

■ Editorial



When is research relevant? And how does relevance relate to possibilities of publication?

Two contributions to this issue of the newsletter address the question of relevance. In an interview with the editor, Günther Gebhardt explains how the Financial Reporting Standards Committee of the EAA aims at producing research that is of practical relevance for accounting standard-setters.

In his essay on the future of the *European Accounting Review*, Anthony Hopwood looks at the question of research relevance from an explicitly European perspective. He argues that relevance is very context-dependent and that a European journal like *EAR* should try to attract papers that resonate with the European traditions of theorizing and empirical inquiry, rather than trying to imitate other accounting outlets.

Besides these two “highlights”, the newsletter contains information on several past and future accounting events; it’s up to you to make your own choice as to what is relevant for you and what is not!

Martin Messner
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Highlights

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Letter from the president, John Christensen

Dear Colleagues,

The conference in Rotterdam is approaching and I hope you have all registered for this event. If not, there is still time to visit the website and register. I think we have yet another great EAA event ahead of us and I am sure that the Rotterdam Conference – the 31st EAA conference – will turn out to be yet another memorable event. The program includes the opening session, eleven symposiums, 398 papers in parallel sessions and 341 papers in research forums. The social program is equally impressive, starting with the early bird reception and ending with the gala dinner. It is not easy to follow Lisbon, but it looks like Rotterdam has some positive surprises in store for us. So, if you have not registered yet, it is about time you made that move! I look forward to seeing you all there.

The conference in Rotterdam also sets the scene for the election of the next president of the EAA. I am pleased to announce that a unanimous Management Committee decided to nominate Dr. Aileen Pierce to be elected as the next president of EAA. The Board has unanimously approved this nomina-

tion. Aileen is well known to the EAA community and as chair of the organizing committee of the Dublin Conference Aileen proved that she has the necessary skills to handle complex situations. Further, she is energetic and highly committed to the EAA. A former EAA president, Olov Olson, stated at the opening of the EAA conference in Dublin: *“The new governance structure of EAA has the advantage that we can elect Aileen Pierce as president of EAA for two years instead of one.”* I am very excited about this nomination and congratulate Aileen for the nomination. The formal election will take place at the General Assembly in Rotterdam.

The new governance structure of EAA has been in place for four years and it is time for a service check-up. First of all, we suggest that the president will serve for 2 years without the current possibility of reelection. Instead of reelection we propose a one-year term service as the past president. That would naturally imply some continuity in the presidency – at any point of time we have a president and a president elect, or we have a president and a past president. The total service in those offices would be four years.

At present the management committee members are elected for three years with a possibility of another three

years. I am going to propose that this be changed to a three-year term only. It is in practice impossible to combine reelection possibility and grant a democratic choice of members once we also have to take into account that the composition of the management committee should be balanced with respect to continuity, fresh thinking, geographic location and subject/research paradigm spread. A three-year service term with two new members elected each year would enhance the balancing of these objectives.

Finally the role of the Board should perhaps more clearly be defined as an advisory board and it should also be enlarged to include members representing non-European regions with large bodies of members.

We are going to discuss these changes at the meetings in Rotterdam.

See you all in Rotterdam!

Best wishes,

John Christensen
President of EAA

■ Upcoming EIASM events

Here are some of the upcoming EIASM events. For a full list, please visit www.eiasm.org.

- 31st Annual Congress of the European Accounting Association, 23-25 April 2008, Rotterdam (Doctoral Colloquium: 19-22 April)
- Workshop on Accounting and Economics, 19-20 June 2008, Milan
- Eden Doctoral Seminar in Empirical Financial Accounting Research, 23-26 June 2008, Madrid
- 1st Workshop on Imagining Business, 26-27 June 2008, Oxford
- 5th International Conference on Accounting, Auditing and Management in Public Sector Reforms, 3-5 September 2008, Amsterdam
- 2nd Workshop on Audit Quality, 26-27 September 2008, Milan
- 4th Workshop on Visualising, Measuring and Managing Intangibles and Intellectual Capital, 22-24 October 2008, Hasselt (Belgium)
- 5th Workshop on Management and Accounting in Historical Perspective, 26-28 November 2008, Innsbruck (Austria)
- 6th Conference on New Directions in Management Accounting, 15-17 December 2008, Brussels



News on the *European Accounting Review*

Forthcoming Articles

Gaeremynck A., Van der Meulen S. and Willekens M., *Audit-Firm Portfolio Characteristics and Client Financial Reporting Quality*

Danbolt J. and Rees W., *An Experiment in Fair Value Accounting: UK Investment Vehicles*

Francis J.R., Khurana I.K., Martin X. and Pereira R., *The Role of Firm-Specific Incentives and Country Factors in Explaining Voluntary IAS Adoptions: Evidence from Private Firms*

Pomeroy B. and Thornton D.B., *Meta-Analysis and the Accounting Literature: The Case of Audit Committee Independence and Financial Reporting Quality*

Gordon L.A., Loeb M.P., Sohail T., Tseng C.Y. and Zhou L., *Cybersecurity, Capital Allocations and Management Control Systems*

Ohta Y., *On the Conditions under which Audit Risk Increases with Information*

García-Osma B. and Young S., *R&D Expenditure and Earnings Targets*

Perez D., Salas-Fumas V. and Saurina J., *Earnings and Capital Management in Alternative Loan Loss Provision Regulatory Regimes*

Holm C. and Rikhardsson P., *Experienced and Novice Investors: Does Environmental Information Influence Investment Allocation Decisions?*

Van Tendeloo B. and Vanstraelen A., *Earnings Management and Audit Quality in Europe: Evidence from the Private Client Segment Market*

Imam S., Barker R. and Clubb C., *The Use of Valuation Models by U.K Investment Analysts*

EAR Editorial Board – Recent changes (January 2008)

Outgoing members

Leandro Cañibano, Autonomous University of Madrid, Spain

Aasmund Eilifsen, Norwegian School of Economics and Business Administration, Norway

Yannick Lemarchand, University of

Nantes, France

Clive Lennox, University of Science & Technology, Hong Kong

Petri Vehmanen, University of Tampere, Finland

Stefano Zambon, Università degli Studi di Ferrara, Italy

New members

Saverio Bozzolan, University of Padova, Italy

Roger Debreceeny, Shidler College of Business, University of Hawaii, USA

Joachim Gassen, Humboldt University of Berlin, Germany

Eva Labro, The London School of Economics, UK

Manuel Nuñez-Nickel, Carlos III University, Spain

Annalisa Prencipe, Bocconi University, Milan, Italy

Philip Reckers, W.P. Carey School of Business, ASU, USA

■ Call for papers

”Measurement Issues in Financial Reporting”

Special Section in EAR



Guest editors:

Katherine Schipper
(Duke University, The
Fuqua School of Busi-
ness) &

Marco Trombetta
(Instituto de Empresa
Business School)

This special section will include research that addresses the problems and possibilities associated with the need to resolve pressing measurement issues in financial reporting. These measurement issues are more timely than ever in light of recent changes in financial reporting, including the increasingly widespread adoption of International Financial Reporting Standards (IFRS), the increasing use of fair value measurements for financial reporting, including optional uses (as in IAS 39 and SFAS 159) and the inclusion of measurement issues as Phase C in the joint International Accounting Standards Board (IASB)-Financial Accounting Standards Board (FASB) conceptual framework project.

Research topics appropriate for this special issue would include, but not be limited to, the following examples:

1. Characteristics a given approach to arriving at a reported or disclosed number must have in order to qualify as a measurement basis in financial reporting

- From a financial reporting standard setting perspective, what is encompassed by the idea of “measurement”? Is there a meaningful distinction between a measurement and a calculated number? For example, are balance sheet values that are arrived at by allocations of transaction amounts (such as the book values of plant, property and equipment) measurements? Are

balance sheet values that are arrived at by subtracting a forward-looking estimate from a transaction amount (such as accounts receivable net of estimated uncollectible accounts or deferred tax assets net of a valuation allowance) measurements?

