

**Relevant Research to Accounting Standard Setters and Regulators:  
Actively Bridging Accounting Practice and Scholarship**

Susan D. Krische

Associate Professor  
Department of Accountancy  
College of Business  
University of Illinois at Urbana-Champaign  
1206 South Sixth Street, Champaign IL 61820  
E-mail: krische@illinois.edu

Preliminary  
Comments appreciated

November, 2009

I greatly appreciate the generous assistance of the many SEC staff with whom I interacted during my term as Academic Fellow with the Office of the Chief Accountant at the U.S. Securities and Exchange Commission. In particular, I thank Cathy Cole, Doug Parker, and Nili Shah for insightful conversations and comments related to the development of this paper. I also thank Robert Bloomfield, Donal Byard, Cathy Cole, Susan Curtis, Brooke Elliott, Annie Farrell, Jeff Hales, Roger Martin, Mark Peecher, Paul Polinski, Nili Shah, Steve Smith, Jeff Wilks, and brown-bag discussion participants at the University of Illinois at Urbana-Champaign for helpful comments and suggestions.

## **Relevant Research to Accounting Standard Setters and Regulators: Actively Bridging Accounting Practice and Scholarship**

### **Abstract**

This paper helps bridge accounting practice and scholarship by identifying issues for consideration, and potential actions that could be taken, by individuals within the accounting academic community interested in better communicating the relevance of our academic research to accounting standard setters and regulators. I present an optimistic view that there is ample accounting research of potential interest to standard setters and regulators. However, the rigorous methodological standards to which we hold ourselves as academics make it unlikely that we can identify research ideas based on current regulatory agendas and reasonably expect the research to be sufficiently developed in time to impact the motivating debate. Ideally, we would try to anticipate problems and issues that are in the process of developing based on a rich understanding of the underlying practice area rather than in reaction to current agendas. In order for the research to be valued, though, we as academics need to more effortfully communicate relevant research insights on an on-going basis through, for example, 'review' articles, 'practice' articles and presentations, and comment letters. Lastly, I believe that it is critical to nurture an awareness of academic research and its potential as we educate future generations of accounting practitioners.

## **Relevant Research to Accounting Standard Setters and Regulators: Actively Bridging Accounting Practice and Scholarship**

### **INTRODUCTION**

Over the prior year, colleagues in conversations with me at research workshops or academic conferences would often ask variations of the following question: “So, what kinds of research would be most interesting or most useful to accounting standard setters and regulators?” They were likely hoping for some unique (or at least somewhat novel) insights resulting from my academic fellowship with the Office of the Chief Accountant (OCA) at the U. S. Securities and Exchange Commission (SEC).<sup>1</sup>

For an accounting scholar who seeks to motivate his or her research with reference to practice problems, or with the aim of making a contribution to the accounting profession as a whole, this would seem a natural question to ask. It’s certainly a question that I have asked many times in the past, both as a doctoral student and as a research faculty member. In this paper, I therefore identify issues for consideration, and potential actions that could be taken, by accounting scholars who are sincere in their desire to help inform accounting standard setters and regulators through research-related activities.

Although accounting scholars hold differing views as to the legitimacy of such questions (e.g., compare Demski 2007 and Fellingham 2007 with Schipper 1994), some remain genuinely interested in generating policy-relevant research to help inform accounting standard setters and regulators. These accounting scholars would be well-served to refer to Schipper’s (1994) thoughtful views on the potential and realized relevance of academic research to the accounting standard-setting process. However, Schipper’s (1994, 64) synopsis that policy-relevant research “would take the form of a timely and unequivocal report on the entire issue at hand, with emphasis on the answer (i.e., the explicit or implicit recommendations)” describes an ideal set of circumstances that would likely maximize the impact of a research paper for standard setting purposes. In focusing on such ideals, I believe that a key issue has been largely ignored—in a profession that often asserts itself as providing ‘the language of business’ (e.g., Bloomfield 2008; Waymire and Basu 2008, 103; cf. Palmrose 2009), we as accounting scholars have

---

<sup>1</sup> Appendix A lists the standard abbreviations and acronyms used in this paper.

generally overlooked the importance of periodic *on-going* communication.

I begin by presenting an optimistic view that there is ample accounting research of *potential* interest to accounting standard setters and regulators, and I identify some of the multiple programs that U.S. accounting standard setters and regulators currently have in place to engage the academic accounting community. Nevertheless, the high standards to which we hold ourselves as accounting academics regarding the theoretical contribution and methodological rigor of our publishable research make it unlikely that we can ‘wait’ to identify research ideas based on issues recently added to regulatory agendas *and reasonably expect the research to impact the policy debate that motivated it*. More likely, research so motivated could impact the policy debate only at some future point in time (such as for issues that have been of interest in the past and have cycled back to become of interest once again—see, e.g., Wyatt 1989, 126). Ideally, then, as accounting scholars, we would seek to anticipate problems and issues that are in the process of developing based on a rich understanding of our respective areas of specialty, rather than reacting to current agendas.

However, I also argue that academic research can be incomplete (i.e., fail to unequivocally report on the entire issue at hand), but still provide valuable insights to assist and inform policy debates. In order for those insights to be valued, though, we as academics need to more effortfully communicate on an on-going basis to accounting practitioners, standard setters, and regulators, by reaching out to these audiences through, for example, ‘review’ articles, ‘practice’ articles and presentations, and even comment letters. Lastly, I believe that it is critical to nurture an awareness of academic research and its potential as we educate future generations of accounting practitioners. With continuing concerns over potential shortages of new accounting faculty (AAA 2008; AAA and APLG 2005), developing such an awareness may well become vital to our scholarly discipline.

In presenting these arguments, this paper focuses on key issues for consideration and potential actions that could be taken by individuals within the accounting academic community to better communicate the relevance of our existing and on-going research. Prior discussions have commented on various aspects of the interrelationships among research, teaching, and practice (e.g., Dopuch 1989;

Dyckman 1989; Kinney 1989; Wyatt 1989; Bell et al. 1993; Demski and Zimmerman 2000; Barth et al 2001; Holthausen and Watts 2001). Other discussions have centered on the relevance (or methods of improving the relevance) of our research for accounting standard setters and regulators (e.g., Schipper 1994; Barth 2006; Fülbier et al 2008), with some focused on particular research methodologies (e.g., Maines 1994; Kachelmeier and King 2002) or functional areas (e.g., Kinney 2010; Peecher 2010). Others have simply called for more research or more understandable research (e.g., Beresford 1994; Leisenring and Johnson 1994). Such discussions often assume that the critical issue is the relevance of the original research. Although relevance is a necessary condition, it is not a sufficient one to ensure that good accounting research can and will help to inform accounting standard setters and regulators. Additional actions are needed.

Although policy-related research currently seems more readily accepted in academic journals than in the prior two decades (e.g., Kachelmeier 2009a), it remains far from a consensus amongst academics that policy-related research can be ‘good accounting research’ (e.g., Demski 2007; Fellingham 2007). Greater consensus would likely be necessary for institutional change. Without such institutional change, our current incentive structure often does not lend itself to generating and better communicating the relevance of existing and continuing research for accounting standard setters and regulators. From that perspective, I concur with Demski’s (2007, 156) general observation that change in accounting academia will originate with “a small number of scholars who are willing to thumb their noses at the status quo” with an “unrelenting passion, a willingness to experiment, and an emphasis on doing as opposed to keeping our jobs.” For the moment, I believe that any related changes in accounting academia will likely be directed by those who are inherently interested in policy-oriented topics and are therefore willing to consider alternate methods of communication.

Thus, this paper also aims to offer some perspective to incoming and continuing doctoral students, as well as to junior faculty, who are interested in developing and communicating ‘good accounting research’ of potential interest to accounting standard setters and regulators. While furthered by my recent term as academic fellow at the SEC, the views I discuss in this paper began developing over

several years while leading a first-year doctoral seminar entitled “Introduction to Accountancy Research” and, more recently, while preparing my promotion and tenure packet for evaluation.<sup>2</sup> Doctoral students and junior research faculty, especially, may benefit from increasing their awareness of the similarities and differences in publishing academic research versus communicating its relevance to accounting standard setters and regulators when deciding whether and how to allocate effort across research-related activities.

While my views are necessarily influenced by my interest and experience in behavioral financial accounting, I believe that much of this paper would be readily applicable to other areas of accounting standard setting and regulation, including auditing, taxation, and some areas of managerial accounting (e.g., compensation). As such, this paper purposefully does not focus on recent developments at the SEC or any other particular standard setter or regulator. Certainly, the question of “What are the current ‘hot topics’ around which I could fruitfully develop new (and publishable) research projects?” would likely also be of some interest to doctoral students and junior research faculty. Indeed, interested readers may wish to refer to other recent discussions of accounting developments at the SEC (e.g., Jorgensen et al. 2007) or to some of the American Accounting Association’s (AAA) Presidential Research Lectures (e.g., Schipper 2007; Palmrose 2009).

This paper proceeds as follows. In the next section, I discuss factors affecting the nature of ‘good accounting research’ and my (optimistic) perceptions regarding whether regulators and standard setters value such research. In the subsequent section, I discuss aspect of the accounting context that, in my view, are central to the progression of accounting scholarship as well as to the perceived mismatch between accounting academic research and practice. I summarize my related recommendations in the fourth section of the paper, then conclude.

---

<sup>2</sup> As noted in the SEC’s standard disclaimer, it is as a matter of policy that the Commission disclaims responsibility for any private publications or statements by any of its employees or contractors. The views I express in this paper are my own (and some from other authors cited), and do not necessarily represent the views of the Commission or its staff. Similarly, the views I express in this paper do not necessarily represent the views of my faculty colleagues or, for that matter, the views of the doctoral students who have been subjected to my seminar, although both of these groups may remain somewhat warped by the experience.

## SOMEWHERE OVER THE RAINBOW

### What is ‘Good Accounting Research’?

Research can be broadly defined as “the development and testing of new theories of ‘how the world works’ or refutation of widely held existing theories” (Kinney 1986, 339). Accounting research then arguably would involve theories concerning how the world works with respect to one or more of the key elements, activities, or institutional characteristics of accounting or accounting-related tasks (Kinney 2001; Libby 1989). Traditionally, accounting research (and research in general) develops and tests theories regarding either ‘how the world is’ (i.e., a positive approach) or ‘how the world should be’ (i.e., a normative approach), but accounting research could also consider theories of ‘how the world came to be’ by considering a developmental or an evolutionary approach.

