

## ■ Editorial

To ensure their continuity, professions have to look after their offspring. This is no less true for academia than for any other profession. In the field of accounting more specifically, demand for lecturers and professors remains very high, especially in the current economic situation which is likely to increase the number of graduate and post-graduate students in the short term. Considering the high demand for accounting academics, the rather low number of enrolled Phd students and emerging scholars in our field is a discomforting fact. John Christensen touches upon this issue in his presidential letter, alerting the European accounting community of the shortage of doctoral students in accounting. He also raises the important question of how junior faculty could be more prominently represented at the EAA's annual conference.

Also featuring in this issue is an essay by Garen Markarian and Timothy Fogarty that offers an analysis of the situation at U.S. business schools, which have witnessed a sharp decrease in the number of accounting faculty over the past 20 years.

A second highlight in this newsletter is a roundtable on auditing research. Jere Francis, Chris Humphrey and Cédric Lesage discuss current research trends in auditing and share their views on



how they would like auditing research to develop in the future.

As usual, the newsletter also contains information on conferences, workshops and journals. I hope you will find some of this information relevant for you. The next newsletter will appear in May. Until then, I wish you a good time!

Yours,

*Martin Messner*  
messner@hec.fr

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## Letter from the president, John Christensen

Dear Colleagues,

The time for yet another newsletter has come and this one will be my last one as your president. Three years is a long time to fill a position like this and you might have started to wonder if I would ever leave this office. It has been an exciting three years, but time has come and it is about time. Three years is perhaps too long in this post, more on that below.

At the General Assembly in Tampere we are going to discuss and decide on a new set of statutes for the association. It is not supposed to be a radical change but mainly a series of adjustments to our governance structure that was implemented in 2004.

In a nutshell, the main changes at that time consisted of:

- the election of a President by the EAA members instead of the Congress President becoming automatically the EAA President,
- the substitution of the Steering Committee by the Management Committee,
- the substitution of the Executive Committee by the Board,
- the introduction of a Standing Scientific Committee,
- the revision of the election procedures and terms of office.

These changes were approved by the General Assembly of EAA Members at their Annual Meeting in April 2004 in Prague.

Since then, the Management Committee has been working on improving the decisional and operational functioning of the revised Corporate Governance rules. This has led to another set of proposed refinements or changes, which has been sent to you. The main thrust of the proposed changes is to smooth the administrative procedures

of the association and to make the statutes reflect the actual workings of the association. That means that the main decision of the Board is to elect (or dismiss) the Management Committee. The daily operation of the affairs of the Association is delegated to the Management Committee, including the composition of committees of the association. It reports once a year to the Board. The election procedures of the committees have been simplified. More important is the change that members of the management committee cannot be re-elected. Furthermore, the president cannot be re-elected. The presidency is then limited to two years but then he/she serves one year as president elect and one year as past president. This is intended to create more dynamics and create more opportunities for members to get involved in the evolution of the association. I think that this will result in a better balance between renewal and continuity in the governance of the association.

We will have an opportunity to discuss this in greater detail at the General Assembly in Tampere. The purpose of this message is merely to communicate the background for the proposed changes in advance of our meeting in Tampere.

One of the important issues facing the academic accounting profession is the education of doctoral students and the worldwide shortage of doctoral candidates to fill the positions and to continue the development of our field. In some countries it seems as if the academic accounting profession is not attractive. One piece of evidence on this is that through the many years I was involved in the EAA Doctoral Colloquium, we hardly saw any UK-born doctoral students from UK universities. I think this is the general tendency across the European countries, but there are some variations. This has consequences for maintaining and renewing the community of scholars in some countries. The big question is what the EAA can do about this.

Our main contribution is to create an international network of accounting researchers. This is a great career-related bonus for many of our members. Perhaps we should increase the visibility of this international dimension of our job to our students as few of them are aware of this. I think that a key to this communication is in the hands of our junior faculty and we might work to increase their involvement in the EAA. The expansion of our Doctoral Colloquium is a small step in that direction. Perhaps we should also build greater participation of junior faculty into our annual conference however we might facilitate that within the necessity to balance our conference books!

I look forward to the EAA conference in Tampere, May 12-15. The conference program is in the making at the moment. The Chair of the standing Scientific Committee, Begoña Giner, reports to me that 784 valid papers were submitted (3 papers were withdrawn before the end of the reviewing process), 706 papers have been accepted of which 384 were selected for Parallel Sessions and 322 for Research Forums, and 75 papers were rejected. The papers have been reviewed by 50 reviewers including the six SSC members. This is truly a remarkable job that the Scientific Committee has accomplished; we are all indebted to them. Furthermore, the rumours report that we have the prospect of a high quality scientific conference in Tampere. Add to that the outstanding social programme and the splendid facilities of Tampere Hall - what are you waiting for? The website is open for you all to register for our annual conference and the early registration deadline is rapidly approaching. Please take this opportunity to make your registration. See you in Tampere!

*John Christensen  
President of EAA*



## News on the *European Accounting Review*

### Forthcoming Articles in EAR

Alexander D. and Eberhartinger E., *The true and fair view in the European Union*

Davila A., Foster G. and Oyon D., *Accounting and Control, Entrepreneurship, and Innovation: Venturing into New Research Opportunities*

Van Overfelt W, Deloof M and Vanstraelen A., *Determinants of corporate financial disclosure in an unregulated environment: Evidence from the early 20th century*

Cassar G. and Ittner C.D., *Initial Retention of External Accountants in Start-up Ventures*

Revellino S. and Mouritsen J., *The Multiplicity of Controls and the Making of Innovation*

Cho C.H., *Legitimation Strategies Used in Response to Environmental Disaster: a French Case Study of Total S.A.'s Erika and AZF Incidents*

Derfuss K., *The Relations of Budgetary Participation and Reliance on Accounting Performance Measures to Individual-Level Consequent Variables: A Meta-Analysis*

Hyvönen T., Järvinen J., Pellinen J. and Rahko T., *Exploring Management Accounting Change: Accounting Hybridization and ERP Implementation in the Finnish Defense Forces*

Naranjo-Gil D., Maas V.S., Hartmann F.G.H., *How CFOs determine management accounting innovation: An examination of direct and indirect effects*

Bozzolan S., Trombetta M. and Beretta S., *Forward-looking disclosures, financial verifiability and analysts' forecasts: A study of cross-listed European firms*

### EAR Research Conference

The 1<sup>st</sup> European Accounting Review research conference will be hosted by IE Business School (Spain) on the 20<sup>th</sup> and 21<sup>st</sup> of March 2009. It will take place at the Segovia campus of the school, in the Chapter room of the old convent of Santa Cruz La Real (13<sup>th</sup> century A.D.). The theme of the conference is "Measurement Issues in Financial Reporting". Submissions for the conference are now closed.

## Special section of *European Accounting Review* "Accounting in Transitional and Emerging Economies"

Guest Editors:

**Mahmoud Ezzamel & Jason Xiao,**  
**Cardiff University**

The last few decades have witnessed major macro changes in world economies. Most previous socialist countries, such as Russia, former eastern European countries, and China have taken major strides towards introducing economic reforms leading to reducing state ownership, establishing property rights, promoting private ownership, and establishing markets. Other countries that have not under-

gone major political changes have begun to emerge as powerful economies, such as Brazil and India. Yet others have embarked on significant government reforms. The impact of these developments has been enhanced by the demands of globalisation, evidenced in particular through pressures exerted on transitional and emerging economies by the World Bank, the International Monetary Fund, big international audit firms and the IASB, and the demands of foreign venture capitalists and multinationals. These pressures have been calling for greater convergence of accounting practices

around the globe with respect to financial reporting, auditing and management accounting. This special section is devoted to publishing original papers that address some of the implications raised above for the accounting/auditing profession and for accounting practice in transitional and emerging countries. Below we list a number of possible themes where we would welcome quality submissions, but papers dealing with other relevant issues are also welcome.

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## Special section of *EAR* (cont'd)

### Suggested themes (not inclusive):

- The role of the accounting profession in economic development and marketisation.
- Regulation of the accounting profession and accounting standard setting, including the adoption of IFRS.
- Developments in the infrastructure of the accounting profession and accounting practice (including audit independence).
- Use and usefulness of fair value accounting.
- The demand for and supply of audit services.
- Earnings management, accounting fraud and corruption.
- Adoption of ICT, including ERP, in accounting.

- Accounting and mechanisms of corporate governance.
- Customisation of global performance measurement systems and local innovations in management accounting.

