Rethinking the academic accounting research model

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Abstract

Current academic incentive systems primarily reward accounting faculty for publishing research articles in elite journals. Faculty members decide what research questions to address and what research methods to use to investigate those research questions. Regulators, accounting service firms, and practicing accountants have little input about which research questions are investigated, how the research is conducted, and how and where the results are disseminated. This current approach often results in financial accounting and auditing research that is not relevant to the practice of accounting. This commentary proposes a market-driven approach to the conduct of financial and auditing accounting research similar to that used in the medical sciences where pharmaceutical companies and governmental entities determine the most pressing medical issues. Besides university-sponsored research, faculty members in the medical sciences apply for grants to support research targeted at improving the treatment of these medical issues, and relevant research findings are quickly disseminated through highly-regarded peer-reviewed outlets such as *The New England Journal of Medicine*, *The Journal of the American Medical Association*, the *British Medical Journal*, and *The Lancet* so doctors and other medical professionals may quickly implement them into practice.

Keywords: accounting research relevance, accounting research, accounting scholarship, relevant accounting research, research innovation, research impact, accounting practice relevance.

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1. Introduction

Current academic incentive systems primarily reward accounting faculty for publishing research articles in elite journals, and the greatest rewards are provided to faculty who publish in the top-6 accounting journals (i.e., *The Accounting Review (TAR), Journal of Accounting Research (JAR), Journal of Accounting & Economics (JAE), Contemporary Accounting Research (CAR), Review of Accounting Studies (RAST),* and *Accounting, Organizations & Society (AOS)*)[1]. This current practice allows accounting faculty to decide what research questions to address, what research methods to use to investigate those research questions, and then convince editors and reviewers that the research questions, methods, and findings make a significant incremental contribution to the existing literature.

Under this current approach, regulators, accounting service firms, and practicing accountants have little input about which research questions accounting faculty investigate, which research methods are used to conduct the research, and how and where the research results and findings are disseminated[2]. This approach often results in academic accounting research that is not relevant to accounting practice[3]. In the motivation section of most financial accounting and auditing research studies, accounting faculty members state how the research questions, findings, and results are relevant to various professional constituencies (e.g., Securities and Exchange Commission (SEC), Financial Accounting Standards Board (FASB), Public Company Accounting Oversight Board (PCAOB), accounting service firms, faculty in the United States (U.S.), etc.); yet this approach is mostly *ex post* rather than *ex ante* since accounting faculty rarely consult with such constituents *before*

[1] Prior research by Chan et al. (2009), Bonner et al. (2006), Glover et al. (2006), and Lowensohn and Samelson (2006) finds that these six journals (*TAR, JAR, JAE, CAR, RAST,* and *AOS*) are the highest rated accounting journals.

[2] Journal editors and reviewers analyze the relevance of submitted articles and thus determine what constitutes incremental and significant findings that warrant publication in the accounting journal marketplace.

[3] This commentary focuses on financial and auditing research since pressing tax issues are often addressed in professional journals such as *The Tax Adviser, The CPA Journal*, and *Journal of Accountancy.*

conducting research studies to verify their relevance for these groups[4]. As a result, Dirk Simons, while associate dean for research at the Business School of the University of Mannheim (BUSM, Germany), noted that "*Business schools are under pressure to answer the question of whether they're doing any valuable research at all*" (Shinn, 2010, p. 30)[5]. Thus, both academics and practitioners have questioned the relevance of financial and auditing academic accounting research to practice for many years, and this commentary documents such concerns starting in 2008 when I was first exposed to them through my involvement with the American Accounting Association (AAA) Council.