Perspectives differ on the definition of ‘good’ accounting research (e.g., Chow and Harrison 2002; Demski 2007; Fellingham 2007; Hopwood 2007; Kinney 2001; Libby 1989); nevertheless, the theories examined in accounting research (and the need or desire to test them) have to come from somewhere. One view is that ‘good accounting research’ is connected to a real world concern, issue, or question, which either informs the beginnings of the research project (e.g., Kinney 1986, 340) or results in research insights that help inform accounting practice (e.g., Hopwood 2007, 1367).<sup>3</sup>

A substantial proportion of accounting academics appear to agree with this real-world connection as one of the important features of good accounting research. For example, a majority (55%) of ‘influential’ accounting researchers (as surveyed by Chow and Harrison 2002) indicate that addressing a real world or societal problem adds meaning or significance to a research topic. Over half of the research articles published in 2008 by *The Accounting Review* (as the premier research journal of the AAA) cite accounting standard setters or regulators as part of the motivation or contribution for the research.<sup>4</sup>

---

<sup>3</sup> Hopwood, however, emphatically warns against defining accounting because doing so might limit the realm of possibilities to our current conceptions. He notes that “accounting and accounting research have repeatedly changed across time, and when things change they become what they were not, at least in part” (Hopwood 2007, 1367).

<sup>4</sup> Specifically, the text of the abstract, introduction, or conclusion sections of these papers include one or more explicit references to the SEC or specific regulations; the Financial Accounting Standards Board (FASB), International Accounting Standards Board (IASB), or specific accounting standards; the Public Company Accounting Oversight Board (PCAOB) or specific auditing standards; or, other regulatory agencies such as the Internal Revenue Service (IRS) or the Governmental Accounting Standards

Similarly, in their review of ‘value relevance’<sup>5</sup> papers from the 1990s, Holthausen and Watts (2001, Table 1) identify 54 academic accounting research papers containing explicit statements that their reported results have implications for standard setting. Likewise, Lynn Turner (the then-Chief Accountant for the SEC) wrote a formal letter to the President, President-Elect, and Executive Director of the AAA, inviting research papers on a number of issues faced by the SEC (Turner 1999). Over 80 papers were submitted related to, among other topics, earnings management, market risk disclosures, auditor independence, fraud, and international accounting. Thus, the perception of accounting research being ‘good’ is often improved, at least in part, by addressing a real world problem or question.

I do not intend to imply that all research that addresses a real world problem or standard-setting concern is somehow by definition ‘good’ research—see, e.g., Chow and Harrison (1998, 2002) in accounting, and Sternberg and Gordeeva (1996) in psychology, for discussions of other important factors. I also do not intend to imply that, in order to be ‘good,’ accounting research *must* directly address a current real world problem or standard-setting concern—see, e.g., discussions in Demski (2007), Fellingham (2007), and Waymire and Basu (2008).

Nevertheless, if good accounting scholarship examines theories of how the world is, ought to be, or came to be with respect to one or more of the key elements, activities, or institutional characteristics of accounting or accounting-related tasks, then surely some portion of that research would be of inherent interest to accounting standard setters and even to accounting practitioners. Although standard setters are unlikely to view an accounting research paper as relevant merely because the paper cites standard-setting concerns (Fülbier et al 2008, 13),<sup>6</sup> such citations help to identify potential implications for accounting standard setters and regulators, as well as indicating an interest on the part of researchers in addressing standard-setting concerns.

---

Board (GASB). This measure is admittedly noisy, including for example, two papers that cite Statement of Financial Accounting Concept (SFAC) No. 1 as part of their general motivation, but excluding papers that examine earnings management without reference to specific FASB standards or concept statements, or citing specific SEC concerns. See also Kachelmeier (2009a).

<sup>5</sup> Value-relevant accounting research examines “the empirical relation between stock market values (or changes in values) and particular accounting numbers for the purpose of assessing or providing a basis of assessing those numbers’ use or proposed use in an accounting standard” (Holthausen and Watts 2001, 4).

<sup>6</sup> Similarly, see <http://fasri.net/index.php/2009/07/some-comments-on-contribution/>.

## **Do Regulators and Standard Setters Value ‘Good Accounting Research’?**

Accounting regulators and standard setters have tended to agree that there is considerable accounting research which is potentially relevant in fulfilling their respective mandates. For example, Lynn Turner’s (1999) letter was not a solitary effort from the SEC to reach out to the accounting academic community (e.g., Hunt 1998). Standard setters have also been generally enthusiastic about the potential of academic research to contribute important insights (Fülbier et al 2008, 11)—see, e.g., Beresford (1994), Beresford and Johnson (1995), and Leisenring and Johnson (1994) regarding the Financial Accounting Standards Board (FASB); and, Barth (2008) and Gebhardt (2008, as cited by Fülbier et al 2008, 12) regarding the International Accounting Standards Board (IASB).<sup>7</sup> However, accounting regulators and standard setters may utilize their own staff for some of their research needs, as well as reaching out to the academic accounting community.

### ***Staff Research***

Regulators and standard setters may ask their staff to complete various research activities on both on-going and *ad hoc* bases. As described by Leisenring and Johnson (1994), the FASB staff regularly perform various professionally- and academically-oriented research activities, such as summarizing professional or academic accounting literatures, and investigating the prevalence of company practices. Special studies may also be performed, such as the SEC staff’s *Study on Mark-To-Market Accounting* (SEC 2008b) or their *Report... On Arrangements with Off-Balance Sheet Implications, Special Purpose Entities, and Transparency of Filings by Issuers* (SEC 2005). Such special studies would involve original research as well as drawing on existing academic research, as discussed in the next sections of the paper.

Looking ahead, the Advisory Committee on Improvements to Financial Reporting (CIFiR) recommended that the FASB “formalize post-adoption reviews of each significant new standard to address interpretive questions and reduce the diversity of practice in applying the standard, if needed” (CIFiR 2008a, 62). Similarly, the IASB introduced post-implementation reviews in 2007 (Fülbier et al 2008, 31, citing IASCF 2007). Such *ex post* reviews are obviously relevant to standard setters, and the

---

<sup>7</sup> As would be expected, this sentiment is not universally shared—see, e.g., discussion in Dopuch (1989, 496).

impact of new standards has long served as one of the motivating factors for accounting research.

Nonetheless, it remains unclear to what extent formal post-adoption reviews would (or could) be assigned to outside academics rather than FASB staff. In order to do so, academics and standard setters would need resolve, at least in part, some of the questions regarding how the nature of academic research compares with consulting services (an issue which is raised more directly in a subsequent section of this paper).

### ***Sponsored Interactions with the Accounting Academic Community***

U.S. accounting standard setters and regulators support a number of programs to engage and increase the level of interaction with the accounting academic community. Brief descriptions of such programs are provided in Appendix B. The most direct involvement occurs when senior accounting academics act as active members of the standard setter or regulator. For example, the FASB has traditionally had an accounting academic as one of its seven- (now five-) member Board since its inception in 1973. Other direct involvement can occur when accounting academics are invited to participate in periodic or other occasional activities to assist the standard setter or regulator. Such periodic activities, open to both senior and junior accounting academics, include the preparation of commissioned research or participation in professional development and roundtables, as well as participation in sponsored conferences (e.g., the PCAOB Symposium). Separate programs such as the FASB Faculty or Doctoral Programs, and the Financial Accounting Standards Research Initiative (FASRI), have also been established to build accounting academics' knowledge and interest in standard-setting activities.

On-going fellowships can also provide accounting academics with the opportunity to observe and experience accounting practice, standard setting, or securities regulations. While a wide range of practice-oriented fellowships are available, there are two sets of long-standing fellowships sponsored by the SEC and the FASB—see, e.g., Linsmeier (1996) and Davis (1998), respectively. Support and encouragement for such opportunities may grow as academic institutions consider the Advisory Committee on the Auditing Profession's final report (2008, VI-22), which recommended: that educational institutions (and others) “encourage cross-sabbaticals and eliminate financial or career disincentives for participating in such experiences”; that “university administrators place as high a value on professional sabbaticals for

purposes of promotion and tenure as they do for research and scholarly publication”; and that “accrediting agencies<sup>[8]</sup> establish an expectation that at least one full-time member per year of each accounting faculty group participate in a sabbatical with a private sector or a governmental entity.” These fellowships may also provide greater opportunities for academic accountants to build the rich understanding of their functional areas that needed to anticipate problems or issues still in the process of developing.

### ***Academic Research***

A later member of the FASB,<sup>9</sup> Schipper (1994, 62) generally summarizes policy-relevant research as bringing “evidence to bear on whether, when and how a given item should be disclosed (where ‘how’ includes the system of measurement as well as the reporting versus recognition distinction).” A then-current member of the IASB, Barth (2008, 1169) also discusses various reasons why academic research is valuable to standard setters. First, with the conceptual framework based on the economic information needed by external capital providers, research can help link financial reporting issues to the conceptual framework and, in turn, to the underlying economics. Second, research can help identify the key questions underlying a standard-setting issue, and thus can provide added structure to the standard setters’ approach. Third, unlike most constituents from whom standard setters actively seek input, academics generally do not have incentives to obtain specific outcomes from the standard-setting process. Thus, academics can provide a relatively unbiased view on standard-setting issues (see also Leisenring and Johnson 1994).

Following their respective fellowships with the SEC, Jorgensen et al. (2007) indicate that the academic fellows’ abilities to identify, summarize, and interpret academic research provide significant contributions to the SEC, citing multiple examples of SEC speeches, studies, and final rules that reference academic accounting and other research. The SEC, FASB, and IASB have continued to reference academic accounting research in recent publications such as the SEC staff’s *Study on Mark-To-Market Accounting* (SEC 2008b) and the joint FASB and IASB’s Discussion Paper on *Preliminary Views on Financial Statement Presentation* (FASB and IASB 2008)—see Swieringa (1998) for earlier examples.

---

<sup>8</sup> For example, the Association to Advance Collegiate Schools of Business (AACSB)

<sup>9</sup> While FASB or IASB positions are determined only after extensive due process and deliberation, the views expressed are those of the authors and therefore offer insights into at least those Board members’ opinions about the potential relevance of research.

To paraphrase Sally Fields' infamously misquoted Academy Awards acceptance speech:<sup>10</sup>

“They like us, they really really like us!”

### **REALITY CHECK**

Despite active interest from accounting standard setters and regulators, the general question of the extent to which academic accounting research is or should be removed from practice continues to be debated (e.g., Demski 2007; Fellingham 2007). Others have suggested that the emphasis on research productivity following the establishment of the doctorate as the terminal degree for accountancy faculty (in 1967 by the AACSB) has led accounting research away from addressing questions that practitioners believe are important (e.g., Bricker and Previts 1990, 11). This tendency, though, appears consistent with a broader trend in American higher education,<sup>11</sup> and the debate does not appear to be unique to accounting—see, e.g., Bloomfield (2008), Dyckman (1989, 111), and Lovett (1993) for discussions of modern language, theology, and faculty research, respectively. However, tensions between accounting academics and practitioners seem to have existed at least since accounting's early development as a profession in the U.S. (see, e.g., reviews by Bricker and Previts 1990, Langenderfer 1987, and Van Wyhe 2007a, 2007b),<sup>12</sup> with aspects seeming to be pivotal to the recent evolution of accounting scholarship.