- To what extent is the standard setting perspective on measurement compatible with the information economics approach to accounting theory? Can we talk about “measurements” and “fair values” in a context of imperfect and incomplete markets?
- 2. Implications of choosing and applying a measurement basis*
- Should there be one measurement basis for all balance sheet items? What are the advantage and disadvantages of the current mixed attribute model which applies both fair value (and similar) measurements and measurements based on historical transaction amounts?
 - Should changes in measurements be asymmetric (as, for example, in the requirement to measure certain impaired assets at fair value if that value is less than book value) or should they be symmetric (as, for example, in the accounting for trading securities)?
 - If comprehensive income equals changes in net assets except for transactions with owners, how should changes in measurements of assets and liabilities be displayed in a statement of comprehensive income?
 - How should management intent (as in the current accounting for marketable securities under IAS 39 and SFAS 115) affect the choice of measurement basis? To what extent should the choice of measurement attribute be left in management’s hands (as, for example in the fair

value options in IAS 39 and SFAS 159), given that this implies a lack of comparability?

3. Qualitative characteristics of measurement bases

- Which measurement bases are most relevant? Which are most reliable? Which have the best combination of these two qualitative characteristics?
- With regard to potential reliability issues, what are the most important causes of unreliable measurements?
- To what extent can disclosures (in notes to financial statements) be used to address concerns about reliability of reported numbers?

4. Reflecting uncertainty about payoffs in measurement, not recognition. Many financial statement items embody some amount of uncertainty. Should this uncertainty be addressed through recognition criteria (as, for example, in the current version of IAS 37 and in SFAS 5) or should it be addressed through measurement (as proposed by the IASB in its exposure draft to amend IAS 37)?

5. Implementation and expertise issues. The adoption of IFRS by many jurisdictions in recent years has required preparers and auditors to change accounting measurements, in some cases, toward a variant of fair value or current value. Some of these measurements can require the exercise of professional judgment as well as significant estimation effort.

- What are the implementation issues, for preparers and auditors of financial statements, associated with this change?
- What, if any, are the implications for financial statement users?

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 “Measurement Issues in Financial Reporting” (continued from page 4)

6. *Corporate governance*. What is, and what should be, the relationship between the financial reporting measurement basis and the corporate governance structure?

- Arguably, measurement bases differ in terms of relevance and reliability (which includes verifiability). Given these differences, does the choice of a measurement system affect the liability of managers that sign a firm’s financial reports?
- Should a law such as the Sarbanes-Oxley Act affect the standard setter’s choice of measurement basis in authoritative guidance? Should legal considerations affect management’s choice of measurement attribute, where such choices exist in IFRS and US GAAP (e.g., IAS 16 permits but does not require certain

non-financial assets to be measured periodically at fair value; IAS 39 and SFAS 159 permit certain financial items to be measured at every reporting date at fair value)?

Following the EAR policy of openness and flexibility regarding methodologies and styles of conducting research, papers using analytical approaches (including both mathematical modeling and qualitative reasoning), experimentation, field study methods, surveys and empirical-archival methods will be considered.

Submitted papers considered for this special section will be subject to a double blind review process. Authors are encouraged to contact the guest editors in advance should there be any matters on which they require clarifi-

cation or guidance (schipper@duke.edu; marco.trombetta.ear@ie.edu). Authors should strictly follow EAR submission guidelines which can be found at: <http://www.tandf.co.uk/journals/authors/rearauth.asp>. Submissions in electronic format (MS Word) should be sent to the EAR editorial office in Madrid (Spain), via e-mail: ear@ie.edu. The subject of the message containing the electronic submission should include a reference to “Special Section on Measurement Issues in Financial Reporting”. Additionally, one hard-copy of the paper should be sent to Professor Salvador Carmona, Editor, EAR, Calle Pinar, 15-1B, 28006 Madrid (Spain). The **deadline for submissions is September 19, 2008**.

 ■ ■ Call for papers for the journal *Comptabilité-Contrôle-Audit*
 Special issue on “Accounting and Governance”

Guest Editors:

Yves Gendron, Université Laval, Québec

Jean-Luc Rossignol, Université de Franche-Comté, France

Submission Deadline: November 30th, 2008

Background Information

Comptabilité – Contrôle – Audit is the leading journal of the Francophone Accounting Association (Association francophone de comptabilité). The special issue on Accounting and Governance is open to manuscripts written in French or English.

Details

At the very least since the publication of the Blue Ribbon Committee report on the effectiveness of audit commit-

tees (1999), interest in corporate governance has grown within accounting practice and academia. The financial scandals of 2001-2002 solidified the movement. Nowadays, corporate governance is often perceived as a key mechanism which reduces the frequency and magnitude of financial scandals. The perception appears to be quite influential within the regulatory community, as a flow of corporate governance regulation developed across many jurisdictions following the swift adoption of the Sarbanes-Oxley Act of 2002 in the U.S.A. For instance, France ratified in 2003 a new piece of legislation on financial security (Loi sur la Sécurité Financière). This regulatory movement on the global scale, which is probably influenced extensively by isomorphic forces, has impacted, and will continue to impact, the domain of accounting.

A significant consequence ensuing from these key events is increasingly firm and concrete linkages between corporate governance and accounting. These linkages, possibly, exert significant influence over the interpretive schemes of accounting stakeholders, including practitioners, users of financial statements, and employees of regulatory organizations. However, in spite of their significance, research on the linkages between accounting and governance is embryonic in many respects. This special issue aims to contribute to literature in this regard.

We specifically aim to publish high-quality articles which collectively deal with a variety of themes and rely on a range of theoretical lenses and empirical methods.

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 “Special issue on Accounting and Governance” (continued from page 5)

In our opinion, research impoverishes when certain forms of knowing become hegemonic. On the contrary, we maintain that “reality” is too complex, ambiguous, contradictory and unstable to be studied from a unique perspective. Theoretical and empirical pluralism will therefore be a cornerstone of our editorship. Consequently, we encourage publication of quality manuscripts which conceive of the links between accounting and governance in original ways, no matter whether the manuscript’s theoretical stance is grounded in behavioural, economic, historical, organizational, political or sociological perspectives. Methodologically speaking, we encourage publication of field studies, surveys, laboratory experiments, archival studies, etc.

Given the elusiveness inherent in the notion of governance, we find it useful to provide some guidance regarding appropriate objects of study. In particular, manuscripts will have to be developed in ways which locate their object of study at the junction of accounting and governance. Examples of relevant themes (though not exhaustive) are:

- From a genealogical viewpoint, how did linkages between accounting and corporate governance emerge?
- What is the role of financial accounting in corporate governance practices?
- What is the influence of management accounting on corporate governance?
- How does the balanced scorecard methodology impact corporate governance?
- Accounting and governance: Which theoretical approaches?
- How is the link between accounting and governance articulated in terms of discipline and performance measurement?
- How does the link between accounting and governance material-

ize within organizations with regard to issues of regulation and control?

- Is there a relationship between corporate governance « best practices » and corporate social and environmental disclosures?
- What is the impact of accounting standard harmonization upon corporate governance?
- Is public sector accounting influenced by surrounding corporate governance discourses? Which stakes are involved regarding the importation within the public sector of governance practices originally developed in the private sector?

Etc.

Of course, issues related to audit committees are also of interest:

- How is corporate governance in action experienced within audit committees?
- What are the effects of corporate governance regulation targeted at audit committees? Are the effects in accordance with the original objectives of regulatory bodies?
- How is corporate governance regulation translated in action – either in accounting firms or audit committees? Is there a gap between regulatory prescriptions and field practices?
- Which types of expertise play a key role within audit committee processes? Which types of expertise are marginalized within audit committees?
- What is the nature of the relationship between audit committees and internal auditors? What role do internal auditors play in terms of corporate governance?
- Is independence of audit committee members illusory? Or is there a relationship between independence and effectiveness?

- How are “best practices” regarding audit committee governance socially constructed? How are these “best practices” interwoven simultaneously in the global and the local?

Etc.

