

[D. Larry Crumbley Homepage](#)

The American Accounting Association is Still Undemocratic and Elitist

[D. Larry Crumbley](#)

My two amendments were passed by e-mail vote. Bylaws say vote must be done by mail and the charter says vote must be done by vote of members attending the annual meeting. Until it is legally determined that the e-mail vote was valid, I will keep this site active. Please see Dennis Huber's article about this problem, [Does The American Accounting Association Exist?](#)

Likewise, there is a pending lawsuit as to the validity of AAA. One of the arguments by the AAA lawyer is that Huber cannot sue because he is not currently a member because there were never any members of the AAA Corporation created in 2002.

Accounting professors and their accounting literature preach proper corporate governance, transparency, proper tone at the top, and accountability. But people who live in glass houses should not throw stones. Our major nonprofit association (AAA) is undemocratic and not exactly transparent. As Steve Zeff said at their recent business meeting (held in a small room that could hold a maximum of about 50 people), over the years (even in the Internet age) AAA provides less information about the organization than was provided during the paper age.

On AAA Commons, Zeff writes that at this year's annual meeting (2010) "one of the members in attendance at the Business Meeting on Tuesday said that only three members showed up for the Business Meeting last year. Less than a half dozen turned up in August 2003, my last attendance at the Business Meeting." Placing minutes of the annual business meetings, council meetings, executive committee minutes, and a link to the annual financial statements on the AAA web page would be some baby steps to transparency. For example, I would like to know the total cost of the branding campaign. What is the total cost of AAA Commons? Is AAA Commons effective considering the free Internet? How many people go to the Commons each month?

An investigative professor should scrutinize the AAA financial statements like we pone over public financial statements. A researcher should use a genogram-type technique to analyze the personal relationships between the past 20 presidents (and other officers).

Unsatisfactory Governance Review Task Force Recommendations

AAA is in the process of revising their by-laws and **some of the suggested changes will make the organization even less democratic (e.g., large sections will no longer have 2 members on council and the Presidents of the sections and regions may no longer be council representatives)**. I am opposed to these changes. [\[These by-laws were passed.\]](#)

Assuming the by-laws are effective, the AAA may now be less democratic because the Council now selects one vacant slot and votes on the two candidates. Over a number of years the Council will control the potential candidates placed before the membership. The Council includes 7 members of the Executive Committee.

Currently and under proposed by-laws, officers are elected by acclamation. There really is no election. They have an election process patterned somewhat after the former Soviet Union, China, and Cuba. Instead, a nomination committee composed of 3 prior presidents and 4 other members meet in December and put forward one-person slates.

The rank-and-file can nominate candidates for the nomination committee and members of council can nominate possible candidates at their council meeting. They then vote for the four committee members. But, if the 3 former presidents get together before the December meeting and decide who they wish to be president-elect, etc. (e.g., if you will support my nominee for another position I will support yours), they then need only to convince one of the other 4 committee members to stack the deck and continually control the elected officers.

An example of an arrogance of power statement, a former president stated on AAA Commons that “most members are not likely to know candidates for leadership.” Ironically, this same argument was used for many, many decades to try to stop woman, Blacks, Indians, and non-property owners from voting in the U.S.

Paul F. Williams on AAA Commons indicates that the two candidates in a contested election could prepare and post a statement outlining what they plan to do. “If we had a choice, maybe more than 50 people would vote. For a group that is part of the ‘information industry,’ we seem rather reluctant to create situations where we find out what each other wants.” All organizations need fresh perspectives rather than only “yes” people.

The Governance Review Task Force’s major argument against a democratic election process is that the loser will get upset. Well, in elementary schools, high schools, colleges, universities, accounting department meetings, college of business meetings, faculty senate elections, at local, county, state, and federal level, there are winners and losers. Why are members of the AAA organization so sensitive versus the rest of the world? In fact, if someone is unwilling to run for a competitive office, I do not believe they are qualified to be a leader.

Their other argument is that a willing candidate would have to get permission from their Dean/Chairperson to run, and if they lost they would have to continue to teach but their courses may be assigned to someone else. This argument is false since the current AAA nomination form has this statement at least eight times:

Please check here to confirm that your Nominee has been contacted and is willing to be nominated.

Besides, they will know the outcome by December.

Their back up argument seems to be that the chairperson of the Governance Review Task Force and By-Laws committee is such a great person, and the committee has spent so much time on the suggested changes. How many times have you had a student asking for a better grade? They explain how important they are. How much time do they spend studying? Or can I do extra credit? Of course, what is important is the final product or performance of the student. To paraphrase a famous political statement, “It’s the election process, stupid!”

A member of the Task Force, Vaughlin Radcliffe, e-mailed me that “Democracy is the least worst of alternatives. I have been on the task force and have seen iterations of drafts. A lot of it seems to be updating and tidying. I did try to get more done on open nominations. I also asked for further review with a mind to responsiveness to members. But this did not go very far.”

Two Democratic Amendments

More than 170 AAA members have signed a petition to vote on these two common sense amendments to the by-laws:

IX. Nomination and Election Procedures

Insert after first sentence:

The slate shall include at least two names for each position.

[Other sections (e.g., TLC, FIA, ABO) have this more open and democratic process. If sections can handle two-person slates, surely the parent organization can do the same.]

VII. Standing Committees

3. Strike three in front of “most recent Presidents” and replace with two.

Strike “four” and insert “five” in front of “members.”

[This change makes the election process more open and transparent.]

New sentence: Rank-and-file may nominate persons to the nomination committee.

[Nominations for this committee should not be limited to those coming solely from the Council meeting.]

