

Some reflections on the relevance of accounting research for society

Reinaldo Guerreiro¹

 <https://orcid.org/0000-0002-6507-5965>

Email: reiguerr@usp.br

¹ Universidade de São Paulo, Faculdade de Economia, Administração, Contabilidade e Atuária, Departamento de Contabilidade e Atuária, São Paulo, SP, Brazil

Correspondence address

Reinaldo Guerreiro

Universidade de São Paulo, Faculdade de Economia, Administração, Contabilidade e Atuária, Departamento de Contabilidade e Atuária
Avenida Professor Luciano Gualberto, 908 – CEP 05508-010
Cidade Universitária – São Paulo – SP – Brazil

1. INTRODUCTION

Accounting courses, as well as similar ones offered by business schools, have two key goals: knowledge transfer (teaching) and knowledge building (research). The first goal concerns undergraduate and graduate education, as well as courses aimed at market professionals. Measuring undergraduate and graduate teaching quality takes place by using methods adopted by the schools themselves and, mainly, methodologies proposed by entities responsible for course accreditation at an international level. The courses aimed at market professionals, in turn, are closely examined by sponsoring companies and the professionals at stake themselves. In the course assessment process, directly or indirectly, regardless of its intensity, the final stakeholders' voice is taken into account. Regarding the second goal of accounting schools, i.e. knowledge building, quality measurement is less structured and its process does not take into account the stakeholders' opinion in research results. Eventually, this may be

one of the reasons for the amount of criticism that accounting research has received over the years. Thus, this question may be asked: has academic accounting research produced relevant knowledge for professionals, the profession, and society? This text aims to provide a concise reflection on this issue that remains, in a way, at the unconscious level of most scholars in the accounting realm.

This text emphasizes the ineffectiveness of academic research to serve users other than scholars themselves. However, it would be unfair not to comment, as examples of success, the role of certain scholars in the making of studies aimed at practical problem solving who have made an invaluable contribution to the profession, professionals, and organizations. In this sense, at an international level, we may highlight the studies by Professor Robert Kaplan on the development of the customer profitability analysis model (Kaplan & Narayanan, 2001), on the development

of the activity-based costing model (Kaplan, 1992), and on the balanced scorecard model (Kaplan & Norton, 1997). In Brazil, we may cite the work of Professor Armando Catelli on the development of the economic management model (Pereira et al., 2020), the pioneering work of

Professor Eliseu Martins on the development of the full monetary correction model of financial statements (Silva & Malacrida, 2021), and the studies aimed at business practice by Professor Ariovaldo dos Santos, concerning the added value demonstration model (Cunha et al., 2005).

2. CRITICAL VOICES

Criticism of the usefulness of academic accounting research produced within universities has been growing over time. The concerns stem from the perspective that accounting is regarded as an applied social science and that, therefore, the research carried out in this realm should benefit the accounting profession, accounting professionals, and society as a whole. Many authors, including Barth (2015) and Tucker and Lowe (2014), argue that the applied nature of social sciences, such as accounting, makes it crucial, in this knowledge field, that theory be grounded in practice. In this regard, Ghoshal (2005) argues that social scientists take an even greater social and moral responsibility than those scholars working in physical sciences because, if they hide ideology under the guise of science, they can do a lot more damage. Ghoshal (2005, p. 87) states: “my claim here is that this is precisely what business school scholars have been doing for the past 30 years.”

These concerns are not new. For a long time, several studies, from older ones, like Abdel-Khalik and Keller (1978), to the more recent ones, such as Broedel and Flores (2021) and Fraser and Sheehy (2020), have discussed the academic research gap in the accounting realm. This gap may be expressed by the difference between knowledge produced by the academy and that needed by society. Brown (2009, p. 95), in an editorial for a special issue on the expectation gap in accounting, made this statement about the accounting profession:

If the content of most accounting journals is considered, there seem to be few authors in accounting who wish to apply their academic research skills to practical problems, or possibly few contributions to that goal. It's a shame, not least because it seems we have been quite burdened with practical accounting problems. Academic accountants working within universities are aware of the criticism leveled at our discipline by scholars of more traditional subjects, i.e. that some of our studies lack some theoretical grounding. In some cases, this is undoubtedly true, however, if we focus our efforts only on theoretical and abstract issues, it is highly unlikely that we write something that changes the world, and currently the accounting and auditing worlds seem to be in desperate need of change.