#### **Desirability of Quantitative Methods**

First, some argue that “introducing quantitative methods into business research adds to its respectability” as a scholarly foundation (Demski et al. 2002, 158). Others argue that this has led to research that is more methodological and insular. For example, a majority (65%) of ‘influential’ accounting researchers’ (as surveyed by Chow and Harrison 2002) follow and evaluate extant academic literature in order to identify research topics, compared to a minority (35%) who keep informed of

---

<sup>10</sup> See [http://en.wikipedia.org/wiki/Sally\\_Field](http://en.wikipedia.org/wiki/Sally_Field)

<sup>11</sup> For example, Lovett (1993) suggests that, during the ‘great transformation’ period ca. 1960-1980, “in all disciplines, the system produced a glut of books and articles of limited scholarly value and a habit of linking compensation and advancement primarily to the quantity of published output... [It] did not matter that in most disciplines only 10 percent of the faculty produced 90 percent of the original research... It did matter that those faculty activities became highly rewarded and were thought to be the keys to professional standing and mobility.”

<sup>12</sup> The history of accounting far predates the 19<sup>th</sup> century (see, e.g., Basu and Waymire 2006, or Waymire and Basu 2008). However, U.S. capital markets were relatively small prior to the 1880's, and ‘professional’ accountancy in the U.S. effectively did not yet exist—see discussions in, e.g., Bricker and Previts (1990, 3).

current, real world issues. Similarly, quality norms for research publication appear to have become more demanding over time, with referees gradually demanding higher *execution* quality (e.g., clear relations to prior papers, robustness tests for empirical results, and extensions to related questions) rather than quality of the main contribution of the paper (i.e., inherent importance and interest of the paper's main ideas) (see, e.g., Swanson 2004).<sup>13</sup>

As accounting scholars, we undoubtedly tend to write to an academic accounting audience, which may not be approachable by many (if any) accounting practitioners. From their perspective at the FASB, Leisenring and Johnson (1994, 75, *emphasis in original*) note that “clearly, a great deal of the [academic accounting] research *is* relevant to practice, even though many practitioners don't see it that way.” They suggest that, “by and large, practitioners do not and cannot understand much of academic research” (Leisenring and Johnson 1994, 75), and explain further that:

in the context of *decision makers* rather than *decision usefulness*, relevance and reliability alone are not sufficient... information that is not *understandable* to decision makers will not be used by them even if it is decision useful. It is precisely for that reason that Concepts Statement 2 acknowledged *understandability* as the key qualitative characteristic that links decision useful information with decision makers. (Leisenring and Johnson 1994, 75, *emphasis in original*)

The concept of an author writing to a particular audience is hardly new. Researchers across disciplines are often advised to know their audience and to write to it appropriately—see, e.g., Bem (1995), Goldbort (2001), and Booth et al. (2003). While, ostensibly, our audience as accounting scholars consists of more than simply our own peers and colleagues, our writings are surely heavily influenced by our (actual and anticipated) interactions with those colleagues in their roles as publication gatekeepers (i.e., journal editors and reviewers).<sup>14</sup>

These observations are not intended as a criticism, but as a recognition of our academic reality. Leisenring and Johnson (1994, 76) observed that “rigorous methodological studies constituted only a

---

<sup>13</sup> Others have noted that reviewing induces a critical mindset and a negativity bias, with it being “easier to find problems with the author's cognizance of the literature, design choices, econometric issues, and other [execution] issues” than to impartially assess the importance and contribution of the main ideas of the paper (e.g., Kachelmeier 2004).

<sup>14</sup> Arguably, even Pacioli's seminal work summarizing the double-entry bookkeeping system (*Summa de Arithmetica, Geometria, Proportioni et Proportionalita*, 1494; hereafter ‘Summa’) was written with his target audience in mind. Criticized as being difficult to read and as being written in a combination of bad Italian and bad Latin, Pacioli's writing style in the Summa was likely “an appropriate one with which to address a contemporary merchant society and one which would impress and gain the approval of his fellow humanist educators and patrons” (McCarthy et al. 2008).

small minority of the articles in the *Accounting Review* 20 or 30 years ago, but they now constitute the vast majority of articles.” They further suggest that ‘thought pieces,’ in which careful arguments are provided to uncover logical flaws or provide different perspectives on previously held views, can provide valuable insights (Leisenring and Johnson 1994, 78). Such research, which might appeal *directly* to practitioners, does not generally appear in the highest tier of U.S. academic accounting journals.<sup>15</sup> Such ‘critical perspectives’ and ‘case study’ approaches appear to remain relatively common in medicine and especially in law, but accounting academics in the U.S. have largely eschewed such approaches, perhaps surprisingly so given our generally high regard for medicine and law as ‘learned professions’ (e.g., Bricker and Previtiz 1990, 13). The likely exception has been in taxation, in which some research continues to be heavily influenced by legal studies (although again, not typically published in the highest tier of U.S. academic accounting journals). Overall, this suggests that contemporary accounting research papers, being carefully crafted and meticulously revised for academic publication, are unlikely to effectively communicate the relevant aspects of the research to accounting standard setters and regulators without additional research-related support.

### **Stigma of Consulting**

Second, a related issue in justifying ourselves as an academic discipline appears in Schipper’s (1994) discussion of the extent to which academic research might directly inform the measurement and implementation concerns of standard setters. She notes that researchers could certainly participate in the design of field tests. Although potentially involving some level of quantitative methods, she also notes that the “more important issue, however, concerns whether and when such activities fall into the category of *research* (as opposed to *consulting*)” (Schipper 1994, 69, *emphasis added*).

The apparent distinction between research and consulting would likely be an important issue to accounting academics (i.e., for publication purposes), but I question whether standard setters or regulators

---

<sup>15</sup> Notable exceptions include invited papers (e.g., Barth 2008; Ryan 2008) and the AAA’s Presidential Research Lectures (e.g., Schipper 2007; Palmrose 2009). Certain conferences may also publish reviews or commentaries of the academic literature in various areas (e.g., Barth et al. 2001; Holthausen and Watts 2001). However, I cannot evaluate whether the low publication rates of other ‘critical perspectives’ and ‘case study’ approaches are due to similarly low submission rates (see Kachelmeier 2009b).

draw this same distinction. Research (generally speaking) *could* include, for example, the design of questions in exposure documents for public comment and the related (although often qualitative) analyses of responses, as well as the design and analysis of survey questions, experimental materials, or other field tests specific to proposed accounting standards. Relatedly, CIFI<sub>R</sub> (2008a, 62) recommended that the FASB “enhance the consistency and transparency of key aspects of [its] field work, including cost-benefit analyses, field visits, and field tests.” Examples include the FASB and IASB staffs’ analysis of comment letters and pre-implementation field tests for the joint Financial Statement Presentation project.<sup>16</sup> As discussed earlier in this paper, CIFI<sub>R</sub> (2008a, 62) also recommended post-implementation reviews for significant new standards.

In Schipper’s (1994, 69) view, “research, relative to consulting, is driven by more fundamental and more general questions and issues, and gives rise to something of a public good.” However, I believe that defining the terms ‘fundamental’ or ‘general’ is likely a matter of taste. All research questions (whether addressed in the highest tier of U.S. academic publications or not) necessarily must be specified to some extent, are often far more specified at the operational level for hypothesis testing, and are therefore still subject to questions of validity and generalizability. If, as I have suggested, good accounting scholarship examines theories of how the world is, ought to be, or came to be with respect to one or more of the key accounting elements, activities, or institutional characteristics, then the distinction between research and consulting would seem to rest with the testing and especially the building of related theories. Perhaps the related theory is the public good to which Schipper refers. To be fair, Schipper (1994, 70) states that she does not mean to imply “that academic researchers are ill-equipped to provide consulting services, or that they should not do so.” However, the distinction between research and

---

<sup>16</sup> For the FASB and IASB staffs’ analysis of the comment letters and of the preparer portion of the field test, see [http://www.fasb.org/cs/ContentServer?c=Document\\_C&pagename=FASB%2FDocument\\_C%2FDocumentPage&cid=1176156345753](http://www.fasb.org/cs/ContentServer?c=Document_C&pagename=FASB%2FDocument_C%2FDocumentPage&cid=1176156345753) and [http://www.fasb.org/cs/ContentServer?c=Document\\_C&pagename=FASB%2FDocument\\_C%2FDocumentPage&cid=1176156345813](http://www.fasb.org/cs/ContentServer?c=Document_C&pagename=FASB%2FDocument_C%2FDocumentPage&cid=1176156345813), respectively. For information on FASRI’s analysis of its experiment on financial statement presentation and on the FASB staff’s analysis of the analyst portion of the field test, see the FASB’s Informational Board Meeting Handout dated September 21, 2009 (see [http://www.fasb.org/prev\\_handouts.shtml](http://www.fasb.org/prev_handouts.shtml) or [http://www.fasb.org/cs/ContentServer?c=Document\\_C&pagename=FASB%2FDocument\\_C%2FDocumentPage&cid=1176156461503](http://www.fasb.org/cs/ContentServer?c=Document_C&pagename=FASB%2FDocument_C%2FDocumentPage&cid=1176156461503)).

consulting would therefore appear to be one of intention, not of question, method, or dissemination. It would therefore be productive for future discussions to identify and emphasize particular traits that distinguish accounting ‘research’ from ‘consulting,’ such as public availability, independence, or theoretical implications.

### **Preference for Conceptual Framework over Developing Practices**

Third, frameworks based on deductive reasoning also began to guide financial accounting standard setting (Waymire and Basu 2008). A *deductive* reasoning approach derives the principle from underlying assumptions about the fundamental objectives of accounting. The codification of such fundamental objectives began with the Accounting Principles Board’s 1970 *APB Statement No. 4*, “Basic Concepts and Accounting Principles Underlying Financial Statements of Business Enterprises.” The FASB’s current conceptual framework began with the first Concept Statement (Statement of Financial Accounting Concepts No. 1, “Objectives of Financial Reporting by Business Enterprises”) issued in 1978. The most recent (Statement of Financial Accounting Concepts No. 7, “Using Cash Flow Information and Present Value in Accounting Measurements”) was issued in 2000, and the joint FASB and IASB Conceptual Framework Project remains ongoing.<sup>17</sup> In contrast, an *inductive* reasoning approach infers the underlying standard or principle based on the observation of current practice. For example, before the 1930s, accounting standards typically took the form of reporting norms (Sunder 2005, as cited by Waymire and Basu 2008, 65) and were generally considered to be ‘best practices’ rather than requirements.<sup>18</sup>

Consistent with Barth (2008), the increasing emphasis on a deductive reasoning approach suggests that accounting scholars seeking to develop policy-relevant research should do so based on analyses of the underlying economic or decision-theoretic principles. Then, rather than directly impacting

---

<sup>17</sup> See SFAC No. 1 (§57-58) for a discussion of the background information relevant to its release. For updates on the joint conceptual framework project, see [http://www.fasb.org/project/conceptual\\_framework.shtml](http://www.fasb.org/project/conceptual_framework.shtml). Currently controversial, Waymire and Basu (2008, 100) suggest that “an example of a deductive approach is the FASB’s [and IASB’s] move towards fair value accounting with primacy placed on balance sheet measurement.”