If you believe that the AAA should practice what they preach and be transparent, democratic, and accountable to their members, I encourage you watch for the upcoming by-law vote. As Paul F. Williams said on AAA Commons, “historically there has been a path to the presidency that required one not to rock the boat for 15-20 years. The less of that old institutional practice that remains in these by-laws, the better.” **Please consider voting for these two amendments and pull AAA into the 21st century with respect to proper tone at the top, transparency, democratic election process, and accountability.**

.....

My Experience on the AAA Nomination Committee

D. Larry Crumbley

I had the privilege to serve on the AAA nomination committee on December 10, and I appreciate the Council's confidence in my abilities to serve. Since the nomination process is not exactly transparent to the ordinary AAA member, I am providing some of my observations.

The nomination committee has a so-called protocol which I am attaching below. Even though by-laws do not forbid contested elections (according to a telephone conversation with a former president), the current protocol calls for each member (7 of them, including 3 former presidents) to "assign three votes of 1, 2, and 3 for each position (3 being the highest)." After reading the protocol I made a motion that we take the top two for each position and have contested elections. I received a second, but the chairperson immediately chastised me for making a motion without first getting permission from the chairperson before the meeting. My motion failed 2 to 4 by a voice vote.

Now, I have been a faculty senator for at least 5 years, and for over 40 years I have served on many, many committees and attended many organization meetings at a number of universities. I have never had to get permission beforehand to make a motion. Apparently, Roberts Rules of Order does not apply to AAA meetings.

Next we were told that there was an unwritten rule that no one could be elected to be President – Elect without previously serving on the Executive Committee. For example, someone who has served as President of one, two, or even three sections or regions would not be "qualified." But a Vice President – Undesignated would be qualified. A former CEO of a major company or managing partner of a Big-Four CPA firm would not be "qualified." I suppose a former President or Vice-President of U.S. would not be "qualified" until they served on the Executive Committee. A secretive-type of organization can have some silly rules to maintain control.

We had only 28 nominations for seven slots, and one position had only one nominee. There were six self-nominations, four anonymous nominations, and seven nominations from former presidents. Four nominations came from a person on the nomination committee, who did not recuse him/ herself (which I believe is a conflict of interest and/or unethical). If you subtract the self-nominations and anonymous nominations, 38% of the nominations came from former presidents (and some or all of the four anonymous nominations could have been from former presidents).

Based upon the voting protocol, a president/ elect can easily be elected by one vote difference (e.g., 15, 14 and 13, etc.). Clearly where there are several qualified candidates, **there should be contested elections by our entire membership.**

Since only 15 votes are needed in a close election (I could not vote 3, 0, 0 or 3, 2, 0), the three former presidents need only to convince two non-presidents to vote 2 for their candidate (3.3.3.2.2.1.1) in a 3 person race. And there is probably more than 3 nominees which means they

do not even need another 2 votes. Since there is no run-off between the top three, two former presidents could vote in their candidate [3.3.2.2.2.2 = 16] even though another candidate has four 3 votes [3.3.3.1.1.1 = 15]. Remember that two of the former presidents have been in the same room the past year. In a two-way run-off, the losing candidate could have picked up the seventh 3 vote. **There must be run-offs for the top three candidates.**

Future non-presidential members should consider talking among themselves before the actual meeting. Two of them could engage in the same strategies as I indicate above. Likewise, two or three of them could wait to the last nomination vote (the president-elect) and vote 3.0.0 on the first ballot. The chairperson would probably allow your votes for fear that rejection would reach the public. Using this approach would dilute the power of the three former presidents.

If members wish to make AAA more democratic and less elitist, we must get more like-minded people on the nomination committee, and there must be contested elections. I do not believe there should be anonymous nominators, and members of the nomination committee should not be nominators. We must nominate more individuals for leadership positions. Our organization seems to fear anything new or controversial, **so the unwritten, bunker mentality rule creating a pipeline must be eliminated.** Two former presidents told me that there is no blacklist, but if someone is kicked out of the pipeline, they never get back into the pipeline. **Finally, there should not be three former presidents on this committee.**

Apparently, the by-law change vote will occur by e-mail during the month of April. Please consider voting for the two petition changes recommended by more than 175 AAA members.

If you have served on a nomination committee and wish to share you experiences, please e-mail me at donald.crumbley@tamucc.edu.

.....

2010 American Accounting Association Nominations Committee Protocol

- Before meeting of the Nominations Committee, committee members receive a spreadsheet list of nominees, following the date for the closing of nominations. Spreadsheet includes name, affiliation, information provided by the person nominating, and the nominee's vita or vital info as provided as available.
- Committee members discuss candidates and develop list/slate for consideration by vote of Nominations Committee members. Candidates not wishing/willing to serve, or not meeting requirements for office set for in the AAA By-Laws are eliminated from consideration.
 - After discussion of candidates qualifications, committee members create a list of candidates, from among those nominated, for a vote of the Nominations Committee.
 - A flip chart is available in the meeting room for posting of that slate for vote.

- Committee members each assign three votes of 1, 2 and 3 for each position. Each member assigns 3 points to their top candidate, 2 to their second choice, and 1 for their third choice. Voting by secret ballot, collected by the Chair.
- Chair opens ballots and posts results for each nominee listed.
 - A flip chart is available in the meeting room for posting of results.
 - Should any member be required to attend via phone call, the Chair records a verbal vote on a ballot to be included in the count and posting.
- Nominee with the highest point total becomes the nominee for the position.
 - The nominee with second highest total serves as alternate should the selected nominee be unable to serve.

Note: The above protocol is from Notes on Procedures used by AAA Nom Committee 2008, Chicago O'Hare Hilton. Past Presidents Rayburn, chair, Sunder (phone) and Previts. Nominations Committee members meet during the fall semester. This meeting is set to meet the requirements of the By-Laws