In the context of financial accounting, Williams et al. (2006, p. 813), after analyzing the top-ranked accounting

journals from 1963 to 1999, noticed that: “after 35 years of extensive research on financial reporting, financial reporting has not gotten any better and it may be argued that it is worse than it was before this whole research effort started.”

In management accounting, Merchant (2012) critically discusses the usefulness of accounting research. This author argues that very little of the management accounting research that has been produced is useful to professionals and, therefore, it has no significant impact on the accounting profession and practice. This author, over the course of an academic accounting career spanning more than three decades, believes that the situation has significantly changed for the worse and asks whether we have used our scarce research resources wisely.

Broedel and Flores (2021) discuss what they characterize as the false dilemma between methodological consistency and the practical relevance of accounting research, noticing that, apparently, scholars have been much more involved with the search for method consistency than with analyzing the research object's relevance. These authors establish three reasons that explain why accounting research is increasingly detached from professional practice: (i) academic entrenchment; (ii) the accountants' education attributes; and (iii) greater attraction for the method than for the research object.

Fraser and Sheehy (2020) report the results of empirical research carried out in Australia on the usefulness of academic research in three professional classes: accountants, doctors, and engineers. This study presents a rather complete literature review on the theme concerned. The authors address 68 articles highlighting the problematic nature of disconnect between academic research and the practical world. Many of these articles are highly critical of the practical usefulness and the social impact that accounting research has shown on practitioners and the profession. In this list, 51 directly refer to accounting research, while the remaining 17 examine the broader role of business schools and universities. It is worth noticing the intellectual and academic status of cited authors who have made critical reflections on the usefulness of accounting research. By way of illustration, in management accounting,

the names of Kaplan (2011), Malmi and Granlund (2009), Merchant (2012), and Scapens (2008) stand out. In financial

accounting, there are Barth (2015), Dyckman and Zeff (2015), and Hopwood (2009).

3. PUBLISH OR PERISH

Academic research as a whole involves three related processes: the first relates to intellectual production, the second concerns knowledge availability, and finally the third involves knowledge application in society. Various stakeholders take part in these three processes, but three of them stand out: a researcher, a journal editor, and a potential party interested in such knowledge.

The sentence “tell me how you measure me and I tell you how I will behave” was adapted by Eliyahu M. Goldratt, from the famous sentence “tell me who you go with and I will tell you who you are,” to address the issue related to performance indicators in the business environment. This sentence also applies to understanding the academic researcher’s behavior. Generally, the actions taken by human beings are driven by their main goals. A professor-researcher in the accounting realm, working at the university on a full-time or similar basis, has numerous goals, such as teaching classes in undergraduate and graduate courses, supervising undergraduate students’ papers, advising graduate students’ dissertations and theses, taking administrative positions, providing services of a cultural and social nature, and providing specific services to society entities. Publishing academic articles, among all goals, makes all the difference towards their successful careers.

There is strong pressure to publish good articles, exerted by the university and by external entities related to the academic world, and the difficulty in getting them published in reputable academic journals is even greater, which has increased over time. Until the 1960s and 1970s, the main requirement for publishing a scientific article was the study’s relevance and conceptual quality. Over time, methodology rigor became a key requirement and, more recently, a quantitative approach prevails as a key criterion for article approval in most academic journals. Currently, a situation has been reached in which articles published in major accounting journals can be read and understood only by experts in quantitative methods. Thus, Fraser (2014) mentions that, from a philosophical viewpoint, accounting research has been criticized for having a bias towards a single methodological paradigm, referred to as a traditional view of the positivist mainstream. The accounting scholar, like scholars from other knowledge fields, is always under strong and constant pressure, described by an aphorism: *publish or perish*. As for this

topic, the philosopher Hannah Arendt (Hill, 2018) mentions:

This “publish or perish” issue was a catastrophe. People write things that should never have been written and that should never have been printed. Nobody is interested. But in order to keep their jobs and get a proper promotion, they have to do that. This demeans all intellectual life.