Following the *EAR* policy of openness and flexibility regarding methodologies and styles of conducting research, papers adopting narrative style, 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

clarification or guidance ([ezzamel@cardiff.ac.uk](mailto:ezzamel@cardiff.ac.uk); [xiao@cardiff.ac.uk](mailto:xiao@cardiff.ac.uk)). 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](mailto:ear@ie.edu). The subject of the message containing the electronic submission should include a reference to "Special Section on Accounting in Transitional and Emerging Economies". 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 30 November 2009.

## Academy of Accounting Historians

### Margit F. Schoenfeld and Hanns Martin W. Schoenfeld Scholarship in Accounting History

The Academy of Accounting Historians invites applications for the 2009 Margit F. Schoenfeld and Hanns Martin W. Schoenfeld Scholarship in Accounting History.

The purpose of the scholarship is to encourage and support research on the history of accounting by doctoral students and recently appointed accounting faculty. The scholarship was initiated by the generous gift of Dr. Hanns Martin Schoenfeld and the late Dr. Margit Schoenfeld in recognition of their belief in the importance of historical scholarship to accounting education and research.

In 2009 an **award of \$3,000** is available to support research on a doctoral dissertation, or develop publications proceeding therefrom by a recent PhD

graduate. Qualifying research topics should address the history of accounting. Projects of an international nature and those pursued by scholars whose first language is not English are particularly invited.

The recipient(s) of the scholarship will be determined by the Schoenfeld Award Committee, comprising the President of the Academy of Accounting Historians (Chair), the editor of *The Accounting Historians Journal* and Dr Hanns Martin W. Schoenfeld. The Committee has the capacity to share the award equally between two worthy candidates or to make no award in any one year.

Applicants must be currently enrolled for a PhD by research, or have completed a PhD by research within the

last five years. Applicants should submit a full curriculum vitae and a statement (containing a maximum of 1,000 words) which discusses the doctoral research undertaken on the history of accounting, the stage reached and how the award would prove beneficial to the applicant. A short statement from a supervisor should also be submitted in the case of applicants currently enrolled for a PhD.

Applications should be submitted to: Cheryl S. McWatters, President, Academy of Accounting Historians, Alberta School of Business, University of Alberta, Edmonton, Alberta, Canada, T6G 2R6. Email: [Cheryl.McWatters@ualberta.ca](mailto:Cheryl.McWatters@ualberta.ca). The closing date for the receipt of applications is **31 August 2009**.

■ The Academy of Accounting Historians

## 2009 Vangermeersch Manuscript Award

**For the attention of prospective and recent post-graduates in accounting history.**

In 1988, The Academy of Accounting Historians established an annual manuscript award to encourage scholars new to the field to pursue historical research. An historical manuscript on any aspect of the field of accounting, broadly defined, is appropriate for submission.

### Eligibility and guidelines for submission

Any accounting faculty member, who holds a full-time appointment and who received his/her masters/doctorate within seven years previous to the date of submission, is eligible to be considered for this award. Co-authored

manuscripts will be considered (if at least one co-author received his/her master/doctorate within the last seven years). Manuscripts must conform to the style requirements of the Accounting Historians Journal. Previously published manuscripts or manuscripts under review are not eligible for consideration.

Each manuscript should be submitted by June 8, 2009 in a Word file as an e-mail attachment to the chair of the Vangermeersch Manuscript Award Committee, Professor Lee Parker (lee.parker@unisa.edu.au).

A cover letter, indicating the author's mailing address, the date of the award of the masters/doctoral degree, and a statement that the manuscript has not been published or is not currently being considered for publication should be included in the submission packet.

### Review Process and Award

The Vangermeersch Manuscript Award Committee will evaluate submitted manuscripts on a blind-review basis and select one recipient each year. The author will receive a \$1,000 (U.S.) stipend and a plaque to recognize his/her outstanding achievement in historical research. In the case of co-authored manuscripts, only the junior faculty member(s) will receive prizes. The winning manuscript will be published in the Accounting Historians Journal after an appropriate review. The award will be given annually unless the Manuscript Award Committee determines that no submission warrants recognition as an outstanding manuscript.

■ Australian Accounting Review - Special Issue on:

## Relationship between Research and Practice

**Guest editor:** Yves Gendron, Université Laval, Québec

### Background Information

*Australian Accounting Review* (AAR) is the pre-eminent, peer-reviewed journal published four times a year on behalf of CPA Australia. AAR is positioned at the intersection of business and academe and features articles by practitioners and researchers. It aims to provide in-depth discussion and critical analysis of developments affecting professionals in all areas of finance, accounting and business.

AAR is covered since September 2008 by the **Social Sciences Citation Index (SSCI)**.

### Details

Accounting research is often conceived of as applied research, in that its main object of study is made up of a field of practices and technologies used by practitioners – in contrast to physics or chemistry where objects of study are not interested and do not react to what is written about them. The relationship between the fields of accounting research and accounting practice matters. Linkages between the two areas are undeniably multifaceted and complex, involving issues such as application, mutual criticism, demographics, power and professionalization. However, in spite of their significance, research on the linkages between accounting research and practice is embryonic in many respects. This

special issue aims to contribute to literature in this regard.

The special issue aims to publish high-quality articles which collectively deal with a variety of themes and rely on a range of theoretical lenses. Submission of manuscripts which conceive of linkages between research and practice in original ways is particularly encouraged. All research methodologies are welcome: thoughtful essays; historical analyses; qualitative or quantitative empirical studies; and papers written by practitioners from their experience.

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## Special issue of AAR (cont'd)

Although the focus of the special issue is on the relationship between accounting research and practice, manuscripts which deal with broader though related objects of study, for instance the relationship between business research and practice, will also be considered.

Examples of relevant themes (though not exhaustive) are:

- What are the main representations of the relationship between research and practice that are found in accounting literature? Have these representations changed over time? What role do these representations play in society?
- How do practitioners and their values exert influence on academic research? Do practitioners favour some types of research to the detriment of others? What implications arise from these preferences?
- How is research quantified, measured and represented through accounting technologies and accountability mechanisms? What impact do these technologies and mechanisms have on research?
- Is the concept of relationship between research and practice more mythical than reality?
- Does accounting research produce “useful” knowledge in light of significant issues such as IFRS (International Financial Reporting Standards) harmonization, the regulation of auditor independence, and the globalization of capital markets?
- How is “usefulness of research” linked to research legitimacy?
- Journal rankings are increasingly viewed as exerting significant influence on research. How does practice influence business journal rankings (e.g., Financial Times ranking)?
- On what basis can we separate the wheat from the chaff regarding accounting practitioners’ never-ending complaints regarding the relevance of accounting research?
- What influence do organizations such as the AACSB (Association to Advance Collegiate Schools of Business) have on accounting research? Do practitioners’ values play a key role in this influence?
- Have new public management and the reduction of state funding translated into academic research which is increasingly “captured” by practitioners?
- How do the fields of accounting research and practice influence one another regarding the social reproduction of researchers and practitioners?
- Which mechanisms are in place within large accounting firms to follow and/or oversee academic research? How is research “translated” in accounting firms’ practices? Are “recommendations to practice” made by a number of accounting researchers in their papers, and executive summaries found in a number of journals, useful to practitioners?
- What role do accounting researchers play in the development and dissemination of “best practices” regarding accounting technologies and disclosures?
- Does practice influence promotion mechanisms in universities? If so, how?
- What is the role of funding mechanisms over researchers, notably in influencing research agendas?
- How do practitioners perceive proposals from researchers to access data? Are practitioners less open to such proposals than in the past? If so, why?

### Instructions for Submission

The deadline for submission is November 30th, 2009. Manuscripts ought to be sent via e-mail attachment to the following address:

[yves.gendron@fsa.ulaval.ca](mailto:yves.gendron@fsa.ulaval.ca)

Manuscripts need to be prepared in accordance with the style of articles recently published in AAR. The journal’s Author Guidelines can be found at the following address:

<http://www.wiley.com/bw/submit.asp?ref=1035-6908&site=1>

The approximate length of the manuscripts should be around 8,000 words. Following initial screening, manuscripts will be subjected to a standard peer-review evaluation, in accordance with review practices commonly followed by the journal AAR.

For further information please contact Yves Gendron at [yves.gendron@fsa.ulaval.ca](mailto:yves.gendron@fsa.ulaval.ca).

