Seeds of Innovation in Accounting Scholarship

Gregory Waymire*

November 15, 2011

* 2011-12 President of the American Accounting Association and Asa Griggs Candler Professor of Accounting at the Goizueta Business School of Emory University.

I am grateful to Sudipta Basu, Ilia Dichev, and Rick Young for helpful suggestions on an earlier draft.
It gives me great pleasure indeed to see the stubbornness of an incorrigible nonconformist warmly acclaimed. Albert Einstein

INTRODUCTION

Anthony Hopwood (2007) argues that recent (primarily U.S.) accounting scholarship is stagnant and lacks the spirit of innovation that motivated the discipline in the 1960s.¹ Others voice similar concerns (Demski 2007; Fellingham 2007; Kaplan 2011; Sunder 2011). While I generally agree with this view, two fundamental questions remain unanswered. First, what causal forces account for this state of affairs? Second, given such forces, what can be done to improve matters?

In this essay I summarize my views about the current state of accounting scholarship and the suggestions generated at a May 2011 Strategic Retreat by the American Accounting Association (AAA) Board of Directors to improve the current state of accounting scholarship.² I first describe symptoms of our current malaise and the forces that have driven the evolution of accounting scholarship towards this state of affairs over the past quarter century. I then discuss the implications of these ideas for the future direction of AAA. The suggestions developed at the 2011 AAA Strategic

¹ Specifically, Hopwood (2007, 1370) writes: “Faced with such a complex and exciting agenda, increasingly accounting research is being seen as too cautious and conservative, too rigid and traditional, and insufficiently attuned to grapple with the new and embrace novel insights and bodies of knowledge. Rather than being excited about the emerging gaps in our knowledge, it is as if the academic accounting community prefers to focus on the leads that arise from within the existing research traditions. The dynamic for change and transformation in the early Chicago days is seemingly no longer with us.”

² The AAA Board Strategic Retreat included four scholars (Sudipta Basu, Chris Chapman, Bill McCarthy, and Don Moser), representing a broad range of research perspectives, who offered thoughts on the current state of accounting scholarship. After their presentations, other attendees formed breakout groups to evaluate the issues and offer suggestions for possible actions by AAA that might increase the vitality of the accounting scholarly discipline.
Retreat, and the conversations that I hope to encourage between AAA members, are embodied in the theme for the 2012 AAA Annual Meeting: *Seeds of Innovation*.

A few caveats are necessary at the outset. First, my remarks should not be interpreted to mean that I think current accounting scholarship has no value. Accounting research has yielded significant new knowledge in the past 40 years and is conducted with considerable care. Second, I do not seek to “blame” any individuals or groups for our current state of affairs. Rather, I believe that our current state is the result of actions by highly intelligent scholars that reflect the incremental approach common to science (Kuhn 1962). Unfortunately, this incremental approach has had unintended and unforeseeable cumulative consequences for the discipline as a whole.3 Finally, I believe our present situation reflects the cumulative effect of forces that have built gradually over 25 years. As such, the suggestions for change I discuss need to be viewed from a long-term perspective spanning several years into the future.

This essay is organized as follows. In the next section I define the problem of disciplinary intellectual stagnancy. In the following section I then review some evidence supporting this view. I then discuss some causal forces behind changes in accounting scholarship. A final section summarizes the suggestions for what AAA can do to alter this state of affairs.

---

3 Behavior that is likely optimal at the micro level can have negative macro repercussions because individual actors generally have more limited knowledge of the system-wide effects of individuals’ combined choices. As noted by Schelling (1978, 19) notes “How well each does for himself in adapting to his social environment is not the same thing as how satisfactory a social environment they collectively create for themselves.”
THE STAGNANCY PROBLEM IN U.S. ACCOUNTING SCHOLARSHIP

My opinion is that U.S. accounting scholarship is low on innovation – i.e., our discipline as a whole is reticent to pursue fresh ideas and new ways of gaining knowledge.⁴ Collectively, we pose too many conformist research questions, we place too much emphasis on career concerns to the detriment of scholarly development, and our doctoral graduates rarely challenge accepted wisdom.⁵ As a result, I believe our discipline is evolving towards irrelevance within the academy and the broader society with the ultimate result being intellectual irrelevance and eventually extinction.⁶

Consideration of how our discipline has evolved is necessary to clarify the nature of the problem we face. Evolution is the change through time in some measurable property of a population. In genetics, evolution is represented by the change in the proportion of a population that carries a particular type of gene (Mayr 1975). In anthropology, evolution has been used to analyze the body of knowledge (i.e., “culture”) accumulated by a particular group of persons (Richerson and Boyd 2005) as well as human language (Nowak 2006). Indeed, evolutionary thinking can be applied to any population where a trait is subject to change through time, including the population of ideas present in a scholarly discipline (Price 1970; Dawkins 1976; Frank 1995; Kerr and Godfrey-Smith 2009).