<sup>18</sup> Pacioli’s *Summa* would also be considered *inductive* (rather than deductive), summarizing then-current business practices regarding (rather than inventing) double-entry bookkeeping—see Basu and Waymire (2008, 12 and 114), citing de Roover (1955) and Chatfield (1974, 49).

the judgments and decisions of accounting practitioners, policy-oriented research would arguably have a more modest goal of informing the views of particular standard setters or regulators.

Nevertheless, there remains a question of how accounting practitioners (i.e., those who are not also standard setters) will perceive the resulting standards. Such standards would likely move further away from inferences based on observation of current practice, and related research would likely move still further away from the facts and circumstances of the case studies to which practitioners would more easily relate. Under these circumstances, are practitioners likely to perceive value in the new standards, or more likely to consider such standards as the work of the “madmen in authority, who hear voices in the air... distilling their frenzy from some academic scribbler of a few years back”?<sup>19</sup>

### **Academic Aims**

Fourth, accounting research is generally considered an applied discipline, drawing heavily on, for example, economics, finance, psychology, or sociology depending on the specific accounting area and research method. Opinions vary as to whether this is a strength or a weakness of the field. Some would go so far as to say that “accounting has been a craft that has no essence” (Hopwood 2007, 1367), which has “changed significantly across time, adopting new forms, methods, and roles... likewise for accounting research.” In contrast, others suggest that “the intellectual foundation of a discipline is a key to its respectability” (Demski et al. 2002, 158). Some argue that a universal doctoral degree requirement (similar to medicine or law, in which the MD or JD, respectively, are both the entry-level professional degree and the highest expected academic degree) would provide a better basis on which to build a cohesive identity with shared values between the practical and academic communities, as well as greater opportunity for communication and collaboration (e.g., Bricker and Previts 1990).

Many of my prior points could be interpreted as implying that the underlying problem is a deficiency in practitioners’ understanding of research methods and, in particular, of quantitative research methods; yet, regardless of the potential effectiveness of such a systemic change, I doubt that it could be

---

<sup>19</sup> Keynes’s (1936, p. 383) colorful commentary on the overall impact of economic and political philosophy begins with the observation that: “Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist.”

implemented in my lifetime. For example, expressing some of their frustration, Leisenring and Johnson (1994, 76) observe that “some academics suggest that the obvious solution is for practitioners to learn how to read the research... [but] for present-day practitioners, we think that that suggestion is unrealistic (and likely would be interpreted by some practitioners as being a bit arrogant).” From their perspective at the FASB, Beresford and Johnson (1995, 114) lament that “our efforts have been in the spirit of trying to identify ways in which faculty can participate better in our process and to communicate those ways as clearly as we can... but there must be initiative from the other side as well.”

### **AND NOW FOR SOMETHING COMPLETELY DIFFERENT**

So, anticipating a room full of bright-eyed and eager first-year doctoral students upon returning to my university, what will I say when they inevitably ask: “So, what kinds of research would be most interesting or most useful to accounting standard setters and regulators?”

Realistically, accounting standard setters and regulators will be most interested in good accounting scholarship when it addresses some subset of the real-world problems or questions that they currently face. I have suggested that good accounting scholarship examines theories of how the world is, ought to be, or came to be with respect to one or more of the key accounting elements, activities, or institutional characteristics, either in isolation or in interaction with one another. Obviously that research needs to be rigorous (to once again address those pesky questions of validity and generalizability), but as Kinney (1986, 340) notes, “ordinarily, research begins with a real-world problem or question.” Schipper (1994, 64) also suggests that the ideal policy-relevant research “would take the form of a timely and unequivocal report on the entire issue at hand, with emphasis on the answer (i.e., the explicit or implicit recommendations).” I agree with this ideal, yet I doubt whether the ideal can be achieved in much of our day-to-day (or year-to-year) research activities. For those of us who might nevertheless hope to support the profession through our research activities, I believe that there are several implications.

**(1) As academic accounting researchers, we should actively seek to develop and enrich our understanding of our respective areas of specialty, rather than react to current agendas, even for policy-oriented research.** Unfortunately, it seems highly unlikely that an academic can ‘wait’ to identify

research questions based on an issue being added to the SEC's or FASB's agenda *and expect the research to have an impact on the current motivating debate*. Davis (1998) notes that, although some FASB projects take more than two years to complete, many are concluded within a two-year period. Some regulatory projects have considerably shorter lead times, such as the 90-day deadline for the Congressionally mandated *Study on Mark-to-Market Accounting* (SEC 2008b). As an academic, can you imagine conceiving a research idea, conducting the study, and responding to several levels of review within 90 days? By comparison, *The Accounting Review* reports that its mean processing time for returning a *review decision* for a submitted research paper in 2008 was 81 days (Kachelmeier 2009b). An analysis of the papers published in *The Accounting Review* during 2008 also shows that the reported mean time from initial submission to acceptance (excluding two editor-invited papers) was over 16 months.

Admittedly, a good accounting research paper does not have to be published to make a policy-relevant contribution, but many of us have experienced significant changes to papers as they have progressed through the publication review process. Some of us may therefore be disinclined to submit a paper for policy consideration while it is still in development.

Consider, then, Schipper's (1994, 63) first suggested quality for policy-relevant research: immediacy: the "FASB wants research it can connect immediately and directly to the topic at hand while it is considering (or deciding whether to consider) that topic." As I have already stated, I believe it is highly unlikely that an academic can wait to identify research questions based on an issue being added to a standard setters' agenda and expect that research to have an impact on the motivating policy debate.

In my view, developing good policy-relevant accounting research is likely no different from the effortful and proactive approach that we commonly encourage in our doctoral students—keeping abreast of current business news and trends, following-up on interesting ideas that might develop from those news items, and, especially, applying knowledge of industries and areas of expertise in identifying unusual distinguishing characteristics to investigate. For example, one colleague expressed the view that an understanding of the issues underlying a new standard or regulation, if based only on reading project updates, would tend to be superficial, and questioned whether a deeper understanding could be obtained

without closer involvement with the profession via consulting or regular review of trade journals. There are no easy answers (and likely no easy ‘good accounting research’ questions).

As academic researchers, I believe we tend to delve into an area or topic because we have noted something unusual, find it inherently interesting, or, occasionally, just to satisfy our own sense of curiosity. Others have also suggested that accounting scholars should engage in research that they are passionate about, with scholars who are intrinsically motivated by their research more likely to make substantive contributions (or at least experience less difficulty doing so—e.g., Stone 1996; Demski 2007). Some of those areas or topics will also be of current interest to standard setters or regulators; if so, great. Many other areas or topics will be of potential interest to standard setters or regulators at some future point in time. Several of these will likely have been of interest in the past only to have cycled back to become of interest again (see, e.g., Wyatt 1989, 126). Still others perhaps should be of interest to standard setters or regulators but never will be because of conflicting priorities in addressing regulatory issues. For good accounting scholarship to be most useful to accounting standard setters and regulators, I believe that we as academics need to (at least try to) anticipate problems and issues that are in the process of developing in our own areas of specialty rather than merely reacting to current agendas.

**(2) Academic accounting research can be incomplete, but can still provide valuable insights.**

On the one hand, Leisenring and Johnson (1994, 77) argue that:

Newspaper stories regarding medical studies routinely say that the tests will have to be replicated and it may be many years before the drug or the treatment can be made available to the general public. In accounting research, however, replication seems to be the exception rather than the rule. And, sometimes when they are replicated, the findings are contradictory. Needless to say, that does not give practitioners great comfort.

This perspective is consistent with Schipper’s (1994, 63-64) second and third qualities for policy-relevant research: comprehensiveness and conclusiveness. Not only does the ideal policy-relevant research present “a comprehensive analysis of the entire issue, all at once,” but it does so with “a freedom from multiple interpretations—equivocal discussions and qualified conclusions are less likely to be regarded as useful than are definite statements.”

On the other hand, medical findings are also often contradictory. Most research is incremental and has some chance of later being ‘proven’ wrong.<sup>20</sup> For example, Hopwood (2007, 1373) discusses a study of the editorial processes of basic research journals by Gordon, noting that:

At one point in the study, the editors of the journals were given a choice between two types of errors. Were they more concerned to ensure that they did publish studies that might be seen as path-breaking in the future or was their emphasis placed on ensuring that the problematic studies of today were not published? Interestingly, the science editors were more concerned with maintaining the future innovative capacity of their journals, knowing that the nature of scientific advance is such that studies are continually challenged and revised. ‘It’s quite normal,’ said one of the science editors, ‘science is like that, it progresses by exposing other people’s mistakes.’ In contrast, the social scientists tended to be more concerned to maintain the accuracy of the present.

In my view, comprehensiveness and conclusiveness certainly increase the impact of accounting research—for example, I believe that Ryan’s (2008) fair-value review paper was one of the academic papers that had a substantial impact on the qualitative chapters in the SEC’s (2008b) *Study on Mark-to-Market Accounting*. Nevertheless, even Ryan’s paper was incomplete, for example, with limited discussion of the potential effects of applying the fair value hierarchy (e.g., Level 1 vs. Level 3) and no discussion of the potential procyclical effects of fair value adjustments (that have since blazed in political discussions of fair value). Ryan’s discussion of these aspects likely was limited because the accounting research literature had generally not addressed these issues (for a variety of reasons), something which is undoubtedly currently being remedied. Current and near-future research on these specific topics will likely be neither comprehensive nor conclusive, and yet, I suspect, will still be of great interest to a variety of standard setters and regulators world-wide.

While I agree that we as academics should aim for comprehensiveness and conclusiveness, I also concur with Bloomfield’s recent comment that such criteria can leave one “thinking that writing a single study that can inform standard-setting deliberations requires a lifetime of toil.”<sup>21</sup> Schipper (1994, 65) herself notes that “[t]he nature of social science research, however, means that qualified and partial conclusions are almost inevitable.” I believe it is important to realize that adopting the overall goals of

---

<sup>20</sup> Kuhn (1962) argued that, although science undergoes periodic revolutions, or paradigm shifts, much of the time we engage in “normal science,” in which we as scientists attempt to enlarge the current central paradigm by “puzzle-solving.” As anomalous results build up, we approach a crisis point at which a new paradigm may emerge, but until then, anomalous results are often viewed as fringe, or failures of the researcher, rather than of the theory.

<sup>21</sup> <http://fasri.net/index.php/2009/03/lowering-the-cost/>

comprehensiveness and conclusiveness does *not* imply that our research is not relevant unless we expect to be able to comprehensively and conclusively address a policy issue. Instead, our (often incremental) research can still provide useful insights, even if we address (sometimes very) limited research questions. For example, although “one cannot use the valuation literature *alone* to derive standard-setting implications” (Holthausen and Watts 2001, 68 *with emphasis added*), the value relevance literature can still provide “fruitful insights” for standard setting (Barth et al. 2001, 78). Over time, our knowledge and appreciation of the issues builds; in the interim, insightful but incomplete research can remain useful by adding structure or additional perspectives to the policy debate.

