

# Paradigms in Accounting Research: A View from North America

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The word “paradigm”  
can mean a lot of different things.

# What is considered as “good “ research at top (or wanna-be-top) U.S. business schools?

1. Publications in “A-level” academic journals.
2. Lots of SSCI citations.

What types of research are published in journals considered as “A-level”?

Predominantly empirical tests of economics-based models using large, archival data sets

# My favorite illustrative quotes

“Economics is not only a social science, it is a genuine science. Like the physical sciences, economics uses a methodology that produces refutable implications and tests these implications using solid statistical techniques. ”

“By almost any market test, economics is the premier social science. The field attracts the most students, enjoys the attention of policy makers and journalists, and gains notice, both positive and negative, from other scientists. In large part, the success of economics derives from its rigor and relevance as well as from its generality.”

Lazear, Edward P. "Economic Imperialism," *Quarterly Journal of Economics*, 2000, 115(1), 99-146.

What types of research get lots of SSCI citations?

Papers published in “mainstream” research areas.

# Some data to illustrate

A comparison of:

1. the research is being done

– As indicated by SSRN working paper postings.

with

2. the research being published.

Source: Ranjani Krishnan

## What people are working on: SSRN working paper postings

	2008	2007-08
Some hot topics:		
Governance in title	660	>1,000
Compensation in title	234	364
Governance in abstract	>1,000	>1,000
Compensation in abstract	937	>1,000
Some financial accounting topics:		
Earnings Management in Abstract	261	464
Conservatism in Abstract	99	185
Some indicators of management accounting		
Management accounting in abstract	265	492
Performance Measurement in abstract	212	357
Cost allocation in abstract	129	240
Budgeting in abstract	169	271



# Published Papers

	AOS	CAR	JAЕ	JAR	RAST	TAR	Total
Governance in title	5	4	10	9	6	6	40
Compensation in title	1	16	34	34	7	27	119
Governance in abstract	18	15	18	26	2	10	89
Compensation in abstract	6	32	74	90	14	77	293
Earnings Management in Abstract	0	25	30	33	12	37	137
Conservatism in Abstract	3	11	16	12	13	18	73
Management accounting in abstract	86	2	1	2	0	17	108
Performance Measurement in Abstract	18	9	3	4	5	6	45
Cost allocation in abstract	2	2	1	8	2	23	38
Budgeting in abstract	42	5	0	11	0	19	77

## Published Papers – 1999-2009

	AOS	CAR	JAЕ	JAR	RAST	TAR	Total
Compensation in abstract	4	28	31	34	14	39	150
Earnings Management in Abstract	12	19	20	20	12	31	114
Conservatism in Abstract	3	10	15	7	13	11	59
Management accounting in abstract	46	2	0	0	0	7	55
Performance Measurement in abstract	14	9	0	2	5	3	33
Cost allocation in abstract	1	1	0	1	2	0	5
Budgeting in abstract	11	1	0	1	0	3	16

## Published Papers – 1999-2009

	AOS	CAR	JAЕ	JAR	RAST	TAR	Total	Publ./ SSRN
Compensation in abstract	4	28	31	34	14	39	150	.16
Earnings Management in Abstract	12	19	20	20	12	31	114	.44
Conservatism in Abstract	3	10	15	7	13	11	59	.60
Management accounting in abstract	46	2	0	0	0	7	55	.21
Performance Measurement in abstract	14	9	0	2	5	3	33	.09
Cost allocation in abstract	1	1	0	1	2	0	5	.04
Budgeting in abstract	11	1	0	1	0	3	16	.09

## Published Papers – 1999-2009 – North America

	CAR	JAE	JAR	RAST	TAR	Total	Publ./ SSRN
Compensation in abstract	28	31	34	14	39	146	.16
Earnings Management in Abstract	19	20	20	12	31	102	.39
Conservatism in Abstract	10	15	7	13	11	56	.57
Management accounting in abstract	2	0	0	0	7	9	.03
Performance Measurement in Abstract	9	0	2	5	3	19	.09
Cost allocation in abstract	1	0	1	2	0	4	.03
Budgeting in abstract	1	-	1	-	3	5	.03

## The effect of these biases

All types of research other than **empirical tests of economics-based models in mainstream areas using large, archival data sets** are in sharp decline

In the other areas at so-called “top” schools:

- junior faculty not getting tenure
- senior faculty becoming marginalized
- courses being squeezed out of the curricula
- doctoral students not being attracted

## A puzzle

Why are nearly all top U.S. business schools following the same strategy?

- This is not what we teach.

# Alternatives for U.S. researchers

1. Go mainstream
2. Go to a lower-ranked school
3. Go to Europe

# Prediction of the future

- The pendulum will swing back.
  - But in the U.S., the problem will get worse before it gets better.
- Europe will assume leadership in many areas of accounting research.
  - Probably can be said to have already done so in management accounting.