

A HISTORY OF THE DEPARTMENT OF
ACCOUNTING AND INFORMATION MANAGEMENT

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The purpose of this report is to provide a concise historical overview of the Department of Accounting and Information Management at The University of Tennessee, Knoxville.

In 1913 the University of Tennessee established a School of Commerce, and accounting courses were initially offered in the fall of 1921. The University of Tennessee *Record* (catalog) showed two new courses in Economics (Accounting 1, 2), both of which were required for the commerce degree. Prior to that time students were advised that a proficiency in bookkeeping was to be demonstrated before graduation and, if necessary, the appropriate courses could be taken during the summer at a business college or high school. Professors Theodore W. Glocker (Economics) and Charles E. Allred (Agricultural Economics) were identified in the *Record* as having responsibility for the new courses. Glocker was Director of the School of Commerce, eventually becoming Dean in 1947 when the school became the College of Business Administration. Professor Allred actually taught the classes.

In the fall of 1922, a young accounting instructor from the University of Wisconsin, Harvey G. Meyer, joined the faculty, and the number of accounting courses increased to five. Accounting 3 and 4 (Advanced Accounting), and Accounting 5 (Cost Accounting and Bookkeeping) were added, and Accounting became available as a

concentration. In 1923 one additional course, Theory and Practice of Auditing, was first offered. Harvey Meyer was the sole instructor until 1925 when an undergraduate student, Dean Drewry, joined the faculty. In 1925 the *Record* first identified Accounting as a department and Harvey G. Meyer as the Department Head. Advanced Accounting was re-identified as Intermediate Accounting in 1925, and courses in Advanced Accounting and Federal Income Tax were added in 1928. The offerings remained somewhat intact until 1938 when Governmental Accounting and Accounting Systems were first offered.

The *Record* listed a number of non-professorial instructors from 1926 to the mid-thirties. Among those listed, were Dean Drewry (BS, 1926) who later taught at Northwestern University, returned to Tennessee in 1968, and served as a Lecturer until 1974; James J. Walker (BS, 1928) who later became Treasurer of the University; and W. Harold Read (BS, 1930) who became an Assistant Professor in 1936, eventually retiring from the University in 1975 as Professor of Accounting and Vice President for Business and Finance.

During the World War II years, Harvey Meyer handled the instruction together with two new assistant professors, John R. Taylor (1940-43) and Edward E. Judy (1944-51). Following the war, the Department experienced considerable growth, and Professors William C. Henry, Vern H. Vincent, Forrest C. Carter, and a multitude of instructors and lecturers were added to the faculty. Also, W. H. (Colonel) Read returned from military duty. The post-war expansion saw the addition of the Master of Science degree in 1947, with Professor Read serving as advisor and coordinator of the new program. Among the first students entering the program were Edward J. Boling, who later became President of the University; William R. Snodgrass, who served as Controller of the State of

Tennessee; and Warren L. Slagle, who retired from the faculty in 1989 after 41 years of service. The University of Tennessee's Alpha Lambda Chapter of Beta Alpha Psi began on May 14, 1951 and was formed from what had previously been the Accounting Society.

After 38 productive years as Department Head, Harvey Meyer retired in 1960, and was succeeded by Dr. John B. Ross, who served until 1972. In that year he assumed the position of Dean of the College of Business Administration, which he held until his untimely death in 1976. In 1966 the Master of Business Administration (MBA) replaced the Master of Science program. In 1967 the departments of Accounting and Business Law merged and later (1977) became the Department of Accounting and Business Law. In 1985 the Department lost an outstanding teacher when Mahlon L. Townsend, senior professor in Business Law, retired after forty years of service. Dr. Norman E. Dittrich was appointed Head of the Department in 1972, serving until 1975. Dittrich had primary responsibility for structuring the accounting concentration in the new Doctor of Business Administration (DBA) program, which became operational in 1972 (Ph.D. since 1986). Dr. Frank E. Watkins was Acting Department Head during the year 1975-76 when the search for a permanent department head was conducted.

Dr. Jack E. Kiger came from the University of Georgia in 1976 to become Department Head, and the Department embarked on a decade of major achievements. In 1977 the Master of Accountancy (MAcc) replaced the MBA degree for students seeking a master's level education in accounting. The initial MAcc graduate was Charles "Chuck" Newman, whose initial placement after graduation was with Touche Ross & Company (now Deloitte & Touche). In 1982 the Department was among the first group

of only 18 accounting programs nationwide to receive separate accounting accreditation from AACSB International. An ambitious endowment program was undertaken resulting in an Accounting Excellence Fund of \$1,700,000 from contributions made by alumni and friends. The first endowed professorship was established by Ernst and Whinney (now Ernst & Young) in 1981, and was held for many years by Dr. Jan R. Williams. A second endowment, the Warren L. Slagle Excellence Fund, was established in 1984 from contributions made by the faculty, former students, and friends; it is currently providing scholarships and an accounting professorship.