⁴ More formally, viewed from q-r theory as stated by Ellison (2002), accounting research is low on q (“importance of the main ideas”) and high on r (“other aspects of quality” such as methods). Swanson (2004) provides evidence suggesting that q-r theory explains, at least in part, intertemporal changes in the accounting literature.
⁵ This is not likely restricted to academic accounting. For an argument that similar outcomes characterize economics, see McCloskey (1997).
⁶ Past AAA President Sue Haka voiced similar concerns about the declining relevance of accounting academia in the professional and scholarly arenas (Haka 2008; 2009).
Figure 1 depicts various types of evolutionary change. The far left panel in the top row depicts a case where no evolutionary change occurs. To illustrate, suppose there exist six individuals of two types. These types are equal in frequency with each type represented by either a black or white circle. The circles on the left represent entities present in the ancestral population at the start of a period and circles on the right signify entities present in the descendant population at the end of the period. The arrows connecting the ancestral and descendant populations signify connections between the two populations. This panel depicts the simplest case where all ancestors survive into the descendant population, none of the ancestors is transformed in character (i.e., no black case transforms into white, or vice versa), and no new members are added to the population.

Several forces can generate evolutionary change: 1) selection, 2) transformation, 3) migration, and 4) reproduction. Selection is shown in the middle panel of the top row of Figure 1. In this case, white types are disfavored by natural selection in that they are less likely to survive into the descendant population. The right panel in the top row of Figure 1 depicts the effect of transformation where one entity (#4) changes from a white type to a black type. The left panel in the bottom row shows the effect of migration when a seventh entity appears in the descendant population who has no connection to any entity in the ancestral population. The lower right panel shows the impact of reproduction where a new member with connections to two ancestors is present in the descendant population.
My depiction of the stagnancy problem in accounting scholarship is shown in Figure 2. What I have in mind in this depiction is how accounting scholarship has changed over a period of two or three decades. The ancestral population is comprised of multiple types of scholars with differing interests, perspectives, and approaches, each of which is roughly comparable in frequency. The descendant population differs in that it contains fewer types (two vs. three) and the relative group size is highly asymmetric (more white types).

Figure 2 shows the impact of several hypothesized evolutionary forces acting on accounting scholarship. First, certain types are strongly disfavored by selection (specifically black). In pragmatic terms, this reflects the assumption that certain types of research (e.g., normative accounting theory) have been less likely to survive in accounting scholarship. Second, black and gray types are transforming into lighter shades. I have in mind here social forces that lead some scholars to alter their paths to appear to be more like those that constitute the “mainstream” of accounting scholarship. One example of this would be the increased use of easily available financial accounting databases to research auditing, tax and management accounting questions. Third, reproduction occurs only within the white type, and the effect is to produce more of the white type. Finally, there is no migration occurring. This represents less influence over time of new ideas from other areas entering into the domain of accounting scholarship.

Since these assertions are only conjectures, three questions must be considered. First, is the depiction of current state of accounting scholarship as stagnant accurate?
Second, are the evolutionary forces I hypothesize actually at work, and, if so, how and why? Finally, if both questions can be answered affirmatively, what does this imply about the nature of the problem our discipline faces and what, if anything, can be done to alter our future path? These questions are the focus of subsequent sections.

**IS U.S. ACCOUNTING SCHOLARSHIP STAGNANT?**

I believe at least four features of our intellectual environment are indicative of stagnancy in accounting scholarship: 1) our research is excessively derivative, 2) young scholars are led to focus relatively more on short-run career concerns than on long-term scholarly development, 3) our scholarly discussion and debate is limited, and 4) we rely too much on external actors like standard setters to define our research and teaching agendas.