## ■ ■ Doctoral Studentships in Accounting and Finance Lancaster University Management School (LUMS), U.K.

We would like to invite academically excellent Masters students/ graduates to apply for the 2009 Doctoral Studentship competition available in the areas of Accounting and/or Finance at Lancaster University Management School (LUMS), UK.

In the latest UK Research Assessment Exercise (RAE, 2008) Lancaster is in the top four university business schools on most measures of research quality. Three quarters of Lancaster University Management School's research activity has been assessed as world leading or internationally excellent in terms of originality, significance and rigour, and virtually all its research (95%) is of international standing.

The Financial Times January 2008 ranking of the world's top 100 global schools also ranks LUMS' PhD and

doctoral programmes 5th in the world, and 2nd in the UK, based on a combination of numbers of graduates and where they were employed after graduation.

Within the Department of Accounting & Finance, research groups include:

- Accounting: Financial Reporting; Management Accounting; Market-Based Accounting Research; Corporate Governance
- Finance: Corporate Finance; Asset Pricing; Market Theory and Microstructure; Derivatives; Risk Management; International Finance

We aim to continue to attract a cohort of talented doctoral students, able to contribute to the advancement of research within the School and also able to contribute effectively to the teaching programme of the Department of Accounting and Finance.

Our studentships include full payment of tuition fees and a generous living allowance of up to £13k - £16k per annum for up to three years.

To find out more, please visit our webpages at:

<http://www.lums.lancs.ac.uk/departments/Accounting/Research/> or...

Contact Jackie Hughes directly on

tel: +44 (0) 1524 593622 or

email [j.hughes5@lancaster.ac.uk](mailto:j.hughes5@lancaster.ac.uk)

Candidates wishing to be considered for our Doctoral Studentship competition are strongly encouraged to apply or enquire to Jackie Hughes as soon as possible, certainly by 27th March 2009.

We are also pleased to receive enquiries from fellow academics on behalf of students.

## ■ ■ Upcoming EIASM Events and Jobs

Here are some of the upcoming EIASM events. For a full list, please visit [www.eiasm.org](http://www.eiasm.org).

- EDEN Doctoral Seminar on Case-Based Research in Management Accounting, 23-27 March 2009, Brussels
- 25th EAA Doctoral Colloquium in Accounting, 9-12 May 2009, Tampere (Finland)
- 32nd EAA Annual Congress, 12-15 May 2009, Tampere (Finland)
- 9th Manufacturing Accounting Research Conference, 21-24 June 2009, Münster (Germany)

- 5th Conference on Performance Measurement and Management Control, 23-25 September 2009, Nice (France)

- 5th Workshop on Visualising, Measuring and Managing Intangibles and Intellectual Capital, 7-9 October 2009, Dresden (Germany)

### Jobs

Institution: EM Lyon Business School.  
Position: Various positions in the Management Accounting area. Application Deadline: May 31, 2009

Institution: Seoul National University.  
Department: Accounting. Posi-

tion: tenure/non-tenure-track position.  
Application Deadline: Feb 28, 2009

Institution: Vlerick Leuven Gent Management school. Department: Accounting & Finance. Position: Assistant or associate professor.  
Application Deadline: Feb 27, 2009

Institution: International Accounting Standards Committee Foundation (IASC Foundation). Department: Education. Position: Academic Fellow, Education Projects. Application Deadline: Feb 28, 2009.

For more detail on all positions, please visit [www.eaa-online.org](http://www.eaa-online.org).

## ■ CIMA Research Initiative Sustainability - Calls for strategic change



CIMA invites research proposals on topics which will help organisations to consider sustainability in a strategic context and will assist management accountants in the pivotal role they can play in providing business intelligence to support strategy and influence decision making.

CIMA is seeking to enhance and expand its body of knowledge on sustainability and intends to fund innovative research on this global issue.

Suggested topics might include:

- How do organisations integrate sustainability into strategy and how has the role of the finance team evolved to contribute to this? What effect has the current economic downturn had on this process?
- What tools, techniques and models are being developed and used to take a strategic approach to sustainability and how effective have established methods been e.g. life cycle costing, carbon accounting, balanced score-card?
- How have accounting systems and practices evolved to assist in moni-

toring, reporting and decision making? How effective have they been in providing key information?

- How does performance management/business intelligence link to sustainability? How can this information be used to identify and evaluate business opportunities and competitive edge?
- How has the process of decision making changed to recognise the costs, risks and opportunities presented by sustainability issues (use of business case, investment appraisal, etc.)? What effect has this had on the business model?

The scope of this initiative does not extend to external sustainability reporting and assurance.

For this particular initiative, CIMA is prepared to contribute funding to research that has already started. Applicants should be aware that CIMA is keen to publish research that is responsive to the current challenging environmental and economic conditions and that proposals with longer timeframes (i.e. over 18 months) are therefore less likely to be successful.

The research findings should be of value to both businesses and academic communities globally, and case studies may be drawn from both the commercial and not-for-profit sectors.

Grants are typically between £5,000 and £40,000 depending on the scope of the project and its outputs.

For further information about CIMA's position on sustainability please visit [www.cimaglobal.com/sustainability](http://www.cimaglobal.com/sustainability)

### Applying

Applicants are strongly advised to read CIMA's research strategy prior to applying. Application forms can be downloaded at [www.cimaglobal.com/research](http://www.cimaglobal.com/research)

The closing date for applications is 25 May 2009 and shortlisted applicants will be invited to present their proposals to a CIMA review panel on 17 June 2009.

The review panel will be chaired by Rebecca Ryan FCMA, Finance Manager, Close Brothers.

For further information please contact us:

T. +44 (0)20 8849 2497

E. [research@cimaglobal.com](mailto:research@cimaglobal.com)

[www.cimaglobal.com](http://www.cimaglobal.com)

## CIMA Research Initiative Risk and Performance - Getting the right balance

CIMA invites proposals on the topic of 'Risk and performance – getting the right balance'. CIMA's interest is aimed at helping organisations to manage sustainable performance through all stages of the business cycle. A key focus of the topic is centred on the role of the management accountant which includes performance and risk management as well as the provision of information to support effective decision-making.

Possible topics might include, but are not confined to:

- How do organisations adopt reliable risk management throughout the business cycle to deliver sustainable performance? Are there ways of avoiding the extremes of under-scrutiny during boom times and over-scrutiny in a downturn?
- What is the nature of the balance between risk and performance? How can the net performance benefits of risk management be measured?
- How can risk and performance management be adequately integrated, and which are the appropriate tools and techniques by which this can be done?
- How do organisations structure risk

management, such as creating a dedicated risk management function or, alternatively, by keeping it dispersed throughout the organisation? What are the rationales and benefits of various ways in which risk management can be organised?

- How can organisations provide appropriate incentives and rewards to support the right balance between risk and performance (e.g. through the design of bonus systems)?
- What is the role of the management accountant in managing risk and performance, including the use of appropriate tools and techniques?

This topic area may benefit from an interdisciplinary approach; and any research methodology may be proposed. The research findings should be of value to both the business and academic community, and cases may be drawn from both the commercial and not-for-profit sectors.

For this particular initiative, CIMA is prepared to contribute funding to research that has already started. However, applicants should be aware that CIMA is keen to publish research that is responsive to the current challenging

economic conditions and that proposals with longer timeframes are therefore less likely to be successful.

Grants are typically between £5,000 and £40,000 depending on the scope of the project and its outputs.

### Applying

Applicants are strongly advised to read CIMA's research strategy prior to application. Details and applications form can be obtained at [www.cimaglobal.com/research](http://www.cimaglobal.com/research)

The closing date for applications is 2 March 2009 and shortlisted applicants will be invited to present their proposals to a CIMA review panel on 23 March 2009. The review panel will be chaired by the CIMA Professor, Wim A Van der Stede, from the London School of Economics.

For further information please contact us:

T. +44 (0)20 8849 2497

E. [research@cimaglobal.com](mailto:research@cimaglobal.com)

[www.cimaglobal.com](http://www.cimaglobal.com)

## CIMA's seedcorn funding initiative

CIMA is committed to developing tomorrow's world class management accounting researchers. We recognise that it can be difficult for less experienced researchers to obtain funding through traditional channels. We also know that it can be hard to fully evaluate the merits and feasibility of a research idea, without first undertaking preliminary investigations.

With these issues in mind, CIMA invites submissions of both academic and practitioner research proposals to its seedcorn funding programme.