**(3) In order for our research insights to be valued, we need to actively seek to communicate those insights to accounting practitioners, standard setters, and regulators.** Schipper (1994, 64) describes the fourth criteria for policy-relevant research as “an emphasis on the answer to the question, as opposed to the specifics of the approach used to arrive at the answer.” She later states that, in her view, it is “inevitable that academic research will appear to place a heavy (disproportionate, in the view of some) emphasis on such matters as assumptions, research design and methods and sample selection” (Schipper 1994, 66-67). A substantial portion of the academic peer review process is focused on how the results were obtained, arguably so that others can judge the methodological rigor (or, in Schipper’s words, “academic” rigor) of the work because of the positive relationship between methodological rigor and the persuasiveness of the results (at least to another academic). Nevertheless, as previously noted, although much academic accounting research is potentially relevant to practice, many practitioners would not share that view, possibly because “by and large, practitioners do not and cannot understand much of academic research” (Leisenring and Johnson 1994, 75).

Undoubtedly as accounting scholars, we tend to write to an academic accounting audience, influenced by our expectations of journal editors and reviewers. Several others have suggested that we as accounting academics suffer from ‘academic careerism’ (e.g., Demski 2007; Fellingham 2007; Fülbiel et al 2008; Hopwood 2007), in which career management concerns (such as the perceived superiority of a

potential publication outlet for promotion and tenure) become at least as important as the research itself or other aspects of service (although also not unique to accounting—see, e.g., Lovett 1993).

As a potential solution, some might hope that, as academics, we might put aside our own incentives for the greater good. For example, Fellingham (2007, 163) suggests a Perfect Agent model, where:

In the real [perhaps ideal?] university, papers are written—not to get the paper published and the author promoted, but to share ideas with the community of scholars and to advance scholarship. Curriculum innovations occur, not to boost student ratings or promote the innovator, but instead to better the real university. Citizens of the real university have faith in the special institution that the university is; they believe that good ideas will survive and flourish even if they are not published in “top-tier” journals. Besides faith in the university, its citizens also possess a joy in discovery and sharing ideas. And they possess the conviction that generating good ideas makes the university better and that is enough—even if the generator does not get promoted.

At the same time, however, we teach our students about Agency Theory and the Principal-Agent Model, in which individuals are generally considered resourceful, evaluative maximizers, responding (sometimes rather creatively) to the opportunities and incentives offered in the environment in order to improve their own well-being (e.g., Jensen and Meckling 1976, 1994; Watts and Zimmerman 1986; see, e.g., Baiman 1982, 1990 for reviews). Individuals do value different aspects of their environment, including, for example, money, intellectual curiosity, and the welfare of others. Some (but not all) academic accountants will likely continue to be motivated to contribute to professional practice through their on-going research activities for reasons that might include, for example, money, intellectual curiosity, and the welfare of others. What might those who are so motivated do (in individual acts of defiance) that could more effectively communicate their existing research insights to accounting practitioners, standard setters, and regulators?

**(a) First, consider participating in standard-setter- and regulator-sponsored programs (Appendix B).** While participation in various longer-term capacities will necessarily be constrained, shorter-term participation may be more broadly available through sponsored conferences (e.g., the PCAOB Symposium) or separate programs such as the FASB Faculty or Doctoral Programs and the Financial Accounting Standards Research Initiative (FASRI), which have been established to build

accounting academics' knowledge and interest in standard-setting activities. To my knowledge, FASRI's blog and roundtables are unique in being openly available to any interested individual, with archives of its recent roundtable discussions also now available.<sup>22</sup> As Koonce stated in a recent posting,<sup>23</sup> "I really think it's being underutilized... ideas are all over the place in these sessions..."

**(b) Second, consider writing an occasional academic 'review' article.** Admittedly, such review articles are not frequently published in the highest tier of U.S. accounting academic journals. Therefore, the viability of writing such an article likely varies significantly based on the particular institutional incentives faced by an academic. For example, publication of such a review article may only seem feasible as a (relatively low-cost) by-product of a primary study from the academic's dissertation or other current research, or following a positive tenure decision. Nevertheless, the 'comprehensiveness' objective suggested by Schipper (1994) that seems so unlikely for any individual research study also seems more achievable through a thoughtful survey of the literature.<sup>24</sup> When written with a policy-relevance intension (e.g., summarizing the implications of recent developments for practice), such articles are more likely to be understood and appreciated by standard setters and regulators (Leisenring and Johnson 1994, 76).

However, writing a review article for publication in an academic journal (even one that exhibits all of the ideal properties of policy-relevant research) does not automatically ensure that its insights are effectively communicated to standard setters or regulators. Thus, I offer two more recommendations.

**(c) Third, consider writing an occasional 'practice' article.** Such an article could take the form of a mini-review of a specific topic, perhaps even limited to two or three academic articles previously published by the researcher. Admittedly, the writing style would likely differ from an academic review. Consider limiting the use of tangential citations (i.e., holding back from supporting each assertion with one or more citations as I have tended to do here) and emphasizing the implications or conclusions (i.e., rather than methods and limitations). Others have suggested the "ideas that stick are those that are

---

<sup>22</sup> <http://fasri.net/index.php/live/>

<sup>23</sup> <http://fasri.net/index.php/2009/06/simple-post-with-simple-idea/>

<sup>24</sup> For example, Fülbier et al (2008, 14) identify the Schipper and Yohn (1997) review article on 'Standard-Setting Issues and Academic Research Related to the Accounting for Financial Asset Transfers' as essentially exhibiting all of Schipper's (1994) properties for policy-relevant research.

simple, unexpected, concrete, credible, emotional, and likely to be told as stories” (Bartunek 2007, 1326, citing Heath and Heath 2007). When in doubt, consider writing your story for “students in Psychology 101, your colleagues in the Art History department, and your grandmother” (Bem 1995, 172).

Once again, however, the viability of writing such an article will likely vary based on the particular incentives faced by an academic. The most probable authors are academics affiliated with institutions that recognize value in such efforts, whether as a research publication or as a component of service. The viability may also depend on the current publication status of the related academic research, as the publication of a practice article focused on a single academic working paper may constitute a form of prior publication of the research. Academics may therefore need to frame the practice article as a review of more than one paper, emphasizing the related practice context rather than focusing on the most current working paper’s results.

Leisenring and Johnson (1994, 76) offer a related suggestion of writing a ‘professional adaption’ to accompany each academic article, citing the *Journal of Accounting, Auditing, and Finance* as a prior example. My concern here, as well as with an academic review article, is that a professional adaption accompanying an article *when published in an academic journal* is unlikely to be noticed (let alone read) by many practitioners, standard setters, and regulators. Identifying an appropriate practice-oriented outlet, however, remains difficult. My informal conversations with (an admittedly small sample of) practitioners have raised doubts about the reach of practice-oriented publications that I (as an academic) would have assumed were widely read (e.g., *CPA Journal, Journal of Accountancy*). Interested academics may need to respond creatively in order to discover appropriate outlets, such as identifying and presenting at practitioner conferences (e.g., the Center for Audit Quality’s Symposium on Growing Audit Research — see Kinney 2010 and Peecher 2010).

**(d) Fourth, consider writing an occasional comment letter.** When inviting comment on their various discussion papers, exposure drafts, and rule proposals, consider the possibility that standard setters and regulators are truly interested in receiving comments and would welcome additional input from the academic community. Prior academic involvement generally has been limited. For example, in

their analysis of comment letters to the FASB, covering SFAS No. 1 through No. 117, Tandy and Wilburn (1996) found that only 2.7% of the letters received were from academics. Academics submitted a higher proportion of letters related to substantive standards (3.56%) rather than to amendments (1.38%) or industry standards (2.81%), but such letters remain a small proportion of the total letters received.<sup>25</sup> Although the ability and cost of obtaining FASB documents was frequently cited in the study, those issues have now largely been neutralized by free internet access to such documents from the FASB, IASB, and SEC. Nevertheless, participation rates do not appear to have improved much with, for example, approximately five and four percent of comment letters received by the SEC on its proposed *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers* (SEC 2008a) and on its staff's *Study of Mark-to-Market Accounting* (SEC 2008b), respectively, being classified as from academics.

A model academic comment letter would clearly and concisely present research results that directly address the questions asked, perhaps with the related papers attached as appendices. Nonetheless, other forms of responses would also be valued, such as thoughtful and logical analyses of a subset of the issues for which comments are being solicited. Despite the heavy emphasis on quantitative methods, much of our doctoral training is focused on how to approach and describe our analysis of a problem in a clear, logical, and (yes, perhaps even) rational manner. Similar to Leisenring and Johnson's (1994) call for additional research 'thought pieces,' many accounting academics may not realize that the vast majority of comment letters are attempts at exactly that (with varying degrees of success).

Some accounting academics may hold the view that it would be unnecessary (or potentially inappropriate) to submit an individual comment letter when the AAA's Financial Accounting Standards Committee has already done so. Perhaps that letter would have already been supplemented with a submission from the policy subcommittee of the relevant AAA Section. Let me assure those academics that additional letters (even as individual submissions) would be as welcomed and as considered as, for

---

<sup>25</sup> Similarly, Tandy and Wilburn (1996) report that the academics represented in the sample constituted only 4.1% of the total listed in Hasselback's *1992 Accounting Faculty Directory*; however, the authors did not report statistics based on the percentage of academics in Hasselback who listed their functional area as financial accounting.

example, from individual companies (in addition to preparer and industry associations) and users (in addition to investor and analyst associations).

Admittedly, I believe that increasing academic representation in comment letters will be the most challenging and least likely of my suggestions to be implemented by individual accounting academics without the added assistance of institutional change. Academic incentives generally do not reward such activities, except perhaps as a component of service. Although academics' general lack of incentives to obtain specific outcomes from the standard-setting process implies a potential benefit to standard setters because of our relatively unbiased views (e.g., Leisenring and Johnson 1994, Barth 2008), it also implies that we have only weak or indirect incentives encouraging our active participation in the comment letter process. For example, while members of the AAA's Financial Accounting Standards Committee may experience some additional utility from the publication of the Committee's comment letter in *Accounting Horizons*, comment letters from individual accounting academics are less likely to be considered for publication. Some interested academics may, therefore, be disinclined to state their personal views in the public record (now readily accessible via the internet) without the protective benefits of co-authors and the peer review process preventing them from stating something they might later regret. Nevertheless, comment letters are one of the primary ways in which constituent groups can inform standard setters and regulators about their views—I encourage accounting scholars who are sincere in their desire to help inform accounting standard setters and regulators through research-related activities to consider the 'invitation to comment' as a personal invitation to the table.

**(4) Educate the next generation of practitioners to be aware of academic research and its potential.** Expecting current practitioners to develop the skills needed to consume academic research is likely not a viable strategy, but encouraging an *awareness* of academic research (as well as professional research) in our *current* undergraduate and graduate accountancy students is surely a relatively low-cost method of broadening the perspectives of *future* practitioners, and in turn, of standard setters and regulators. Although standard setters and regulators have additional incentives to encourage academic

input, the individual staff members of these agencies are often themselves accounting practitioners.<sup>26</sup> To the extent that, in their early training, these practitioners have not been asked to read some selection of academic accounting articles (and may therefore have relatively limited knowledge of such journals), we do ourselves a disservice, both as academics and as accounting professionals.

