balancing resource commitments to satisfy the needs of AAA's largest Section and its varied constituencies remained at the forefront of our considerations throughout this three-year period. Hopefully, our decisions and actions proved worthy of our Section's resourceful membership.

First, we were forced to recognize that the Section's growth in membership had stabilized; consequently, our financial resource base was no longer expanding as it had in prior years. This particular point was made explicitly clear to me in December of my year as President. Paul Gerhardt called during the Christmas season to inform me that our Section's cash balance was significantly less than had been the case at any prior calendar year-end in

the Section's history. Fortunately, our mid-year Executive Committee meeting allowed us to give immediate attention to this financial dilemma. At issue was whether the Section's financial position would allow the continued offering of two separate Annual Conferences while continuing to develop more fully JMAR and other important member service activities. Ultimately, of course, the Conferences were combined to serve both the educational and research-oriented constituencies of our Section.

Sue Haka writes of the efforts of the Section leadership as well,

During 1992, the Section Executive Committee, under the leadership of Don Madden (President 1991-92) and Gayle Rayburn (President 1992-93), decided to abandon the spring teaching symposium and return to one Section sponsored conference per year as a means to bring stability to the Section's financial position. In addition, there was a hope that the IMA-MAS case symposium might fill the role of the teaching symposium. Thus, in 1993 and 1994 there were research conferences but no Section financially-sponsored teaching conferences.

c. The Mid-Year Conference

The mid-year research conference with the current format was first held in Vancouver, Canada in October 1995. Organized by Rajiv Banker and Mike Shields, the conference had concurrent sessions and was open to anyone who wanted to attend. This was also the first, and, to date, the only conference held outside the United States, yet it still attracted a large part of the membership. About 20% of the attendees were international members of the Section. The following year, the mid-year meeting organized by Bob Capettini and Bill Waller included both case and research topics.

Mike Shields organized the first doctoral consortium at the 1997 mid-year meeting in Memphis. The consortium, open to all interested doctoral students and financially subsidized by the Section, is an important part of the activities of the Section and is an an-

nual event taking place for a full day prior to the mid-year meetings. See Attachment 15 for a list of consortia directors.

In 1998 - 1999, the mid-year meeting moved to January, its current time, and remains well attended with more than 200 attendees. (The fact that the conference tends to be held in warm weather cities is probably coincidental.) The Section held its first joint research conference with another AAA Section in January 2003 in San Diego. It met with the Information Systems Section.

2. Communications

There are three primary publications the Section provides its members, *News and Views*, the *Journal of Management Accounting Research (JMAR)*, and the Section's web site.

News and Views is published twice a year in the spring and fall. Originally mailed to the membership, it is now posted on the Section's web site. *News and Views* provides news about Section events and other activities. It has been published since 1983. Attachments 16 and 17 are copies of the first two issues of *News and Views* that provide some insight into the happenings in the Section at the time of its formation.

JMAR is a refereed journal that is an outlet for Section members and is published once a year. Attachment 18 is the initial call for papers for the new journal (note the tentative title, Management Accounting Research). Included in the call are the names of the editorial board, including many past (or future) presidents of the Section and some of the top researchers in management accounting at the time. Attachment 19 shows the contents of the initial issue of *JMAR* along with an editorial by Bill Ferrara. Included in the editorial is a brief sketch of the formation of the Journal.

In 2002, Harry Evans, the editor of *JMAR* at the time, published the first issue with a forum consisting of four papers on Capacity, Pricing, and Costing. Although previous issues had included multiple papers on a single topic, this was the first issue to use a forum format. The Section now looks forward to an opportunity to move to a second issue each year. Attachment 20 lists the editors of *JMAR* and *News and Views*.

A relatively recent development in the Section is the MAS web site. Initial plans for the web site began in 1997 - 1998. Tarek Amer

was the first web site coordinator, for 1997 - 1998, when the Section's first web site went "live." That first site offered basic contact information and meant that there was a central location members could check. Monte Swain, appointed in 1998, has been the web site coordinator since. The current site has been totally redesigned and continues to offer new services to members including access to working papers, other research services, news and announcements of upcoming conferences, as well as information about the Section, including contact information for the executive committee, and other official Section documents. Attachment 21 shows a sample home page for the web site.

3. Links to Practitioners

Connecting to practice has always been an important activity of the Section. Over the years, the primary organization that the Section has worked with has been IMA. We discussed the early, joint case symposia offered by IMA (NAA) and the MAS that were instrumental in encouraging Section members to write cases and that offered members classroom materials to illustrate the management accounting methods they were describing. As Don Madden notes, this partnership extended beyond the symposia:

The Section's involvement with individuals in practice evolved gradually throughout its early years. One significant result of these efforts was the set of Educational Case materials created through cooperative efforts with the Institute of Management Accountants. Also relevant in nurturing increased interactions between members and the IMA were Breakfasts that occurred each year during AAA's Annual Meetings. IMA Presidents always seemed to be in attendance at these functions, and their presence offered clear evidence of the supporting role that their organization could provide as the Section moved forward into the 1990's.

