

2010 School Seminar Series

Waikato Management School
Te Raupapa



The Accounting Profession's Influence on Academe: A Cautionary Case Study

Wednesday 25, August 2010
1.00pm – 2.00pm
MSB.4.02

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And

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Abstract:

Purpose: To highlight the negative aspects of the influence of the accounting profession on academe.

Design/methodology/approach: Our case study on the influence of the South African Institute of Chartered Accountants (SAICA) on the South African accounting academy highlights a number of negative influences and we show the applicability of these findings to other parts of the world, including the USA, the UK and Australia.

Findings: Four mechanisms of influence that maintain the *status quo* have been identified, namely, the professional body's accreditation of university accounting programmes; direct supplementation of academic salaries by SAICA; the reputational benefits to the academy of association with SAICA; and the way the qualifying examination results are used to play universities off against each other. We describe the isomorphic rules and structures within the academy that have developed as a result of these mechanisms of influence. The effects include the fact that teaching has become overly technical, that it is not informed by research and that it makes no reference to theory, principles, or social implications. Research is de-emphasised and plays almost no part in developing accounting as an academic discipline, or in informing regulatory change.

Social implications: The accounting academy is losing its academic freedom and its ability to be critical of the profession. No other parties in society are as well placed to fulfil this role as accounting academics. In addition, the development of accounting teaching and research is negatively influenced.

Originality/value: Awareness of these issues will place the accounting academy in a position to assess whether there is a need to resist the influence of professional bodies. We suggest approaches that may be useful to counteract the influence of such professional bodies if this is deemed necessary. However, the mechanisms employed by the professional bodies provide strong incentives for the accounting academy to maintain the *status quo* and we cannot identify any incentives for the accounting academy to resist, other than to strengthen their academic independence.

Keywords: accounting profession, accounting academy, accounting teaching, accounting research, institutional theory, isomorphism

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