One indication of derivative research is the degree to which a study’s primary contribution is couched in terms of prior literature. This is often reflected in a statement in a paper’s introduction such as: “This paper contributes to several literatures...” Widespread use of this device would suggest that an academic literature as a whole is derivative in focus.\(^7\) This is the case in accounting, at least as it is reflected in widely cited journals. For example, the July 2011 issue of *The Accounting Review* includes 12 original research articles and nine (75%) of these articles’ contribution is defined in

---

\(^7\) This need not result from a strategic choice by authors. For example, such a regularity could emerge simply because people seeking publications mimic those who have previously been successful.
relation to prior literature. Papers published in other accounting journals exhibit a similar pattern.⁸

Along the same lines, my perception is that “careerism” among junior scholars is “rationally” high. I place the term “rationally” in quotes because younger scholars may incorrectly perceive that the costs of working on projects that challenge prevailing wisdom are higher than they actually are. This assertion is based mainly on several conversations with doctoral students and junior faculty members at AAA events like the Doctoral Consortium, the New Faculty Consortium, and the Annual Meeting and various segment meetings.⁹ My sense is that many doctoral students do not grasp that returns in academia come from innovation and new ways of thinking about problems. That is, visible scholars in accounting (and other disciplines) become famous not by incrementally extending the current literature, but by producing work that moves the literature in a new direction (Leahey 2007).

There is likely less scholarly discussion and debate in accounting today than thirty years ago. In the mid-1980s, both The Accounting Review and the Journal of Accounting Research published notes and comments related to earlier work. While most of this published work did not generate great controversy, it did result in publication of replications that allowed for more direct evaluation of the robustness of research findings. Clearly, replication and extension of prior research is still present in accounting

---

⁸ This phenomenon is not restricted to The Accounting Review. A total of 12 original research articles combined are published in the June 2011 issues of the Journal of Accounting Research and the Journal of Accounting and Economics. Of these, 8 (67%) are ones whose contribution is tied mainly to prior literature.

⁹ Joel Demski (2007, 153) raises a similar concern when he notes “More distressing, to me at least, is that this initial-job myopia has infected our Ph.D. training; now we emphasize how to do today’s research using today’s literature or how to deal with today’s technology and student mindsets in today’s classrooms, all focused, laser-like, on producing and polishing resumes, job talk papers, and presentations.
research.\textsuperscript{10} However, I believe that systematic replication and more importantly debate about the broader implications of our findings is not all that it could be.\textsuperscript{11}

Fourth, standard setters like FASB exert a material influence on accounting research and education. Demski (2007, 154) is pertinent when he asserts:

\textit{The conceptual framework is the major guideline for our teaching, our research (consider value relevance), and for regulation, and yet the framework remains irreparably flawed. The foundation of qualitative relevance and reliability (or relevance and faithful representation) does not comport with economic fundamentals. This follows from a straightforward application of the Blackwell Theorem. Moreover, transactions are endogenous, and other information is ubiquitous.}

The influence of standard setters is especially strong in accounting undergraduate education when we discuss the conceptual underpinning of accounting. Accounting textbooks frequently use the FASB Conceptual Framework as a basis for teaching “accounting theory.” This approach seems to me akin to using a report of The President’s Commission on Mental Health as a basis for teaching the theory of human psychology.

As a corollary to this, I contend that what we think we understand about accounting is well in excess of what we actually know. As a thought experiment, thumb through the table of contents for a given introductory book on accounting. How much of what we teach has any scientific basis? For example, why do firms use double entry bookkeeping to the exclusion of other methods? Is the FASB a socially beneficial optimal standard setter, and if so why? How and why do different accounting methods affect

\textsuperscript{10} It would be hard to argue replication is absent while at the same time asserting that research is excessively derivative. A good example is the “cottage industry” that has developed to extend U.S. findings to foreign locales.

\textsuperscript{11} These effects are not unique to accounting, but are also present in other disciplines such as marketing (Evanschitzky et al. 2007).
corporate performance and survival differentially? In short, we still have weak answers to some basic questions despite the fact that our scientific understanding of accounting has improved considerably in the past 30 years.

To sum up, I have argued in this section that current accounting research exhibits multiple symptoms of stagnancy. While some aspects of this argument cannot be directly linked with hard data, it is also true that several respected senior scholars have voiced such concerns (Demski 2007; Fellingham 2007; Hopwood 2007; Kaplan 2011; Sunder 2011). Thus, I conclude that such perceptions are plausible, although some would contend that the accounting literature has yielded important findings.¹²

WHY DID U.S. ACCOUNTING SCHOLARSHIP BECOME STAGNANT?