Accounting Day began in 1976 as an annual fall event and each year several hundred students, alumni, guests, and friends have attended, enjoying socializing, a country brunch, and programs of a timely interest. Accounting Day began with all attendees wearing dark business suits, but has since evolved into a less formal event that features business casual attire. The event today bears the name a faculty member who worked extremely hard to help get it started---Warren L. Slagle (who was sometimes fondly called “Mr. Accounting Day”). The department’s Beta Alpha Psi chapter has acted as host, has done much of the work, and deserves much of the credit for the success of Accounting Day. Since being chartered in 1951, the Beta Alpha Psi chapter has been quite active and has received several awards for excellence. In 1977 the Department initiated the Accounting Advisory Roundtable, a group of outstanding individuals from public accounting, industry, and government that advises the faculty about major issues that affect accounting education at UT. During the early 1980s, the University supplied faculty and staff with desktop personal computers for the first time. Over time, advances in technology have occurred rapidly and have significantly influenced the Department’s

work as well as the manner in which the faculty delivers accounting education to students.

The College of Business Administration initiated a doctoral program in 1972, and the initial doctoral student with an accounting concentration was Charles L. Holley, who graduated in 1976 and was placed at Virginia Commonwealth University. During the mid-1970s, students began using small, handheld calculators in their classes for the first time as these new devices entered the marketplace. The role of accounting research assumed a more prominent departmental role throughout the 1970s and beyond, with faculty engaging in meaningful basic, applied, and education-oriented scholarship that had the potential to improve the accounting discipline. Publication of articles and books by departmental faculty increased significantly. Entry-level hires to tenure track faculty positions were expected to have earned a doctoral degree and to engage in teaching, research, and service.

During the 1980s Louise Lacy retired after serving as a departmental secretary for more than 30 years. Mrs. Lacy is fondly remembered as a perfectionist and a tireless worker who had an amazing ability to type memos, letters, and exams without errors using carbon paper on a traditional typewriter. Much of her work was accomplished before personal computers were invented.

In 1985, Jan R. Williams was named Department Head, following the return of Jack Kiger to teaching and research. Williams maintained the pace that had been set by former department heads, and the Department began to enjoy a national reputation of preeminence and excellence. Two privately-funded professorships were established. Dr. Jack E. Kiger became the initial holder of the Warren Slagle Professorship in

Accounting, and Dr. Keith G. Stanga became the initial holder of the Andersen Professorship in Accounting. Dr. Williams played an important role in getting the state of Tennessee to become only the fourth state to require 150 semester hours of education to become a CPA, a requirement that the AICPA had strongly advocated. This development reinforced the importance of the Master of Accountancy program. During the early 1990s, Clyde Letsinger retired from the accounting faculty after more than 30 years of outstanding service teaching taxation.

Dr. Keith Stanga served as Acting Department Head during 1991-92, while Dr. Williams was on a one-year leave from UT while working in the national office of Ernst & Young. In fall 1991, the faculty, with strong support from the Department's Accounting Advisory Roundtable, approved a formal spring internship program that emphasized placement of seniors with public accounting firms. The Department promoted the program in fall 1991 among the recruiting organizations, and the initial group of interns was placed for spring 1992 internships. During 1991-92, a peer review team representing the AACSB visited the accounting program and reaffirmed its accreditation. Dr. Williams returned from EY and served as Department Head until February 1994, at which time he returned to the regular faculty. Subsequently he held associate dean positions in the College, and in 2001, became Dean of the College of Business Administration, and position that he would hold through the date of this writing (fall 2010).

Dr. Keith Stanga became Department Head in February 1994. The Department engaged in a successful fund raising campaign as part of the University's 21st Century Campaign. Approximately \$3 million of gifts and pledges were made to the accounting

program. Throughout most the 1990s and early 2000s, the University experienced serious budgetary challenges, which even included a brief closure of the University near the end of the first session of summer school 2002. Private monies obtained from alumni and other friends became ever more important to the accounting program's success. Though the Department's tenure track faculty was downsized, the Department continued to maintain a strong national reputation. UT accounting enrollments remained strong in spite of declining enrollments nationwide.