### How to apply

We accept two types of seedcorn funding applications:

1. Applications from inexperienced researchers, which may include those researchers with experience only as research assistants; those without previous funding awards or those who have not previously acted as a principal researcher.
2. Applications from researchers with an idea/concept that they wish to develop or those seeking to undertake

feasibility studies. A feasibility study may be an evaluation or analysis of a proposed research project, including reviewing issues that could impact its success. This would be conducted to assist the researcher in determining whether or not to proceed with a full research project.

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## CIMA's seedcorn initiative (cont'd)

Applicants may apply for funding of up to £5,000 for projects which are consistent with the areas outlined in CIMA's Research Strategy

[www.cimaglobal.com/research](http://www.cimaglobal.com/research)

Projects will typically not last more than six months and in the case of applications from inexperienced researchers, proposals will be supported by a written commitment from a research mentor.

### What we expect

Researchers are required to produce a short written report about their project, suitable for publication in a business journal. You will also need to provide CIMA with an end of project report, detailing how the funding was spent, the results of the investigation and plans for future research.

### Find out more...

Application forms can be downloaded at

[www.cimaglobal.com/research](http://www.cimaglobal.com/research)

To talk to us, ask questions, or learn more about our research please contact us:

T. + 44 (0)20 8849 2275

E. [research@cimaglobal.com](mailto:research@cimaglobal.com)

## Call for papers

# 9th Manufacturing Accounting Research Conference

21-24 June 2009, University of Münster (Germany)

The Manufacturing Accounting Research Conference (MAR) is held bi-annually and focuses on **cost and performance management in both manufacturing and service firms**. The 9th MAR Conference will take place from 21 to 24 June 2009 in Münster, Germany. The conference is jointly organised by **EIASM** and the **University of Münster**, Chair of International Accounting (Prof. Dr. Peter Kajüter).

MAR conferences address issues like the adoption of new management accounting techniques in manufacturing and service, value chain analysis and inter-organisational cost management, biases in decision making originated by particular costing techniques, and performance management in operations. Moreover, the link between the design and implementation of management control systems and the relevance to both theory and practice have always been perceived as crucial.

This year's **keynote speakers** – amongst others Alnoor Bhimani

(London School of Economics and Political Science), Falconer Mitchell (University of Edinburgh) and Ken Merchant (University of Southern California) – will present latest developments of management accounting research. A plenary debate with academics and practitioners will discuss the question in how far management accounting research is relevant for practice. After that, the conference dinner will provide an additional opportunity to exchange experiences between theory and practice.

The MAR conference also comprises concurrent sessions and a special track for PhD students. The latter aims to promote young researchers and provides a platform for discussion of and individual feedback to PhD related papers. In this track, there will be an appointed discussant for each paper.

Full papers intended for presentation at the concurrent sessions or the PhD track should be submitted by **March 15, 2009**. Authors will be notified of acceptance by April 15, 2009. The

authors of the best conference papers will be invited to submit their papers to Management Accounting Research and will be subject to the journal's double-blind review process.

Further details can be found at:

EIASM  
Graziella Michelante  
Place de Brouckère Plain 31  
1000 Brussels  
Belgium  
Tel.: +32-2-512 19 29  
Email: [michelante@eiasm.be](mailto:michelante@eiasm.be)  
[www.eiasm.org](http://www.eiasm.org)

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Call for papers

## Special issue of *Die Betriebswirtschaft* on “Integration of financial and managerial accounting”

“Die Betriebswirtschaft” (DBW), one of the most prestigious German research journals in the field of general management, will publish a special issue on Integration of Financial and Managerial Accounting. DBW’s tradition goes back to 1908 when Heinrich Nicklisch, one of the founders of modern business administration in German-speaking countries, established the journal as “Zeitschrift für Handelswissenschaft und Handelspraxis”.

Since the 1990s, the integration of financial and managerial accounting systems has become a subject of growing interest for scientists and practitioners alike. Capital market oriented or multinational firms increasingly challenge the traditional separation of financial and managerial accounting systems in continental Europe as they seek organizational advantages and cost savings through unified accounting rules.

This trend towards integrated accounting systems is enforced by the spread of IFRS. As the prime goal of IFRS-based financial reports is to provide information for investors, IFRS apply concepts akin to those employed in models of managerial decision making and control. Nevertheless, according to the contrasting postulate ‘different costs for different purposes’, financial accounting data may not always be suitable for internal decision making or stewardship purposes.

The DBW special issue aims at a critical evaluation of current convergence trends including in-depth discussions

of implications for internal decision making and control as well as for financial reporting to investors and other external users of accounting information. This comprises analyses of the various interdependencies between accounting, taxation and auditing. Topics to be dealt with could include but are not limited to the following:

- advantages and disadvantages of integrated accounting systems for decision making and performance measurement on different hierarchy levels,
- international perspectives on the convergence of external and internal reporting,
- demand for the integration of financial and managerial accounting, its potential benefits under IFRS and/or German GAAP and implications for auditing,
- tax-related effects of integrated accounting systems,
- history, motives, goals and context factors of converging accounting systems in continental Europe,
- Institutional issues, e.g. regarding the comprehensive organization of a firm’s finance and accounting function(s).

The proposed topics are open to the application of a wide array of scientific methods. Therefore we encourage the submission of analytical, empirical, experimental, socioeconomic and behavioral studies.

### Submission:

Papers may be written in English or German. They have to relate explicitly to the integration of financial and managerial accounting, be methodologically sophisticated and adhere to the standards of DBW in form and content. Author guidelines are available at [www.dbwnet.de](http://www.dbwnet.de). Submitted papers are subject to the usual DBW double-blind review process. **The submission deadline is June 1st, 2009.**

Papers should be submitted electronically as Word or PDF files to:

Schäffer-Poeschel-Verlag  
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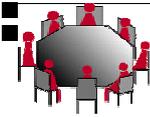
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## Roundtable on Auditing Research

Research on auditing makes up an important part of accounting research and is now being published in major North American and European accounting journals. This is hardly surprising if one considers the turbulent times that the audit profession has undergone in the last couple of years. Ours are indeed exciting times to study auditing! At the same time, however, not everyone is equally satisfied with the directions that auditing research takes; a gap to practice and regulatory activities is sometimes bemoaned; and the impact of auditing research on the education of auditors is not evident.

Against this background, I invited three auditing professors to share their views on the state and future of auditing research: **Jere Francis**, from the University of Missouri (United States), **Chris Humphrey**, from Manchester Business School (UK) and **Cédric Lesage**, from HEC Paris (France). Questions were directed always at two of them, except for the last question which was addressed by all three.

### How do you personally evaluate the development that auditing research has taken over the last couple of years?

**JF.** My answer to this question (and the others) is of course primarily through the lens of U.S. audit research and practice. On the research front, clearly the biggest change in recent years has been the growth in empirical-based research. Prior to the early 2000s, the majority of audit research was conducted by experimentalists and focused on a micro-level understanding of the audit testing/judgment process, or what is called JDM (judgment/decision making) research.

Two important events triggered this shift. First, the Securities and Exchange Commission (SEC) mandated the disclosure of audit fees and fees paid for other (nonaudit) services to

clients. These disclosures began in 2001. The availability of new data led to many new studies of audit pricing, and to the study of audit questions by scholars who had not previously been involved with audit research. One of the earliest and most controversial of these studies was the paper by Frankel, Johnson and Nelson in *The Accounting Review* (2002) which investigated the question of whether or not the provision of nonaudit services impairs the auditor's objectivity. Their evidence was suggestive that it did, and an early draft of their study provided a justification for the SEC's decision in 2001 to prohibit some types of consulting by auditors for their audit clients.

A second influential event was the 2001 Enron bankruptcy, followed by collapse of Arthur Andersen and quick passage in 2002 of Sarbanes-Oxley (SOX). The effect of all of this was that auditing and corporate governance suddenly became front-burner topics that attracted (and still attract) a lot of research attention. Again, this has also had the affect of bringing additional scholars into the field and expanding academic interest in auditing/governance research. This has been a healthy development since the auditing research community is fairly small, even in the U.S.

