

Editorial



We are approaching the end of the year. I presume that, for many of us, this means to take some time to reflect upon both one's past achievements and one's plans for the near future. What have I done? What do I want to do next? This also applies to the EAA community as a whole, and this is why John Christensen, in his presidential letter, looks back at the EAA's main achievements in 2007 and the challenges that he sees for 2008.

This issue of the newsletter also features an interview with the current editor of *Contemporary Accounting Review* (CAR), Michel Magnan. He talks about the challenge of positioning CAR within the competitive landscape of accounting journals and he also comments upon emerging trends in accounting research.

The newsletter provides reports on three recent events: the International Management Control Research Conference, the EUFIN conference, and the annual EIASM Workshop on Intangibles and Intellectual Capital.

Moreover, several event announcements and calls for papers remind us that we need to make our plans for the next year and the year after.

The next newsletter will appear in February 2008. Until then, I wish you an enjoyable time and a good start into the New Year!

Martin Messner
messner@hec.fr

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Letter from the president, John Christensen

Dear Colleagues,

The year 2007 is approaching the end and it is time for me to wish you all a Merry Christmas and a Happy New Year. One of the memorable events in 2007 was the 30th annual congress of the European Accounting Association in Lisbon. It is time to look forward to the conference in Rotterdam. As you already know, the Rotterdam conference will feature some innovations in the program such as discussants and best paper awards. I look forward to seeing the consequences of these innovations for the quality of the congress and its benefit to participants, and I hope to see you all there.

Our journal the European Accounting Review (EAR) was accepted for indexing in the Social Science Citations Index (SSCI) this year. This is another important event for the EAA in 2007 as it brings the EAR into a small and exclusive group of accounting journals that are included in the SSCI. This group of journals comprises: The Accounting Review, Journal of Accounting Research, Journal of Accounting and Economics, Accounting Organizations and Society, Review of Accounting Studies, Journal of Business Finance and Accounting, Abacus and Auditing: A Journal of Theory and

Practice. This recognition is the result of hard work by our former editor Kari Lukka and our present editor Salvador Carmona, and the acceptance shows that our journal is on the way to establishing itself as one of the major journals in accounting research.

This is an important milestone for us as it allows the accounting researchers who publish in EAR to get a measure of their impact in the form of the number of citations. It is also up to us to prove that our journal belongs in that group as the journal has to prove that it has an impact in itself. This is measured by number of citations in other journals. It is easy to realize the circular nature of this argument! However, it is up to each of you to make sure that you produce papers that are quoted in many other journals and that you also quote numerous EAR papers of relevance for your work!

Impact measures are important because of the new competitive nature of funding for research. Throughout Europe governments put research on the political agenda as they have realized that our future welfare depends upon our investment in scientific research and scientific training of our students. The investment follows the most influential researchers. These are identified through impact measures. This type of measurement has also found its way into deans' offices. Deans want influential faculty and consequently they focus on citations when recruiting and

promoting faculty. They also want productive researchers and this leads constantly to a demand for comments from us on suggested rankings of journals. On this dimension there is room for improvement of EAR. But also this cause-and-effect relationship is circular. The best papers will only go to the best ranked journals and if the journal does not get the good papers it will never get into the top category. It is not easy to change these rankings in the short run. If we want to change that, it is hardly enough to rely on the increased quality of European accounting research. I think we must do a little more than that. We should use some of our joint efforts in the EAA to find ways to enhance the EAR even further in the coming year. The EAA is ready for this challenge and we welcome ideas, constructive comments and suggestions to help further our ambitions for EAA and EAR.

Best wishes of a productive 2008,

John Christensen
President of EAA

Call for papers

”Measurement Issues in Financial Reporting”

Special Section of EAR



Guest editors:

Katherine Schipper (Duke University, The Fuqua School of Business) &

Marco Trombetta (Istituto de Empresa Business School)

This special section will include research that addresses the problems and possibilities associated with the need to resolve pressing measurement issues in financial reporting. These measurement issues are more timely than ever in light of recent changes in financial reporting, including the increasingly widespread adoption of International Financial Reporting Standards (IFRS), the increasing use of fair value measurements for financial reporting, including optional uses (as in IAS 39 and SFAS 159) and the inclusion of measurement issues as Phase C in the joint International Accounting Standards Board (IASB)-Financial Accounting Standards Board (FASB) conceptual framework project.

Research topics appropriate for this special issue would include, but not be limited to, the following examples:

1. Characteristics a given approach to arriving at a reported or disclosed number must have in order to qualify as a measurement basis in financial reporting

- From a financial reporting standard setting perspective, what is encompassed by the idea of “measurement”? Is there a meaningful distinction between a measurement and a calculated number? For example, are balance sheet values that are arrived at by allocations of transaction amounts (such as the book values of plant, property and

equipment) measurements? Are balance sheet values that are arrived at by subtracting a forward-looking estimate from a transaction amount (such as accounts receivable net of estimated uncollectible accounts or deferred tax assets net of a valuation allowance) measurements?

- To what extent is the standard setting perspective on measurement compatible with the information economics approach to accounting theory? Can we talk about “measurements” and “fair values” in a context of imperfect and incomplete markets?