Instructions for Submission

The deadline for submission is November 30th, 2008. Manuscripts, written in French or English, ought to be sent via e-mail attachment to the following address: jean-luc.rossignol@univ-fcomte.fr (the e-mail’s object being: “Special Issue on Accounting and Governance”). Manuscripts need to be prepared in accordance with the style of articles recently published in *Comptabilité – Contrôle – Audit*. The journal’s Instructions for Authors (in French) can be found at the following address:

http://www.afc-cca.com/fichiers/Recommandation_auteurs_190

The approximate length of the manuscripts should be around 10,000 words. Following initial screening, manuscripts will be subjected to a standard peer-review evaluation, in accordance with review practices commonly followed by the journal *Comptabilité – Contrôle – Audit*.

English manuscripts accepted for publication will need to be supplemented with a long abstract in French, whose approximate length will be from 1,000 to 1,500 words. The long abstract will only have to be produced once manuscripts are conditionally accepted. Translation costs, if any, will be borne by the authors.

For further information please contact

Yves Gendron

(yves.gendron@fsa.ulaval.ca) or

Jean-Luc Rossignol

(jean-luc.rossignol@univ-fcomte.fr).

■ Call for papers: Special issue of *AAAJ*

Cross cultural impacts: the influence of French philosophers and social theorists on accounting research

Accounting, Auditing & Accountability Journal (AAAJ) provides a forum for contributions concerning the interactions between accounting, accountability and auditing and their socio-economic and political environments with an international, national or organization specific analysis taking a single, multi- or inter-disciplinary perspective (see *AAAJ*'s editorial objectives).

Arguably, as an academic discipline, accounting has been somewhat devoid of an underlying master theory or metaphor. As a result, accounting researchers have often borrowed theories and methods from other disciplines, including economics, psychology, sociology, history, anthropology, and political theory. Interestingly, one of the kinds of theoretical borrowing that has occurred in accounting research in recent years has involved the work of various French intellectuals and philosophers, such as Michel Foucault, Bruno Latour, Pierre Bourdieu, Paul Ricoeur, Jean Baudrillard, Michel Callon, Jacques Derrida and others.

In this special issue, we welcome:

- Research which develops a sociology or a history of accounting

academia, addressing such questions as

- When, where and why did accounting researchers (particularly British researchers) become interested in utilizing theoretical frameworks borrowed from French intellectuals?
- Why do French accounting researchers not utilize the work of these French intellectuals in their own research?
- Research which presents a critical literature review about the use of these social thinkers in accounting research, including questions such as:
 - What has been the influence of Bruno Latour on accounting research?
 - What has been used and not used (and why) of the work of Michel Foucault in accounting research?
 - What has been the recent influence of Pierre Bourdieu on critical accounting research?

Contributions that explicitly utilize a theoretical framework or methodology borrowed from one of these French intellectuals in a contemporary study are also welcome.

Papers for this special issue should be submitted in a Word file electronically by email to both of the guest editors by the submission deadline of January 2, 2009. In submitting their papers, authors are asked to follow *AAAJ* guidelines. All papers will be subject to review in accordance with *AAAJ*'s normal process. Authors may contact the guest editors in advance on any matters on which they require clarification or further guidance.

Guest Editors:

C. Richard Baker, Professor, Adelphi University, New York: Baker3@Adelphi.edu

Eve Chiapello, Professor, HEC School of Management, Paris: chiapello@hec.fr

■ Call for papers

20th Asian-Pacific Conference on International Accounting Issues

Paris, France, 9-12 November 2008

The Twentieth Asian-Pacific Conference on International Accounting Issues will be held on November 9-12, 2008 in Paris, France. The main theme of the conference is “**Corporate Governance and Accountability**”. The conference will provide an important forum for the interaction of different ideas and information between academicians and practitioners, in order to enhance the understanding of international accounting and business issues in various countries.

Papers should be submitted in English. All submissions must be received by **May 15, 2008**. Notification about the decision will be made by **June 30, 2008**. For complete instructions on submitting a paper, please visit our conference website at www.apconference.org

The Conference will be held at the Le Meridien Montparnasse Hotel in Paris, France. For more information, please contact the conference headquarters:

Dr. Ali Peyvandi or Miss Molly Eide
Asian-Pacific Conference on International Accounting Issues

Craig School of Business

California State University-Fresno
5245 North Backer Avenue

Fresno, California 93740, USA

E-mail: alip@csufresno.edu or info@apconference.org

Call for papers: Special issue on Accounting and Auditing of OR Spectrum: Quantitative Approaches in Management

Submission deadline: December 31, 2008

Auditing, financial accounting, managerial accounting, and tax accounting are core disciplines of modern business administration. With business becoming international in the last half of the 20th century, accounting developed international dimensions, too. Thus, it is more important than ever to argue on a common ground of discussion provided by mathematical and analytical methods, like agency theory or game theory. With respect to financial accounting and disclosure, accountants, auditors and capital market participants are not interested in the numbers, solely, but they use financial reports as a communication device. However, conveying information is always accompanied by incentives. Thus, auditing plays an important role in clarifying and enforcing the rules of the 'numbers' game'. In this context, theoretical accounting research provides the framework for understanding how decision useful information can be extracted from a potentially biased report. And auditing research considers the auditor to be a rational agent; helping standard setters to improve the quality of their norms which aim at establishing a certain behavior. In managerial accounting the described effect is even stronger. Accounting-data based incentive systems provide managers with incentives to behave in a certain way. Managerial accounting research helps to design incentive systems, highlights unavoidable losses inherent to certain organizational structures and explains consequences of information asymmetry in hierarchical structures, like firms, as well as in horizontal structures, like supply

chains. The primary objective of this special issue of OR Spectrum is to compile state-of-the-art approaches from theoretical accounting and auditing research. We seek papers that present new contributions to the application of analytical methods to this field.

Papers should apply models and methods to recent accounting and auditing problems with relevance for both academia and business community. Papers for the special issue must make a substantial new contribution and authors must show explicitly in their paper the advances compared to the previously published research literature. Papers should contain sound theoretical work indicating the practical relevance of the research presented. Topics to be dealt with could include (but are not limited to) areas such as the following:

- auditing
 - auditor contracting, fee setting and independence
 - audit quality and reporting strategies
 - economics of auditor resignation
 - reliability of testing procedures
- financial accounting
 - capital market reactions to financial reports
 - incentive effects of accounting standards
 - financial reporting and disclosure strategies
 - standard setting and regulation theory
- managerial accounting
 - budgeting procedures

- cost allocation
- transfer pricing
- accounting in the context of supply chains
- tax accounting
 - incentive effects of taxation
 - tax allocation regimes

Please submit papers electronically in PDF or postscript format as soon as possible, but not later than December 31, 2008, to one of the special issue editors. The submitted paper must not have been previously published or be currently under consideration for publication elsewhere. All papers will be reviewed according to the standards of OR Spectrum. The format of manuscripts for OR Spectrum can be found in the web page www.or-spectrum.de under "Instructions for Authors". It is expected that this special issue will appear July 2010. We will adopt a rapid and fair review process in order to meet the target publication date. Special issue editors:

Michael T. Kirschenheiter, Department of Accounting, University of Illinois at Chicago, 601 S. Morgan Street, Chicago, IL 60607-7123, United States, E-Mail: mkirsche@uic.edu

Dirk Simons, Department of Accounting, University of Mannheim, Schloss-Ostflügel, 68131 Mannheim, Germany, E-Mail: simons@bwl.uni-mannheim.de

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Interview with Günther Gebhardt, chairman of the Financial Reporting Standards Committee (FRSC) of the EAA

What is the mission of the EAA FRSC?

Relying on the rich background of academic accounting research in Europe the EAA FRSC has been set up at the 2004 EAA Annual Meeting in Prague to bring to the attention of standard setters and endorsement institutions, in particular the International Accounting Standards Board (IASB) and the European Financial Reporting Advisory Group (EFRAG), existing theoretical and empirical research. Where necessary, it also points to research needs for the adequate resolution of standard setting issues.

We are a committee of ten members that has been elected for three years renewable once. We are now in our fourth year of existence. Most of our members were founding members who will soon leave the committee. We are therefore trying to attract new members in order to ensure continuity in our work.

What are some of the past achievements of the EAA FRSC?