One method of developing an awareness of academic research and graduate study possibilities is to incorporate some exposure to academic research into undergraduate courses—for example, students might identify and summarize one or more course-relevant research papers in honors or extra credit assignments. Some educational research indicates that exposure to undergraduate research opportunities can encourage students who had not anticipated graduate studies to alter direction toward a PhD (Russell et al. 2007). Similarly, Bailey Jr. (1994) implies that new PhD students in accounting may feel ambivalent about their future academic careers, in part, because of their lack of previous exposure to our research roles during their undergraduate and master studies. With continuing concerns over potential shortages of new accounting faculty (AAA 2008; AAA and APLG 2005), developing such an awareness may well become vital to our scholarly discipline.

## CONCLUSIONS

I have suggested that there is ample accounting research of potential interest to accounting standard setters and regulators. However, in order to increase the impact of our policy-relevant research, we cannot be guided solely by the issues that are *currently* of greatest interest to accounting standard setters and regulators. The rigorous methodological standards to which we hold ourselves as accounting academics would most likely prevent our research from being developed *as an immediate response* to a current policy debate (i.e., in a timely enough fashion to reasonably expect the research to impact the policy debate that had provided the initial motivation for the study). In contrast, and as we have often recommended to our own doctoral students, we as academics should try to anticipate problems and issues

---

<sup>26</sup> For example, OCA's Professional Accounting Fellows and the FASB's Practice and Industry Fellows generally serve two-year terms, having typically accumulated years of experience in public accounting or in industry. Both agencies' fellows and permanent staff are well-versed in professional research, and well-practiced in referring to and interpreting accounting standards to determine whether a proposed accounting treatment is appropriate or inappropriate for a particular a set of facts and circumstances. Referring to these individuals as "GAAP lawyers," Palmrose (2009, 289) describes them as "people who really know all the glorious details and twists and turns for applying GAAP."

that are in the process of developing in our own areas of specialty, based on a deeper understanding of the underlying issues rather than reacting to current agendas.

Despite being part of a profession that often asserts itself as providing ‘the language of business’ (e.g., Bloomfield 2008; Waymire and Basu 2008, 103; cf Palmrose 2009), we as accounting scholars have generally overlooked the importance of on-going communication. Unlike Schipper (1994), I suggest that academic research can be incomplete, but still provide valuable insights to assist and inform policy decisions. In order for those insights to be valued, though, we as academics need do more to effectively communicate those insights to accounting practitioners, standard setters, and regulators on an on-going basis by, for example, writing additional ‘review’ articles, ‘practice’ articles, and even comment letters. Lastly, I believe that it is critical to begin developing an awareness of academic research and its potential in future generations of practitioners.

**APPENDIX A.**  
**Standard Acronyms and Abbreviations**

AAA	American Accounting Association
AACSB	Association to Advance Collegiate Schools of Business
AICPA	American Institute of Certified Public Accountants
APB	Accounting Principles Board
APLG	Accounting Program Leaders Groups
CIFiR	Advisory Committee on Improvements to Financial Reporting to the United States Securities and Exchange Commission
Corp Fin	Division of Corporation Finance, U. S. Securities and Exchange Commission
EITF	Emerging Issues Task Force
FAF	Financial Accounting Foundation
FASAC	Financial Accounting Standards Advisory Council
FASB	Financial Accounting Standards Board
FASRI	Financial Accounting Standards Research Initiative
GASB	Governmental Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IOSCO	International Organization of Security Commissions
IRS	U. S. Internal Revenue Service
OCA	Office of the Chief Accountant, U. S. Securities and Exchange Commission
OEA	Office of Economic Analysis, U. S. Securities and Exchange Commission
PCAOB	Public Company Accounting Oversight Board
SEC	U. S. Securities and Exchange Commission (also 'the Commission')
SFAC	Statement of Financial Accounting Concepts
SFAS	Statement of Financial Accounting Standards

## **APPENDIX B. Regulators' and Standard Setters' Academic Outreach**

*This appendix provides brief descriptions of the programs and positions supported by U.S. accounting standard setters and regulators to engage and increase the level of interaction with the accounting academic community. (This list excludes the outreach efforts from public accounting firms and industry.)*

### **Academic Representation**

The most direct involvement occurs when accounting academics act as active members of the standard setter or regulator. For example, the FASB has traditionally had an accounting academic as one of its seven- (now five-) member Board since its inception in 1973,<sup>27</sup> although some have suggested that academic representation should not be mandated (e.g., CIFI 2008b, 34). Accounting academics also serve as members of the Financial Accounting Standards Advisory Council (FASAC), on the Board of Trustees for the Financial Accounting Foundation (FAF), and as members of task forces that advise the FASB on major agenda projects.<sup>28</sup> Similarly, the SEC has previously named two accounting academics to the post of Deputy Chief Accountant for the Professional Practice Group within the Office of the Chief Accountant.<sup>29</sup> It is therefore somewhat surprising that none of the current PCAOB members are accounting academics,<sup>30</sup> although there is currently one academic accounting member with each of the PCAOB's Standing Advisory Committee, the American Institute of Certified Public Accountants' (AICPA) Board of Directors, and the AICPA's Auditing Standards Board.<sup>31</sup> Finally, this paper focuses on U.S. accounting standard setters and regulators, but U.S.-based accounting academics have also served on

---

<sup>27</sup> Bob Sprouse (Stanford University) from 1973 to 1985, Bob Swieringa (Cornell University) from 1986 to 1996, Gerhard Mueller (University of Washington) from 1996 to 2001, Kathryn Schipper (Duke University) from 2001 to 2006, and Tom Linsmeier (Michigan State University) since 2006.

<sup>28</sup> FASAC currently includes Ray Ball (University of Chicago), Carolyn Callahan (University of Arkansas-Fayetteville), Mark Lang (University of North Carolina), and Terry Warfield (University of Wisconsin) (<http://www.fasb.org/fasac/fasacmem.shtml>). Steve Albrecht (Brigham Young University) currently serves as a trustee for the FAF ([http://www.fasb.org/faf/faf\\_officers&trustees.shtml](http://www.fasb.org/faf/faf_officers&trustees.shtml)). Beresford and Johnson (1995) state that "one or two academics participate as members of the task forces for each of [the FASB's] major agenda projects."

<sup>29</sup> Andy Bailey (University of Illinois) from 2004 to 2006, and Zoe-Vonna Palmrose (University of Southern California) from 2006 to 2008.

<sup>30</sup> [http://www.pcaobus.org/About\\_the\\_PCAOB/The\\_Board/index.aspx](http://www.pcaobus.org/About_the_PCAOB/The_Board/index.aspx)

<sup>31</sup> Joseph Carcello (University of Tennessee), Karen Pincus (University of Arkansas), and Mark Taylor (Creighton University), respectively — see [http://www.pcaobus.org/Standards/Standing\\_Advisory\\_Group/Biographies.aspx](http://www.pcaobus.org/Standards/Standing_Advisory_Group/Biographies.aspx), <http://www.aicpa.org/About+the+AICPA/Understanding+the+Organization/2008-2009+AICPA+Board+of+Directors.htm>, and <http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Auditing+Standards+Board/ASB+Members.htm>, respectively.

the IASB, the IASB's Standards Advisory Council, and the International Federation of Accountants' (IFAC) International Auditing and Assurance Standards Board (IAASB).<sup>32</sup>

### **Periodic Input**

Other direct involvement can occur when accounting academics are invited to participate in periodic or other occasional activities to assist the standard setter or regulator. Such periodic activities include the preparation of commissioned research or participation in professional development and roundtables, as well as participation in sponsored conferences to discuss initiatives to improve financial reporting or other topics of mutual interest to academics and standard setters or regulators.

### ***Commissioned Research, Professional Development, and Roundtables***

Beresford and Johnson (1995) discuss how the FASB occasionally commissions formal research or informal feedback from accounting academics on difficult issues, and how accounting academics are occasionally asked to present at the Board's regular professional development sessions. Such studies and professional development sessions may focus on specific topics (such as a current agenda projects, or on one of the presenter's research papers) or provide a broader perspective by summarizing and suggesting implications from one or more streams of academic research. Standard setters and regulators also hold roundtables (i.e., gatherings of small numbers of panelists to deliberate one or more particular issues) on topics of current interest. The SEC, for example, included accounting academic panelists at each of the three roundtables concerning mark-to-market and fair value accounting held in 2008.<sup>33</sup>

### ***FASB/IASB Financial Reporting Issues Conference***

The FASB sponsors a Financial Reporting Issues Conference on an annual basis, formerly in conjunction with the AAA. Now in its eighteenth year and hosted in conjunction with the IASB, its purpose is to "bring together academics, standard setters, auditors, regulators, financial statement users, and preparers to discuss initiatives to improve financial reporting." Financial support is provided by the

---

<sup>32</sup> Mary Barth (Stanford University) served as a part-time Board member since the IASB's formation in 2001 until 2009. Hollis Ashbaugh Skaife (University of Wisconsin) currently represents the International Association for Accounting Education & Research (<http://www.iasb.org/About+Us/About+the+SAC/SAC+members.htm>). Bill Kinney (University of Texas at Austin) currently serves on the IAASB (<http://www.ifac.org/IAASB/About.php#IAASBMembers>).

<sup>33</sup> See <http://www.sec.gov/news/press/2008/2008-276.htm>, <http://www.sec.gov/news/press/2008/2008-255.htm>, and <http://www.sec.gov/news/press/2008/2008-130.htm>.

FASB, IASB, and the Big 4 as well as other large public accounting firms. The AAA/FASB Financial Reporting Issues Conference Committee website indicates that the conference is intended to serve “as a forum to (1) provide informed and diverse feed back at micro as well as macro policy levels from the research community to the FASB, and (2) inform the research community about the policy issues before the FASB, and difficulties of resolving them.”<sup>34</sup> It has recently focused on issues related to major joint projects on the FASB’s and IASB’s current agendas (e.g., revenue recognition in 2007, and business risks/liabilities and leases in 2008).<sup>35</sup>

### ***PCAOB Symposium and Research Synthesis Projects***

Since approximately 2005, the AAA has also worked with the PCAOB in hosting the PCAOB Symposium, in which auditing academics and representatives from, e.g., the PCAOB, SEC, and FASB discuss issues related to recent PCAOB standards, PCAOB inspections, and other current topics. For example, the 2008 PCAOB Symposium included discussions regarding the audit of fair value measurements, the impact of International Financial Reporting Standards, the future of the auditing profession, and future auditing research and education.<sup>36</sup> Separate but related are the PCAOB Research Synthesis Projects, in which teams of auditing researchers have synthesized existing relevant research for selected PCAOB standards projects. The most recent AAA Auditing Section newsletter reports that “all nine of the research synthesis reports have been published, accepted for publication, or conditionally accepted for publication, subject to acceptable revisions.”<sup>37</sup>

### **Building Academics’ Knowledge and Interest in Standard-Setting Activities**

#### ***FASB Faculty and Doctoral Programs***

In the mid-1990’s, FASB initiated its ‘FASB Faculty Program’ to encourage additional accounting faculty involvement in the FASB. As described in Beresford and Johnson (1995), the FASB Faculty Program provides a small group of faculty from across the U.S. with the opportunity to spend

---

<sup>34</sup> <http://aaahq.org/about/directory2008/committee/08fasbconf.htm>

<sup>35</sup> See <http://72.3.243.42/2007aaafasb/2007aaafasb.shtml>, and <http://www.fasb.org/2008fasb-iasb-aaa/2008fasb-iasb-aaa.shtml>.