To address the academic accounting research relevance concerns, I propose a market-driven accounting research approach similar to that employed in the medical sciences where pharmaceutical companies and governmental entities such as the National Institutes of Health (NIH) and Centers for Disease Control and Prevention (CDC) determine the most pressing medical diseases and problems[6]. Faculty members in the medical sciences apply for grants to support research targeted at improving the treatment of these diseases and problems, and relevant research findings are quickly disseminated through highly-regarded peer-reviewed outlets such as *The New England Journal of Medicine*, *The Journal of the American Medical Association*, the *British Medical Journal*, and *The Lancet* so doctors and other medical professionals can quickly implement the results into practice[7].

For example, a 2016-2020 analysis of U.S. investments in medical and health research and development by Research!America (2022) reports total spending of $245.1 billion in 2020, which was an 11.1% increase from 2019. Of this total, industry accounted for 66% or $168.1 billion; federal depart-

[4] As discussed later, a factor impacting the ability of accounting faculty members to conduct more practical research is the continuing lack of access to practice data. In the U.S., the Center for Audit Quality continues to work with accounting firms and accounting faculty to address this issue. See https://www.thecaq.org/.

[5] See Glick et al. (2018) and Shapiro and Kirkman (2018) for more recent articles questioning the relevance of business school scholarship. In Appendix A, Moon and Wood (2020) propose research questions and ideas to enhance the relevance of accounting research to practice and list expected contributions.

[6] NIH contains 27 Institutes and Centers**,** each with a specific research agenda, often focusing on specific diseases or body systems. See https://www.nih.gov/. CDC is one of the major operating components of the Department of Health and Human Services and the U.S.'s leading science-based, data-driven, service organization that protects the public's health. See https://www.cdc.gov/index.htm.

[7] Other top medical journals include *Pediatrics, Circulation, Journal of Infectious Diseases, Brain: A Journal of Neurology, CA: a Cancer Journal for Clinicians,* and *Clinical Infectious Diseases*. See https://research.com/journals-rankings/medicine for one list of the top-100 medical journals.

ments and agencies accounted for 25% or $61.5 billion; academic and research institutions accounted for 6.9% or $16.8 billion; foundations, voluntary health associations, and professional societies accounted for 1.2% or $3.0 billion; and state governments accounted for 0.9% or $2.1 billion. The NI H accounted for $48.9 billion (79.5%) of the federal government's total spending of $61.5 billion, followed by the Biomedical Advanced Research and Development Authority (BARDA)[8] at $4.1 billion or 6.7%. Overall, U.S. health spending was estimated at $4.1 trillion in 2020, with investments in medical and health research and development accounting for 5.9% or almost 6 cents of each health care dollar.

In addition to a market-driven accounting research approach, I advocate that accounting faculty strive to publish and gain recognition for *both practitioner and academic articles* that meet rigorous peer review standards. This recommendation is consistent with the Impact of Research Task Force report published by the Association to Advance Collegiate Schools of Business (AACSB, 2008)[9], which encouraged faculty at business schools to produce both scholarly and practical research since both have value[10]. AACSB's (2022) revised accounting standards emphasize the importance of impact (in addition to engagement and innovation), as pages 6-7 state:

> Scholarship that fosters innovation and directly impacts theory, practice, setting of public policy, and teaching of accounting is a cornerstone of a quality accounting academic unit. A broad range of scholarly activities ensures intellectual vibrancy across and among faculty members and learners; such activities contribute to the currency and relevancy of the unit's educational programs and directly foster innovation in accounting practice and education. Intellectual contributions that arise from these scholarly activities ensure that the accounting academic unit contributes to and is an integral part of an academic community of scholars within an institution and across the broader academic community of institutions in higher education. *Outcomes of intellectual contributions are indicated by their impact or influence on the theory, practice, setting of public policy*

[8] BARDA is a U.S. Department of Health and Human Services office responsible for the procurement and development of medical countermeasures, principally against bioterrorism. It includes chemical, biological, radiological, and nuclear threats, as well as pandemic influenza and emerging diseases. See https://aspr.hhs.gov/AboutASPR/ProgramOffices/BARDA/Pages/default.aspx.