**CH.** It is certainly an exciting time to study auditing practice and the institutions and traditions that govern such practice but in assessing the significance of research contributions in auditing, I would take a longer time perspective than the last couple of years. A stand-out area for me would be Michael Power's work on the rise of the audit society and related ideas with respect to risk management. This has had a broad, interdisciplinary appeal, capturing both the social attraction to audit and raising concerns over the faith being placed in audit and associated regulatory mechanisms. Along with a growing body of audit research studying auditing practices and meth-

odologies within their institutional contexts, this has opened up some fascinating research ideas/agendas regarding the processes and forces that shape, develop and legitimate audit practice (a useful recent example here is the 2007 special issue of *Accounting, Organizations and Society* - Vol. 20 No. 6 - on business risk auditing). In a similar vein, I would also highlight developments in the study of audit history. Traditional or accepted histories of audit practice have been challenged, with historical analysis revealing patterns and disjunctures in the development of audit practice that both question claims as to the undoubted right way for auditing to develop and illustrate the degree to



*Jere Francis is the Robert J. Trulaske Chair and Curators' Professor at University of Missouri. Professor Francis' research examines the role of accounting and auditing on corporate transparency and the quality of corporate financial reports. He serves on a number of editorial boards including The Accounting Review, Review of Accounting Studies, and Auditing: A Journal of Practice and Theory.*

which supposedly novel, contemporary ideas have been discussed (and even dismissed) in the past. Finally, studies of auditing in different national and cultural contexts, at a time where the pressure for global harmonisation of auditing practices has potentially never been stronger, serve an important role – especially when focused on countries where audit has not traditionally been significant or where distinctive auditing concepts and approaches have been applied.

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## Roundtable on Auditing Research (cont'd)

Despite the internationally exciting nature of so many different audit research issues, what I found quite striking in reviewing the auditing literature over the last twenty years (see Humphrey, 2008) is the continuing narrowness in scope and style of a substantial part of the audit discipline. The privileging internationally of the approaches to audit research traditionally identified with journals such as *Journal of Accounting Research*, *The Accounting Review*, the *Journal of Accounting and Economics* and *Auditing: A Journal of Practice and Theory* is a potentially significant constraint on the future development of the discipline – as is the way in which researchers, in today's culture of research ratings and

type of research that is undertaken and/or deemed worthwhile. Ironically, in considering the significance of such developments, it is worth noting that criticisms of the 'mainstream' audit research arena do not just come from any 'alternative' school of auditing thought. My review showed clearly that a number of leading international audit researchers have been quite critical of the public policy impact and achievements of such research.

### To which extent does auditing research connect to the concerns and questions raised in practice?

**CL.** The relationship between auditing research and practice is an ambiguous one. On the one hand, it seems that research is somewhat disconnected from practice: I do not know of any auditing regulation that originated in a research study. On the other hand, auditing research is clearly interested in the impact of new professional practices or regulations and, in this respect, can be regarded as policy-driven. Research follows practice in the sense that a practical problem leads to a new regulation, which in turn implies new practices which are then studied by researchers. However, one could also imagine it the other way round, i.e. a practical problem or issue is first identified by research, the results of which lead to a new regulation. Overall, it seems to me that auditing research is more a confirmatory research (ex post) that seeks to legitimize existing practices rather than an exploratory research (ex-ante) that tries to understand the functioning (or malfunctioning) of professional practices. The reasons behind this disconnection are multiple, and come from practitioners (willingness of "scientifizing" practices, fear of allowing access, etc.) as well as from researchers who may be subjected to a phenomenon of con-

formism to already published research studies.

**CH.** While developments in audit practice can be fascinating, it is very important not to assume that research is subordinate to practice – in terms of the question there is a potentially big difference between researchers responding to the concerns of audit practice/practitioners and seeking to understand the nature of practice. I see the basic spirit of audit research as being the desire to know more about what is done in the name of audit practice and how such practices shape, and are shaped by, wider organisational, social and regulatory contexts.

That said, the problem with much audit research is that it does not focus on audit practice *per se*, choosing to work at the edges of the 'black box' of auditor decision-making or relying on experiments that do not capture the personal pressures and challenges that auditors can experience in their day-to-day working environment. It does have to be recognised that audit firms remain quite sensitive in terms of giving researchers the access to study auditing practices at close-hand, on grounds of client or commercial sensitivity. While it is possible to overcome access issues through careful negotiation and the building of trust, there is a residing danger that such concerns and inhibitions can leave academic audit researchers at the empirical periphery of the subject. This is reinforced by the strong belief in certain academic quarters that auditing research has to retain its claimed attachment to so-called notions of scientific rigour – which can serve to subordinate research to the regulatory process, rather than encouraging audit researchers to focus on the subjectivities of audit practice and the political dimensions of audit regulatory arrangements.

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**Christopher Humphrey** is a professor of accounting in the Manchester Accounting and Finance Group (MAFG) at Manchester Business School. His main research interests are in the areas of auditing, international financial regulation, public sector financial management, accounting education and qualitative research methodology. He is an associate editor of the *European Accounting Review* and a co-opted academic member of the Council of the Institute of Chartered Accountants in England and Wales.

rankings, seem to talk less about the ideas in their papers and more about where they are seeking to publish or have published their research. At the same time, fewer audit researchers have ever worked as an auditor or had any experience of actual audit assignments which can also influence the

## Roundtable on Auditing Research (cont'd)

### One of the most important streams in auditing research is concerned with audit quality. How much do we actually know about audit quality?

**CH.** Power's (2003, p. 379) view that "very little is known about auditing in practical, as opposed to experimental, settings" still holds. While there are claims that we know a lot about matters of audit quality, it was evident from my review of the literature that many of the audit research papers appearing in traditional, US-based journals do struggle to get close to the specifics of audit practice. We may know that certain variables or 'drivers' are empirically correlated with particular levels or perceptions of audit quality, but we know little (and presume a lot) about how such variables influence audit practice. Similarly, while there is much at the regulatory level in terms of normative audit quality control frameworks and declarations of principles, there is limited practical analysis of the specific practices, work approaches, managerial styles and environments that have proved most critical to the provision of a 'quality' audit. What specifically is it that the Big 4 firms do differently in terms of their audit work? How does practice develop in such firms and how do distinctive styles of work within individual offices get picked up on and developed or eliminated? Have technological developments enabled auditing to keep pace with the scale and sheer complexity of modern-day commercial transactions and allied corporate financial reporting practices? There is still much to obtain in terms of positive evidence of audit practice success – particularly when audit inspection reports by public oversight bodies have detailed sections which are not available for public review and contain responses from audit firms which increasingly seem to challenge the judgments of inspectors.

It is frustrating to see the longstanding

tendency in the conclusions of many quantitative-based audit research papers of recommending detailed case-studies of audit practice – but for authors never seeming to undertake such work. Arguably audit firms do need to experiment more before they change methods but there is vast range of questions that research experiments will not answer such as what factors help to promote and ensure acceptance of particular (new) methodologies and understanding whether and why previous approaches struggled to deliver what was expected of them? In what ways do commercial pressures and/or external audit inspection influence what is recognised and accepted as quality audit work? How much do we know about the way in which auditors, in practice, price an audit or finalise a tender bid? What proportion of firms price their audits using detailed regression equations?

**JF.** I often hear it said that audit research does not really investigate "audit quality" and I am puzzled by these claims. My own work is in the archival area where two publicly observable outcomes of the audit process have been studied extensively: the audit report and the client's audited earnings. Inferences about audit quality can be made from both outcomes. For example, one line of audit report research examines if the going concern report is compromised by "incentives" or "conflicts of interest" that lessen an auditor's objectivity and willingness to issue a negative report. Some topics here include the importance of the client to the auditor, the impact of accounting firm alumni who become senior executives with the audit client, engagement partner tenure, and legal liability exposure.

A large body of archival research investigates how audit firm characteristics affect the quality of client earnings (after controlling for innate client factors that affect earnings). There is evi-

dence that earnings of Big 4 clients are of higher quality, and that on average industry experts perform better quality audits. I have a forthcoming paper which finds that better audits are performed by larger offices of Big Four firms relative to smaller offices. While these studies document systematic "differences" in the quality of audit outcomes (properties of clients' earnings), they do not indicate if auditing is necessarily at a socially optimal or appropriate level of quality. So a practical challenge for policy makers is how to interpret what the research means, particularly on the "lower end" and whether such audits might be of unacceptably low quality. This is a much more difficult question to answer than documenting "systematic differences" in outcome audits.

Overall though I believe we have made significant progress in identifying some of the key drivers of audit quality. Having said that, I make no assumption the U.S. findings generalize to other countries, and there is a need for country-specific studies to figure out if they do (or don't).

### How do you see the relationship between auditing research and the education of auditors? Can research findings be mobilized in education?