Norman Dittrich, Imogene Posey, and Singleton Wolfe retired from UT during the 1990s. Norm had served as a faculty member for 25 years before retiring in 1992. Imogene began teaching in 1956 as an MS student, became a full-time faculty member in 1967, and retired from the University in 1997. Both Norm and Imogene had primary interests in management accounting. After retiring from the IRS in Washington DC, Sing Wolfe taught taxation and was an outstanding advisor to Beta Alpha Psi for eight years. The University named an annual tax conference in his honor.

Departmental faculty approved a number of curriculum changes in response to the rapidly changing environment of accounting and business. Faculty and student use of technology increased dramatically with the emergence of laptop computers, the internet, e-mail, and course-specific software. In 1996 the faculty approved a formal summer internship program for juniors that emphasized placement with corporate organizations. The Master of Accountancy program became a full-time only, cohort program in 1995 and began to emphasize team building skills and other expanded competencies needed by professional accountants. The MAcc program also became much larger and roughly doubled in size from about 40 graduates annually to about 80. Dr. Bruce Behn led an

effort to create an integrated business core for MAcc students, and in 1999, Dr. Behn received national recognition by winning the American Accounting Association's Innovation in Accounting Education Award. In 2001 the AACSB reaffirmed the accounting program's accreditation, and the Master of Accountancy program was identified as one of the major strengths of the College of Business Administration. Accounting faculty members worked for several years to build a curricular emphasis (collateral area) in information management for College of Business Administration undergraduate students. Accounting faculty members also helped to develop and implement several specialized MBA programs in the College as well as a cross-functional Center for Corporate Governance. In summer 2003, the faculty voted to change the department's name to the Department of Accounting and Information Management.

As of summer 2003, departmental faculty held six funded professorships and scholar designations:

Ernst & Young Professor of Accounting (Dr. Jan R. Williams)
Warren Slagle Professor of Accounting (Dr. Jack E. Kiger)
Andersen Professor of Accounting (Dr. Keith G. Stanga)
William and Sara Clark Professor of Accounting and Business (Dr. James M. Reeve)
Pugh & Company Professor of Accounting (Dr. Kenneth E. Anderson)
Deloitte & Touche Professor of Accounting (Dr. Daniel P. Murphy)
Accounting Excellence Teaching Scholar (Dr. Richard L. Townsend)
William B. Stokely Distinguished Scholar (Dr. Joseph V. Carcello)
William B. Stokely Distinguished Scholar (Dr. Bruce Behn)

During the early 2000s, Mrs. Evelyn Cherry retired from the Department, after serving for 25 years as an outstanding principal secretary and office manager. Evelyn demonstrated outstanding skills in organizing and executing numerous departmental activities.

On August 1, 2003 Dr. Daniel P. Murphy became Department Head, and Dr. Stanga returned to the regular faculty. One of Dr. Murphy's initial efforts was to further emphasize the importance of strategic planning and to more actively involve the entire faculty in an organized planning and evaluation process. As a result, the Department focused its resources in those areas most crucial to long-term success. Near the beginning of each academic year, the entire faculty, or the members of Strategic Planning Committee, would carefully plan a limited number of specific strategic actions for the coming year; at year-end, the faculty would assess progress made toward those actions. Dr. Murphy maintained a strong emphasis on the historical evolution of the accounting program at UT and placed a significant emphasis on preserving such longstanding elements of its culture as teaching excellence, collegiality among faculty, staff, and students, and a genuine concern for the quality of education delivered to students.

The accounting faculty continued to develop course and curriculum improvements in response to the changing nature of business and accounting environment and was able to implement most ideas. The faculty designed a new concentration in Information Management that became available to all students in the College of Business Administration. The faculty also supported certain accounting curriculum changes that allowed students in the College's new Global Leadership Scholars Program (College Honors Program) to concentrate in accounting if they so desired.

Dr. Murphy maintained a strong focus on fund raising throughout his term as department head. His work helped create many new departmental endowments. At March 31, 2012, the market value of the department's endowment was about \$11 million.

The department increasingly relies on private funding to build and sustain academic excellence.

Since the early to mid-2000s, the Department has been especially proactive in informing students about opportunities in the accounting major. Outstanding students in Accounting 200 and in Accounting 301 are invited to special evening events each semester, where faculty and practitioners speak with them and encourage the best and brightest students to consider accounting as a major. Since February 2006, the Department has sponsored a Professional Awareness Program, required of all juniors enrolled in Accounting 301. The Professional Awareness Program is an evening activity that informs students about the accounting internship programs and the nature of professional opportunities that an accounting education can offer.