[9] AACSB is a global nonprofit professional and accreditation organization that connects educators, students, and businesses to elevate the quality and impact of business schools globally. It has more than 1,900 member organizations and more than 1,000 accredited schools. See https://www.aacsb.edu/.

[10] The Task Force report included seven recommendations, and most of the recommendations focused on strengthening the ties between business research and practice.

and teaching of accounting and business, rather than just by the number of articles published or documents produced. (emphasis added)

Unfortunately, most academic reward systems do not emphasize the impact or relevancy of academic research, and as a result, many practicing accountants question the benefits and value of academic research (Shinn, 2010)[11]. One early exception noted by Shinn (2010, 30) is the BUSM, which through its participation in the AACSB's (2012) Impact of Research Exploratory Study, formally recognizes several forms of research. For example, BUSM expects and approves of some faculty focusing on academic research, while other faculty focus on research projects for the corporate market, and other faculty focus on research projects for governmental entities or public institutions. Even though the research focus varies across faculty at BUSM, it still encourages all faculty to pursue academic publication of research findings.

Failure to implement a market-driven accounting research approach will result in the status and relevance accorded to financial and auditing academic accounting research continuing to increasingly diminish for regulators, accounting service firms, and practicing accountants.

A major constraint underpinning the market-driven accounting research approach is that all participating accounting firms must share sensitive client data with accounting researchers, and accounting researchers must protect and ensure the confidentiality of those client data in published research. The difficulty of reaching a consensus about this point cannot be understated since, unlike medical research where all parties (i.e., doctors, pharmaceutical companies, science research faculty, governmental agencies, etc.) have the same goal of improving or saving lives, accounting service firms have a legitimate professional interest in protecting work product and client data given the potential liability that may arise from hindsight questioning of professional judgment decisions and the sufficiency of audit procedures and processes.

Also, since the data are owned by the client, the client has an interest in protecting data they view as proprietary and may be unwilling to allow accounting service firms to share their data or accounting faculty to publish studies based on their data, even if the client's name is removed from the data. However, I note that some engineering and science-based research studies rely on proprietary data, and protocols exist to protect such data with-

[11] The original purpose of *Accounting Horizons* was to bridge the gap between academics and practitioners by encouraging jointly-authored papers. Unfortunately, this has not worked out as planned, and *Accounting Horizons* has become a de facto academic journal.

out hampering research, and so similar protocols should be considered and implemented for financial and auditing academic accounting research.

This commentary proceeds as follows: Section 2 discusses prior literature about the relevance of accounting research to practice, Section 3 proposes a market-driven financial and auditing accounting research approach, and Section 4 concludes.

2. Relevance of academic accounting research to practice

Since Bernstein (1965), many articles have related accounting research to accounting practice[12]. Gregory Waymire, 2011-12 American Accounting Association (AAA) President, discussed this topic at (1) a May 2011 AAA Board of Directors Strategic Retreat[13]; (2) the 2011 AAA Annual Meeting; and (3) in a paper titled "Seeds of Innovation in Accounting Scholarship" (Waymire, 2012). This paper discusses the alleged stagnation and lack of innovation in accounting research (primarily in the U.S.) argued by Hopwood (2007) and others[14], chronicles how this problem arose, and presents his views about how to improve accounting research[15]. He calls accounting research stagnant because it is reluctant "*to pursue fresh ideas and new ways of gaining knowledge*," and accounting PhD students "*rarely challenge accepted wisdom*" (Hopwood, 2007, p. 3)[16]. He believes that "*our discipline is evolving towards irrelevance within the academy and the broader*

[12] See for example, Burton et al. (2022, 2021), Brodel and Flores (2021), Boyle et al. (2020), Fraser and Sheehy (2020), Burgstahler (2019), Swieringa (2019), Dechow et al. (2018), Barth (2015), Dyckman and Zeff (2015), Tucker and Lowe (2014), Merchant (2012), Oler, Oler, and Skousen (2010), Birnberg (2009), Brown (2009), Hopwood (2008), Wilmott (2008), Fogarty and Markarian (2007), Heck and Jensen (2007), Hopwood (2007), Inanga and Schneider (2005), Zimmerman (2001), Ittner and Larcker (2002), Swieringa (1998), Lee (2004, 1997, 1995, 1989), Leisenring and Johnson (1994), Dyckman (1989), and Bernstein (1965).