2. Implications of choosing and applying a measurement basis

- Should there be one measurement basis for all balance sheet items? What are the advantage and disadvantages of the current mixed attribute model which applies both fair value (and similar) measurements and measurements based on historical transaction amounts?
- Should changes in measurements be asymmetric (as, for example, in the requirement to measure certain impaired assets at fair value if that value is less than book value) or should they be symmetric (as, for example, in the accounting for trading securities)?
- If comprehensive income equals changes in net assets except for transactions with owners, how should changes in measurements of assets and liabilities be displayed in a statement of comprehensive income?
- How should management intent (as in the current accounting for marketable securities under IAS 39 and SFAS 115) affect the choice of measurement basis? To what extent

should the choice of measurement attribute be left in management’s hands (as, for example in the fair value options in IAS 39 and SFAS 159), given that this implies a lack of comparability?

3. Qualitative characteristics of measurement bases

- Which measurement bases are most relevant? Which are most reliable? Which have the best combination of these two qualitative characteristics?
- With regard to potential reliability issues, what are the most important causes of unreliable measurements?
- To what extent can disclosures (in notes to financial statements) be used to address concerns about reliability of reported numbers?

4. Reflecting uncertainty about payoffs in measurement, not recognition. Many financial statement items embody some amount of uncertainty. Should this uncertainty be addressed through recognition criteria (as, for example, in the current version of IAS 37 and in SFAS 5) or should it be addressed through measurement (as proposed by the IASB in its exposure draft to amend IAS 37)?

5. Implementation and expertise issues. The adoption of IFRS by many jurisdictions in recent years has required preparers and auditors to change accounting measurements, in some cases, toward a variant of fair value or current value. Some of these measurements can require the exercise of professional judgment as well as significant estimation effort.

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Call for papers

"Measurement Issues in Financial Reporting"

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- What are the implementation issues, for preparers and auditors of financial statements, associated with this change?
- What, if any, are the implications for financial statement users?

6. *Corporate governance.* What is, and what should be, the relationship between the financial reporting measurement basis and the corporate governance structure?

- Arguably, measurement bases differ in terms of relevance and reliability (which includes verifiability). Given these differences, does the choice of a measurement system affect the liability of managers that sign a firm's financial reports?
- Should a law such as the Sarbanes-Oxley Act affect the standard setter's choice of measurement basis in authoritative guidance? Should legal

considerations affect management's choice of measurement attribute, where such choices exist in IFRS and US GAAP (e.g., IAS 16 permits but does not require certain non-financial assets to be measured periodically at fair value; IAS 39 and SFAS 159 permit certain financial items to be measured at every reporting date at fair value)?

Following the EAR policy of openness and flexibility regarding methodologies and styles of conducting research, papers using analytical approaches (including both mathematical modeling and qualitative reasoning), experimentation, field study methods, surveys and empirical-archival methods will be considered.

Submitted papers considered for this special section will be subject to a double blind review process. Authors are

encouraged to contact the guest editors in advance should there be any matters on which they require clarification or guidance (schipper@duke.edu; marco.trombetta.ear@ie.edu). Authors should strictly follow EAR submission guidelines which can be found at: <http://www.tandf.co.uk/journals/authors/rearauth.asp>. Submissions in electronic format (MS Word) should be sent to the EAR editorial office in Madrid (Spain), via e-mail: ear@ie.edu. The subject of the message containing the electronic submission should include a reference to "Special Section on Measurement Issues in Financial Reporting". Additionally, one hard-copy of the paper should be sent to Professor Salvador Carmona, Editor, EAR, Calle Pinar, 15-1B, 28006 Madrid (Spain). The **deadline for submissions is September 19, 2008.**



European Accounting Review

Forthcoming articles

Asís Martínez-Jerez, F. *The Governance Role of Conditional Conservatism.*

Arnold, M., Ponick, E., Schenk-Mathes, H., *Groves Mechanism vs. Profit Sharing for Corporate Budgeting -an Experimental Analysis with Preplay Communication.*

Gendron, Y., *Constituting the academic performer: The spectre of superficiality and stagnation in academia.*

Gaeremynck A., Van der Meulen S. and Willekens M., *Audit-Firm Portfolio Characteristics and Client Financial Reporting Quality*

Messner M., Becker A., Schäffer U. and Binder C., *Legitimacy and identity in Germanic management accounting research*

Danbolt J. and Rees W., *An Experiment in Fair Value Accounting: UK Investment Vehicles*

Locke J. and Lowe A., *Evidence and implications of multiple paradigms in accounting knowledge production*

Francis J.R., Khurana I.K., Martin X. and Pereira R., *The Role of Firm-Specific Incentives and Country Factors in Explaining Voluntary IAS Adoptions: Evidence from Private Firms*

Pomeroy B. and Thornton D.B., *Meta-Analysis and the Accounting Literature: The Case of Audit Committee Independence and Financial Reporting Quality*

Gordon L.A., Loeb M.P., Sohail T., Tseng C.Y. and Zhou L., *Cybersecurity, Capital Allocations and Management Control Systems*