We issued a series of comment letters to the IASB and also to EFRAG. The first comment letter was on the Exposure Draft (ED) IAS 39 to modify the Fair Value Option, then we commented on the ED IFRS 3 Business Combinations, and we had a comment letter on the IASB's Small and Medium Enterprises (SME) Discussion Paper (DP). We also commented on the IASB's ideas on financial statement presentation/performance reporting and recently published a comment letter on the SME ED. This work is visible also on a wider scale: We had two articles published in *Accounting in Europe*, one of the journals of the EAA. One article was based on the work for the SME and one on the performance reporting DP comment letter. *Accounting in Europe* is an important outlet for the work of the committee and I very much appreciate that we can publish our work there. Before the

EAA Annual Congress in Dublin, there was some discussion whether *Accounting in Europe* should be continued or not; we were much in favour of the continuation, because we need such an outlet to make our work visible. Also, such publications are an important reward for the members of the EAA FRSC.

We usually work in small sub-groups which are dedicated to one particular topic. Of course, we cannot comment on all proposals issued by the IASB and we cannot participate in all deliberations of the EFRAG. We have to be selective and focus on some topics that we deem particularly interesting. For each topic, there are between two and five committee members who form the "core group"; they are then also the prime authors on our publications.

What sort of feedback have you received for your work so far?

We have got some good feedback from both the IASB and EFRAG. For example, Paul Pacter (the IASB's director on the SME project) mentioned several times in public that our comment letter on the SME DP was by far the best one that he had received. As a consequence, he invited us to also comment on the SME ED which we have done just recently. Moreover, I know from personal contacts with IASB members that they single out our comment letters together with those that come in from the FRSC of the American Accounting Association. We thus benefit from quite some awareness within the IASB. In general, I have to say that IASB members are very open to academic contributions and indeed call for more such contributions. Unfortunately, they think that not much of accounting research is really suitable for the purposes of standard-setters.

As the EAA gathers academics from many different countries, we are in principle able to provide a very broad spectrum of perspectives to standard

setters. I think that this is really an asset of the EAA FRSC. Especially our recent project on SME standards has benefitted a lot from the input coming from various countries and institutional backgrounds.

What are your current projects and the plans for the near future?

In September 2007, we organized an Open Forum: Conceptual Framework at *EIASM Workshop on Accounting and Regulation* in Siena. A report on this discussion will feature in the June issue of *Abacus*. This discussion on the conceptual framework is of prime importance for the future of standard setting. As part of it, we will in the near future look at the question of defining the boundaries of the reporting entity including the issue of how to report for special purpose entities – a hot topic, if you think about the current subprime crisis, for example. The IASB has announced a DP Reporting Entity on this topic for the first quarter of 2008. As soon as this is published, we will start working on it. Our work on the comment letter should then lead to a publication, e.g. in *Accounting in Europe*.

Financial instruments will be another hot topic. I am also a member of the IASB Financial Instruments Working Group and I know that there will be a DP issued by the end of March 2008 which we will certainly comment on. Other topics high on the agenda of our group are Financial Statement Presentation and Revenue recognition – for both the IASB has announced the issuance of a DP by II 2008.

How can EAA academics contribute to the work of the FRSC?

Importantly, the work on the comment letters is not restricted to the members of the committee.

(continued on next page)

Interview with Günther Gebhardt (continued from page 9)

The task of the committee is to assemble a group of contributors from all over the EAA who are specialists in the area under discussion and who can contribute to the development of the comment letter. This has successfully been done with the recent comment letter on the ED for the SME standards. The core group here consisted of Lisa Evans and Roberto DiPietra; but the paper that is published in *Accounting in Europe* is a joint product with other co-authors who are not members of the committee. This is to illustrate that one need not be a member of our group in order to participate in our work. But, of course, we are also looking for new members!

We announce regularly in the EAA Newsletter on which topics we are working, so that everyone who is interested in joining our efforts can easily do so. We will also use the next Annual Congress of the EAA to present our work to the EAA community in a special session.

Thank you for the interview.

Current Members of the EAA FRSC

Graeme Dean, University of Sydney

Lisa Evans, University of Stirling

Günther Gebhardt, Goethe Universität

Frankfurt am Main (Chair)

Martin Hoogendoorn, Erasmus Universiteit Rotterdam

Jan Marton, Goeteborg University

Ken Peasnell, Lancaster University

Roberto Di Pietra, Università degli Studi Siena

Araceli Mora, Universidad de Valencia

Frank Thinggård, Ålborg University

Alfred Wagenhofer, Karl Franzens-Universität Graz



Personal impressions from the EIASM Doctoral Colloquium on Quantitative Empirical Research in Management Accounting

"In December 2007 I had the opportunity again, together with 29 other PhD students, to participate in an EDEN doctoral seminar held in Brussels at the EIASM. After having visited two EDEN seminars before (producing and evaluating knowledge in management accounting, and case-based research in management accounting) this time the seminar was on quantitative empirical research in management accounting. The faculty for this seminar included Mike Shields (Michigan State University), Frank Moers (Maastricht University) and Chris Chapman (Imperial College London), and I must say - once again the seminar was a full success.

The group was composed by students from almost all over Europe - ranging from Finland, Denmark, Sweden, Belgium, Germany, Austria, Italy, Spain, Romania, Estonia, The Netherlands and the UK (I hope I did not forget anyone!). I enjoyed very much meet-

ing some of the other students for the second or third time.

Before the seminar started we had to acquaint ourselves with major writings on different approaches to empirical research in management accounting, such as contingency theory, economic theory (agency theory) and psychology. The reading list was demanding, even more so for someone coming from a more qualitative background, like me. The readings provided rich insight into how to conduct empirical research and about the assumptions that lie behind different theories. The seminar presented a great opportunity for all of us to get more in depth with different theories in management accounting and quantitative methods and how to make use of those in our research. However, I learned even more during the 'daily group work' where we had to set up research proposals based on a set of predefined variables and a given theory. These proposals

were then presented to the whole group and their strengths and weaknesses were thoroughly discussed. Here it was possible to work with different theories on a very practical basis and I think we all learnt a lot through these exercises.

I left Brussels with even more work to do than before, but with a better feeling on how to do it. And, most importantly, the seminar was a great opportunity to stay in contact with other students all around Europe. It was amazing how quickly we all bonded and how much fun we had, during the seminar itself, and in the evenings afterwards. As I said this was my third doctoral seminar but hopefully not the last, so until next time - take care!"

Fredrik Ellebring

Department of Accounting, Auditing and Taxation, Innsbruck University School of Management

Report on the 4th EARNet Symposium 2007, Aarhus

by Claus Holm (Associate Professor, Aarhus School of Business)

The Fourth EARNet Symposium was held in Aarhus, Denmark in October 2007. The aim of the bi-annual Symposium is to bring together audit researchers, auditors from the auditing firms, company managers and national as well as international representatives from the regulatory bodies for an exchange of ideas and experiences in the fields of auditing and corporate governance. The Fourth EARNet Symposium in Aarhus had approximately 120 participants from 18 different countries. About one third of the participants were PhD-students also attending a one-day PhD workshop organised before the two days of the Symposium. We value having a high attendance from PhD students very much. We encourage this through different incentives such as lower fees and access to feedback on doctoral work by experienced advisers because we consider their participation as important to the continuous growth and development of our field. The Workshop was organised by professor Marleen Willekens and the invited PhD committee included the three guest professors Dan Simonic (University of British Columbia), Robert Knechel (University of Florida) and Jere Francis (University of Missouri-Columbia) as well as seven members of the EARNet Scientific Committee.

The social program offered a visit to the nearby Aros art museum and a "walk-through" experience of the Old Town village in Aarhus before the Symposium Dinner. Overall the facilities of the conference venue was highly appreciated by the participants, i.e., the combined hotel, conference and shopping facilities allowed for convenient possibilities for networking and socialising as an important part of the Symposium.

