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COMMENTARY

Is Accounting Research Stagnant?

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INTRODUCTION

I accepted the invitation to present my thoughts to the American Accounting Association Executive Committee on whether accounting research has become stagnant for several reasons. First, I believe the question is important because the answer has widespread implications, one of which is the extent to which accounting research will remain an important part of the accounting academic profession in the years to come. In order to maintain the current stature of accounting research or to increase its importance, we need to ensure that we produce research that someone cares about. Second, there appears to be a growing sentiment among some accounting researchers that much of the research currently published in the top accounting journals is too similar, with too much emphasis on technique rather than on whether the research addresses an interesting or important question. My final reason was more self-serving. I thought this would provide a good opportunity to reflect on an important issue, and that committing to share my thoughts in a public forum would force me to give the issue the serious consideration it warrants. My comments below describe some conclusions I reached based on what others have written about this issue, discussions with colleagues, and my own reflections.

HAS ACCOUNTING RESEARCH STAGNATED?

My answer to the question of whether accounting research has become stagnant is a qualified "yes." I qualify my answer because I do not believe that our research is entirely stagnant. Looking at the issue from a historical perspective, accounting research has, in fact, evolved considerably over time. In other words, as described quite eloquently recently by Hopwood (2007), Birnberg (2009), and Kaplan (2011), accounting research has an impressive history of change. While each of these scholars has their own views on what type of accounting research we should focus on now and in the future, each also describes a rich history of how we evolved to get where we are today.

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In addition to the longer-term history of change, there has been substantial recent change in the perspectives reflected in accounting research and the topics now considered acceptable in accounting research. It was not that long ago that accounting studies that hypothesized or documented behavior that was inconsistent with the rational self-interest assumptions of neoclassical economics had a difficult time finding a publication outlet in the top accounting journals. Today, thanks mostly to the rise of behavioral economics, we see more experimental, analytical, and archival research that incorporates concepts from behavioral economics and psychology published in most of the top accounting journals. Recently, we have even seen work on neuroaccounting, which draws on findings from neuroscience, make its way into accounting journals (Dickhaut et al. 2010; Birnberg and Ganguly 2012). We also have seen new topics appear in published accounting research. For example, while there is a history of work on corporate social responsibility in *Accounting, Organizations and Society*, more recently, we have seen increased interest in such work as evidenced by articles published or forthcoming in *The Accounting Review* (Simnett et al. 2009; Balakrishnan et al. 2011; Dhaliwal et al. 2011; Kim et al. 2011; Dhaliwal et al. 2012; Moser and Martin 2012). In addition, The Harvard Business School, in collaboration with the *Journal of Accounting and Economics*, recently announced that they will host a conference on "Corporate Accountability Reporting" in 2013.[1]

However, despite evidence of both historical and more recent change, there is also considerable evidence of stagnation in accounting research. For example, despite some new topics appearing in accounting journals, a considerable amount of the published work still relates to a limited group of topics, such as earnings management, analysts' or management forecasts, compensation, regulation, governance, or budgeting. Researchers also mostly use the same research methods, with archival studies being most prevalent, and experimental studies running a distant second. The underlying theories used in mainstream U.S. accounting research are also quite limited, with conventional economic theory being the most commonly employed theory, but, as noted above, behavioral economic and psychological theories becoming more common in recent years. While the top accounting journals have become more open to new perspectives in recent years, the list of top journals has changed little, with the exception of the rise of the *Review of Accounting Studies*. Moreover, with the exception of some of the American Accounting Association journals, the top private U.S. accounting journals have mostly retained a somewhat narrow focus in terms of the type of research they typically publish. Finally, many published studies represent minor extensions of previous work, have limited or no tension in their hypotheses (i.e., they test what almost certainly must be true), have limited implications, and are metric or tool driven. Regarding the second-to-last item, i.e., limited implications, many studies now only claim to "extend the literature," with no discussion of who, other than a limited number of other researchers working in the same area, might be interested in the study's findings. Regarding the last item, i.e., metric-driven research, some studies appear to be published simply because they used all the latest and best research techniques, even though the issue itself is of limited interest.