Ohta Y., *On the Conditions under which Audit Risk Increases with Information*

Upcoming EIASM events

- 8th Workshop on Accounting and Economics, Milan, Italy - 19-21 June 2008,
http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=562
- 1st Workshop on Imagining Business, Oxford, U.K. - 26-27 June 2008,
http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=555#1304
- 5th International Conference on Accounting, Auditing & Public Sector Reforms, Amsterdam, The Netherlands - 3-5 September 2008,
http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=507
- 2nd Workshop on Audit Quality, Milan, Italy - 26-27 September 2008,
http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=578
- 4th Workshop on Visualising, Measuring and Managing Intangibles, Hasselt, Belgium - October 2008
- 5th Workshop on Management & Accounting in Historical Perspective, Innsbruck, Austria - October 2008
- 6th Conference on New Directions in Management Accounting, Brussels, Belgium - 15-17 December 2008,
http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=575
- 5th Conference on Performance Measurement and Management Control, Nice, France - 23-25 September 2009,
http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=576
- EDEN Doctoral Seminar on Analytical Accounting Research, Brussels, Belgium 7-11, 2008,
http://www.eiasm.org/frontoffice/eden_announcement.asp?event_id=583

Announcement

AAA Annual Meeting

2008 American Accounting Association Annual Meeting: Building our Accounting, **August 3-6, 2008 Anaheim, California**, <http://aaahq.org/AM2008/menu.htm>

Call for Submissions:

<http://aaahq.org/AM2008/call2008.htm>

Deadline for submissions: January 7, 2008

Announcement

IPA 2009

9-11 July 2009, Innsbruck (Austria)



The **Interdisciplinary Perspectives on Accounting (IPA)** Conference is an established forum for the interdisciplinary study of accounting which brings together accounting researchers with broad social science interests and researchers from other disciplines such as anthropology, philosophy, political economy, and organization studies. The main focus of the conference is on the social, political, and organizational aspects of accounting theory and practice.

We invite researchers from all areas of the social sciences to contribute papers. Papers and sessions at previous conferences have dealt with themes such as the accounting profession, accounting institutions and the creation of social order, new forms of accounting and accountability relevant to environmental sustainability and employee democracy, and critical analyses of accounting discourses. These themes are indicative and the organizers welcome innovative submissions. Potential contributors who are uncertain about the relevance of their work should submit proposals for discussion with the organizers.

A distinctive feature of the IPA is the thorough review that each paper receives before the acceptance decision. Papers are presented at the conference by a discussant with a response from the author. Reviewers and discussants are central to the continuing success of this conference and we encourage wide participation in the conference through the review process.

The IPA Conference 2009 will take place from **09 to 11 July 2009**, in **Innsbruck, Austria**, and will be hosted by the Innsbruck University School of Management. The conference will be preceded by an **Emerging Scholars Colloquium** on 07 to 08 July 2009.

Critical dates:

Submission of papers: 01 February 2009

Notification of acceptance: 22 March 2009

Submission of final version of papers: 03 May 2009

Further enquiries:

E-mail: ipa2009@uibk.ac.at

Albrecht Becker, Innsbruck University School of Management

Call for Papers

2nd International Conference on Accounting and Finance

August 28-29, 2008, Thessaloniki, Greece

The Postgraduate Program of the Department of Accounting and Finance of University of Macedonia is seeking papers for its upcoming conference. Authors are invited to submit theoretical and empirical papers in all categories of finance and accounting. The broad topics include: Corporate finance, asset pricing, derivatives, corporate governance, market microstructure, financial intermediation, international finance, financial accounting, disclosure, valuation, forecasting, earnings management, strategic cost, international accounting etc.

We plan to hold a joint finance/accounting session in which doctoral students will present their work and receive feedback from faculty in their discipline.

Conference language

The official language of the Conference will be English.

Conference website

<http://eos.uom.gr/~icaf>

Deadlines and manuscript preparation

Full papers submitted for consideration should reach the Organising Committee by 6th April 2008. Notifications of acceptance will be sent to authors by 23th May 2008.

Send full papers (preferably in electronic form, modulated according to the guidelines for authors) to the:

Conference Secretary

Ipatia Konstantinidou & Elisabeth Parlapani

Department of Accounting & Finance
Postgraduate Program

University of Macedonia
N. Egnatia Str. 156, 54006, Thessaloniki, Greece

Tel: 0030 2310 891687, 0030 2310 891693

Fax: 0030 2310 891678

E-mail: icaf@uom.gr

Publication of papers

The papers presented at the conference will be published in the Proceedings of the 2nd International Conference on Accounting & Finance.

Also the two best papers will be published in the "Investment Research & Analysis Journal".

Venue and dates

The Conference dates are 28-29 August 2008, University of Macedonia, Thessaloniki, Greece

Organising committee

Ioannis Lazaridis (Chairman), Dimitrios Papadopoulos, Dimitris Ginoglou, Christos Negakis, Achilleas Zapranis, Nikolaos Protogeris, Panagiotis Tahinakis (all of the University of Macedonia, Greece)

Call for Papers

13th Accounting and Management History Conference

March 27-28, 2008, Orléans, France

The French Accounting and Management History Conference has been, since its first edition in 1995, a key annual meeting for those who are interested in the history of management. Since 1995, we intend to bring together researchers in accounting, management, history, sociology, law or economics; all convinced that the past is often unexpected and has still much to learn to us.

As usual, all subject matters will be welcomed, but we would like to suggest a particular theme for the 2008 edition:

"The FAILURE"

This theme could include several kinds of papers:

- the history of a failure
- the consequence and the lessons of a failure

- the management of a failure
- the integration of failure in management
- some particular themes like bankruptcy, dismissal, financial krach, crisis etc.