<sup>36</sup> <http://aaahq.org/audit/Pubs/Audrep/08summer/item05.htm>

<sup>37</sup> See [http://www.pcaobus.org/Standards/Standing\\_Advisory\\_Group/Meetings/2006/06-12/Research\\_Synthesis.pdf](http://www.pcaobus.org/Standards/Standing_Advisory_Group/Meetings/2006/06-12/Research_Synthesis.pdf) and [http://aaahq.org/audit/Pubs/Audrep/08summer/E2\\_PCAOB\\_Update\\_Part\\_2.pdf](http://aaahq.org/audit/Pubs/Audrep/08summer/E2_PCAOB_Update_Part_2.pdf)

several days at the FASB, during which the faculty can observe various activities including, for example, a regular Board meeting, a bimonthly meeting of the Emerging Issues Task Force (EITF), and a ‘pre-Board’ meeting (in which the staff meets with small groups of Board members to discuss items on the agenda of the upcoming Board meeting). The FASB Faculty Program is offered biannually, alternating with a similar program geared towards accounting PhD students.

### ***Financial Accounting Standards Research Initiative (FASRI)***

According to their website, the FASRI was recently created to help the FASB achieve its standard-setting mission by “raising awareness of standard-setting issues that may be of interest to the research community; working with researchers to facilitate the design and completion of research that can inform Board deliberations; and facilitating communication between researchers and the FASB Board and staff.”<sup>38</sup> To achieve these objectives, FASRI maintains a ‘blog’ to provide regular updates on issues of likely interest to accounting academics involved in standard-setting research, with links and commentary on, for example, recent related research, recent news articles, and updates on FASB project activities. FASRI also conducts online meetings, with some sessions lead by FASB Board members and staff to update researchers on standard-setting activities, other sessions lead by researchers to present their work and receive feedback from standard setters as well as academics, and yet other sessions provide academics with the forum for an open dialogue on standard-setting research.<sup>39</sup> Finally, for academics engaged in policy-relevant research, FASRI may be able to identify FASB staff members who are likely to be interested in the project, to work together in determining how the research might best inform FASB discussions. Support may include, for example, assistance in securing the cooperation of organizations that can provide data (such as human subjects or proprietary data).

---

<sup>38</sup> <http://fasri.net/index.php/about/>

<sup>39</sup> Previously referred to as ‘Office Hours’ and only offered in the Second Life virtual world, these online meetings are now referred to as ‘Round Table Discussions’ and are also available through a regular website connection (see <http://fasri.net/index.php/2009/07/introducing-the-fasri-round-table-discussion-series-aka-office-hours-20/>).

## **On-Going Fellowship Opportunities**

While a wide range of practice-oriented fellowships are available, there are two sets of long-standing fellowships sponsored by the SEC and the FASB.

### ***U.S. Securities and Exchange Commission***

A number of accounting academic fellowships are available through the SEC. For example, since its inception in 1979, the academic accounting fellowship program with the Office of the Chief Accountant (OCA) has provided accounting academics with an opportunity to observe and experience the interrelationships between accounting and securities regulations.<sup>40</sup> OCA is the principal advisor to the SEC on all accounting and auditing issues, working closely with the FASB, the IASB, the AICPA, the PCAOB, the International Organization of Security Commissions (IOSCO), and others. On a regular basis, registrants and auditors also consult with OCA regarding the application of accounting and auditing standards. These academic fellowships are in addition to OCA's Professional Accounting Fellowships for professionals with typically ten to twelve years of experience in public accounting or its equivalent. Academic fellows interpret and communicate research materials as they relate to the SEC, contributing to both ongoing activities and special projects in OCA (such as rulemaking, serving as a liaison with accounting standard-setting organizations, and registrant consultations on accounting, auditing, and other reporting matters). Linsmeier (1996) and Mulford et al (1992) provide further descriptions of the experiences of previous OCA academic fellows.

Since 1997-98, an academic fellowship in the Division of Corporation Finance (Corp Fin) has also been available.<sup>41</sup> Corp Fin oversees the required corporate disclosure of information to the investing public (i.e., under the Securities Act of 1933 and the Securities Exchange Act of 1934), with its staff reviewing corporate filings by publicly held companies, such as registration statements and annual reports/10-Ks. The academic fellow may research financial reporting issues, review public company filings to identify accounting or disclosure problems, and develop and present training on emerging or

---

<sup>40</sup> See Mulford et al. (1992) and the SEC accounting academic fellowships announcements for 2009-2010 ([http://aaahq.org/facdev/practice/SEC\\_09-10.htm](http://aaahq.org/facdev/practice/SEC_09-10.htm) and <http://www.sec.gov/news/press/2009/2009-149.htm>).

<sup>41</sup> [http://www.sec.gov/divisions/corpfin/guidance/cfactfaq.htm#P546\\_139158](http://www.sec.gov/divisions/corpfin/guidance/cfactfaq.htm#P546_139158)

controversial accounting issues for accountants and attorneys at the SEC. Kolenda and Fairfield (2000) provides further description of the experiences of prior Corp Fin academic fellows.

Other academic possibilities also exist at the SEC. Although often focused on academic fellows from economics or finance, an academic fellow from accounting is also occasionally hired by the Office of Economic Analysis (OEA), which advises the Commission and its staff on economic issues associated with the SEC's regulatory and policy activities. Doctoral students may also be interested in considering an internship. Though not specifically academic in nature, the Summer Honors Business Program "introduces students pursuing MBAs and other graduate degrees in such areas as accounting, economics, finance, human resource management and information technology/information security, among others, to the regulation of the securities markets and the work of the Commission." Interns work for ten weeks during the summer at the Commission's headquarters (in DC) or in one of its 11 regional offices.<sup>42</sup>

### ***Financial Accounting Standards Board***

The FASB sponsors a Faculty Fellow in addition to its Practice and Industry Fellows. "During their two-year term at the FASB, a fellow will typically manage a variety of projects, act as a consultant on others, and will answer numerous questions about the application of accounting standards posed by preparers, auditors, and regulators."<sup>43</sup> However, as Davis (1998, 430) notes, "the Faculty Fellowship has been more problematic because the FASB historically also sought a two-year commitment" whereas "most academic leaves are for one or two semesters as a (paid) sabbatical." The two-year commitment has generally been sought so that the Faculty Fellow may act as the lead for an ongoing project; however, a likely result is that the FASB has not often filled the position (Beresford and Johnson 1995; Davis 1998). Beginning in 2007, a one-year FASB Research Fellow position was created. The Research Fellow acts "more like a consultant who provides the insights from research to the project teams on an as needed basis," and actively participates in other FASB academic research initiatives (such as FASRI).<sup>44</sup>

---

<sup>42</sup> <http://www.sec.gov/jobs/shbpfaq.htm>

<sup>43</sup> [http://www.fasb.org/articles&reports/17th\\_fellow\\_reunion\\_forum\\_tfr\\_dec\\_2005.pdf](http://www.fasb.org/articles&reports/17th_fellow_reunion_forum_tfr_dec_2005.pdf)

<sup>44</sup> <http://fars.org/FASBresearchfellow.htm>

## REFERENCES

- Advisory Committee on Improvements to Financial Reporting to the United States Securities and Exchange Commission (CIFI<sub>R</sub>). 2008a. *Final Report of the Advisory Committee on Improvements to Financial Reporting to the United States Securities and Exchange Commission*. Washington, DC: U.S. Securities and Exchange Commission. Available at: <http://www.sec.gov/about/offices/oca/acifr/acifr-finalreport.pdf> .
- Advisory Committee on Improvements to Financial Reporting to the United States Securities and Exchange Commission (CIFI<sub>R</sub>). 2008b. *Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting*. Washington, DC: U.S. Securities and Exchange Commission Release Nos. 33-8896; 34-57331; File No. 265-24. Available at: <http://www.sec.gov/rules/other/2008/33-8896.pdf>.
- Advisory Committee on the Auditing Profession to the United States Department of the Treasury. 2008. *Final Report of the Advisory Committee on the Auditing Profession to the U. S. Department of the Treasury*. Washington, DC: U.S. Department of the Treasury. Available at: <http://www.treas.gov/offices/domestic-finance/acap/docs/final-report.pdf>.
- American Accounting Association (AAA). 2008. *Accounting Faculty in U.S. Colleges and Universities: Status and Trends, 1993–2004*. Sarasota, FL: American Accounting Association. Available at: <http://aaahq.org/temp/phd/AccountingFacultyUSCollegesUniv.pdf>.
- American Accounting Association (AAA) and Accounting Program Leaders Groups (APLG). 2005. *Report of the AAA/AAPLG Ad Hoc Committee to Assess the Supply and Demand for Accounting Ph.D.s*. Sarasota, FL: American Accounting Association. Available at: [http://aaahq.org/about/reports/FINAL\\_PhD\\_Report.pdf](http://aaahq.org/about/reports/FINAL_PhD_Report.pdf) .
- Bailey, A. D. Jr. 1994. An academic accounting career choice. *Accounting Education News: The Newsletter of the American Accounting Association*. Sarasota, Florida: May. 1.
- Baiman, S. 1982. Agency research in managerial accounting: A survey. *Journal of Accounting Literature* 154-213.
- Baiman, S. 1990. Agency research in managerial accounting: A second look. *Accounting, Organizations and Society*. 15(4): 341-371.
- Barth, M. E. 2008. Global financial reporting: Implications for U.S. academics . *The Accounting Review* 83(5): 1159–1179.
- Barth, M. E., W. Beaver and W. R. Landsman. 2001. The relevance of the value relevance literature for financial accounting standard-setting: Another view. *Journal of Accounting and Economics* 31: 77-104.
- Bartunek, J. M., 2007. Academic-practitioner collaboration need not require joint or relevant research: Toward a relational scholarship of integration. *Academy of Management Journal* 50(6): 1323-1333.
- Basu, S. and G. Waymire. 2006. Recordkeeping and human evolution. *Accounting Horizons* 20 (3): 1-29.
- Bell, T. B, T. J. Frecka, and I. Solomon. 1993. The relation between research productivity and teaching effectiveness: Empirical evidence for accounting educators. *Accounting Horizons* 7(4): 33-49.
- Bem, D. J. 1995. Writing a review article for Psychological Bulletin. *Psychological Bulletin* 118 (2): 172-177.
- Beresford, D. R., 2004. A request for more research to support financial accounting standard-setting AAA—Accounting, Behavior and Organizations Section. *Behavioral Research in Accounting* 6: 190-203.