The editor of an academic journal is a key element in the process of making knowledge available. She/he is usually a graduate researcher affiliated to a prestigious university, supported by several associate editors and several ad hoc reviewers, all of them equally professor-researchers. These people are simultaneously playing different roles in the knowledge generation process, either submitting or reviewing articles for publication, and over time they end up acquiring a relatively homogeneous, taken-for-granted awareness of how things should work.

This team is primarily concerned with the journal’s recognition, ultimately ensured by the quality of published articles, a quality that is measured, in theory, by the degree of compliance with pre-defined parameters and requirements. In the list of parameters used, the items (i) “the study’s relevance or contribution to society” and (ii) “the research adds new knowledge to the knowledge field” are frequently observed.

It is worth noticing that a careful and ethical article reviewing process is no easy task for a reviewer. The reviewer is also subject to various pressures and challenges, such as the research object’s knowledge degree, mastery of the research method adopted, adequate knowledge of the primary literature, among other points. At the end of the reviewing process, considering that the study passed the test of the mostly structuring parameters, the article’s contribution issue is virtually relegated to the background. It is more comfortable to consider whether the article adds new knowledge to the field. The relevance of this new knowledge is a complex issue that often goes undiscussed. In this context, Fraser and Sheehy (2020) mention that another issue impacting the gap between research and practice is the focus on finding a gap in the literature. Brooks et al. (2019) argue that business school research mostly stems from a gap-detection mindset in which research becomes aimed at an increasingly narrow and purely academic

audience. Potential users of such knowledge (company managers, market analysts, professionals from regulatory institutions, auditors, consultants, tax experts, etc.) do

not participate in the process. Many scholars simply assume that accounting research is primarily targeted at other scholars.

4. FINAL REMARKS

It may be noticed, through the list of references, that the amount of criticism of the accounting research gap is quite large and that the basis of the critiques is very robust and accurate, although some authors (Inanga & Schneider, 2005) argue that many of these studies have not been scientifically proven. Thus, Markides (2007) asks this question: how serious is the gap between research and practice really? In our opinion, this question is decisively answered, i.e. this gap is particularly serious and should have profound consequences in the academic accounting environment.

Fraser and Sheehy (2020) report that a major point to be addressed in terms of the future of academic accounting research is the fact that “voices of concern” do not only come from within academia, but also from outside. The accounting industry and professional bodies have been seriously putting

into question the relevance of accounting research, and many national governments, facing pressure to improve research results in social terms, have been implementing performance-based research funding systems.

It would be critically important for participants interested in the research process to anticipate and put this issue at the forefront of their agendas. A necessary change must occur in the research process, i.e. in the way knowledge is generated, made available, and applied, but the main focus of change must be the mindset of players at stake – a scholar, a journal editor, and a potential party interested in such knowledge. Hence, we recall the famous sentence by Giuseppe Tomasi di Lampedusa (1958), published in his novel *The Leopard*, as quoted in Burns and Scapens (2000): “if we want everything to stay as it is, everything has to change.”