The Section has also maintained relationships with other groups, notably the AICPA and CAM-I, but the involvement with these groups has not been as extensive, historically, as with the IMA.

At this time, these links are being tested by the challenges faced by the professional groups as well as by the Section. Faced with their own issues of financial and membership erosion, the practi-

tioner groups are finding it more difficult to provide the type of financial and general research (including case) support that the Section enjoyed previously.

As a result of these changes in the environment, the Section continues to look for new ways to reach out to professional groups. One example of this is work in 2002 by Mike Shields was with CIMA in the UK to attempt to establish a working relation.

IV. Section Leadership

The leadership structure of the MAS has naturally changed over the years as the Section has grown and offered more services to its members. Even a quick review of the Attachments or the listing of officers and executive committee members in the Appendix illustrates this growth. At the time of Section's organization, the governing committee, termed the "Coordinating Committee," was a relatively small group.

We have already discussed many of the Section's challenges around the 1990 period with the multiple conference offerings and the resulting financial problems. Coincidentally with these events, there were changes in the process by which Section leaders were determined. Section officers began to be selected by mail ballot. Prior to this time, Section officers were determined by election at the AAA annual meeting. The purpose of this change was to increase members' involvement in the nomination and election process. This increased the involvement of those members who were unable to attend the AAA annual meetings, providing a broader base of support for the Section. The Section employed mail balloting through 1999. For the next two years, a combination of mail and email balloting was used. In 2002, the Section moved to web-based voting.

The current leadership structure of the Section consists of four officers (President, Past-President, President-Elect, and Secretary-Treasurer). With the exception of the Secretary-Treasurer, all terms are for one academic year. The Secretary-Treasurer serves a two-year term. The executive committee of the Section, responsible for the operation of the Section, consists of the Officers, the Committee Chairs, the Meeting Directors (including the AAA Meeting Representative), the Regional Directors, the editors of

News and Views and JMAR, the liaisons with professional groups, the Working Paper Series Coordinator, and Web Site Coordinator.

The President and Secretary-Treasurer are elected by a vote of the Section members. The Committee Chairs, Meeting Directors, Liaisons with professional groups, and the Working Paper Series Coordinator are appointed by the President-Elect to serve during the period of the President-Elect's presidency. The positions may be held for more than one term. The eight Regional Directors serve two-year terms, so each President-Elect appoints four Regional Director. The Publications Committee is Responsible for selecting the editors and the Web Site Coordinator. More details about the leadership of the Section are available on the Section's web site.

V. Summary

As the Section moves into its second twenty years, it is strong, but faces definite challenges in two, related areas. First, the membership of the Section has been relatively stable in recent years, but is actually down from the peak levels of the 1990's. This is consistent with the AAA as a whole and reflects in large part the situation of the profession.

As a Section of the AAA, the MAS also faces financial challenges as the AAA looks to the Sections for more financial support for the services it provides. The AAA is currently looking at alternative cost allocation schemes and the results of this may affect the Section's ability to expand JMAR. Whether there will be effects on other Section services remains to be seen.

One thing is clear from this brief historical overview, however. The Section has faced challenges in the past and, through the efforts of a large number of people, has been able to meet them.

This document provides a brief sketch of the Section. I encourage members to add, correct, or clarify events that were described or omitted here. I expect and hope that this history is expanded as the Section continues to thrive and provide service to its members.

List of Attachments

Attachment 1	Letter: May 26, 1981
Attachment 2	Letter: June 19, 1981
Attachment 3	Letter: July 10, 1981
Attachment 4	Accounting Education News: Announcement
Attachment 5	Letter: March 2, 1982
Attachment 6	Letter: March 22, 1982
Attachment 7	Letter: March 31, 1982
Attachment 8	Invitation
Attachment 9	Letter: June 30, 1982
Attachment 10	Organizational Business Meeting Minutes
Attachment 11	List of Volunteers, 1982 - 1983
Attachment 12	List of Volunteers, 1983 - 1984
Attachment 13	Conferences
Attachment 14	Summary Administrative Thoughts - First Mid-Year Conference
Attachment 15	Directors, Mid-Year Doctoral Consortium
Attachment 16	News and Views - First Issue
Attachment 17	News and Views - Second Issue
Attachment 18	First Call for Papers - JMAR
Attachment 19	JMAR, Volume 1 - Table of Contents and Editorial
Attachment 20	Editors - JMAR and News and Views
Attachment 21	Home Page, MAS Web Site