Discussion of "Rethinking the academic accounting research model"

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The commentary written by Mark Dawkins (Dawkins, 2024) is interesting and, in advocating a market-driven approach to the conduct of auditing and financial accounting research like the approach used in medical sciences, offers a comparison between accounting research (Dyckman & Zeff, 2015) and medical science research (Yonce & Barnes, 2022).

Medical research focuses on improving treatments for medical conditions, and the results can be disseminated through peer-reviewed outlets. These outlets, in turn, allow doctors and other medical professionals to implement these results into practice. This is the virtuous cycle that Dawkins (2024) suggests for accounting research that is market-driven instead of driven by the faculty incentives to publish in top journals, incentives that are built into the common requirements for promotion and tenure at academic institutions around the world.

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However, accounting and medical research are fundamentally distinct fields of scientific inquiry, with divergent purposes, methodologies, and objectives. Accounting primarily involves the systematic recording, analysis, and interpretation of financial transactions to facilitate the preparation of financial statements and support decision-making within and across businesses. In contrast, medical research is a scientific pursuit focused on advancing knowledge in the field of medicine through experiments, studies, and clinical trials aimed at understanding diseases, developing treatments, and improving patient outcomes.

While both fields require rigorous attention to detail, precision, and adherence to ethical standards, their underlying principles and processes differ significantly. Accounting relies on established rules and standards, such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), to achieve desirable characteristics of the information presented, for instance, consistency and comparability in financial reporting. Medical research, on the other hand, involves experimentation and data analysis to contribute to the body of medical knowledge to improve patients' health.

There are several very specific reasons why accounting research often cannot rely on experiments, as the medical field does. First, the complexity of business transactions in the real world. Accounting deals with complex economic transactions, and it is challenging to isolate variables and control all relevant factors in a controlled experiment. Real-world accounting scenarios involve numerous interrelated variables, making it very challenging to establish a cause-and-effect relationship. Second, ethical concerns: some accounting practices involve sensitive financial information and ethical considerations. Conducting experiments that involve manipulating financial data or accounting records may raise ethical concerns (ownership of personal information, transparency, data security, among many others), especially if it could impact real stakeholders, financial markets, or Internal Revenue Service information about taxpayers. Third, the limited control of researchers over external factors. In accounting research, indeed, external factors such as changes in economic conditions, regulatory and legal environments, or business strategies can significantly influence outcomes. Researchers may struggle to control or account for these external factors in an experimental setting. Fourth, the long-term effects and time lag (He et al., 2018). What I mean is that accounting phenomena often have long-term effects, and outcomes may not manifest immediately. Experiments are typically designed for short-term observation, making it challenging to capture the full scope of accounting events and their long-term consequences. Fifth, data availability and quality:

accounting research heavily relies on historical financial data, and the availability and quality of such data can be a limiting factor (Bhimani, 2020). Researchers may face challenges obtaining relevant and reliable datasets to conduct experiments effectively. Sixth, sample size, external relevance, and generalizability. Achieving a sufficiently large and representative sample size in accounting experiments can be difficult. The diversity and complexity of accounting practices across different industries, contexts, and legal jurisdictions make it challenging to generalize findings from a limited experimental setting to the broader field. Seventh, regulatory constraints: accounting is subject to various regulations and standards that may limit the extent to which researchers can manipulate variables or conduct experiments across jurisdictions. Adherence to accounting principles and compliance with legal standards may restrict the experimental design.

Acknowledging and including these reasons can help the readers understand the factors behind the paucity of experimental research in accounting. While experiments may not be the primary method in accounting research, researchers often use a combination of archival data analysis, case studies, surveys, and field studies to gain insights into accounting phenomena. This allows them to address the inherent challenges and complexities of the accounting domain.

It is true that the established academic incentive system rewards accounting faculty for publishing in top journals, with the list of what is identified as top journals depending on the school's mission and aspirations. It is also true, however, that in the last few years, there has been a flourishing of workshops and conferences organized and sponsored by the various organizations that the author identifies as "professional constituencies" in collaboration with academic accounting journals, to facilitate the transfer of knowledge from the academic community to practitioners and standards setters. It would be useful to convey information about these possible outlets for research that are helping standard setters in their mission to write quality accounting standards.

For instance, the November 2022 Financial Accounting Standard Board (FASB) and International Accounting Standard Board (IASB) conference, "Accounting for an Ever-Changing World," in collaboration with *The Accounting Review*, a top accounting journal published by the American Accounting Association. The conference was an opportunity for experts, standard-setters, and accounting researchers to engage and discuss the new standards for revenue recognition, leases, and financial instruments. Another example is the annual IASB conference in collaboration with academic journals where the international standards setter engages with accounting researchers

on manuscripts examining open issues in its research agenda to obtain input on its deliberations from the academic community (2026 IASB Research Forum IASB – *Review of Accounting Studies (RAST)* Conference, 2024 IASB Research Forum IASB – *Abacus* Conference, 2023 IASB Research Forum IASB – *Accounting and Europe* and *European Accounting Review*, to name the most recent ones). Moreover, the Public Company Accounting Oversight Board (PCAOB) Conference on Auditing and Capital Markets (2024 Washington, DC) is also aimed to foster economic research on audit-related topics, including the economic impact of auditing, audit regulation, and audit oversight on capital markets, to inform the academic community about PCAOB activities and developments, and to *obtain input from the academic community on topics of interest to the PCAOB*.

Broadening research methods in financial accounting and auditing, following the suggestions included in Mark Dawkins's contribution, will enhance the field's depth by incorporating qualitative insights alongside traditional quantitative analysis following a market-driven approach. This diversification will allow a deeper, richer, and more nuanced understanding of accounting practices and their implications.

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