

BENCHMARK

The information source for alumni of Oregon's leading accounting program

Accounting Major Back on the Rise After a Wake of Controversy

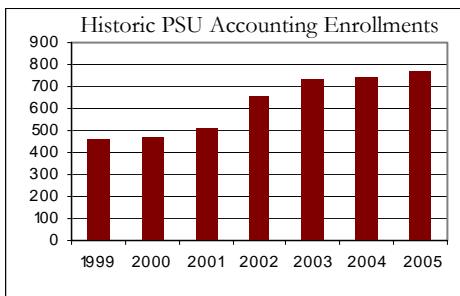
After a decade of declining enrollment in accounting programs nationwide, accounting is back as one of the most popular majors in undergraduate business programs. In 2005, accounting was among the top five declared undergraduate majors at PSU. In the 1990s, many predicted the end of the accounting profession. Students were choosing other majors such as information systems or finance.

However, after headlining incidents including the Enron scandal and the fall of the dot-com empire, students are returning to accounting. Darrell Brown, Ph.D., professor of accounting at the SBA noted, "It is a bit ironic that the various corporate and accounting scandals have led to a renewed student interest in accounting." Some have suggested that the relevance and importance of the accounting profession have been made clearer by these various scandals. Professor Brown added, "Students have seen how important accounting is to the functioning of our economic system and they want to be a part of this profession."



Professor Darrell Brown, lecturing on accounting information systems.

Additionally, passage and implementation of the Sarbanes-Oxley act has created a high demand for accounting students and graduates. "It's just a good time for accounting students," claims Lynn Kingston ('88) a partner in the Portland office of Moss Adams,



This graph reflects combined Undergraduate, Phac and MSFA enrollment.

LLP., "We are hiring more than we've hired in the past and we have plenty of work."

"The recent growth in the accounting enrollment has been dramatic," said Rodney Rogers, Ph.D., associate dean and professor of accounting. "Our lowest enrollment was in the fall of 1999. Since this time accounting enrollments have grown by almost 70% percent."

Cont. on page 2

Proposed Curriculum Modification: It's More Than Just Ethics; It's the Public Interest

The recent onslaught of accounting scandals brings an age-old question to the forefront: can ethics be taught to accounting students?

While many accounting programs in the U.S. have simply added a short, required ethics course to the accounting program, PSU responded differently. The recent scandals have led to a reevaluation of the way faculty prepare students for the profession. It has become clear that the time of presenting students with a selection of simple textbook ethical problems and answers as a way to teach accountability and professionalism is over. Kristi Yuthas, Ph.D., professor of accounting, remarked, "Recent scandals have illustrated the incredible institutional pressures that accountants must deal with on a daily basis. Accounting educators bear some responsibility to provide our students with an understanding of these pressures and ways in which to appropriately deal with these professional dilemmas."

The SBA accounting faculty is committed to better understanding the role of the accounting profession in serving the public interest, as well as developing innovative ways to educate students to understand the pressures and competing interest of being an accounting professional.

The AICPA's code of conduct states that a distinguishing mark of a profession is acceptance of its responsibility to the public. Key to PSU's curriculum modifications is the fact that the accounting profession's public consists of clients, credit grantors, governments, employers, investors, the business and financial community, and others who rely on the objectivity and integrity of certified public accountants to maintain the orderly functioning of commerce. The proposed public interest perspective includes these components in the curriculum:

Cont. on page 3

In Their Words

Recently we asked a few of our Accounting Advisory Board members the following question: **For an accountant, what does it mean to act in the public interest?**

"I believe it means to provide transparency in matters related to the public interest. I note that the public interest parameters change over time. At issue is whether there are absolutes that the accounting profession should try and hold society to."

"To act with honesty and integrity to ensure that financial results are reported and achieved in accordance with the intent and spirit of laws, regulations and interests of all stakeholders to the greatest extent possible."

"... to me means to never compromise professional ethics and to hold others around us accountable for their actions. We have a personal responsibility to do the right thing and to always be mindful of our important role as stewards and protector of public trust."

Mark Your Calendars

2005-2006 Business Briefings

Continental Breakfast 7:15 a.m., Presentation from 7:45-9:00 a.m.
Multnomah Athletic Club

January 19, 2006: *Implementing Organizational Values*

February 23, 2006: *Regional Economic Update*

Please RSVP to development@sba.pdx.edu or 503-725-3766



Happy Holidays!