One of the special treats at the Symposium was that we were able to present the first EARNet publication titled **"Auditing, Trust and Governance – Developing Regulation in Europe."** In this important new book, leading international academics review how



regulation has been revised in specific European countries to help restore confidence in the contribution of auditing to corporate governance. Various themes are explored, including the growing trend of internationalization in regulation, ethics and auditing, professional liability and professional education. Auditing, Trust and Governance is an invaluable volume for students, researchers and professionals working in the fields of auditing, accountancy and corporate governance, and provides a useful basis for further research on the effects of the increased regulation. The book has been edited on behalf of EARNet by Reiner Quick (Darmstadt University of Technology), Stuart Turley (Manchester Business School) and Marleen Willekens (Tilburg University).

In the following I provide a few excerpts from the program. We had two plenary sessions with invited speakers and panel discussion and 12 parallel sessions on the following topics: (1) Independence, (2) Audit Methodology, (3) Internal Audits, (4) Audit Opinion, (5) Audit Regulation I, (6) Audit Research Approaches, (7) Consulting and Audit Fees, (8) Auditor Performance, (9) Corporate Governance, (10) Audit Report, (11) Audit Regulation II, and (12) Going Concern Judgements. The setup for the parallel sessions was presentation and discussion of a total of 30 research papers accepted through a blind review submission process. The Best Paper Award went to Lies-

beth Bruynseels, Robert Knechel, Luk Warlop and Marleen Willekens for their paper "Strategic performance and auditors' going-concern judgement: Memory for audit evidence".

We had invited four speakers to participate in the first panel session – each as a representative of an institution, whose ongoing work is helping to shape the (legal) environment in which auditors operate. The session titled **"The New Challenges in Auditing, Regulation, Oversight and Education"** was chaired by Kai-Uwe Marten, Professor at Ulm University.

The first speaker, Mr. John Kellas, Chair of the IAASB started by suggesting more input to the regulatory process from academics such as the majority of the participants at the Symposium. He identified the major challenges as a basis for future consideration. In his mind the challenges of "independent regulation" include: (a) to do better than self-regulation in a cost effective way, and (b) to create a sustainable regulatory system. The challenges for regulation and standard setting include such notions that: (a) more regulators may mean more regulation, (b) principles-based regulation may be more difficult to sustain, (c) form of regulation may create new barriers to development, (d) will one self-interest simply replace another?

(continued on next page)

 4th EARNet Symposium 2007, Aarhus (continued from page 11)

The second speaker, Mr. Jürgen Tiedje, has since October 2004 been Head of the Directorate-General "Internal Market" Unit. Currently, he is Head of the Unit responsible for the implementation of the new 8th Company Law Directive and strongly emphasised the major changes in the areas of quality assurance, public oversight, independence, audit committees and monitoring of internal control effectiveness. However being adamant that this is not "EURO-SOX." Future challenges are related to third country problems (i.e., auditing issuers outside EU) and the many questions related to the international audit market, e.g., sustainability of the audit profession, making room for new entries into the audit market, and attracting and holding on to audit professionals.

The third speaker, Mr. John Hegarty, manages the department of Financial Management for the World Bank's Europe and Central Asia Region, which covers Central Europe, Turkey and the Former Soviet Union. Within this region, he is responsible for fiduciary controls over Bank lending and for fostering the development of accounting, auditing and financial management capacity in the public and the private sectors. At the core of his presentation was the notion that the field of accounting and auditing constitutes a fundamental pillar in the world economy, i.e., financial stability is really important – preventing financial crisis will save lot of resources. Academic endeavours are important in this context. Not only does accounting education play a major role, research should play an even stronger role in the future – particularly through the tie from research to policy advice.

The final speaker in this session, Mr. Mark Spofforth, is Deputy Chair of the International Accounting Education

Standards Board (IAESB). He is a partner at Spofforths, one of the leading independent firms of Chartered Accountants in Sussex, England. He talked about the role of the education standards for professional accountants. At present the IAESB has finished issuing new standards, however an ongoing challenge will be to revise the set of (now) eight education standards to reflect future demands of the business community.

The second panel session provided an exciting insight into new avenues for audit researchers. The session titled "**Audit Quality Research – Future Possibilities and Challenges**" was chaired by Professor Christopher Humphrey, University of Manchester.

First Professor Jere Francis (University of Missouri-Columbia) identified examples of prior research and placed his suggestions for future research opportunities audit quality research in a framework of six main areas: (1) Audit testing and evidence-gathering procedures, (2) Auditor judgments about testing and evidence, (3) Accounting firms, (4) Observable audit firm outcomes, (5) Audit industry and audit markets, and (6) Regulatory institutions and public policy.

Professor Robert Knechel (University of Florida) discussed the concept of audit quality and suggested a refocus toward the innate nature of audit as a knowledge-based (professional) service. In his view this leads to two key features, namely the idiosyncratic and uncertain nature of the links between process, outputs and outcomes. He suggested that future research could leverage these unique attributes to expand our understanding of auditing, auditors and audit markets.

Professor Stuart Turley (University of Manchester) linked his thoughts to the

recent report "Promoting Audit Quality" from the Financial Reporting Council (UK). In this report four drivers of audit quality is identified: (1) The culture of the audit firm, (2) The skills and personal qualities of audit partners and staff, (3) The effectiveness of the audit process (ethics, practices and quality control), and (4) The reliability and usefulness of audit reporting. His suggestion for future research issues: (1) What do audit professionals understand by audit quality? (2) How does existing research match the concepts and indicators associated with the drivers and with professionals understanding more generally? And (3) Can we test for the validity of these drivers, indicators and threats?

The final speaker Professor Marleen Willekens (Tilburg University) presented and discussed evidence of institutional differences between US and European findings in the area of audit quality research. She raised the following possible research questions as challenges for European auditing research (1) Given that auditing serves a different set of 'customers', what are theoretical sources of demand for auditing in private firms in Europe? (2) Do we have to look for the same types of benefits from auditing? And what are appropriate dependent variables? (3) What does the notion of accounting quality in this context mean? And Accounting quality for whom? And (4) What are incentives for firms to 'manage' accounting numbers in this setting? And what are the control variables?

The Symposium closed with presentation of the best paper award and the revelation that the Fifth EARNet Symposium will take place in Valencia, Spain in October 2009. Hope to see you there!

■ Call for papers:

4th Annual Workshop on “Accounting in Europe”

10-11 September 2008, Lund University, Sweden

Background

Following the successful workshops in Regensburg, Milton Keynes and Paris, the European Financial Reporting Research Group in cooperation with the journal ‘Accounting in Europe’ (see link on <http://www.eaa-online.org>) are pleased to announce a 4th workshop, this time taking place at Lund University in southern Sweden. The workshop is an opportunity for practice and academia to meet to discuss contemporary issues related to the ongoing efforts to harmonise accounting in Europe, with a special focus on the application of International Financial Reporting Standards. There will be plenary sessions with distinguished speakers from academia and the accounting profession as well as research papers.

The EU Regulation (2002) has had fundamental consequences not only for listed companies in member states, but also for the accounting systems and infrastructures of individual member states themselves. The workshop will provide a forum to discuss research and practical experiences related to the effects of this regulation on listed companies as well as unlisted ones and to assess the convergence of financial reporting both in the EU and internationally.

Chairpersons

Kristina Artsberg (Lund University, Sweden)

Axel Haller (University of Regensburg, Germany)

Peter Walton (Open University, UK and ESSEC Business School, France)

Target Audience

The workshop is likely to be of value to those who are interested in the harmonisation of accounting in Europe, the regulation of financial accounting and the process of change in account-

ing and accounting regulation, as well as the internationalisation of accounting generally.

Topics

The workshop will address all aspects of the fundamental changes that financial reporting in Europe has already gone through or will undergo within the next few years. Papers are specifically welcome on the following topics:

- the transfer of IFRS into European regulations
- the impact of European politics on international accounting standard setting
- the impact of the EU IAS-Regulation on the accounting rules of member states
- the impact of the IFRS on the regulatory processes in individual countries
- the impact of the IFRS on the accounting rules in individual countries
- the future of accounting for small and medium-sized entities in Europe
- differential reporting issues arising from the EU accounting strategy
- the problems faced by companies in implementing IFRS
- the impact of IFRS on market regulators and compliance
 - the mechanism of enforcement in different member states
 - the impact of IFRS on the accounting profession
- the impact of IFRS on users, and their view on their usefulness

Plenary sessions and speakers

Besides parallel sessions with research paper presentations there will be the following plenary sessions:

- Users’ perception of IFRS-accounting; Peter Malmqvist, Head of

Equity Research at Nordnet and Specialist Gunnar Ek from the Swedish Shareholders’ Association will give their views on the usefulness of IFRS-accounting.