If one accepts the assertion that accounting scholarship has become stagnant, then the next issue is why this state of affairs has come to exist. I believe that the current weak state of accounting scholarship has resulted from the combined effect of several forces in play over the past quarter century. These include large increases in real salaries for assistant professors in accounting, changes in graduate business education, a relative shift towards financial reporting in accounting research and teaching, and changes in the way research quality is assessed.

It is clear that there has been a dramatic increase in real starting salaries for accounting faculty in the past 30 years. When I took my first job in 1983, the top salary

¹² Also, I do not mean to imply that the derivative character of recent accounting research was previously absent from the discipline. Much of the research from the 1970s and 1980s involved incremental extensions to the seminal studies and Ball and Brown (1968) and Beaver (1968) with the consequence being that important issues remained unaddressed two decades after the publication of the initial studies on earnings and stock prices (Lev 1989).
paid to a new assistant professor was probably about $50,000 total, which included
two-ninths summer support. The top of the “rookie” market is now much higher
probably around $220,000 in nominal terms including summer support. This reflects a
doubling of the real cost of hiring an assistant accounting professor over this period.\footnote{13}

Assistant professors in accounting are like other factors of production in that an
increase in their real cost will cause its use to decline. Fogarty and Markarian (2007,
Table 3) provide evidence on the proportion of the accounting faculty ranks comprised
of assistant, associate, and full professors in 1982, 1992, and 2002 at doctoral granting
institutions. Their data indicate that assistants comprised 33\% in 1982 compared to 32\%
in 1992 and 24\% in 2002. In other words, a doubling in the real cost of hiring an
assistant professor has been associated with a large temporal decline in their presence
on accounting faculties.

The decline in the number of assistant professors over this period likely reflects
both demand-side and supply-side effects. Economically significant supply-side effects
were also likely operating over this period as business schools decreased the rate at
which potential new faculty graduated from accounting doctoral programs. This is
obvious in data on accounting PhD graduation rates. Figure 3 shows a time series plot of
the annual number of accounting PhD graduates from 1990 to 2008 as shown in
Hasselback’s \textit{Directory of Accounting Faculty}. The number of accounting PhD graduates
was 175 in 1990 compared to 137 in 2008, a decline of over 20\%.

\footnote{13 The average value of the Consumer Price Index for 1983 was 99.6 compared to 218.1 in 2010. This
implies that a 2010 salary of $220,000 is equivalent to about $100,500 in 1983 dollars.}
So, why would schools curtail production of accounting PhD graduates over the past two decades by such a substantial amount? One likely factor is the advent of highly visible MBA program rankings in the late 1980s. *Business Week* announced its first rankings in 1988, and the growing importance of these rankings has led business school Deans to allocate resources towards MBA programs and away from doctoral education (Demski and Zimmerman 2000). One consequence of this shift has been accounting programs with overall smaller faculties that are more top-heavy at tenured ranks as well as more clinical faculty to cover staffing shortfalls.

Figure 4 plots the number of tenure-track faculty in 1985 on the vertical axis against the number of tenure-track faculty as of 2008 on the horizontal axis using data from Hasselback’s *Directory*. The sample in Figure 4 includes the 45 institutions in the Big Ten, Big Twelve, Pac Ten, and Southeastern conferences as of 2008. Observations to the left of the 45° line include the 29 schools (64%) that experienced a decline in the number of tenure-track faculty. In contrast, 11 schools (24%) show increases while the remaining five do not change.

Shrinking faculty sizes along with fewer assistant professors has likely significantly reduced both the scale and breadth of a department’s research productivity. A department’s productivity depends on reaching a critical mass among researchers with common interests. Thus, the reduction in departmental scale and fewer assistant professor hires likely resulted in a narrowing of the research that is done within a given department. Further, if these changes occur across a large number of schools at the
same time, then this will be reflected in reduced breath and scale on a discipline-wide basis.