Faculty Notes



Faculty Research and Publications in 2005

Elizabeth Almer, Ph.D., was awarded the KPMG 2005 Outstanding Published Manuscript Award by the American Accounting Association Gender Issues & Worklife Balance Section for "Is It the Kids or the Schedule? The Incremental Effect of Families and Flexible Scheduling on Perceived Career Success."

Darrell Brown, Ph.D., published "Strategically Informed, Environmentally Conscious Information Requirements for Accounting Information Systems," with **Jesse Dillard**, Ph.D., and Marshall, S., *Journal of Information Systems*.

Jesse Dillard, Ph.D., recently received the prestigious Mary Parker Follett Award for Excellence from the *Accounting, Auditing and Accountability Journal* for his article "The Making and Remaking of Organization Context: Duality and the Institutionalization Process," with Rigsby, J., and Goodman, C.

Bill Kenny, J.D., published, "Tax Planning for Professional Sabbaticals," *Journal of Legal Taxation*, *American Accounting Association*.

Donna Philbrick, Ph.D., recently published the book, *Introduction to Financial Accounting*, with Horngren, C., Sundem, G., and Elliott, J.

Rodney Rogers, Ph.D., published "Financial Analyst's Reports: An Extended Institutional Theory Evaluation," with Fogarty, T., *Accounting Organizations and Society*.

Kristi Yuthas, Ph.D., published "The Accounting Profession: Substantive Change and/or Image Management," with **Jesse Dillard**, Ph.D., and **Rodney Rogers**, Ph.D., *Journal of Business Ethics*.

Annual Accounting Support Breaks Records

SBA donors, alumni and friends showed their ongoing and growing support of the accounting program by helping to raise more than \$54,000 for the 2004-2005 accounting annual fund. This year's contributions mark a 16 percent increase over 2003-2004 and a 19 percent increase over 2002-2003.

In recognition of those that helped make this happen, below is a list of donors who donated \$100 or more. A special thank you goes to the matching gift companies that supported their employees and the accounting program: Intel, KPMG, Moss Adams, Nike and Weyerhaeuser.

GOLD (\$1000+)

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Marshall Spencer
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Richard Tyner
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Louis Wright

Planned Gift Supports Future of Accounting Program

Earlier this year, the School of Business was fortunate to receive a \$60,000 bequest to support the accounting program. This generous alumna's gift is essential in the future growth and success of the accounting program, furthering the training and education of the next generation of accounting professionals.

Alumni and friends of Portland State University and the SBA can contribute to the future of their favorite program by putting the University in their will. For more information on planned and deferred giving, contact Trina Robertson, 503-725-3758.

Accounting Major on the Rise Continued from front page

Rogers added, "Although this is great news for employers who are looking to hire accounting graduates, state funding for higher education has dramatically fallen. Tuition increases have been one way to make up for this decreased funding. However, the Oregon Legislature's concern about tuition increases have led to tuition increase caps. Thus, most of our programs

have faced significant cuts in total funding." The challenge for the accounting program is to find ways to continue to provide a high quality accounting education with a more efficient educational model, according to Rogers. Additionally, increasing private support for student scholarships, faculty and program development has become a high priority.

PSU Alumni Profile: Dennis Peterson

PSU Connection: BS in Business Administration in 1971 and an MBA in 1978

Current Position: Chief Tax Officer, NIKE, Inc.

Responsibilities: I'm responsible for NIKE's global taxes. This includes complying with the laws in all the countries where NIKE does business, as well as planning to minimize taxes and handling the IRS and other audits of our tax returns.

What's your business philosophy? Don't stray too far from your core strengths but be aggressive and willing to pursue opportunities.

What do you like most about your job? It's been a great experience to be associated with NIKE for the past 26 years. NIKE is an exciting company and has a culture that lets each employee feel a part of the overall success. The connection to sports creates a lot of excitement – we have a direct relationship with the achievements of athletes and teams. For us, the competition in sports has a direct link into the competition in business. In addition, there is the side benefit of being able to be a part of all this while staying in Oregon.

What do you find frustrating? Probably the most frustrating part has been the times when NIKE has been the target of, I believe unwarranted, negative public opinion.



What is your advice for new accounting graduates? Follow your passion. It's important to enjoy going to work each day.

How did you get to where you are now? My first job after college was with PricewaterhouseCoopers in Portland. I spent seven years there, and NIKE was one of my clients. There is a close connection between PW and NIKE, starting with NIKE co-founder, Phil Knight, who began his career as a CPA with PW. By 1979 there were already a few PW alumni at NIKE, and when they needed a full-time tax person I got the call.