- Enforcement and oversight; Dr Anja Hjelström from the Swedish Financial Supervisory Authority (Finansinspektionen) will present the current developments in practice.

- SME-accounting; To include Gunvor Pautsch, Head of Secretariat of the Swedish Accounting Standards Board (Bokföringsnämnden)

- The impact of IFRS on the accounting profession

Review Process

Those wishing to offer a paper to be considered for presentation at the workshop should send their full paper (including an abstract) before June 1st 2008 via e-mail (preferably in pdf format) to:

Kristina.Artsberg@fek.lu.se The cover page should be a separate sheet to include the following information:

- the title of the paper,
- each author’s name, affiliation, address, telephone and e-mail

Submitted papers will be subject to a blind review process. In parallel to submission for the workshop papers may also be submitted for consideration for publication in the journal ‘Accounting in Europe’. The two selection procedures are, however, quite separate, and acceptance for the one does not imply automatic acceptance for the other.

Information about acceptance for presentation at the workshop will be provided by e-mail no later than July 11th, 2008

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4th Annual Workshop on “Accounting in Europe” (continued from page 13)

Venue and Location

The workshop will take place at the University of Lund, the most international in Scandinavia. Lund is situated in southern Sweden, only 40 minutes away from Copenhagen via the Öresund bridge by train or car, while Malmö, the third largest city in Sweden is only a 15-minute train ride away. Lund is a city with a long history, once upon a time the residential city for the archbishop of the Nordic countries. Although the University of Lund, founded in 1666, is the biggest in Scandinavia the city of Lund is small. In Lund everything is close at hand, most often within walking distance. The city itself is compact and charming, with picturesque old houses, romantic cobbled streets and beautiful

green surroundings.

Sponsors

- The Swedish Research Council (Vetenskapsrådet)
- Wallander's, Hedelius' and Browaldhs' Research Funds
- Deloitte
- Ernst & Young
- KPMG
- SET Revisionsbyrå
- ÖhrlingsPricewaterhouseCoopers
- Institute of Economic Research at School of Economics and Management, Lund University

Instructions for interested parties

Deadline for registration for the workshop is 1st August 2008. For information about registration, fees, travel and hotels please visit the workshop web page www.lri.lu.se

The workshop programme and accepted papers are scheduled to be linked to this web page during August 2008.

Contact information:

Kristina Artsberg, Department of Business Administration, School of Economics and Management, Lund University, SE-22007 Lund, Sweden

Kristina.Artsberg@fek.lu.se

■ Announcement

MÖDAV 5th Annual International Accounting Conference “The road to transparency”, 13-15 November 2008, Istanbul

Suggested topics (but not limited to):

- internal control and auditing
- corporate governance
- quality assurance in auditing
- SOX and the independence of auditors
- PCAOB and international auditing standards
- oversight of accounting and auditing
- accountability and social responsibility
- content of the financial statements
- fraudulent reporting
- alternative treatments in the IFRS
- valuation concepts in the IFRS
- goodwill and intellectual capital
- special reporting for intangible assets, environmental accounting and management accounting

Deadline for submission:

15 June, 2008

Submission Process

1. Full manuscripts or detailed abstracts of a minimum of 1000 words, explaining the purpose, hypotheses, model and the variables in Word format will be considered for evaluation. Papers/abstracts should be submitted via e-mail. Other forms of submission are not accepted. Papers/Abstracts should include at least one contact address.
2. In the case of full manuscripts, there should be an abstract of no more than 300 words and up to 3 key words.
3. Manuscripts should be typed 1.5 spaced in 11 point Arial font.
4. You will receive a confirmation within one week upon submission. If you do not receive a confirma-

tion, please send us an inquiry.

5. Submitted papers should not have been published or presented elsewhere.

Papers will be blind refereed by the Scientific Committee and the results of the evaluation will be sent to the authors by 1 September, 2008.

Submission contacts

Prof. Dr. N. Hulya Talu
(hulyatalu@gmail.com)

Prof. Dr. Recep Pekdemir
(pekdemir@tnn.net)

Professor Dr. Walther Busse von Colbe celebrates his 80th birthday

Dr. rer. pol. Dr. h.c. mult. Walther Busse von Colbe will be known to many members of the European Accounting Association, especially for his insightful writings on financial accounting in Germany.

Busse von Colbe was born in 1928 in the German city of Gleiwitz (now in Poland). He studied in Mainz where he obtained a Ph.D, and then in Köln where he got his habilitation in 1962. In 1965 he became professor and head of the Department of Business Economics at the University of Bochum, specialising in accounting and auditing. He remained in this position until 1993, when he became professor (em.). During his career he has published many books and articles in German, and been a very active member of the highly regarded Schmalenbach-Gesellschaft, and he is a senior editor of their international journal the *Schmalenbach Business Review* - SBR.

It is impossible to name all his academic achievements, but one important one was that during the 1970s and 1980s, together with Dieter Ordelheide, he developed a consistent conceptual framework for German Group Accounting. He has continued to write on issues related to this topic, a recent contribution (2004) being on accounting for goodwill, where he examined the application of American criteria from a German perspective.

He has long been interested in issues concerning accounting harmonisation and international differences in accounting and written about them for international audiences. Naturally, German accounting been a focus point and in his articles published in *European Accounting Review*, he emphasizes the necessity of examining German accounting in the German context, and these articles (1992, 1996), as well as many of his other works, form a lasting contribution to the interna-

tional accounting literature

We wish this great accounting scholar a very happy 80th birthday!

References:

Busse von Colbe, W. (2004), "New Accounting for Goodwill: Application of American Criteria from a German Perspective", pp.201-217, in eds. Leuz, C. Pfaff, D., Hopwood A. *The Economics and Politics of Accounting* (Oxford: Oxford University Press).

Busse von Colbe (1996), "Accounting and the business economics tradition in Germany" *European Accounting Review*, Vol. 5 no. 3, pp. 413 – 434

Busse von Colbe, W. (1992), "Relationships between financial accounting research, standards setting and practice in Germany", *European Accounting Review*, vol. 1 no. 1, pp. 27-38.

Anne Loft, University of Lund, Sweden

Call for papers

Contemporary Research in Internal Auditing Special issue of the *International Journal of Auditing*

Along with the First Global Academic Conference on Internal Audit and Corporate Governance (Rotterdam, 21-22 April 2008), the *International Journal of Auditing* invites papers for a special edition of the journal on Contemporary Research in Internal Auditing". We welcome papers that contribute to our understanding of the internal audit profession. Any research orientation is welcome including archival, analytical, experimental, survey-based and case-based. The following research questions illustrate the range of topics that will be of interest, but should not be considered as an exhaustive list:

- How did the internal auditing profession change in the wake of recently changed corporate governance regulations and requirements?
- How did the meaning of independence and objectivity evolve since the

creation of The Institute of Internal Auditors?

- Did internal auditing establish its position as corporate governance actor or is there still a long way to go?
- To what extent differs the role of internal auditing in governmental organizations from their role in public companies?
- How do techniques such as risk-based auditing and computer assisted audit tools impact the internal auditing profession?
- What are the drivers behind the relationship between the internal audit function and other corporate governance actors such as the board of directors, the audit committee and senior management?
- How did the relationship between

internal and external auditors evolve in the wake of the recently changed auditing standards?

- Which cultural and environmental factors explain the differences between internal auditing practices in different parts of the world?

Deadline and Submissions

The deadline for submission of manuscripts is 23rd of May 2008. Manuscripts should follow the submission instructions of the *International Journal of Auditing* (see: www.blackwellpublishing.com/IJAU). Papers will be refereed doubleblind by experts in the field as well as by the guest editor, Prof. Gerrit Sarens. Please submit your paper via the electronic submission system, with a copy by e-mail to the guest editor (gerrit.sarens@uclouvain.be).