Consistent with this, Tuttle and Dillard (2007) document a dramatic decline in the publication of non-financial accounting papers over the period from 1976 to 2006. Figure 5 reproduces the relevant graph from Tuttle and Dillard (2007). Note that annual percentage of non-financial papers in *The Accounting Review* hovers around 60% up to 1988, and then shows a general decline over the period after 1988. After the mid-1990s, this frequency was often under 40% (1996, 1998, 2005, and 2006).\(^{14}\) This effect reflects more a *relative* decline in the production of non-financial research rather than a dramatic increase in the production of financial accounting research, at least when measured by PhD dissertation topics (Tuttle and Dillard 2007, 400-401).\(^{15}\)

Finally, the evaluation of research productivity has become increasingly quantified through citation counts, “A” journal “hits,” and SSRN working paper “downloads”. Demski (2007, 154-155) remarks:

> *The secular interests of today’s business schools are embraced and championed at every twist and turn in our academic activities. We have accepted and adapted to an unrelenting customer orientation, where the emphasis on placement is foremost and student and donor concerns routinely abridge faculty responsibilities. We have perfected the secular art of feigned relevance, with its emphasis on today’s entry-level techniques, vocabulary, and extensive professional identification. And this is all wrapped up in student, press, and colleague polls and citation counts.*

My own experience as a member of tenure & promotion committees as well as an external reviewer has been consistent with this. Promotion and tenure reviews

---

\(^{14}\) During fiscal 2010, financial accounting papers comprised slightly over half of all submissions to *The Accounting Review* (Kachelmeier 2010, 2183).

\(^{15}\) This trend has also been exacerbated by large declines in the costs of data storage and computing power, and the increased availability of large-scale financial reporting databases over the past 30 years.
frequently anchor on citation counts and counts of ‘A’ publications, and dispense mostly with reading the research output. Clearly, an absence of citations is, in most cases, indicative of research having limited impact. Also, colleagues are aware of the limitations of citation analysis and state so publicly. But, then we all collectively proceed to draw inferences based on fine partitions of short-term citation count as if that is a sufficient statistic for long-run research quality.\(^\text{16}\)

To summarize, I believe at least four primary causal forces have produced an outcome where current accounting research lacks breadth and creativity. These include real increases in assistant professor compensation, a decline in doctoral program output due to increasing emphasis on MBA education, a relative shift towards “archival” financial accounting research, and an increased tendency to quantify research quality assessment. These forces have led to longer-term trends that have built incrementally over the past several years. This long-term gradual shift is important since it suggests that the present state of accounting scholarship is not likely amenable to major short-run changes. It is also fundamentally important because the shrinking base and more narrow focus of recently minted PhDs heighten risk of irrelevance to the discipline as a whole.

\(^{16}\) One admittedly extreme example is Coase (1937). Coase’s “Nature of the Firm” paper received a total of 15 citations in the period 1935-68, and 90 in the period 1969-78. In the subsequent three decades (1979-88, 1989-98, and 1999-2008) it received 424, 940, and 1,364. The substantial increase in citation rates through time reflects the fundamental contribution of this paper to understanding why firms exist, and is only in part attributable to Coase receiving the Nobel Prize in 1991 (Landes and Lahr-Pastor 2009).
CAN WE ALTER THE STATUS QUO?

Accounting scholarship evolved to its present state incrementally over several decades. This state need not be the result of locally sub-optimal behavior, but instead likely reflects the cumulative global effect of individual behaviors that are strongly responsive to local circumstances that are common across institutions. As such, any “solution” to the problem of low innovation in accounting scholarship cannot be solely focused on the short-term and likely cannot be represented in a single comprehensive plan for “reform.” The May 2011 AAA Strategic Retreat suggested seven areas of focus if we want more innovative work to be the long-run result:

1. **Doctoral Education.** Clearly doctoral education has to be addressed in any AAA effort to incentivize greater scholarly innovation. AAA has taken steps through its partnership with Grant Thornton to award doctoral scholarships annually to students writing innovative doctoral dissertations. Another initiative to broaden the horizons of current and future doctoral students is to archive plenary sessions and other notable presentations at AAA meetings. Additionally, AAA might consider providing a data repository on doctoral programs and further encourage innovation by singling out for awards those doctoral programs that have implemented noteworthy practices. Finally, all this may have implications for how we recruit students into doctoral programs. For example, how can we identify candidates for doctoral work whose personalities reflect a greater willingness to creatively confront difficult, ambiguous questions?