[13] As noted in the footnotes in Waymire (2012), four scholars (Sudipta Basu, Chris Chapman, Bill McCarthy, and Don Moser) offered their views on current accounting research, and other attendees worked in breakout groups to "*evaluate the issues and offer suggestions for possible actions by AAA that might increase the vitality of the accounting scholarly discipline.*"

[14] Kaplan (2011), Sunder (2011), Demski (2007), and Fellingham (2007) also voice concerns about stagnation and lack of innovation in current accounting research.

[15] The theme for the 2012 AAA Annual Meeting was *Seeds of Innovation*.

[16] PhD students seeking to graduate and junior faculty facing promotion and tenure pressure rationally are driven to conduct traditional research that is not groundbreaking and does not challenge existing research.

society with the ultimate result being intellectual irrelevance and eventually extinction"[17].

Since Waymire believes accounting research stagnated over several decades, the AAA Strategic Retreat identified seven focus areas to lead to more innovative accounting research in the coming decades[18]:

- **Doctoral Education –** Fund scholarships and "*broaden the horizons of current and future doctoral students*" (Waymire, 2012, p. 1089).
- **Journals –** Improve the content of academic accounting journals.
- **Scholarly Retreats –** "*[…] pull together scholars with compatible interests and define an agenda for future work*" (Waymire, 2012, p. 1090).
- **Engagement with Practice –** Sponsor events to "*jointly engage academics and practitioners to focus on questions of current importance in practice*" (Waymire, 2012, p. 1090).
- **Big Issues Initiative –** AAA identifies a major research issue, and awards prizes to best papers two or three years later with publication in AAA journals.
- **Building Historical Awareness –** "*[…] increase historical awareness among accounting academics about the origins of the discipline and noteworthy contributions from the past*" (Waymire, 2012, p. 1090).
- **White Paper –** Designate a group of experienced AAA members to prepare a White Paper on the current state of accounting scholarship.

This commentary discusses two of the seven focus areas identified at the AAA Strategic Retreat: improving journal content (i.e., relevance of research), and improving engagement with practice[19].

Kaplan (2011, p. 367) states that "*Accounting scholarship has failed to address important measurement and valuation issues that have arisen in the past 40 years of practice*" (emphasis added) as "*accounting scholars have focused on understanding how markets and users process data*" while distancing "*themselves from the accounting process itself*". His commentary "*encourages accounting scholars to devote more resources to obtaining a fundamental understanding of contemporary and future practice and how*

[17] Waymire (2012) notes that past AAA President Sue Haka also expressed "*concerns about the declining relevance of accounting academia in the professional and scholarly arenas*" during her term as AAA President (Haka, 2008; 2009). Her theme as AAA President was *Thought Leadership*.

[18] See Waymire (2012) for a more detailed discussion of each focus area.

[19] The FASB, the Association of International Certified Professional Accountants (AICPA), and the AAA also would provide input and feedback on research topics.

analytic tools and contemporary advances in accounting and related disciplines can be deployed to improve the professional practice of accounting" (Kaplan, 2011, p. 367).

He notes that accounting is the business functional area closest to a professional discipline because many accounting students become Certified Professional Accountants (CPAs) and must complete continuing education programs to maintain certification. Importantly, he states that "*academic scholars at a professional school should contribute to advancing the profession's body of knowledge*" (Kaplan, 2011, p. 368), and he encourages accounting scholars to consider three fundamental questions (p. 368):

- What are the big issues faced by our practice community?
- What comparative advantages can accounting scholars bring to address these fundamental accounting and management issues?
- How does our research advance knowledge in these core areas of our discipline?