Opinion

Taking the *European Accounting Review* forward

Anthony G. Hopwood (Saïd Business School, University of Oxford)

The *European Accounting Review* has rapidly established a secure position for itself among the accounting research journals of Europe. Now entering its seventeenth year, it has succeeded in creating a platform for the publication of accounting research from all over the continent and, increasingly, even more internationally as well. By so doing it has served to display the diversity of the vibrant intellectual traditions still at work in Europe, brought to the attention of a wider audience not only the depth and history of many of these traditions but also the interesting range of accounting practices, both financial and managerial, in use in Europe and elsewhere and, not least in significance, provided an outlet where many accounting scholars have been able to publish their first article in the English language. All these are important roles and under the skilful guidance of its past and current editors and their editorial colleagues and associates the journal has performed all of them in a very effective manner.

But good institutions are never satisfied with past achievements. Whilst aware of what has been done, it is nevertheless hardly surprising that attention is now being turned to what still might be able to be done. A primary interest in this comes from the roles that journals now play in both personal and institutional accreditation and recognition. With the growth of academic careerism (Hopwood, 2007), at times the outlet for publication seems to have become at least as important as the research itself. In many institutions in many countries career advancement is now more and more dependent on getting the requisite number of articles in “A” journals or “5” or “5*” journals. Indeed in some such institutions a “hit” culture now prevails, something that feeds rapidly into the intellectual environment or lack of it in such institutions. Moreover, as we all know, similar processes are evident at the

institutional level as a result of national regulatory schemes, degree accreditation regimes and MBA rankings. National research assessment exercises can easily focus on publication outlets more than research content, straightforwardly assuming that the more prestigious journals publish the most significant research. MBA rankings, particularly those of the *Financial Times*, seemingly involve the research uninitiated in the assessment of the importance of research outcomes. Whether accurate and reliable or not, the pressures created by such institutional evaluations are then passed down through the organization adding further weight to the careerist inclinations.

I sense that such pressures are particularly strong in business schools, not least the stand alone ones that cannot rely on the wider institutional legitimacy of a parent university. One comparison in Paris is interesting in this respect. While the business school HEC puts an amazing amount of emphasis on rankings and ratings, displaying them all prominently on its notice boards, the organizational sociology group at the École des Mines merely continues with the pioneering research that has had a significant impact internationally. It focuses on books, edited collections, chapters in edited volumes, treating the research journal in the way it has traditionally been only a part of a wider publishing culture in the human and social sciences rather than the primary means of scholarly publication. A very similar comparison could be made between the London Business School and the relevant departments of the London School of Economics and Political Science, both having significant research reputations but the latter nevertheless having a much greater profile as a centre of real scholarship. It is as if the stand alone business schools are still intellectually unsure of themselves and as a result invest in a more explicit

journal “hit” culture whilst those departments that are part of a wider and more established intellectual environment can focus on the underlying task of being knowledge producers.

Unfortunately it seems as though the *European Accounting Review* still has to operate in a world that at the very least has significant aspects of that “hit” culture. Although the *Review* has done well to achieve what it has, there is now some awareness that this is not enough. It is not yet seen as an “A” journal and increasingly this influences the type of papers it can attract and its position within the galaxy of learned accounting journals. To be fair, the journal is on a trajectory of development that is taking it in that direction. The recent incorporation into the So-

“Most of the rankings and ratings seem to reflect American sensibilities and constrained research styles rather than those of Europe.”

cial Science Citation Index is evidence of this – a move that will allow the impact of the journal to be counted in a more serious and rigorous manner. But trajectories of development are under pressure to be speeded up in the impatient world of business schools. The key questions are whether this can be done, and if so, how should it be done, and with what consequences.

The *European Accounting Review* is not alone in thinking in such terms. Many other European research journals are increasingly conscious of the difficulties of operating in a more global world where most of the rankings and ratings seem to reflect American sensibilities and constrained research styles rather than those of Europe.

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Taking the *European Accounting Review* forward (continued from page 16)

And in the years to come such emphases might well become even more prominent as the difficulties of translating European intellectual and research traditions into diverse contexts, not least those in Asia, are recognized. For US research styles have become those of a global rather than a specifically American age. American history and intellectual traditions are hardly evident in prevailing approaches to research. Rather the emphasis is on more readily transferable skills and knowledges that are increasingly independent of context. Attention has been placed on the development of more abstract understandings that stand apart from specific historical, cultural and institutional contexts. Not only does this enable the recruitment of a research community irrespective of nationality or contextual appreciation, but the resultant knowledges can also travel very easily. In some senses a form of intellectual McDonaldisation has taken place with the new knowledge structures able to function very rapidly in a wide variety of places. But European knowledges are not like this, requiring a much greater appreciation of the cultural, institutional and intellectual contexts in which they emerged. Impregnated with the historical and philosophical preconditions of their development, they often require a deep intellectual culture to appreciate their capabilities. One certainly finds this in many of the humanities worldwide and as a result French and German humanistic understandings have had and are still having enormous influence. But business schools and departments of accounting are usually very different institutions with a thirst for more immediate comprehension and utility. As a result, European knowledges in these areas are likely to find it much more difficult to compete in the global academic market place, regardless of their ability to cast light on the unknown and the troublesome.

Believing that they do have some ability to do just that and also valuing a

degree of intellectual diversity in its own right, I have for some time thought that there is a need to preserve and protect not only European research traditions but also the journal outlets that make them public. Some in other disciplines have felt similarly. In both economics and finance in Europe there have been those who have been aware of similar forces at work with even Nobel and potential Nobel Prize winners in economics finding it difficult to penetrate US journals and major

“There is a need to preserve and protect not only European research traditions but also the journal outlets that make them public”.

names in the European finance academic community finding constraints on their ability to publish in what they thought might be global journals but what turned out to be US ones. To this end I have approached those whom I thought might be interested parties in the European Commission, but so far to little avail. So at present it appears that each journal is left on its own, including the *European Accounting Review*.

Fortunately for the *European Accounting Review* there is a clear example of how not to proceed – *The Accounting Review* in the US. Originally having almost a monopoly over the publication of accounting research in the United States, the journal initially struggled to deal with the changing nature of the research that started to emerge in the late 1960's and early 1970's in the US. Remember that it rejected the innovative Ball and Brown (1968) paper on the grounds that it was not accounting research and even thereafter had editors who sought to impose restrictive definitions on the scope of research in accounting. But having lost the intellectual battle for

the control of the accounting research domain, it was as if *The Accounting Review* decided to follow rather than lead, from then on being a champion of the newly established mainstream research tradition, dropping its earlier ties with other research and intellectual approaches, be they historical, income theoretic or even non mainstream applications of economic theorising in the accounting area. From being a more widely read society journal, *The Accounting Review* became a more elite outlet. As the accounting academic community grew, the page count of *The Accounting Review* stayed more or less the same, engaging in ever more rarefied selection processes and as a result losing touch with more and more of the membership of its base association. Hardly surprisingly a politics of opposition and change emerged to confront the political processes that had established themselves around the selection of editors and senior members of the editorial team. Initially the opposition had little success, but increasingly there are some signs that change might be possible.

The other major US accounting research journals do not provide helpful models either, not least because they do not have the obligations that come from being a society journal with a membership base to consider. The *Journal of Accounting and Economics* is a very specialist outlet, only relating to certain aspects of the economics discipline, albeit the ones that have become dominant in business schools. The result is a journal that even some of its editors have wished could be more innovative and less careerist. While the *Journal of Accounting Research* started with a wider agenda and that was maintained to some extent under the editorship of Nick Dopuch, things changed subsequently.

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Taking the *European Accounting Review* forward (continued from page 17)

A very firmly monitored mainstream took over. Rejection letters could be so extreme that their recipients often proudly displayed them on their notice boards – “RWS’s” they were called – “rejected with scorn!” On the rare occasions when more diverse research was published, its final state was often hardly recognizable from the intellectual tradition from which it emerged, the paper by Miller and O’Leary (1997) providing a vivid example of such controlling editorial processes at work. Quite obviously such an approach would and should be alien in a European setting.