We would like to shed light on failure from different points of view, i.e. accounting, management control, human resource management, marketing, finance, corporate strategy, etc.

Scientific committee: Laurent Batsch (University of Paris Dauphine), Nicolas Berland (University of Poitiers), Trevor Boyns (Cardiff University), Ludovic Caillaud (University of Toulouse), Garry Carnegie (University of Ballarat), Jean-Guy Degos (University of Bordeaux 4), Richard Fleischman (John Carrol University), Patrick Fridenson (EHESS), Georges Gallais-Hamono (University of Orléans), Pierre-Cyrille

Hautcoeur (EHESS), Yannick Lemarchand (University of Nantes), Marc Nikitin (University of Orléans), Robert Parker (Exeter University), Anne Pezet (University of Paris Dauphine), Eric Pezet (University of Evry), Lucia Lima Rodrigues (University of Minho, Braga), Michèle Saboly (University of Toulouse), Marc-Daniel Seiffert (University of Reims), Stephen Walker (Cardiff University), Henri Zimnovitch (Universitu of Paris XI).

Organisation committee: Rahma Chekkar, Carole Grillet, Pierre Labardin, Marc Nikitin.

Deadline for submission of papers:

December 31 2007: Papers with two abstracts (French / English). They should be sent to: jhcm@free.fr. The website of the congress is <http://jhcm.free.fr>.

Report on the 7th International Management Control Research Conference

Two events took place in Paris in September 2007: the first part of the Rugby World Cup and, from the 12th to the 14th, the 7th International Management Control Research (IMCR) Conference. As the former has benefited from extensive media coverage, it seems appropriate that in this contribution to the EAA newsletter we concentrate on the conference only.

The IMCR conference, usually organized every three years, was this time a joint event organized by three constituencies: the Management Control Association, the European Network for Research on Organizational and Accounting Change and a France-based group of Management Control researchers, MA-CORG. Two venues hosted the participants: the Paris campus of ESCP-EAP and, for the gala dinner, a much appreciated boat on the river Seine. Prior to the conference, on the 11th and 12th of September, the MCA doctoral colloquium was held on the main campus of ESSEC Business School in Cergy near Paris.

A distinctive characteristic of the IMCR resides in its willingness to gather a unique mix of practitioner and academic presentations. Jean-Cédric Raffin (Valeo), Arnaud Moisset (Saint-Gobain group) and Peter Simons (CIMA) interacted with John Burns (ENROAC) and conference participants during the introductory plenary sessions that were dedicated to the practice of management control in large multinational companies and to practice-based research. During the conference, 57 papers were presented in parallel sessions, and a literature review identifying emerging themes in management control by Tony Berry, Alan Coad, Elaine Harris, David Otley and Carolyn Stringer was presented in a plenary session.

Our colleagues honoured us by inviting us to present a review and summary of the conference debates during the closing plenary. It was, of course, not possible to turn down the invitation; yet we were aware of the hazardous path that



we were asked to take. In the remainder of this text, we will not try and replicate the challenge but will restrict ourselves to the provision of some main facts and figures, together with brief comments, which we presented during the closing plenary.

At first, it appeared to us that the conference had an interesting size in terms of the number of papers (57) and participants (104). Not too large so as to facilitate interactions, discussions and the exchange of ideas; not too small yet so that it proved possible to group papers into coherent streams and sessions. The conference was very international, with papers from a large variety of countries: Portugal (5); Italy (1); Belgium (1); Canada (1); Sweden (3); Norway (2); The Netherlands (2); New Zealand (2); Australia (4); United Kingdom (15) and France (19). This count being based on the first author's institution only, we apologized for the colleagues who were actually in Paris but unaccounted for in our statistics which reflected our national traits, recalled two days earlier by practitioners in their presentations of cultural differences in management control practices: French management controllers would be analytical, and Latin.

Among the 57 papers, case studies were by far the dominant type of contributions, with 32 papers in total. Adding up cross-sectional studies based on interviews (8) or questionnaires (8) and papers based on contingency approaches (4), in total 52 papers out of the 57 were empirical, with a large ma-

jority of interpretive papers. This dominance of empirical, interpretative papers obviously was another characteristic of the IMCR conference.

Among the 32 case studies, 16 were based on a single case, 5 on multiple cases, 6 were longitudinal case studies and 5 were based on action research. We noted that our colleagues in their review of emerging trends in management control research had precisely called for more longitudinal and action-research case studies.

In terms of themes of interest, management accounting change (14), performance measurement and management (14) and management control systems (11) were more frequent, the other papers addressing such themes as ABC, knowledge and management control, management control in SMEs, management control and strategy. The scarcity of papers on accountants and controllers (3 contributions only) was echoing the practitioners' call for more research on the job characteristics and their occupants, notably in terms of national differences. As a matter of fact, we noted that the French practitioners, mentioning the occupation, talked about management controllers while Peter Simons from CIMA talked about management accountants. The variation in the terminology was interesting as such and probably referred to different occupational roles in organizations.

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A number of papers analyzed accounting change from an institutional per-

International Management Control Research Conference (continued from p. 7)

A number of papers analyzed accounting change from an institutional perspective and the focus on the "human dimension" in management control was another thread through the many interpretative studies. This might indicate a tendency of management control research to move closer to the field of organization studies, as several papers borrowed their conceptual framework from the disciplines and theories of organization studies. However, it also raises the question of the contribution of management control research to organization theory, and the specificity that might reside in management control and its measures, systems and

processes. Therefore, very tentatively and based on our review of the conference debates, we argued that given the wealth of interpretive management control research, the very relationship and reciprocal contributions between organisation studies and management control research should more readily be addressed.