2. **Journals.** The range of possibilities for improving the content of academic accounting journals is considerable. First, it is possible to link traditional journal content to online outlets promotes extended discussion of research findings and systematic replication of published papers? Second, many papers can be downsized as is the case at leading journals like *Science* and *Nature*. Technical material can be stored online and be accessed by any reader. Such practices make the published research articles accessible to a broader audience. Such practices would also stress the importance of what is learned from the research rather than a narrow interest in methods or incremental extensions to existing literature. Third, sections could be added to extant journals that would focus on innovative approaches that offer promise but have unknown potential. Finally, we can begin to better develop referee talent in the discipline as a whole. For example, we could initiate sessions for junior scholars at the Annual Meeting as well as the Doctoral and New Faculty
Consortia to build awareness of both innovation and quality of analysis as a basis for referee recommendations to editors.

3. **Scholarly Retreats.** It was envisioned that these kinds of events could extend established AAA expertise with the Doctoral and New Faculty Consortia to new venues. First, retreats could be offered to senior faculty at the post-tenure stage of their career. Second, AAA could sponsor mini-retreats where the research or teaching issues would change from year to year. The purpose of these events would be to pull together scholars with compatible interests and define an agenda for future projects.

4. **Engagement with Practice.** Playing off the idea of scholarly retreats, some events could jointly engage academics and practitioners to focus on questions of current importance in practice. These events would be geared towards producing a brief paper that would assess the current state of knowledge and then set a research agenda for tackling unanswered questions. Another useful initiative would be to establish faculty internships where faculty could take leaves from their universities to work in public or corporate accounting roles that complement their teaching and research interests, similar to the current FASB and SEC fellowships.

5. **Big Issues Initiative.** It was suggested that once every two to three years, a standing AAA committee would identify a major issue where more research is needed. Then, two or three years hence, prizes would be awarded to best papers, possibly with publication to follow in a AAA journal in much the same way that Competitive Manuscript award winner is published in *The Accounting Review*.

6. **Building Historical Awareness.** Suggestions were made concerning ways to increase historical awareness among accounting academics about the origins of the discipline and noteworthy contributions from the past. One suggestion is to have a brief historical anecdote published on the back of AAA journals for every issue (akin to the *Journal of Political Economy*). Another suggestion was to identify the highest impact publications in *The Accounting Review* or in the AAA Monograph Series from the time of their inception until today. For example, a committee could try to identify the leading publications in *The Accounting Review* by decade from its inception in 1926.

7. **White Paper.** Finally, there was considerable interest in forming a study group of experienced AAA members to prepare a White Paper on the current state of accounting scholarship. This document would serve to highlight current areas for improvement and suggest ways that accreditation bodies, Deans, Department Chairs, and individual faculty could undertake actions to improve scholarly research in accounting.
There are several “next steps” we can undertake over the next year to build towards a long-run improvement. First, AAA has established a second Intellectual Property Task Force (IPTF). The first such task force addressed how we would maximize the value of intellectual property produced via AAA publications. The second IPTF will consider similar issues given ongoing changes in the market for publishing and aggregator services. More importantly, the IPTF will consider ways in which we might alter how we disseminate the knowledge we produce to enhance its value.

Second, I believe we can need to make some changes in our Doctoral and New Faculty Consortia to downplay the role of “career management” among younger scholars in our discipline. I have attended several such events in recent years, and these events invariably include sessions on things like “managing the publications process” or “dealing with student evaluations.” In my view, these sessions often work against the long-term development of scholarship in our discipline. Accordingly, I have requested persons in charge of the Consortia this year to consider instead offering sessions on long-term scholarly development. My hope is that this will marginally shift the emphasis away from what is needed to get tenure towards how a young person develops scholarly interests into a sustainable path for success in substantive research and teaching experiences.

Third, the AAA Annual Meeting is an event that has traditionally provided new perspectives and issues that should be of interest to AAA members. As noted earlier, the 2012 Annual Meeting has the theme of “Seeds of Innovation.” The annual meeting committee is planning Plenary Speakers in diverse areas such as the sociology of...
accounting, the use and misuse of statistical significance in research, the neuroscience of economic institutions, and the economics of experimentation. The AAA Presidential Scholars for next year are Professors Ray Ball and Philip Brown, who have gone on to successful careers after their work in the 1960s as doctoral students revolutionized the discipline.

We also want to get member input on where we should focus our efforts. A webpage (www.seedsofinnovation.edu) has been established for this purpose. This essay has been posted there along with a video of my remarks at last year’s Annual Meeting in Denver. You’ll also be able to leave feedback there.