It has always seemed to me that *Management Science* provides a more interesting example of a journal that has continued to develop a great deal, expanded as its membership base has expanded, maintained a prestigious positioning and diversified through the establishment of a number of sister journals that have gone on to develop their own very different intellectual agendas. But that too does not provide a straight forward model for the development of the *European Accounting Review* as the latter has to try to move forward in a context where there are already a multiplicity of even European accounting research journals, although certain aspects of its approach are worthy of some consideration.

With no self-evident model for change and lots of warnings about how not to do it, the process of change for the *European Accounting Review* is not an easy one. The difficulties emerge from a number of sources. Firstly, it is but one of a number of well-established accounting research journals, with others having a longer history and well developed communities of support particularly in Germany and the United Kingdom. Secondly, the European accounting academic community is still emergent in many if not most countries. The result is that there most likely is a primary allegiance to recognized nationally edited journals where

they exist. Indeed in some cases there can be and is an active politics around the positioning of seemingly national journals on a spectrum between nationalism, Europeanism and internationalism, the case of the Italian *Journal of Management and Governance* being illustrative of this. Developed from a journal that largely published English language translations of articles published in an Italian society journal, its reestablishment as a more fully European outlet caused great unease amongst the more conservative sections of its domestic constituency and a successful counter coup to relocate it back to being a little nearer to its home power structures and patterns of influence. For the *European Accounting Review* to move forward it needs to break down such national views. But that will be easier in those countries where there is not a well established national journal than in those where there either is or a strong national tradition of accounting inquiry. Germany might well be illustrative of this latter situation. Having a long tradition of specialised German language accounting research journals, initially the German academic accounting community sought to make the best of its articles available in the English language through a business economics journal dedicated to this purpose. Currently it is seeking to take this further with the launch of a new management journal that intends to have a specialist accounting section.

In an ideal world perhaps such national inclinations could be set aside so that everyone’s energies and enthusiasms could be devoted to the wider European project. The creation of a widely recognized and respected pan-European journal would become the primary aim of a large proportion of the membership of the European Accounting Association. But we do not live in an ideal world. If there is to be a strong European journal, we have to be aware that it is one that has to be forged amidst the simultaneous efforts

to institutionalise existing and new research outlets at some of the national levels. The resultant process thereby inevitably becomes a more complex although still extremely important one, possibly even the most complex of the institution building efforts currently underway in the area.

“The European Accounting Review should not be a copy of any existing well positioned outlet”.

With no easy model and no simple solution, how should the Association seek to go about this task? All my inclinations are to think that this is going to be a process of innovation and creation rather than mimicking and replication. So, in seeking to develop a well respected journal, the Association should not set aside the very real achievement in creating a platform on which the newly European researcher can contribute an international scholarly publication in the English language. This is one of the major contributions that the *European Accounting Review* has made and it should not be set aside too readily. This alone suggests that a new *European Accounting Review* should not be a copy of any existing well positioned outlet. Rather it should quite explicitly be a journal with several aims and tasks including publishing at the frontiers of knowledge and providing an entry into a wider knowledge community for those emerging from the confines of their national academic communities. That in itself is a challenging endeavour, but it should not be the only one for the academic community in Europe is and will remain an intellectually diverse one.

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Even within countries it has tended to be a more tolerant one and across countries it has to recognize that a range of very different academic perspectives have emerged from different historical trajectories. A good journal should be open to many if not all of these. In many cases there simply are no readily identifiable epistemological criteria for setting some of such diverse traditions aside. So a respect for diversity must be a basic condition of a European journal, operating alongside an equally well embedded concern with excellence and quality and making a real advance in our understanding of the complex and always changing accounting art.

One particularly interesting possibility emerges from the international as well as European positioning of the journal. In the United States research outside the mainstream finds it very difficult to get published in the top journals, often to the detriment of the careers of the colleagues involved. And yet some of that research can be of very real significance. The *European Accounting Review* should seek to provide a home for the very best of such material, particularly where it relates to European traditions of theorising and empirical inquiry. In the past this could have facilitated both the development and the wider awareness of the economics based research emanating from the accounting group at the University of California at Berkeley, for instance, that for many years was marginalised in US circles – demonstrating that the biases in the system do not only apply to the non economics areas of inquiry. In the current context there are interesting possibilities for linking up with the innovators in case and field research, in accounting history, in international accounting and even in aspects of analytical research, all being areas having at best a complex relationship to the US mainstream. While it is also possible to seek to publish research within that mainstream, a

realistic assessment of the possibilities is likely to suggest that, unlike in the other areas, a European based journal is much less likely to have the choice of the key articles. But that does not matter if the journal can build a reputation for providing a home for the very best of international research stemming from a variety of perspectives and approaches.

All my inclinations are to think that the *European Accounting Review* must seek to establish a relatively new mode of academic publishing, at least in accounting. As is already clear from the Aims and Scope Statement for the journal, it should be a publication that is known for its intellectual openness, publishing not only research emanating from different traditions of inquiry but also explicitly seeking out emerg-

“The European Accounting Review must seek to establish a relatively new mode of academic publishing”.

ing and new approaches. It should positively display an excitement with the very frontiers of knowledge, at times taking risks which the more established and conservative journals are not willing to. In so doing it should remember the findings of a study of research journals undertaken by the British Library, the UK national library, that found that while in the natural sciences the major journals sought to publish research that was likely to contribute new understandings even if some of it was subsequently shown to be flawed, in the social sciences the emphasis was more on keeping out the flawed even at the cost of rejecting the new (Gordon, n.d.). The *European Accounting Review* should seek to emulate the natural sciences in this respect. Not only that, but it should also publish articles that are primarily

concerned with community building alongside those that positively advance the frontiers of knowledge. Be these the insightful and well reviewed but nevertheless initial writings of emerging members of the European academic accounting community or penetrating understandings of the extent of institutional and intellectual diversity not only within Europe but also elsewhere, they are all a relevant and important aspect of the journal of a learned society. Perhaps we should remember that one of the most influential series of publication in the *European Accounting Review* was a discussion of the meaning of “true and fair” in an accounting regulatory context – a discussion that even got cited in national courts of law and the European Parliament.

Going along such a path of development will result in a journal that is very different from the US’s *The Accounting Review*, let alone the more specialist outlets. But that is fine so long as the aims are known and shared. To this end I think that it is incredibly important to immediately engage in a strengthening of the academic peer community around the journal. Although a society journal, the *European Accounting Review* also needs a more direct network of peer support. Key people need to see themselves as involved with the journal, articulating their support at significant gatherings and events. The *European Accounting Review* needs to be talked about and discussed. We all should support in as many ways as we can imagine the notion that as Europeans we can and need to be proud of our open and diversified intellectual tradition and seek as accounting academics to place the *European Accounting Review* at the centre of such a project that is quite capable of having wider international as well as European ramifications.

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Taking the *European Accounting Review* forward (continued from page 19)

Of course a good basis for this already exists through the Editorial Board, but additional to this should be a strategy for engaging the involvement and support of all the major accounting researchers in Europe. They need to see themselves as stakeholders and custodians of an emerging journal initiative, particularly those that represent distinct European traditions of inquiry that might have fewer voices in other settings.

Perhaps ways also need to be found of engaging with those involved in research assessments, and journal rankings and evaluations. I am already trying to make my misgivings known to those behind *The Financial Times*. Each and *everyone* of us can seek to do this in our own institutions, not least in relation to pointing to the limitations of the tables of standardised journal rankings. I try to do this as often as I can, recently pointing out to Bocconi that it is only the insecure and the second rate that are so fixated on such

matters, particularly when the listings they were considering had such a strong US bias that it was difficult to see how they could function adequately in a European setting that had very different traditions of organizational and sociological inquiry, albeit that those of economics and finance might be more similar. But lonely voices have little impact: the chorus needs to be of the many.

I do not think the development of the *European Accounting Review* will be easy. There really is no obvious way forward other than mimicking those journals in the American mainstream which would be entirely inappropriate in a European setting. But recognizing both the complexities of what is involved and the desirable features of the European academic agenda in accounting should provide both a caution against doing what is easy and a stimulus to promote and achieve what is desirable.

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