This brief account cannot adequately reflect what has been a very stimulating conference, thanks to high quality papers, very constructive discussions and a friendly atmosphere. On behalf of our colleagues of the MCA, ENROAC and MACORG, we would like to express again our gratitude to participants, ses-

sion chairs, authors and discussants, to CIMA and the ICAEW for their support for the conference and the doctoral colloquium respectively, as well as to the organizers and hosting institutions.

Olivier Sulpic (ESCP-EAP) and Philippe Zarlowski (ESSEC Business School)

Call for Papers

Workshop on Management Accounting as Social and Organizational Practice

3-4 April 2008, Paris / HEC

Chairs:

Matthew Hall (London School of Economics)

Allan Hansen (Copenhagen Business School)

Martin Messner (HEC School of Management)

This workshop is a continuation of the track "Managing by numbers – and beyond" that was organized at the EURAM conference in Paris in May 2007. The aim of the workshop is to bring together scholars in the field of management accounting and control who share an interest in understanding the social and organizational antecedents and effects of management accounting practice.

A key objective of the workshop is to **develop participants' research through critical discussion**. Accordingly, the format of the workshop is somewhat different than usual. Paper presentations will be of 45 minutes duration to provide ample **opportunities for discussion** and feedback. The workshop will also feature group review sessions, in which selected working papers will be discussed and de-



bated among a group of 3-5 participants. Finally, we will have an open discussion of a current "hot topic" in research to conclude the workshop. The workshop is limited to 30 participants. Participants without a paper are accepted on a first come-first serve basis.

Practicalities:

The workshop will take place at the campus of HEC School of Management (1, Rue de la Libération, 78351 Jouy en Josas) which is south of Paris. It starts on Thursday, 3rd of April, at 1 pm and ends on Friday, 4th of April, at about 3 pm. There are no fees. Also, dinner (on Thursday) and lunch (on Friday) will be

provided by the local organizers. There is a hotel on the campus which charges reasonable rates.

Submission:

Full papers must be submitted as Word documents by **January 10, 2008** at the latest. Author information should only feature on the first page of the document. Papers will be reviewed and notification of acceptance (or otherwise) will be given by January 31, 2008. Deadline for registration (with or without an accepted paper) is **February 15, 2008**.

Local organizers:

Claire Dambrin (HEC School of Management)

Caroline Lambert (HEC School of Management)

Martin Messner (HEC School of Management)

Paper submissions and registrations should be made to Martin Messner at messner@hec.fr. Enquiries about practicalities should be made to Caroline Lambert at lambert@hec.fr.

Report and Commentary on the
3rd EIASM Workshop on Visualising, Measuring, and Managing Intangibles & Intellectual Capital

“Let’s not keep taking the easy route!”

Christian Nielsen, PhD, Associate Professor at Aalborg University

For the second time in three years, **Ferrara University** hosted the “3rd EIASM Workshop on Visualising, Measuring, and Managing Intangibles & Intellectual Capital”. The workshop took place from **October 29 to 31** and was chaired by Professor **Stefano Zambon**. The extravagant 14th century Aula Magna of Ferrara University set the scene for the welcome plenary session of the workshop, which commenced with the commemoration of Jan-Erik Gröjer. Jan-Erik, who recently passed away, has been a most contributing and appreciated member of the IC-community throughout the last decade. We, as well as his family and Swedish colleagues, will miss his good



humour and thoughtfulness.

The opening plenary session presented four speakers. First up was Baruch Lev, who talked about the ‘conceptual company’. To me, it seemed as if Lev’s research design was what could be called a “garbage can” model of research, i.e. “I have the solution, let me find the problem”. Admittedly, the ideas presented were interesting, but it seems as if Lev has been chasing a type of company that would fit his own ready-made solutions. If he had looked more strongly outside his own realm, he would have probably found that (1), most of the recent research on Intellectual Capital (IC) argues that identifying measuring, and managing IC must depart from an idea of use value, uniqueness and business concept (also denoted business model), and (2), that his notion of the conceptual company fits very well with the particularities of e.g. the Royal Danish Theatre founded in

1722 and a multitude of other arts institutions around the world. In other words these ideas are not new at all. The second speaker, Yasuhito Hanado gave an account of the whereabouts of Intellectual-Assets-based Management Reporting in Japan, which indicated that this area of research still has some interest in the Japanese context.

The next speakers presented a couple of new and exciting movements in the IC community. Giampaolo Trasi and Alexander Welzl presented the Commission on Intellectual Capital under the European Federation of Financial Analysts. Their presentation included some of their preliminary work, namely 10 principles for the effective communication of IC. Albeit, the IC community welcomes an initiative from the capital market side, these 10 principles represent the ideas that were already present at the OECD conference in 1997. Therefore, we should greet this initiative welcome and make sure to encourage a continuation of the mission. Finally, Stefano Zambon presented the advent of the World Intellectual Capital Initiative, which in time may lead to new projects and collaborations that will enhance the present level of theory and practice in the field.