**JF.** In the U.S., accounting students typically get very little exposure to audit research in the university curriculum. The drivers of audit quality that have been identified in the archival literature should be taught in every auditing class, but instead we maintain the "institutional fiction" that all audits are equal if generally accepted audit standards are followed. It would probably be of even greater value if JDM research were incorporated into the curriculum.

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## Roundtable on Auditing Research (cont'd)

To be candid, the findings of many JDM studies do not paint a glowing picture of the quality of auditor judgments, or the auditor's ability to process information cues in an unbiased manner. One of the potentially most useful aspects of JDM research would be for training and educating auditors to de-bias their judgments and to be more sceptical in their work.

Our failure to incorporate research into teaching has other unfortunate consequences. By failing to impress upon our students the importance of research in advancing knowledge and the quality of audit practices, we reap the seeds of what we sow. What I mean by this is that the audit practice community is largely unaware of and/or indifferent to audit research.



**Cédric Lesage** is Senior Associate Professor at HEC Paris. Prior to arriving at HEC, he was auditor with Ernst & Young for five years, then he became Professor at Sorbonne University, Paris. He holds a PhD degree in Management from the University of Rennes. His main research interests are in the areas of auditing and international accounting. He is member of the Board of the French Accounting Association.

Or to put it somewhat more critically, auditing as it is practiced (around the world) is not a research-based practice. Research on the drivers of audit quality ought to be a highly valued and sought after product, but it isn't. As a result of this failure we do not have the kind of practice-research linkages and research partnerships that one sees in other applied disciplines like medicine, law, and engineering.

**CL.** I suppose that the answer to this question is very country-specific. For instance, in a country such as France, there is hardly any connection between auditing research and the education of auditors. The main reason for this being the absence of researchers in the curriculum of auditing programs in higher education: audit courses are almost always taught by professional auditors. Moreover, the teaching materials used in these courses are books that are written by practitioners or that are built around audit firms' internal training materials. Based on generally admitted auditing standards ("what should be done"), these materials never mention the problems related to the difficulties of applying these standards ("what is actually done"). For instance, potential lessons learnt from Enron-Andersen-like affairs on day-to-day practitioners' behaviour are never taught, except on a very anecdotal level. In principle, however, research could contribute a lot to auditors' education. In a sense, the critical attitude that researchers assume in their scientific work should be an important asset also for a professional auditor who is supposed to critically question accounting practices. Moreover, findings from research on auditors' behaviour and morality could influence auditing education, leading to a more responsible education of future auditors.

### **How would you like audit research, and the research environment, to develop in the future?**

**CL.** Auditing research has experienced an "explosion" since the 1980s. Covering a large range of subjects and methods, research has specialized and professionalized. Today, it seems to me that this more mature research will evolve towards a more precise understanding of auditors' behaviours. Auditing research has mainly focused on financial data, audit quality being approximated by financial statements

quality. This approach has the advantage of identifying large scale effects, but it neglects the more social dynamics of the relationship between the auditor and the auditee. Studying auditing "from a distance" could eventually lead to a conception of the auditor as being disconnected from his/her reality. Clearly, there is a need to better understand the auditing process as such. From client acceptance to the audit report issuance, numerous factors are likely to influence audit quality, mainly related to the interaction between auditor and auditee. For instance, the discussion/negotiation process of proposed adjustments between the auditor and the auditee has not yet been studied a lot. Examining the dynamics of the auditor-auditee relationship should therefore be a central concern for future research. Finally, by focusing on the auditor-auditee relationship, auditing research should be able to increase the interest of practitioners and regulators in research outputs.

**JF.** As audit scholars there is a limit to what we can investigate without the direct involvement of accounting firms in audit research. The need is most evident for JDM research where scholars must have access to auditors for experimental studies. Even for archival research there is a limit to what can be learned with publicly-available data and much will remain hidden in our understanding of auditing without a direct partnership with the auditing industry.

I am troubled why accounting firms appear to be so anti-intellectual. Why don't they want to learn more about their practices through systematic scientific inquiry, or how they might use research findings to improve current audit practices?

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## Roundtable on Auditing Research (cont'd)

If I were the CEO of a Big 4 firm I would be working closely with JDM scholars in developing better audit testing programs and enlisting their help for the design of internal training programs. Archival research would also seem to have enormous implications for practice management, particularly the findings that Big 4 audit quality is not uniform across practice offices. Again, if I were the CEO of a Big 4 firm, I would be quite nervous about the implications of these findings for a firm's reputation given the apparent inability to deliver consistent audit quality across offices.

In closing, I believe that in order to move forward we need to build a bridge to practice. But I would also caution that closer ties can create the potential for researcher bias as we have seen recently in the field of medicine, and for self-censorship that constrains the kind of research questions we ask and which leads us to avoid certain topics that might be controversial or overtly critical of the audit profession. So it is a delicate balance in which all parties must truly value the importance of uncompromised independent scholarship in advancing our knowledge of auditing practices, and in using this knowledge to improve these practices.

**CH.** Given that auditing is a socially constructed activity, it should be researched in fashions that collectively draw off the wide range of research methods and theoretical perspectives that comprise the social sciences instead of relying to such an extent on the application of a small set of 'scientific' techniques. A proper exchange of research ideas and approaches across the auditing discipline is certainly more attractive than for audit research to colonise around a few preferred methodological styles. Audit researchers need to stand back (and be allowed to stand back), as few others will, from the pursuit of international

convergence in audit practice - remembering that international accounting and auditing research was built on a respect for, and a desire to learn from, difference. Audit researchers should have (and should encourage their students to have) a deep level of contextual knowledge and a strong contemporary and historical awareness of the key institutions, traditions and personalities involved in such processes. Such knowledge - and the challenges that it can lead audit researchers to make of the practice and institutions of audit - should be valued and nurtured. However, it demands acknowledgement in sections of the academic auditing discipline that there is merit in studying the social construction of audit practice and associated regulatory systems. It also calls for some development of the academic-practitioner relationship and what the latter perceive to be the benefits of academic engagement. I argued in my literature review paper that the developing nature of today's global financial architecture could help here in terms of serving to encourage collaboration between academic institutions and national professional accounting bodies. The latter are increasingly free from the responsibilities of being a standard setter or serving oversight functions and have a real chance to stimulate new thoughts about auditing.

There remains much to be done in terms of exploring audit firms as institutions - developing understanding of the organisational status of the audit function and the performance, remuneration and incentive structures within firms, the forces driving audit working practices and relationships with audit clients, and the growing global public policy activities of the large international firms. The current financial crisis is placing considerable demands on auditing and audit regulation, but it is evident that a good proportion of high powered discussions on such matters tend to be undertaken in private meetings of senior represen-

tatives of audit firms, institutes, regulators and oversight bodies. Such meetings are worthy of more public exposure, which, in turn, could help to ensure that policy debates are well informed and do not become unduly polarised (see Woods et al, 2009). The commitments for auditors and audit regulators to work in the public interest can certainly help to justify action here and allow for more thought provoking and fulfilling engagement with audit researchers.

**Thank you very much for the discussion!**

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Call for papers

## 5th EARNet Symposium

30-31 October 2009, Valencia (Spain)

The European Audit Research Network (EARNet) was founded in April 2000. Its objective is to foster research and the exchange of ideas among auditing scholars and researchers on a European level. EARNet promotes young auditing researchers, organises a European Auditing Research Symposium every other year, supports the access to research funds and provides a platform for joint publications.

The fifth European Auditing Research Network Symposium will be held on October 30th and 31st, 2009 in Valencia, Spain. The symposium starts on Friday at noon and ends on Saturday afternoon. The scope of topics is intended to be broad and includes European research papers that deal with all fields of auditing research. Keynote speaker will be Bill Messier (University of Nevada, Las Vegas). There will be two panel sessions about the "Professional Education of Auditors" and the "Value of Auditing".

A special Workshop for papers from Ph.D. students will be held on Thursday, October 29th, 2009 (Call for Papers and further information on [www.ear-net.eu](http://www.ear-net.eu)).

To be eligible for presentation, manuscripts written in English must be sent via the webpage [www.adeit.uv.es/5earnnetvalencia](http://www.adeit.uv.es/5earnnetvalencia) by the end of May 2009, submitted in Word format and accompanied by an abstract. The paper and the abstract should be presented uniformly on A4 pages, typed, single spaced, 12-point, headed by title, author(s) and affiliation(s) and address for correspondence.

The accepted papers as well as the abstracts will be included in the congress material. Each paper will be supplemented by a discussant. Papers from Ph.D. students are also welcome.