Of course, as with most issues, there are opposing views. Some accounting researchers disagree with the premise that our research is stagnant. Specifically, they believe that the methods and theories currently used are the best methods and theories, and that the top-ranked accounting journals are the best journals because they publish the best research. Under this view, there is little need for more innovative research. Whether such views are correct or simply represent a preference for the *status quo* is beyond the scope of this article. Suffice to say that my personal views on these issues are mixed, but I agree somewhat more with the view that accounting research is insufficiently innovative.

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[1] See: http://www.hbs.edu/units/am/conferences/2013/corporate-accountability-reporting/

DETERRENTS TO INNOVATION IN ACCOUNTING RESEARCH

To the extent that accounting research lacks innovation, the question is what has brought us to this point? There appears to be considerable blame to spread around. One of the biggest culprits is the incentive system that accounting researchers face (Swanson 2004). In order to earn tenure or promotion, or even simply to receive an annual pay increase, researchers must publish in the top accounting journals and be cited by other researchers who publish in those same journals (Merchant 2010). Researchers' publication record and related citations depend critically on the views of editors and reviewers with *status quo* training and preferences, and the speed with which manuscripts make their way through the review process. Not surprisingly, this leads most researchers to limit the topics they study and make their studies as acceptable to *status quo* editors and reviewers as possible. This is the safest way to increase the number of papers published in top journals, which, in turn, increases the likelihood of citations by others who publish in those journals. Also, the constant pressures to publish more articles in top journals, teach more or new courses, improve teacher ratings, and provide administrative service to the school leaves little time for innovative research. It is easier to simply do more of the same because this increases the odds of satisfying the requirements of the school's incentive system.

A second impediment to innovative research is the way we train doctoral students. Too often, faculty advisors clone themselves. While such mentor relationships have many benefits, insisting that doctoral students view the world in the same way a faculty advisor does perpetuates the *status quo*. Also, most doctoral students take the same set of courses in economics, statistics, etc., and usually before they take accounting seminars. Again, while such methods training is essential, if all doctoral students take virtually all of the same courses, they are less likely to be exposed to alternative views of the world. Finally, in recent years, more doctoral students enter their programs with strong technical skills in economics, quantitative techniques, and statistical analysis, but many now lack professional accounting experience.[2] Because such students prefer to engage in research projects that apply the skills they have, they tend to view research in terms of the techniques they can apply rather than stepping back to consider whether the research question is novel or important.

A third impediment to innovative research may involve the types of individuals who are attracted to accounting as a profession or research area. Accountants tend to like clarity and focus. Indeed, we often train our undergraduate or master's students to work toward a "right answer." This raises the possibility that accountants are less innovative by nature than researchers in some other areas. Similarly, some accountants have a narrow definition of accounting. Some think of it as only financial accounting, and even those who define it more broadly as including managerial accounting, auditing, and tax, still tend to rigidly compartmentalize accounting into such functional areas. Such rigid categories limit the areas that accounting researchers consider to be appropriate for accounting research.

A final reason why accounting research is less innovative than it could be is that accounting researchers do not collaborate with researchers who employ different research methods or with researchers outside of accounting as often as they could. We tend to work with researchers who use the same research methods we do. That is, archival researchers typically collaborate with other archival researchers, and experimental researchers typically collaborate with other experimentalists. Moreover, only rarely do we branch out to work with researchers in other areas of business (e.g., organizational behavior, strategy, ethics, economics, or finance), and even less frequently with

[2] The students entering doctoral programs through the Accounting Doctoral Scholars (ADS) program are exceptions. These students have public accounting experience and often do not have extensive technical skills before entering a doctoral program.

researchers from areas outside of business (e.g., psychology, decision sciences, law, political science, neuroscience, anthropology, or international studies).

WHAT CAN WE DO TO FOSTER INNOVATION?