REFERENCES

- Abdel-Khalik, A. R., & Keller, T. F. (1978). *The impact of accounting research on practice and disclosure*. Duke University Press.
- Barth, M. E. (2015). Financial accounting research, practice, and financial accountability. *Abacus*, 51(4), 499-510.
- Broedel, A., & Flores, E., da S. (2021). Pesquisa contábil: o falso dilema entre a consistência metodológica e a relevância prática. *Revista de Administração Contemporânea*, 25(6), 1-5.
- Brooks, C., Fenton, E., Schopohl, L., & Walker, J. (2019). Why does research in finance have so little impact? *Critical Perspectives on Accounting*, 58, 24-52.
- Brown, R. (2009). Revisiting the expectations gaps after 15 years. *Journal of Applied Accounting Research*, 10(2), 92-95.
- Burns, J., & Scapens, R. W. (2000). Conceptualizing management accounting changes: An institutional framework. *Management Accounting Research*, 11(1), 3-25.
- Cunha, J. V. A., Ribeiro, M. de S., & dos Santos A. (2005). A demonstração do valor adicionado como instrumento de mensuração da distribuição da riqueza. *Revista de Contabilidade e Finanças*, 16(37), 7-23.
- Dyckman, T. R., & Zeff, S. A. (2015). Accounting research: Past, present, and future. *Abacus*, 51(4), 511-524.
- Fraser, K. (2014). Defeating the ‘paradigm wars’ in accounting: A mixed methods approach is needed in the education of PhD scholars. *International Journal of Multiple Research Approaches*, 8(1), 49-62.
- Fraser, K., & Sheehy, B. (2020). Abundant publications but minuscule impact: The irrelevance of academic accounting research on practice and the profession. *Publications*, 8(4), 46.
- Ghoshal, S. (2005). Bad management theories are destroying good management practices. *Academy of Management Learning and Education*, 4(1), 75-91.
- Hill, S. R. (2018). *Crises in academia today*. <https://medium.com/quote-of-the-week/crises-in-academia-today-74fcbe1a80f4>
- Hopwood, A. G. (2009). The economic crisis and accounting: Implications for the research community. *Accounting, Organizations and Society*, 34(6-7), 797-802.
- Inanga, E. L., & Schneider, W. B. (2005). The failure of accounting research to improve accounting practice: A problem of theory and lack of communication. *Critical Perspectives on Accounting*, 16(3), 227-248.
- Kaplan, R. S. (1992). In defense of activity-based cost management. *Management Accounting*, 74(5), 58-63.
- Kaplan, R. S. (2011). Accounting scholarship that advances professional knowledge and practice. *The Accounting Review*, 86(2), 367-383.

- Kaplan, R. S., & Narayanan, V. G. (2001). Measuring and managing customer profitability. *Cost Management*, 15(5), 5-9.
- Kaplan, R. S., & Norton, D. P. (1997). *A estratégia em ação: balanced scorecard*. Gulf Professional Publishing.
- Malmi, T., & Granlund, M. (2009). In search of management accounting theory. *European Accounting Review*, 18(3), 597-620.
- Markides, C. (2007). In search of ambidextrous professors. *Academy of Management Journal*, 50(4), 762-768.
- Merchant, K. A. (2012). Making management accounting research more useful. *Pacific Accounting Review*, 24, 334-356.
- Pereira, C. A., Cornacchione, E. B., Jr., & Guerreiro, R. (2020). A mensuração de eventos: uma contribuição do modelo de gestão econômica. *Revista Fipecafi de Contabilidade, Controladoria e Finanças*, 1(1), 45-77.
- Scapens, R. W. (2008). Seeking the relevance of interpretive research: A contribution to the polyphonic debate. *Critical Perspectives on Accounting*, 19(6), 915-919.
- Silva, V. F., & Malacrida, M. J. C. (2021). Efeitos da não correção monetária nas informações contábeis no pós-convergência ao padrão IFRS. *Revista Fipecafi de Contabilidade, Controladoria e Finanças*, 2(1), 23-44.
- Tucker, B., & Lowe, A. (2014). Practitioners are from Mars; academics are from Venus? An investigation of the research practice gap in management accounting. *Accounting, Auditing and Accountability Journal*, 27(3), 394-425.
- Williams, P. F., Jenkins, J. G., & Ingraham, L. (2006). The winnowing away of behavioral accounting research in the US: The process for anointing academic elites. *Accounting, Organizations & Society*, 31, 783-818.