In the process of planning for the future, it is useful to have a long-term goal in mind. Anthony Hopwood (2007, 1373) articulated such a goal in his AAA Presidential Scholar address:

For the American Accounting Association, I would say that now is the time for it to adopt a leadership role in the publication of accounting research. Not only should every effort be made to encourage The Accounting Review to embrace the new, the innovative, what accounting might be in the process of becoming, and new interdisciplinary perspectives, but this should also be done in a way that provides both a catalyst and a model for other journals of influence. For they need encouragement, too. While the Association has done much to embrace the need for a diversity of gender and race, so far it has done relatively little to invest in intellectual diversity, even though this is not only of value in its own terms, but also an important generator of innovation and progress. I, at least, would see this as appropriate for a learned society in the modern era. The American Accounting Association should set itself the objective of becoming an exemplar of intellectual openness and thereby innovation. (Emphasis added)

I assert that our goal should be to foster a rebirth of innovation in accounting scholarship that parallels that of the 1960s. This requires awareness of the fundamental questions we have yet to address fully. These include basic issues such as the value of
double-entry bookkeeping, the role of the human brain in forming the language of accounting, and the apparent necessity of accounting regulation as “one size fits all.” Accountability is a basic requirement of human interaction (Ijiri 1975; Dickhaut and McCabe 1997; Dickhaut, et al. 2010). Individual accountants have toiled in obscurity for thousands of years having “wrote mundane business documents and left little indication of their personalities, backgrounds, or intellectual interests” (Pearce 1995, 2274). Still, the work of the accountant as the modest “recorder of transactions” remains of fundamental importance to human societies. We thus have a full agenda if scholars dare to pursue it.
References


Figure 1
Types of Evolutionary Change
Figure 2
Hypothesized Recent Evolution of Accounting Scholarship

Ancestral Population

1a
2a
3a
4a
5a
6a

Descendant Population

2d
3d
4d
5d
6d
7d
Figure 3
Decline in the Number of U.S Accounting PhD Graduates, 1990-2008

# PhD Grads by Year 1990-2008
Decline from 175 in 1990 to 137 in 2008 (-28%)

[Graph showing the decline in the number of U.S. Accounting PhD graduates from 1990 to 2008. The number of graduates peaked at around 204 in 1994 and declined to 137 in 2008.]
Figure 4
Number of Tenure Track Faculty at 45 Big 10, Pac 10, SEC, & Big 12 Schools
Table 1: Articles Published in The Accounting Review by Topic

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial Topics</th>
<th>Other Topics</th>
<th>Total Articles</th>
<th>Other Topics Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1926</td>
<td>8</td>
<td>37</td>
<td>45</td>
<td>82.2</td>
</tr>
<tr>
<td>1936</td>
<td>14</td>
<td>24</td>
<td>38</td>
<td>63.2</td>
</tr>
<tr>
<td>1946</td>
<td>16</td>
<td>45</td>
<td>61</td>
<td>73.8</td>
</tr>
<tr>
<td>1956</td>
<td>14</td>
<td>59</td>
<td>73</td>
<td>80.8</td>
</tr>
<tr>
<td>1966</td>
<td>15</td>
<td>73</td>
<td>88</td>
<td>83.0</td>
</tr>
<tr>
<td>1976</td>
<td>41</td>
<td>66</td>
<td>107</td>
<td>61.7</td>
</tr>
<tr>
<td>1986</td>
<td>19</td>
<td>24</td>
<td>43</td>
<td>55.8</td>
</tr>
<tr>
<td>1996</td>
<td>18</td>
<td>10</td>
<td>28</td>
<td>35.7</td>
</tr>
<tr>
<td>2006</td>
<td>28</td>
<td>14</td>
<td>42</td>
<td>33.3</td>
</tr>
</tbody>
</table>

Column Total: 173, 352, 525, 67.0


Chow et al. (2006) suggest that only 25.0 percent of the papers during 1996 are nonfinancial topics. Our coding appears to be likely conservative and may understate the trend.

Figure 4: Proportion of Papers Appearing in The Accounting Review from 1976 to 2006 on Topics Other than Financial Accounting

% Of Papers Published in The Accounting Review on Non-Financial Accounting Topics, 1976-2006

Originally Reported as Figure 2 in Tuttle & Dillard (2007, 396)