To the extent that accounting research is less innovative than it could be for some or all of the reasons offered above, what can be done to change this? I divide my discussion of this issue into two categories: (1) actions that we, the broader research community, could take, and (2) actions that the American Accounting Association could take. Accounting faculty members at schools with doctoral programs could rethink how we recruit doctoral students. Currently, we tend to recruit students who have a good fit with research active faculty members who are likely to serve as the students' faculty advisor. Of course, this makes perfect sense because a mismatch tends to be very costly for both the student and the faculty advisor. On the other hand, this approach tends to produce clones of the faculty advisor. So, unless the faculty advisor values innovation, the chances that the doctoral student will propose or be allowed to pursue a new line of research are significantly reduced. Perhaps we need to assess prospective doctoral students, at least partially, on the novelty of their thinking. More importantly, we need to be more open to new ideas our students propose and encourage and support such ideas, rather than discourage novel thinking. Of course, a faculty advisor would be remiss not to explain the risks of doing something different, but along with explaining the risks, we could point out the potential rewards of being first out of the gate on a new topic and the personal sense of fulfillment that accompanies doing something you believe in and enjoy. Faculty advisors could also lead by example. Senior faculty could take some risks of their own to show junior faculty and doctoral students that this is acceptable rather than frowned upon.

As editors and reviewers, we could consider the novelty and potential impact of manuscripts we process, rather than focusing so heavily on the rigor of the analysis. I am certainly not suggesting that we accept and publish shoddy work, but rather simply that we could also place more value on innovative thinking (see Chapman [2012] in this forum for a discussion of the relation between quality and research diversity). Another way to potentially encourage innovation would be to encourage more involvement and support from the consumers of our research. For example, practitioners, regulators, and even investor or social activists might be aware of research issues that we do not currently study, but that we could study if we were encouraged to or if we had sufficient financial resources to do so. Earlier, I noted that we rarely collaborate with scholars from other areas. This is something we can directly control. While such collaboration can be time-consuming, I believe that there is much to be learned from interacting with researchers in other areas, such as law, economics, mathematics, philosophy, sociology, decision sciences, neuroscience, anthropology, etc.

Finally, for those who believe that accounting research is not sufficiently innovative, it does no good to simply complain about the current state of affairs. Instead, take some of the actions described above and make the case for the benefits of change whenever you have an opportunity to do so. Raise the issue within your school, with practitioners and other consumers of accounting research and, most importantly, with your research colleagues. You might be surprised to find that many of your colleagues share your views and are willing to take some risks with you. Support journals that have a history of publishing innovative work (e.g., *Accounting, Organizations and Society* and, to some extent, *The Accounting Review* and *Accounting Horizons*) by submitting your work to such journals or serving as editorial board members or reviewers when the opportunity arises.

What might the American Accounting Association do? First, to the extent possible, the Association leaders could encourage the editors of Association journals to publish more innovative research (Rayburn 2005, 2006). If such work is widely cited, other top accounting journals would likely follow the Association's lead. The Association, its sections, or both could establish awards for innovative research. Leaders of the Association could make sure that the importance of innovation is raised at all Association-sponsored events. The potential benefits of innovative research could be noted. These include increased relevance to practice and regulators, increased relevance to researchers in areas outside of accounting, improved long-run prospects for the viability of a robust accounting research community, and last, but by no means least, the fact that researchers might find their research to be more interesting and enjoyable.

CLOSING THOUGHTS

In conclusion, I believe it is important to periodically step back to assess whether our research is having a meaningful impact on the accounting profession and/or among scholars outside of accounting. In my view, now is such a time. To the extent that we conclude that our research is not having much impact because it has become stagnant, we should consider what can be done to change this. If we do not make changes, we could become irrelevant, and this will decrease our stature as scholars and could ultimately result in the demise of the academic accounting community as we know it (Demski 2007; Fellingham 2007). One way to reduce the likelihood of such bleak outcomes is to encourage innovation in our research. While not all innovations will automatically increase the importance and relevance of our research, more diversity in our research methods and topics and in our choice of research collaborators will increase the odds that we will remain a viable scholarly academic community for years to come.

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