Authors will be notified of acceptance by July 2009. There will be a best paper award. Presenters will be entitled to a € 50 deduction in Conference Fees.

### General conference information

Venue: Fundación Universidad Empresa – ADEIT, Plaza Virgen de la Paz 3, 46001 Valencia, Spain.

Conference Fee: The Conference Fee of €200 (Registration before September 15th, 2009) and € 250 (Registration after September, 15th 2009) respectively, includes coffee breaks, lunch and the Conference Dinner on October 30th.

### Phd workshop

A special Ph.D. Workshop for papers from Ph.D. students will be held on Thursday, October 29th, 2009. Ph.D. students attending the Ph.D. Workshop are encouraged to stay for the symposium, which finishes on Saturday afternoon October 31st, 2009.

Aimed at the promotion of excellent auditing research amongst young European scholars the objectives of the Ph.D. Workshop are to

- provide thorough feedback on Ph.D. proposals or Ph.D. related papers,
- give an overview about the state of the art of auditing research,
- share insiders' experience on the publication process.

Feedback is given by

- Jere Francis (University of Missouri-Columbia)
- Robert Knechel (University of Florida, Gainesville)

- Bill Messier (University of Nevada)
- Ken Trotman (University of New South Wales)
- Aasmund Eilifsen (NHH)
- Reiner Quick (Darmstadt University)
- Stuart Turley (University of Manchester)
- Marleen Willekens (KU Leuven)

Invited are doctoral students who are doing research in the areas of auditing, control and/or corporate governance and who have reached the dissertation stage or at least have a clear idea of the research question(s) they want to address and the methodology they want to adopt.

Applicants are required to submit a doctoral research proposal (approximately 15 to 20 pages) as well as a curriculum vitae via the webpage [www.adeit.uv.es/5earnnetvalencia](http://www.adeit.uv.es/5earnnetvalencia) by the May 31, 2009. Candidates who already have produced one or more papers that are part of their dissertation are also strongly invited to apply and attach these papers to the proposal they submit.

Ph.D. Workshop presenters are exempt from registration fees and accommodation expenses for two nights.

### General Phd workshop information

Venue: Fundación Universidad Empresa – ADEIT, Plaza Virgen de la Paz 3, 46001 Valencia, Spain.

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## 5th EARNet Symposium (cont'd)

Conference Fee: The fee for Ph.D. students of 80 € (Registration before September 15th, 2009) and € 100 (Registration after September, 15th 2009) respectively, includes the participation in the Workshop and in the Symposium, the Ph.D. Dinner and the Conference Dinner, coffee, breaks and lunch.

### Social Programme and accommodation

More information about sightseeing,

concerts, museums etc. in Valencia can be found on

[www.adeit.uv.es/5earnervalencia](http://www.adeit.uv.es/5earnervalencia).

Information about accommodation possibilities

can be found on

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### Further information

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## Call for papers: 5th International Conference on the Impact of Global Crisis on Performance Management 16-18 September 2009, Prague (Czech Republic)

It is our great pleasure to invite you to participate in the conference organized by the Department of Management Accounting, University of Economics in Prague, Czech Republic. The intention of the event is to focus on innovative approaches in the area of performance management, performance measurement and their ICT support emphasizing new performance management challenges for managers and controllers caused by continuing global crisis this year.

The conference aims to attract both groups of professionals in this area, researchers as well as practitioners. The key speakers are respected performance management experts, representatives of prestigious European universities and managers of important local and global companies. The conference working language is English.

Papers using different research methods on one of the following themes are welcome:

- empirical field studies on impact of

global economic crisis on performance measurement, performance management and management control systems

- concepts, methods and tools of performance management and measurement in the context of global crisis
- role of management accountants and controllers in performance management
- rewarding systems based on managerial and employees' performance
- performance management for innovation processes
- environmental and CSR performance disclosure
- and other topics concerning relevant area

Only full papers in English will be accepted for review. Papers will be reviewed and selected by a scientific committee. Selected papers will be

published on CD and authors are welcome to present them in the Research Forum of the conference on 16th September 2009. The most relevant papers will be published in special volume of the *European Financial and Accounting Journal*.

**Deadline for submission is July 20, 2009.**

On-line registration is open at <http://kmu.vse.cz/konference2009/>. The conference registration fee for academics is 290 EUR. Registration fee includes participation in conference and research forum, conference materials, collection of accepted papers (published on CD), lunches and coffee breaks, Gala reception on September 16 (free entrance for one accompanying person included).

**For more detailed information**, please contact Dr. Jaroslav Wagner, Department of Management Accounting, University of Economics, Prague, e-mail: [wagner@vse.cz](mailto:wagner@vse.cz), phone: +420 224 095 162.

■ Essay

## Looking to hire an accounting professor? Try the museum!\*

Garen Markarian & Timothy Fogarty

Given the prominence of business education in today's economic environment, one would expect a boom in the numbers and prominence of accounting faculty at universities. Careful analysis of trends at US business schools reveals startling, and worrying, findings: over the past 20 years there has been a sharp decrease in the number of accounting faculty at US universities, with the sharpest decrease at the assistant professor level, both at doctoral granting programs and prestigious institutions. As a consequence, the number of doctoral graduates at top US institutions is at historically lowest levels, in contrast to sharp increases to doctoral graduates in marketing and finance. Most surprising of all, over the past 15 years, accounting is the only business school discipline that has had a decrease in its numbers (-3%), this compared to finance (+23%) and marketing (+15%). Given that trends in US business education mirrors that of Europe, and that the US faculty/doctoral market remains a prime supplier of European business schools, we can hear the bells toll on this side of the Atlantic.

Management education comprises a multi-faceted course of study to which many disciplines contribute. Notwithstanding the integration of functions such as accounting, finance, marketing and strategy in business practice, these areas have developed as quite distinct disciplines in the academy. As such, the limitations of the curriculum and the resources of schools necessitate that these subject areas vie for representation and recognition. Given the existence of disciplinary struggle, how has the field of accountancy fared?

Without a critical mass of scholars,

success will be seriously constrained for any discipline. Thus, a larger presence is tantamount to relative success, and a smaller presence is evidence of relative failure. The results of our study suggest that academic accountancy is now in decline. Using data representing the population of accounting academics from the years 1982-2002, our analysis finds that this discipline has diminished from a peak in the late eighties and early nineties, a diminishing pattern that suggests further problems. This in the context of an era in which enrolment in colleges and universities is at an all-time high. Fuelled by very favourable demographic trends that have increased the number of students seeking advanced degrees, the ranks of the faculty teaching in the business disciplines have increased in absolute terms and relative to the total academy in this period.

For the purposes of our study, we collected data from the Accounting Faculty Index (Hasselback) at three points in time: 1982, 1992 and 2002. With coverage of 386 universities at the beginning of the sample period and 836 in 2002, we select data from all universities that are continuously present in the faculty listings (N=378). Our results can be summarized as follows:

**Finding 1: The total number of accounting professors has decreased!**

Overall, our findings indicate that there is a decrease in total accounting faculty from 1982 to 2002. In 1982 we had 3,739 accounting faculty, an impressive rise in the first interval (ten years to 1992) of 10.4% gives us 4,842 faculty. Finally, a relatively steep drop

of 10.5% in the second interval, gives us 4,313 professors for 2002. Further analysis among the distribution of the faculty indicates that both tenure track and non tenure track faculty have decreased. However, the most startling finding is the change in the composition of ranks across the categories.

**Finding 2: Within tenure track faculty, there are sharp decreases in the ranks of assistant professors!**

Assistant professors over the period 1982-2002 decrease from 1418 to 977, in contrast to slight increases in associate professors (1164 to 1260) and large increases for full professors (1157 to 1457). (see Table 1 next page)

Although the increase of full professors could be seen as the normal results of a large cohort moving through careers, the failure of others to be hired in at the bottom of the tenure track suggests an unusual, and worrisome, compositional alteration. Since the younger faculty have not been reproduced, the deficits are occurring in the junior ranks, making the crisis in the discipline yet to be fully recognized. As the impressive cache of full professors in Accounting reach retirement, the decline will be more apparent, as it is predicted that one third of all accounting faculty will reach retirement age within the next five years. At face value, these retirements should mostly come from the full professor category, leading to a complete erosion of already diminishing numbers.

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\* This essay is based on the article "An Empirical Assessment of the Rise and Fall of Accounting as an Academic Discipline," recipient of the 2008 best paper award by the American Accounting Association for papers published in "Issues in Accounting Education."