It does not take more than a glance at the list of papers that were presented to see where the focus of research is at the present. Much “research space” is currently devoted to identifying links between IC and financial and stock related performance, counting the disclosure of IC information in business reporting, and studying the use of IC information in business and investment decisions. Despite the urges for more interdisciplinary research and research concerned with moving the IC agenda from the study of measurements to the study of management made 2 years ago in Ferrara, the developments seem to be somewhat constipated. Or perhaps the research community is carefully preparing these studies for disclosure in the near future?

Nonetheless, it is worrying that the sociologists seem to have “left the building” and that studying the extent of business reporting and measurement still prevails over understanding management issues. One possible explanation is the ever present problem of publication (which leads to esteem and ultimately to the sustainability of living via salary!). Normative research may be considered the easiest way to publication, and therefore it becomes (and stays) the norm. This is – funny enough – analogous to the hurdles of reporting and using IC information for business and investment decisions: companies do not consider the capital market able to use IC information and so they do not publish it, and the capital market never learns to use IC information in its decision-making because no companies disclose such information to them on a regular basis. Therefore, it can only be encouraged that we engage the publishers, editors and referees, and that they in turn wake up and smell the coffee – when it is served.

“Studying the extent of business reporting and measurement still prevails over understanding management issues”

The concluding plenary session focused on the micro-macro perspective of intangibles. While Carol Corrado illustrated how intangible capital and economic growth were very much interlinked, she also questioned whether measuring business spending on intangibles was appropriate. In other words, are intangibles really a capital? Jacques Van Der Meer from the European Investment Bank, Hilary Eastman of the IASB and Luigi Migliavacca of PWC addressed different perspectives relating to accounting for intangibles.

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“Let’s not keep taking the easy route!”

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It can be deduced from this session, that government and standard-setting bodies and organisations primarily are concerned with creating conceptual frameworks and standards that may lead to the ability of benchmarking. However, the message coming from the business sector seems to contradict this, as companies wish to communicate information that illustrates their uniqueness and the performance of that uniqueness.

On a final note, congratulations go to Francesco Baldi & Lenos Trigeorgis

who won the PWC prize for best junior contribution, Lucia Bellora who won the EIB prize for best contribution on “Performance Measurement and Valuation of Intellectual Capital” and Carlo Bagnoli who won the KIZOK Award for the best paper on IC and Small and Medium Sized Businesses.

In this concluding session, ICportal.net finally emerged after 2 years of development. It is hoped that this self-generating website will act as a knowledge hub from where all parties inter-

ested in IC may take their point of departure. Thus the IC community will be able to create links to own websites as well as collecting links to the websites of other organisations and projects. I would like to urge all interested parties to visit www.ICportal.net and to sign up for the newsletter there so that they may be oriented when this community-gathering – and knowledge sharing – portal is launched.

Report on the 3rd Annual Conference of the European Financial Reporting Research Group (Eufin)

The third annual Conference of the European Financial Reporting Research Group (Eufin) was held at the **ESSEC Business School** in Cergy Pontoise near Paris on **September 12 and 13, 2007**. As in the previous two years, the call for papers meant to encourage the submission of papers for the conference as well as to Accounting in Europe. The theme of many papers naturally gravitated toward the impact of the adoption of IFRS in various EU countries, but there was something to suit everybody’s interest. Examples of titles include among many others: “Accounting Choices Under IFRS 1: Analysis and Determinants”, “The Anglo-Saxon Conceptual Framework”, “Polish Auditing Norms and International Standards on Auditing”, and “The Impact of IFRS Adoption in the UK – Issues in Group Accounting”. Most of the conference papers as well as the slides of the presentations by Katherine Schipper and David Cairns can be downloaded from the conference website:

<http://www.essec-kpmg.net/us/eufin/papers.html>

Key note speaker of the first day, Katherine Schipper of Duke University in North Carolina (FASB member 2001-2006), presented an analysis of the



“Implementation Challenges in International Accounting Convergence”. She explained that for the US SEC to permit a choice between US GAAP and IFRS, two conditions need to be met. First, there needs to be a single set of standards (no carve-outs or other jurisdiction-specific modifications), and second, the implementation shall be consistent and uniform, producing con-

verged financial reporting outcomes.

Assuming that the current convergence projects will bring about a single set of standards, consistent and uniform implementation of these standards starts with the expertise, data, and measurement technologies used by preparers of financial information.

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Eufin Conference (continued from page 10)

Auditing, enforcement and public scrutiny must ensure that the information is in accordance with the standards. Research is necessary to analyse the implementation processes and assess the extent to which the implementation of uniform standards leads to converged financial reporting outcomes.

Katherine Schipper pointed out that from a research perspective implementations are behaviours and went on to describe research questions and research designs that researchers could follow to pursue answers to this kind of research questions. In sum, her presentation provided inspiration and practical guidance to researchers intending to take up the challenge.

On the second day the plenary session consisted of a panel discussing the "Costs and Benefits of Adopting IFRS". The panel included Mary E. Barth of the IASB, Jérôme Chevy of the Conseil National de la Comptabilité, David Cairns (London School of Economics), and Annie Mersereau of KPMG.

Mary Barth kicked off with an overview of the issues in determining the costs and benefits of adopting IFRS to all the parties concerned. She pointed out that a qualitative approach is more workable than a quantitative assessment because many of the benefits and costs are not easily expressed in valid numerical terms. Nevertheless, she invited everybody to think about the issue and come up with alternative assessment methods.