These fundamental questions should help accounting scholars overcome the perception that we as academics are less familiar with emerging professional challenges and opportunities resulting from our slow response (or lack of response) to changes in the accounting practice environment. He refers to this phenomenon as a "*hollowing of professional practice*" (Kaplan, 2011, p. 370), and gives several examples where others have expressed concern regarding the gap between academic scholarship and professional practice:

> Accounting researchers tend to prefer research-based theory and hypothesis testing of problems that "*tend to be relatively unimportant to individuals or society at large*" (Schön, 1992, p. 54).

> Historical role of business schools and their faculty is as evaluators of, but not creators or originators of, business practice (Pfeffer, 2007, p. 1335).

> Our journals are replete with an examination of issues that no manager would or should ever care about, while concerns that are important to practitioners are being ignored (Miller et al., 2009, p. 273).

Kaplan suggests that accounting academics and practitioners partner on research efforts, basing this view on Zucker and Darby's (1996, p. 373) work, which found that:

> [L]ife-science academics who partner with industry have higher academic productivity than scientists who work only in their laboratories […]. Those en-

gaged in practice innovations work on more important problems and get more rapid feedback on where their ideas work or do not work.

Kaplan concludes that medical, science, and engineering professionals are "*more valuable and effective to society*" because their best research faculty members conduct fundamentally relevant research to improve practice. Michael Knetter, former dean of the School of Business at the University of Wisconsin-Madison states "*No one would question the significance of substantive advances that have been made at higher education institutions in the fields of health, medicine, and engineering*" (Shinn, 2010, p. 31). Unfortunately, the linkage between financial and auditing accounting research and contributions to practice is often not evident[20].

Kaplan (2011, pp. 380-381) advises new accounting scholars to "*increase the relevance and impact of your research, education, and teaching*" by teaching executive education classes and sharing research findings with experienced professionals who can provide feedback about the following three questions (Kaplan, 2011, p. 381):

- Is the problem you are addressing relevant to their experience and practice?
- Is the expertise you have developed for this problem relevant to their practice?
- Are you teaching them something worthwhile about the problem that they can productively apply to their company's situation?

It is important to avoid soliciting feedback about question 1 ***after*** conducting the research because faculty should ascertain whether the research problem is relevant ***before*** conducting the research, and should generally address only problems relevant to experience and practice[21]. This factor is the essence of the problem with most of the accounting research conducted today: we do not *ex ante* engage regulators, accounting service firms, practitioners, or governmental agencies to assess the relevance of research questions or issues in an attempt to improve practice, and generally rarely engage them *ex post*.

[20] To better prepare future accountants, auditors, and financial managers in understanding academic research, accounting faculty should focus on introducing and integrating research concepts (e.g., predictive ability, capital markets, earnings management, agency relationships, etc.) in theory and financial statement analysis classes.

[21] Per research scientist Robert Burch, soliciting feedback before doing the research is called "Voice of the Customer" data in the industrial research settings and is considered essential to effective projects.

Kaplan also suggests that reform is needed in doctoral education and training (Polzer et al., 2009)[22]. The Pathways Commission (2012) concurs because a recommendation in their report states that the academic accounting profession must "*develop mechanisms to meet future demand for faculty by unlocking doctoral education via flexible pedagogies in existing programs, and by exploring alternative pathways to terminal degrees that align with institutional missions and accounting education and research goals.*" In other words, every accounting PhD program graduate does not aspire to or have the capacity to publish articles in elite journals, and thus more terminal degree paths such as executive doctorates or clinical faculty positions are needed. The Pathways Commission (2012) report reinforces this point by noting the need for "*a better balance in recognizing faculty contributions*" beyond research and recommends reforming accounting education to reward teaching and service as critical components in achieving the institution's mission. Many institutions give lip service to the importance of teaching and service, and I have seen more weight placed on teaching during my tenure as an administrator from 2004-2020.