A five-year AACSB accounting accreditation review occurred in February 2007. The accounting program maintained accreditation, and the peer review team specifically commended the Department for its long-term record of strong leadership, integration of accounting and information management, two successful internship programs, and the success of Warren Slagle Accounting Day.

Since 1998, the Department has granted Outstanding Alumni Awards to select accounting graduates who have had extraordinary career success over extended periods of time. Plaques honoring these individuals are on display in the Department. As of March 2013, award recipients are William R. Snodgrass (1998), Will J. Pugh (1999), Edward J. Boling (2004), Emerson “Eli” Fly (2004), S. Herbert Rhea (2007), Jim R. Shelby (2009), and Renda J. Burkhart (2012).

During the early 2000s the University initiated a “Ready for the World” program to help students prepare for a more globally focused society. To help students better understand the nuances of business life outside the state of Tennessee, the Department began to offer opportunities for students to take organized trips to such locations as Hong Kong, Washington DC, and New York. Students expressed considerable praise about the value of these experiences.

Since the early 1950s the faculty taught accounting classes in the Glocker Business Building. By the mid-1970s, the Glocker Building was woefully outdated, which caused considerable consternation for many years among faculty and students and led to many negative comments in departmental evaluations by external reviewers. In January 2009, departmental faculty began teaching classes in a new, modern, technology-enhanced teaching facility---the Haslam Business Building. Instead of being a conspicuous weakness, the Department’s teaching facility suddenly became a noteworthy departmental and college-wide strength.

During 2010, two long-time department faculty members retired. Professor Bruce Fisher retired from his business law faculty position after having served on the faculty since 1969. Bruce authored or coauthored three books and many journal articles, served as a visiting professor at several outstanding universities, and served as president of the American Business Law Association (now the Academy of Legal Studies in Business). Dr. Richard (Dick) Townsend retired from the accounting faculty after also serving UT since 1969. Dick also served as Director of the MAcc program for 20 years, ending in 2009. The recipient of many teaching awards, Dick was truly a favorite among students, faculty, and alumni---remembered not only for excellent teaching and advising but also

for his wonderful sense of humor and collegiality. In 2010, the Department created the Richard L. Townsend Accounting Excellence Endowment as a lasting legacy in Dick's honor.

In research, the departmental goals became increasingly focused on high quality research published in the most elite and high-profile academic journals. The research output continues to complement the Ph.D. program in accounting and emphasizes sophisticated, high-quality scholarship that has the potential to improve accounting and information management.

Throughout the initial decade of the 2000s, UT's national academic aspirations rose while its state funding declined. For example, the University aspires to be among the top 25 public universities in the U. S. Yet to complicate achieving this aspiration level, the cost of funding a beginning faculty member in accounting, which is based on the market compensation and expectations of new Ph.D.s entering accounting academe, increased significantly. For example, the nine months base salary, *after adjustment for inflation* using the U. S. Bureau of Labor Statistics' Consumer Price Index, for a new Ph.D. tenure track assistant professor of accounting increased in 2010 to an amount that is 250% of the 1980 salary. During the same thirty-year period, the annual private funding required to support the research program of the beginning faculty member increased from zero to a material sum. Adding to the challenge of staffing the accounting program, the number of class sections required to be taught by the beginning faculty member, and many experienced faculty members, per academic year decreased during the same period by 50 percent---from six sections to three. Once again, this change was in response to market conditions and the changing role of research in the Department.

These conditions have led to certain changes in the mix of tenure-track and non tenure-track faculty that the Department employs to accomplish its mission.

As of summer 2010, departmental faculty held ten privately funded professorship, chair, or scholar designations:

Dr. Kenneth E. Anderson – Pugh & Company Professor
Dr. Bruce K. Behn – Ergen Professor & CBER Faculty Fellow
Dr. Joseph V. Carcello – Ernst & Young & Business Alumni Professor
Dr. Jack E. Kiger – Warren L. Slagle Professor
Dr. Daniel P. Murphy – Deloitte & Touche Professor
Dr. Terry L. Neal – Dennis Hendrix Professor
Dr. Harold P. Roth – Warren L. Slagle Excellence in Teaching Scholar
Dr. Keith G. Stanga – Andersen Professor
Dr. Jan R. Williams – Dean & Stokely Foundation Leadership Chair
Dr. Richard L. Townsend – Accounting Excellence Teaching Scholar

The Department's five-year AACSB accounting accreditation review occurred in February, 2012. The Department prepared a detailed, written report in accordance with AACSB requirements, and an external peer review team visited the University and met with faculty, students, and other constituents. Once again, the accounting program maintained its separate accreditation. The peer review team commented favorably about the "department's history of stable leadership, the strong relationship and frequent interactions with the professional community, the collegial atmosphere, the transparent and frequent communication, and the improved MAcc and Ph.D. programs."