Jérôme Chevy further elaborated on the issue by discussing a survey done by the Société Française des Analystes Financiers (SFAF) or French Analysts Society. According to this survey the lack of prescription in IFRS poses a problem for financial statement preparers as well as users who are used to structured financial statements. On the other hand, the information in financial statements is richer and of better quality than before. Furthermore, the pace at which reporting standards were improved through the adoption of IFRS in the EU countries could not have been achieved by individual national regulators or legislators.

Annie Mersereau followed stressing the benefits of the adoption of IFRS in 2005 in the EU for auditors as well as users of financial statements. Presently the implementation of IFRS does not preclude a distinct local flavour to financial statements in the various EU countries. However, she expects that this will slowly disappear when the preparers get used to the new standards. She also noted that the opinions of securities analysts are not often represented in current research on the benefits of convergence and the adoption of IFRS.

David Cairns presented the preliminary results of a survey done by the ICAEW on behalf of the European Commission. The "EU IFRS Survey" serves the purpose of providing the European Commission with an assessment of the first year of application of IFRS as well as the application of fair value accounting for financial instruments. Overall compliance was found to be generally good although there were a few issues related to income statement presentation, disclosures on business combinations, goodwill impairment testing, and de facto control. Subsequent measurement at fair value was applied to equity investments, held for trading securities and derivatives.

Adoption of IFRS by the EU provides an example for other countries choosing to implement IFRS in the future. Research on Europe may become a model for studies into implementation challenges and cost/benefit analyses in countries that are looking to adopt IFRS around 2011. Eufin 2007 provided a platform for a great variety of studies dealing with these issues. In 2008, the Eufin conference will be held on **10-11 September at Lund University** (Sweden) and I hope that it will be an equally exciting experience.

Carien van Mourik

Open University Business School

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Call for research proposals International Accounting Education Standards

The International Association for Accounting Education and Research (IAAER) and Association of Chartered Certified Accountants (ACCA) are pleased to invite research proposals to support the work of the International Accounting Education Standards Board (IAESB). The program supports scholarly research directed at the IAESB's standard setting activities. Up to five research grants of US\$ 25,000 each will be awarded under this program. Funded projects will be showcased at events involving representatives from the IAESB, as well as renowned accounting education researchers. Funding for this program has been provided by ACCA. The **deadline** for proposal submissions is **March 31, 2008**.

Context and objective

This Call promotes and supports research directed at developing theory and evidence to inform the IAESB's standard-setting agenda. Funded projects may address items discussed in the Operational and Strategic Plan 2007–2009 of the IAESB or other items of importance to the setting of International Accounting Education Standards. Research projects with international relevance are particularly encouraged, as are those with a multi-disciplinary approach.

Publication of research findings

Research teams may publish their findings in the outlet of their choice. *Accounting Education: An International Journal* will offer the option of publication.

The full call for papers can be accessed at: www.iaaer.org/pdf/IAESBCall-Nov07.pdf.



Running an accounting journal

Interview with Michel Magnan

Professor of Accounting, Concordia University, and
Editor-in-Chief of *Contemporary Accounting Research*

Let's talk a bit about your editorship of CAR (Contemporary Accounting Research). Since when have you been editor?

I started in January this year, but I have been an associate editor for 6 years before. CAR has a very decentralized structure. As editor, I receive all the papers, and what I do is to look at each paper and ask whether it really fits with what we try to achieve with the journal. And then I assign the paper to one of my associate editors or I keep it for myself to act as an associate editor. I try to send the paper to the associate editor who is closest to the paper's topic. And then he or she will choose the reviewers, or I will choose the reviewers in case I keep the paper for myself. So the editorial process is very decentralized. This is to ensure that there is a good match between the paper's topic and the expertise of the associate editor. An associate editor who is involved in the general research field related to the paper is more likely to know the network of researchers who work in a certain area. This model started with my predecessor, Gordon Richardson, and I kept the same model because I think that this gives each paper a fair chance in the editorial process.

How is it to run a journal like CAR?

So far, it has not been so bad. We get over 200 papers a year, so every week, there are papers coming in. The big challenge is actually the conference. Once a year, we have the CAR conference, and this year, we received close to 80 papers, which had to be assigned and reviewed within a very short time-frame, in order to keep within the deadlines. This is one of my major challenges. A related challenge is to get an interesting program at the conference. Also, running a journal like CAR is a good experience because you learn really what's going on in terms of re-

search. However, it's a very competitive field, in many respects. First, you need to attract good papers, and there are other good journals, so researchers have a choice. The challenge then is to be one of their top choices. But there is *The Accounting Review*, you have *Journal of Accounting Research*, there are many journals which target more or less the same clientele. So that's one key challenge, to establish CAR in this very competitive field. Another challenge is to get expert and willing associate editors and reviewers. Because, as I just said, we receive more than 200 papers a year, I need to select more than 400 reviewers throughout the year, so that's

*"The biggest challenge is
CAR's positioning within the
competitive landscape."*

lot of manpower or womanpower that's involved in running the journal. And most of this work is on a volunteer basis. So that's the second challenge. The third challenge is to make editorial decisions, which sometimes is not easy. For example, when you have one reviewer saying that it is a great paper, while the other one thinks that it is really a poor paper. As an associate editor, you have to manage this difference in opinions. Eventually, you have to decide whether the paper's contribution is sufficient to recommend its publication. If a paper is well-written, the question is still whether it brings enough insights to be published in CAR or whether it would be more appropriate that the paper be redirected to a different journal. This is the ongoing work of managing all the papers and making these decisions. Right now, the biggest challenge is probably CAR's positioning within the competitive landscape. *European Accounting Review* is now emerging as a very good journal in

my view. Their editorial process is very good. The reviews are very thorough and they are of very high quality, so that's another outlet for people who are doing good research. Well, the more outlets there are, the more competitive the field becomes for me.