Lastly, a commentary by the AAA Research Impact Task Force (2009) highlights key research contributions to practice in auditing, financial accounting, information systems, managerial accounting, regulation, and tax[23]. The Task Force suggests that the practitioner community will more willingly invest in academe and doctoral education if it fully recognizes the impact of academic research on accounting practice, and notes that a better understanding of the value of academic research will also "*attract talented scholars into the profession*" (p. 411). However, the Task Force acknowledges improvements can be made in the applicability of accounting research to practice, and in academic researchers' role as "watchdogs" over accounting practice (much as academic medical research validates or refutes private sector drug research)[24].

[22] In addition to doctoral training, Kaplan (2011, p. 381) recommends reforming the following interconnected parts of the academic scholarship system: publication standards applied by journal editors and reviewers, faculty promotion and tenure criteria, textbook writing and educational curriculum, school and program accreditation criteria, and university promotion and tenure standards that are sensitive to the different expectations between scholars in academic versus professional schools. These items are beyond the scope of this paper.

[23] Interestingly, fewer than 50 of the 375+ citations are practitioner journal citations (less than 15%).

[24] Unlike medical research where replication studies are common and encouraged, it is extremely difficult to publish a replication study in an accounting journal. Accounting researchers usually accept the first published study in an area as settling the research question(s), and extensions must meet an "incremental contribution" hurdle that is often in the eyes of the beholder (i.e., editors and reviewers).

As noted by the Task Force, academic researchers continue to play a major role in "*empirically evaluating alternative accounting rules, performance measures, and valuation approaches*" (p. 413). This evaluative role differs greatly from the role of producing accounting rules, performance measures, and valuation approaches, and faculty "*heavily research new legislation provisions following their release*" (p. 414, emphasis added)[25]. Faculty members also provide feedback and comments on proposals from the SEC, FASB, and the Financial Accounting Foundation, and these bodies often cite academic research as inputs in their decisions (Jorgensen et al., 2007, p. 320).

Thus, even though many academic journal articles have discussed the relation between accounting research and accounting practice since Bernstein (1965), at least two recent AAA Presidents have focused on or emphasized a disconnect regarding this topic (see footnote 15), and the Pathways Commission's (2012) report emphasizes this topic. Nevertheless, limited progress appears to have been made during the past six decades in using academic accounting research to drive rather than primarily inform accounting practice.

3. A market-driven accounting research approach

This commentary proposes an accounting research approach where accounting service firms, practitioners, and regulatory entities (e.g., SEC, FASB, PCAOB) drive the development of practice-relevant research questions[26]. As the majority of market participants who prepare or regulate accounting information, these entities are best positioned to determine the most pressing accounting research issues, an approach that would make the accounting research approach truly market-driven[27]. Besides university-sponsored research, accounting faculty members would apply for grants to support research targeted at improving the practice of accounting, and relevant research findings would be quickly disseminated through peer-reviewed professional outlets such as the *CPA Journal* or *Journal of Accountancy*, so they may be quickly implemented or integrated into accounting practice. Simul-

[25] Optimally, faculty members would research new legislation provisions *prior to* their release.

[26] The FASB, AICPA, and the American Accounting Association also would provide input and feedback on research topics.

[27] The Center for Audit Quality annually funds a limited number of auditing research projects, and from 1976 to 1993 KPMG funded a Research Opportunities in Auditing (ROA) Program that was assessed by Ashton and Cianci (1998).

taneously, accounting faculty would seek to publish their findings in high quality academic journals, so most studies would generate both academic and practitioner publications.