In April 2012, Dan Murphy resigned from his position as Department Head and returned to the regular faculty. In accordance with University of Tennessee guidelines, Dean Jan Williams initiated an internal search for the next department head. In August, 2012, Dr. Bruce Behn was named Head of the Department of Accounting and Information Management.

At the time of his appointment, Dr. Behn was completing his service as chair of a nationwide group (The Pathways Commission) that was charged with the formidable task of developing a national higher education strategy for the accounting profession. As department head, Bruce initiated a project to formulate a new strategic plan to help guide the AIM Department into the future. He also appointed a group of departmental faculty to consider all reasonable means to further strengthen the accounting curriculum and degree programs.

In February, 2013, Dean Jan Williams retired from the University after nearly 36 years of service, including 12 years as Dean of the College of Business Administration. The Dean's Advisory Group funded a professorship to honor Jan's service, and Dr. Robert Fuller (Associate Professor, Information Management) became the initial holder of the Jan R. Williams Professorship. After conducting a comprehensive national search, the University appointed Dr. Stephen L. Mangum as the new Dean of the College of Business Administration, effective on March 1, 2013. Dean Mangum had previously served as a professor and senior associate dean at The Ohio State University.

As of the time of this writing (March 2013), several thousand UT students have graduated with BS degrees in accounting, more than 1,700 students have graduated with MAcc degrees, and 78 have graduated with doctoral degrees. Many of these graduates have supported the accounting program in a variety of important ways---such as by hiring graduates, providing advice, and contributing financially. Some have created departmental endowments. In recent years the Department of Accounting and Information Management has graduated *annually* about 135 students with BS degrees in accounting, 80 students with MAcc degrees, and two with Ph.D. degrees.

Since initially offering accounting courses in the fall of 1921, the accounting program at UT has changed in many ways, such as by implementing a five-year educational program that culminates in a MAcc degree, initiating a Ph.D. program that features a remarkable placement record and publication record of graduates over time, dealing realistically with declining state funding, increasing private funding, substantially improving teaching facilities, implementing significant improvements in technology, and placing an ever stronger emphasis on high quality, academic research. Through it all, the Department has maintained traditions of strong leadership, faculty collegiality, and a student-centered focus that attributes a high value to teaching excellence and a genuine concern for students' well being. A striking hallmark of the Department is an intense focus on preparing students for successful futures. The Department continues to have many outstanding faculty, staff, students, alumni, and friends who understand and support its mission, objectives, values, culture, and accomplishments. While their individual names and remarkable accomplishments are far too numerous to highlight in this brief historical report, their collective energy, enthusiasm, dedication, support, and work output have made the UT accounting program what it is today. Departmental faculty members, for example, have served the University and the academic and practicing professions in many important leadership roles and have numerous outstanding teaching and research accomplishments. A few examples of important national leadership positions include: President of Beta Alpha Psi (Jack Kiger, Jan Williams), President of the American Accounting Association (Harvey Meyer, Jan Williams), President of the Accounting Programs Leadership Group (Jan Williams, Keith Stanga, Dan Murphy), President of the Federation of Schools of Accountancy and Chair of The

Pathways Commission (Bruce Behn), and President of the Academy of Legal Studies in Business (Bruce Fisher).

As we move into the future, the Department faces many opportunities and challenges in such areas as changing research expectations, teaching loads, program and class sizes, funding, faculty and student composition, and admissions standards. The culture of any organization is a vital component of its long-term success. With its collegial and student-oriented culture, strategic plan, core values, history, and excellent leadership, the accounting faculty is confident that that it can take advantage of the opportunities and meet the challenges that lie ahead.

This report is purposely concise and describes the initial 92 years of accounting education at UT. We leave room for others to write about the further evolution of the Department of Accounting and Information Management. The reader is encouraged to learn more about the Department of Accounting and Information Management at its website: <http://bus.utk.edu/aim/> and to visit with us at Warren L. Slagle Accounting Day every fall.