People quite often think of accounting journals in terms of North American versus European. Now CAR is North American, but it is Canada-based, not US-based. Does this make a difference?

It makes a slight difference in terms of the way that I look at papers. I do not have a complete U.S. focus. However, my audience is mostly North American, so every paper needs to show that it is of some relevance to my readers. The policy of CAR is to be open to different methodologies, different theories and perspectives, with a preference for empirical work. Even if a paper uses data from countries other than U.S. or Canada, this is fine. The only challenge for the author is to convince me, and the Associate Editor and reviewers, that we can learn some lessons from these data, irrespective of where we are. Research is to improve our understanding of accounting phenomena in general. So, what can I learn from what you have done with French data, UK data or German data? In an international journal, you want to be able to learn lessons from a country-specific study that will provide insights about other contexts. The point is not really to justify why you have used a particular data set, but rather to convince the reader that there are more general lessons to be learnt from the study. Sometimes, the context is so unique and so particular that it is questionable if we can learn in more general terms.

(continued on next page)

Running an accounting journal (continued from page 12)

This is how CAR tries to position itself. We are open to any kind of context, and some contexts can help us understand phenomena that are of more general relevance.

To which extent can a chief editor decide on the direction of a journal?

In general, you are at the mercy of the papers you receive. You have some control if you solicit researchers to submit articles. As an editor of CAR, my influence is somewhat limited. First, it is only a three-year appointment. At some other journals, the editors stay for many years. Ours is a three-year appointment, so a rather limited time-horizon. Second, I run an association journal (Canadian Academic Accounting Association), so we need to be open. This is the policy and the association encompasses researchers who use different types of methodologies. What I can do is to screen out some of the incoming papers as not being consistent with the journal's mission. So I have some power at that stage. I also have power in terms of whom I select as associate editors. But once I make the choice, they will act autonomously. So it is a very limited power that you have in the short run as an editor-in-chief.

You mentioned that, as an editor, you get a good overview of current research. What would you say are some of the emerging trends in accounting research?

What we have noticed over the past few years is the increased importance of audit research. There has always been audit research, but not as much as now. Especially, audit research which is connected with financial accounting or governance, so which essentially breaks the mould of traditional audit research which was very focused on auditors and auditor-client relationships. Now I think it has expanded, it is now viewed as part of a larger frame of reference. This is one trend that I have witnessed.

In terms of other trends, they are more subtle in my view. As to financial accounting and reporting, we see lots of research on international accounting standards, so bigger scope studies. But not always do these studies show much theoretical improvement, they are more about empirical refinements or looking at the same issues from slightly different perspectives. So the change is more incremental here. Another trend that I have seen, and this is not a positive one in my view, is that accounting research is becoming more inward-looking. If you look at accounting papers, they

mainly cite other accounting papers, and they do this to a higher extent than, say, 20 years ago. On the positive side, this could be a sign that, as researchers, we have built up confidence and that we have established a field. But you could also view it as evidence that we are getting disconnected from other fields. And one area where I have seen this is management accounting research. If you look at management accounting papers, many cite other management accounting papers, and not really any management, strategy or organisational behavior papers. So we're getting removed from leading edge research in other related or fundamental fields. What this leads to in terms of the evolution of management science, overall, is that accounting is being left behind in some respect. We do not cite other disciplines, except for finance perhaps. In turn, we are not being cited in other fields, and it is almost as we did not exist. So this is of concern in terms of our impact on the evolution of business or management thinking. In addition, it also implies that accounting journals do not have the impact that journals in other disciplines have.

Thank you for the interview.

Job market

- Korea University Business School, Department: Accounting, Application Deadline: Dec 31, 2008
- Concordia University (Montreal, Canada), Department: Accountancy, Position: Assistant, Associate, or Full Professor, Application Deadline: Feb 15, 2008
- EM Lyon Business School, Position: Faculty position in Financial Accounting, Application Deadline: Jan 31, 2008
- University of Lausanne, Department: The Faculty of Business and Economics, Position: Assistant Professor (tenure track) in Management Control, Application Deadline: Jan 31, 2008
- ESADE Business School, Department: Finance Management and Control, Position: Tenure-Track Faculty Position in Financial Accounting and Reporting, Application Deadline: Jan 31, 2008
- University College Dublin, Department: UCD School of Business, Position: Lecturing positions in Accountancy, Application Deadline: Jan 11, 2008
- The Schulich School of Business, York University Toronto, Position: Senior Level Positions in Accounting, Application Deadline: Dec 31, 2007
- The Schulich School of Business, York University, Position: Senior Level Position in Financial Accounting, Application Deadline: Dec 31, 2007

For more information, please visit www.eaa-online.org.

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