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Year	1982	1992	2002
Assistants	1418	1473	977
Associates	1164	1269	1260
Professors	1157	1329	1457
Total	3739	4131	3694

**Table 1:** Number of Tenure Track Faculty at three points in time

**Finding 3: Decreases in faculty are very pronounced in doctoral granting programs**

Although there was a decrease in faculty at non-doctorate granting universities, the results also show that declines are occurring in those sectors most likely to produce the most accounting scholarship. Severe loss occurred in the doctoral sector rather than in the non-doctoral sector. At doctorate granting schools the number of assistant professors dropped from 497 in 1982 to 357 in 2002. The deterioration of the assistant professor ranks at doctoral programs appears to have occurred on a substitution for the flourishing of non-tenure track ranks (201 non-tenure track professors in 1982 compared to 260 in 2002). Ominously, the diminishing of faculty at doctoral programs appears to have occurred at the most prestigious programs, where assistant professors declined from 333 in 1982, to 235 in 2002. In the same vein, an examination of doctorate granting patterns reveals the following:

**Finding 4: The number of doctoral students produced by high-prestige accounting doctoral programs has decreased compared to the number of doctoral students produced by other programs**

Since doctoral schools produce candidates for the tenure track positions in the field, the previous finding only told part of the story. Doctoral student production numbered 744 accounting Ph.D.s over the period 1978 to 1982,

rising to a peak of 894 graduates in the period 1988-1992, and finally falling to 581 graduates over the period 1998-2002. During the same sample period, doctoral output in prestigious universities numbered 245 in the earlier time period, as compared to 145 graduates in the later period. This inverse relationship between institutional prestige, and decline in doctoral student production, inevitably will have consequences for the discipline going forward, both for the profession itself, and in terms of the standing of accounting among other business school research disciplines. The following finding examines this last expectation in more detail:

**Finding 5: Falls in the number of accounting faculty are in contrast to increases in the number of faculty in other business school disciplines**

We use AACSB data to compare ac-

counting with five other well-recognized business areas (finance, IS, management, marketing, operations). The information suggests that accounting is in a relatively declining position, where it is the only major business discipline that has declined in representation at the business school. Whereas finance, management, and marketing have increased in faculty representation (23%, 16%, and 15%, respectively), accounting has declined by 3% (see Table 2).

In another comparison, we examine trends in doctoral student production across various business school disciplines, as doctoral students are feeders of university positions.

Figure 1 (next page) compares accounting against marketing and finance between 1982 and 2002. Accounting doctoral production is down over the 20 year period, while finance has increased from 242 Ph.D. granted in 1982 to 593 in 2002 and marketing has increased from 124 to 472. Evidently, the competition between the disciplines that many would suggest should be at the core of the business school is not being won by accounting.

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Discipline	1990	2004	Percent Change
Accounting	5,029	4,887	- 2.8%
Finance	3,274	4,036	+ 23.3%
Information Systems	2,086	3,076	+ 47.5%
Management & Policy	3,025	3,507	+ 15.9%
Marketing	3,139	3,621	+ 15.4%
Operations & Production	916	1,149	+ 25.4%
Other Business Disciplines	9,772	10,099	+ 11.5%
TOTAL	27,241	30,375	+ 3.3%

**Table 2:** Changes in Faculty Distribution at AACSB Schools by Business Disciplines (1990 – 2004)

## Looking to hire an accounting professor... (cont'd)

Taken as a whole, the evidence of our analysis tells a story of an academic discipline on a roller coaster ride ending with descent. Taken as a whole, the number of tenure track faculty in accounting has diminished to pre-1982 levels, likely, more work is being done by very casual labour (teaching perhaps just one class each). The distribution of the decline is perhaps more troubling than the drop-off itself, as the deficits occur in the junior ranks, making the crisis in the discipline yet to be fully recognized. The results also show that the declines in the accounting professoriate are occurring in those sectors most likely to produce the most accounting scholarship. More severe loss occurred in the doctoral sector and in prestigious programs.

The demographic approach taken by us suggests that the trends observed are important, and that their importance is evident to the reader. However, this approach precludes the definitive provision of rationales for the changes observed. In all likelihood, a confluence of several circumstances has occurred. Business schools have experienced continuous pressure to be more efficient in their operations in recent times. An ample supply of practitioners who are willing to teach one course or two for colleges may explain how similar or higher levels of instruction are possible with fewer full time faculty. As the large cohort that previously entered the accounting discipline has achieved higher ranks, they may have been incentivized to shoulder a larger teaching responsibility in their mix of activities. These may have been ways that school dealt with economic pressure. Finally, a general thrust may have been to make accounting less central to the business school than it once was. More research is needed to quantify and pinpoint the

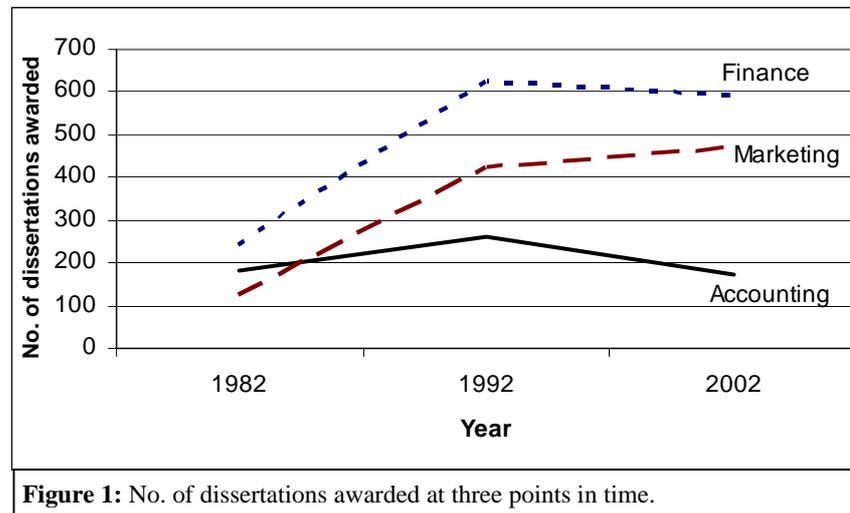


Figure 1: No. of dissertations awarded at three points in time.

role of these elements in the numbers and trends that this article has made visible.

The depletion of the assistant professor ranks bodes badly for the future of accounting research if one believes that the younger faculty are the first to produce new and promising ideas. With this erosion occurring faster at doctoral schools, the consequences may also influence future generations of putative scholars. Although accounting faculty report anecdotally that their classes are as full as ever, more subtle changes may have occurred. The accounting profession's difficulties in recruiting "the best and the brightest" may suggest that the accounting majors may have declines. If the decline of the accounting major is true, accounting may be transitioning into a service discipline for the business school. As such, many Deans may be resistant to deepen their investments in it.

Comparison between the accounting discipline and other business disciplines pushes toward the conclusion that what has happened to accounting is not happening everywhere in the

business school. Therefore, one cannot exclusively blame factors such as the retirement of the "baby boomer" generation, or the macro-economy. Further examination of trends will likely lead to "newer" trends: the current global economic shift might dry up the supply of foreign faculty, and doctoral candidates, willing to study and live in the US. Such imports, long part of the academic backbone, could shift to profitable opportunities elsewhere, concurrent with observed shifts toward "global" business education.

Although not supported by hard data, the trend in Europe is equally worrisome. There has been a boom in European business education that has not been matched with doctoral student production. It is true that the past decade saw changes in a number of European doctoral programs, these remain a small proportion of all accounting degrees offered. MBA and masters in science programs continue to flourish, with no apparent changes in the bastions of ivory towers.

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## Looking to hire an accounting professor... (cont'd)

For us in Europe, US higher education has long provided a backbone to our research and teaching. From the perspective of teaching there has been systematic reliance on US generated ideas, teaching materials, and textbooks. In research, the US has provided intellectual cover for a multitude of locals who chose to complete their doctorates there, or for visiting faculty in honing their skills. A multitude of institutions/individuals, for good or for bad, chose to import the US way of

doing accounting research. Given the dearth in supply, the time is ripe for self reliance. The implications are multi-fold for policymakers, institution builders, and faculty alike. More attention is needed for accounting research, training, and the implementation of rigorous training programs that promote research at the international level, rather than the rediscovery of the obvious.

Although the numbers in this essay speak for themselves, they certainly

offer an opportunity for sobering self-reflection, and if you are a department chair in the process of hiring, maybe a trip to the museum.

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