You are currently on the SBA Accounting Board. How did you get re-involved with the School? I met Rodney Rogers several years ago when he came out to NIKE to help us with an accounting project. I enjoyed meeting him and we stayed in touch. Also, my son graduated from the PSU Business School and from him I learned that the Accounting program was still strong.

What can we find you doing when not working? My wife and I enjoy a lot of outdoor activities. Our leisure time is often spent with our two horses and maintaining our yard and gardens at home. Our greatest times are spent with family. We now have a 16 month-old granddaughter, and we thoroughly enjoy our time with her.

Proposed Curriculum Modification Continued from front page

1. Graduates must understand that a professional accountant should provide objective data without privileging one constituency over another.
2. Graduates must understand the different constituencies' perspectives when relying on information.
3. Graduates must recognize and understand the competing interests and influences of the various constituencies.
4. Simply being aware of the competing interests is not adequate. Graduates must possess the knowledge, skills and abilities to assist them in dealing with the inherent conflicts among these various constituencies.

"This will identify and develop teaching materials that will allow our graduates to develop the competencies to deal with the inherent conflicts of the profession," commented Rodney Rogers, Ph.D., assistant dean and professor of accounting.

With the proposed objectives announced, the faculty is only at the beginning of this examination and process. It will take a year for the modifications to be complete, including the difficult task of creating tangible pieces to be included in the curriculum that will help ensure the success of the profession.

Alumni News



McDonald Jacobs has promoted **B. Clay Biberdorf** (CER1999) to manager.

Ron Farnsworth ('92) has been promoted to Senior Vice President of Finance at Umpqua Bank.

Carrie Fenelon (Post Baccalaureate Accounting Certificate '03) was hired by Williamson & Associates LLP as Staff Accountant.

Buena Vista Custom Homes added **Todd Gray** ('91) as Chief Financial Officer.

Max Schwartz ('99) has been promoted to manager at Geffen Mesher and Co. PC.

Graduate **Wayne Schertler** ('89) holds a new position as CPA Director of Finance with Leonard, Street and Deinard Professional Association in Minneapolis.

Earlier this year, **Katherine Simpson** ('99) was promoted to Vice-President, Assistant Controller at Columbia River Bank.

The Children's Cancer Association has hired **Mary K. Turina** ('89) as Director of Finance.

Congratulations to the most recent group of SBA alums who passed the Oregon Certified Public Accountant Examination:

Tammy Gardner ('03)
Susan Luce ('03)
Anne Markusen ('04)
Jill Morris ('00)

You continue to make us proud!

Don't forget to share your news with us – see back page

SBA Johnsons Make Waves in Accounting

Tom Johnson Defines Lean Accounting



The definition of Lean Accounting according to Tom Johnson, Ph.D., professor of accounting, has several implications. In his keynote speech at the "2005 Lean Accounting Summit: Beginning the Journey of Lean Cost Management," conference held in Dearborn, Michigan,

Johnson challenged the need for "lean" accounting control systems.

"In the last 10 years, the phrase 'lean accounting' was coined by management accountants trying to create a role for cost management and accounting control systems in companies that adopt 'lean' operating practices patterned after the Toyota Production System. Ironically, accounting control systems do not exist in Toyota's own plants, as I learned in the 1990s while studying Toyota's system first-hand during scores of visits to the company's plant in Georgetown, Kentucky." Johnson also commented that top executives who are committed to running a company "by the numbers" are the #1 impediment to the company successfully adopting Toyota's practices.

Ray Johnson Nominated to Board of Accountancy



Raymond Johnson, Ph.D., professor of accounting and CPA for almost 30 years, has a new title to add to his list of accomplishments: board member of the Oregon Board of Accountancy. Johnson is the first board member in Oregon history to come from the academic profession.

Nominated by Governor Kulongoski and confirmed by the senate, Johnson's recent board confirmation as one of seven members is a rare achievement.

The Oregon Board of Accountancy meets six times a year (at a minimum) to further the mission of protecting the public by regulating the practice and performance of services provided by the state's licensed accountants.

According to Johnson, there are four major items that the board addresses regularly: 1. Review of accounting law, to set an appropriately high standard for the quality of practice 2. Review and update regulation of accountants through Oregon administrative rules, 3. Review and investigate complaints, and 4. Grant new licenses to practice as CPAs or PAs.

SHARE YOUR NEWS!

We want to hear from you! Have you been promoted? Did you make a new career move? Do you have other developments you want to share with professors, classmates and friends? Let us know...and we'll share the news in the next Benchmark newsletter.

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