- Beresford, D. R., and L. Johnson. 1995. Interactions between the FASB and the academic community. *Accounting Horizons* 9: 108-117.
- Bloomfield, R. J. 2008. Accounting as the language of business. *Accounting Horizons* 22 (4): 433-436.
- Booth, W. C., G. G. Colomb, and J. M. Williams. 2003. *The Craft of Research*, 2<sup>nd</sup> Ed. Chicago: University of Chicago Press.
- Bricker, R. J. and G. J. Previt. 1990. The sociology of accountancy: A study of academic and practice community schisms. *Accounting Horizons* 4 (1): 1-14.
- Chow, C. W., and P. Harrison. 1998. Factors contributing to success in research and publications: Insights of 'influential' accounting authors. *Journal of Accounting Education* 16 (3/4): 463-472.
- Chow, C. W., and P. Harrison. 2002. Identifying meaningful and significant topics for research and publication: A sharing of experiences and insights by 'influential' accounting authors. *Journal of Accounting Education*. 20 (3): 183-203.
- Davis, M. L. 1998. My experience with the FASB faculty fellowship program. *Accounting Horizons* 12 (4): 429-439.
- Demski, J. S. 2007. Is accounting an academic discipline? *Accounting Horizons* 21 (2): 153-157.
- Demski, J. S. 2008. Where is the Passion? *Accounting Horizons* 22 (4): 437-437.
- Demski, J. S., J. C. Fellingham, Y. Ijiri, and S. Sunder. 2002. Commentary: Some thoughts on the intellectual foundations of accounting. *Accounting Horizons* 16 (2): 157-168.
- Demski, J. S., and J. L. Zimmerman. 2000. On 'research vs. teaching': A long-term perspective. *Accounting Horizons* 14 (3): 343-352.
- Dopuch, N. 1989. The impact of regulations on financial accounting research. *Contemporary Accounting Research* 5 (2): 494-500.
- Dyckman, T. R. 1989. Commentary: Practice to research — 'What have you done for me lately?' *Accounting Horizons* 3 (1): 111-118.
- Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB). 2008. *Discussion Paper: Preliminary Views on Financial Statement Presentation*. Norwalk, CT, and London: FASB and IASB.
- Fellingham, J. C. 2007. Is accounting an academic discipline? *Accounting Horizons* 21 (2): 159-163.
- Fülbier, R. U., J.-M. Hitz, and T. Sellhorn. 2008. Relevance of academic research and researchers' role in the IASB's financial reporting standard setting. Working paper, University of Bayreuth, University of Cologne, and WHU – Otto Beisheim School of Management.
- Goldbort, R. C. 2001. Scientific writing as an art and as a science. *Journal of Environmental Health* 63 (7): 22-25.
- Holthausen, R. W., and R. L. Watts. 2001. The relevance of the value-relevance literature for financial accounting standard setting. *Journal of Accounting and Economics* 31: 3-75.
- Hopwood, A. G. 2007. Whither accounting research? *Accounting Review* 82: 1365-1374.
- Hunt, I. C. 1998. A call for research on SEC initiatives. Remarks at the 1998 Annual Convention of the American Accounting Association (New Orleans, Louisiana). Available at: <http://www.sec.gov/news/speech/speecharchive/1998/spch217.txt>.
- Jensen, M. C., and W. H. Meckling. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 305-360.

- Jensen, M. C., and W. H. Meckling. 1994. The Nature of Man. *Journal of Applied Corporate Finance* 7(2): 4-19.
- Jorgensen, B. J., C. L. Linthicum, A. J. McLelland, M. H. Taylor, and T. L. Yohn. 2007. Recent developments at the Securities and Exchange Commission: Academic contributions and opportunities. *Accounting Horizons* 21 (3): 313–323.
- Kachelmeier, S. J. 2004. Reviewing the review process. *Journal of the American Taxation Association* 26 (S): 143-154.
- Kachelmeier, S. J. 2009a. *Q&A with the Senior Editor of The Accounting Review: Steven Kachelmeier*. FASRI Roundtable Discussion, 2009/08/19. Available at: <http://fasri.net/index.php/live>.
- Kachelmeier, S. J. 2009b. Annual Report and Editorial Commentary for *The Accounting Review*. *The Accounting Review*, forthcoming.
- Kachelmeier, S. J. and R. R. King. 2002. Using laboratory experiments to evaluate accounting policy issues. *Accounting Horizons* 16(3): 219-232.
- Keynes, J. *The General Theory of Employment Interest and Money*. New York: Harcourt, Brace and Company, 1936.
- Kinney, W. R., Jr. 1986. Empirical accounting research design for PhD students. *The Accounting Review* 61 (2): 338-350.
- Kinney, W. R., Jr. 1989. The relation of accounting research to teaching and practice: A "positive" view. *Accounting Horizons* 3(1): 119-124.
- Kinney, W. R., Jr. 2001. Accounting scholarship: What is uniquely ours? *The Accounting Review* 76 (2): 275-284.
- Kinney, W. R., Jr. 2010. Independent research in auditing: An historical perspective. Presentation at the Center for Audit Quality's Symposium on Growing Audit Research, New York, NY (August 2, 2009). Invited for publication at *Accounting Horizons*.
- Kolenda, S. A., and P. Fairfield. 2000. Financial Reporting Journal. *Financial Accounting & Reporting Section*.
- Kuhn, T. S. 1962. *The Structure of Scientific Revolutions*. Chicago, IL: University of Chicago Press.
- Langenderfer, H. Q. 1987. Accounting education's history—A 100-year search for identity. *Journal of Accountancy—Centennial Issue*. May: 302-331.
- Leisenring, J. J., and L. T. Johnson. 1994. Accounting research: On the relevance of research to practice. *Accounting Horizons* 8: 74-79.
- Libby, R. 1989. Experimental research and the distinctive features of accounting settings. In *The State of Accounting Research As We Enter the 1990's*, 126-152. Urbana, IL: University of Illinois.
- Linsmeier, T. J. 1996. Commentary: Securities and Exchange Commission: Research, teaching and career opportunities. *Accounting Horizons* 10 (3): 130-136.
- Lovett, C. M. 1993. American professors and their society. *Change* 25 (4): 26-37.
- Maines, L. A. 1994. The role of behavioral accounting research in financial accounting standard setting. *Behavioral Research in Accounting* 6: 204-209.
- McCarthy, P., A. Sangster, and G. Stoner. 2008. Pacioli and humanism: Pitching the text in Summa Arithmetica. *Accounting History* 13(2): 183–206

- Mulford, C. W., D. B. Smith, D. E. Stout, M. S. Stone, and T. R. Weiric. 1992. Bridging the gap between accounting education and practice: The SEC academic fellow program. *Accounting Horizons* 6 (4): 86-92.
- Palmrose, Z-V. 2009. Science, politics, and accounting: A view from the Potomac. *The Accounting Review* 84 (2): 281-297.
- Peecher, M. E. 2010. Contemporary audit research on critical professional judgment issues. Presentation at the Center for Audit Quality's Symposium on Growing Audit Research, New York, NY (August 2, 2009). Invited for publication at *Accounting Horizons*.
- Ryan, S. G. 2008. Accounting in and for the Subprime Crisis. *Accounting Review* 83(6): 1605-1638.
- Russell, S. H., M. P. Hancock, and J. McCullough. 2007. Benefits of undergraduate research experiences: Surveys indicate that undergraduate research opportunities help clarify students' interest in research and encourage students who hadn't anticipated graduate studies to alter direction toward a Ph.D. *Science* 316.5824: 548-549.
- Schipper, K. 1994. Academic accounting research and the standard setting process. *Accounting Horizons* 8: 61-73.
- Schipper, K. 2007. Required disclosures in financial reports. *The Accounting Review* 82(2): 301-326.
- Schipper, K., and T. L. Yohn. 2007. Standard-setting issues and academic research related to the accounting for financial asset transfers. *Accounting Horizons* 21: 59-80.
- Sternberg, R. J. and T. Gordeeva. 1996. The anatomy of impact: What makes an article influential? *Psychological Science* 7 (2): 69-75.
- Stone, D. N. 1996. Getting tenure in accounting: A personal account of learning to dance with the mountain. *Issues in Accounting Education* 11(1): 187-201.
- Swanson, E. P. 2004. Publishing in the majors: A comparison of accounting, finance, management, and marketing. *Contemporary Accounting Research* 21 (1): 223-255.
- Swieringa, R. J. 1998. Accounting research and policy making. *Accounting and Finance*. 38: 29-49.
- Tandy, P. R., and N. L. Wilburn. 1996. The academic community's participation in standard setting: Submission of comment letters on SFAS Nos. 1-117. *Accounting Horizons* 10: 92-111.
- Turner, L. E. 1999. Call for Academic Research on Key Accounting Issues. Available at: <http://www.sec.gov/news/extra/aaacall.htm>.
- United States Securities and Exchange Commission (SEC)—Office of the Chief Accountant, Office of Economic Analysis, and Division of Corporation Finance. 2005. *Report and Recommendations Pursuant to Section 401(c) of the Sarbanes-Oxley Act of 2002 On Arrangements with Off-Balance Sheet Implications, Special Purpose Entities, and Transparency of Filings by Issuers*. Washington, DC: United States Securities and Exchange Commission. Available at: <http://www.sec.gov/news/studies/soxoffbalancrpt.pdf>
- United States Securities and Exchange Commission (SEC). 2008. *Proposed Rule: Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers*. Proposed Rule Release Nos. 33-9005; 34-59350; File No. S7-27-08. Washington, DC: United States Securities and Exchange Commission. Available at: <http://www.sec.gov/rules/proposed/2009/33-9005.pdf>
- United States Securities and Exchange Commission (SEC)—Office of the Chief Accountant and Division of Corporation Finance. 2008. *Report and Recommendations Pursuant to Section 133 of the Emergency Economic Stabilization Act of 2008: Study on Mark-To-Market Accounting*. Washington,

DC: United States Securities and Exchange Commission. Available at:  
<http://www.sec.gov/news/studies/2008/marktomarket123008.pdf>

- Van Wyhe, G. 2007a. A history of U.S. higher education in accounting, Part I: Situating accounting within the academy. *Issues in Accounting Education* 22(2): 165–181.
- Van Wyhe, G. 2007b. A history of U.S. higher education in accounting, Part II: Reforming accounting within the academy. *Issues in Accounting Education* 22(3): 481–501.
- Watts, R. L., and J. L. Zimmerman. 1986. *Positive Accounting Theory*. Englewood Cliffs, NJ: Prentice-Hall.
- Waymire, G., and S. Basu. 2008. Accounting is an evolved economic institution. *Foundations and Trends in Accounting* Forthcoming.
- Wyatt, A. 1989. Interface between teaching/research and teaching/practice. *Accounting Horizons* 3: 125-128.