The regulatory agencies (PCAOB, FASB, SEC) and accounting service firms would identify relevant research issues since they have a comparative advantage relative to accounting faculty members in knowing what pressing issues arise in the practice of accounting. Accounting faculty members have a comparative advantage relative to practicing accountants in creating and using appropriate research designs and statistical methods and models to investigate research issues, and so accounting faculty members would design and conduct the research[28]. All parties would participate in determining how the results are disseminated, and accounting faculty would strive to publish two articles: a practitioner article intended for wide dissemination and immediate application to practice, and a research article targeted to an academic audience.

As noted earlier, a central constraint underpinning the market-driven accounting research approach is that all participating accounting firms must share sensitive client data with accounting researchers and accounting researchers must protect and ensure the confidentiality of the client data in published research. This constraint is a major one in current research, and the difficulty of reaching a consensus about this point cannot be understated since, unlike medical research where all parties (i.e., doctors, pharmaceutical companies, science research faculty, governmental agencies, etc.) have the same goal of improving or saving lives, accounting service firms have a legitimate professional interest in protecting work product and client data given the potential liability that may arise from hindsight questioning of judgment decisions and the sufficiency of audit procedures and processes.

Also, since the data are owned by the client, the client has an interest in protecting data they view as proprietary and may be unwilling to allow accounting service firms to share their data or accounting faculty to publish studies based on their data (even if the client's name is removed from the data). Fortunately, some engineering and science-based research studies rely on proprietary data, and protocols exist to protect such data without hampering research, and so similar protocols should be considered and implemented for accounting research.

[28] A primary benefit of having accounting academics conduct the research studies is the independence we have relative to the firms' research staff, who may be perceived as having an incentive to bias research in the firm's favor.

4. Concluding remarks

Current academic incentive systems primarily reward faculty for publishing research articles in elite accounting journals. Financial accounting and auditing faculty members decide what research questions to address and what research methods to use to investigate the research questions. Regulatory agencies (e.g., PCAOB, FASB, SEC), accounting service firms, and practicing accountants have little input about which research questions are investigated, how the research is conducted, and how and where the results are disseminated. This current approach often results in research that is not relevant to the practice of accounting.

This commentary proposes a market-driven financial and auditing academic accounting research approach similar to that used in the medical sciences where pharmaceutical companies and governmental entities determine the most pressing medical issues. Besides university-sponsored research, faculty members in the medical sciences apply for grants to support research targeted at improving the treatment of these issues, and relevant research findings are quickly disseminated through such highly-regarded peer-reviewed outlets as *The New England Journal of Medicine*, *The Journal of the American Medical Association*, the *British Medical Journal*, and *The Lancet* so they may be quickly implemented by doctors and other medical professionals into their practices.

I maintain that the status of academic research in accounting will continue to diminish unless we move to a market-driven financial and auditing accounting research approach. Under such an approach, regulators, accounting service firms, practitioners, and government entities (e.g., SEC, FASB, PCAOB) determine the most pressing accounting research issues. For example, the accounting service firms would identify relevant research issues since they have a comparative advantage relative to accounting faculty members in knowing what pressing issues arise in the practice of accounting. Since accounting faculty members have a comparative advantage relative to practicing accountants in creating and using appropriate research designs and statistical methods and models to investigate research issues, they would design and conduct the research.

For financial and auditing accounting research to become more relevant to accounting practice, existing data access issues must be resolved: all participating accounting firms must share sensitive client data with accounting researchers, and accounting researchers must protect and ensure the confidentiality of the client data in published research. Failure to address data sharing issues will continue to impact the breadth and depth of accounting

research and limit its impact on and relevance to practice. Accounting firms and accounting researchers should consider adopting data protocols similar to those that exist for engineering and science-based research since some of this research relies on proprietary data protected by protocols without hampering the research. Under a market-driven research approach, all parties would participate in determining how and where the results are disseminated, and accounting faculty would strive to publish two articles: a practitioner article intended for wide dissemination with immediate application to practice, and a research article targeted to an academic audience.

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