

A Historical Study of the First 30 Years of *Accounting Horizons*

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ABSTRACT: In this paper, we undertake a historical study of the first 30 years of the American Accounting Association's journal, *Accounting Horizons*. The journal was initially intended to bridge academe and practice. We review the founding of the journal and then trace the development of both the Commentaries and Main Articles sections. One of our principal findings is that there was a steep increase in the percentage of Main Articles using regression analysis-statistical tests during the 30 years, eventually exceeding that in *The Accounting Review*. Our analysis of the likely reasons for this trend leads us to conclude that foundational changes in the culture of the public accounting profession and in accounting academe had a profound impact on the content of *Horizons* during our period of study. We conclude with some suggestions for the journal moving forward.

Keywords: *Accounting Horizons*; journals; academics; practitioners.

Data Availability: All data are available from the authors.

INTRODUCTION

In this paper, we study the evolution of the American Accounting Association's (AAA's) third Association-wide journal, *Accounting Horizons*.¹ We first review the reasons for launching the journal in 1987 and then trace the history over the succeeding 30 years. Our examination follows the activities and decisions of the ten editorships, through the fourth quarterly issue of 2016. Our focus is on the accessibility of the articles published in *Horizons* to a broad readership, to ascertain whether the experience of the first three decades of its publication has likely expanded the readership, and the readers' understanding, of academic accounting research. Our principal finding is that the trend in the journal's published content has been a steadily increasing reflection of the content and methodology of the line of articles published in the AAA's major research journal, *The Accounting Review*, thus fundamentally altering *Horizons*' original aim of reaching out to readers who are not themselves empirical researchers. We attempt to examine reasons why this change happened and why we believe the change was inevitable and probably outside the control of the journal's editors. In particular, we find that most of the authors of empirical papers published in *Horizons* have not adequately explained, in a manner that would be understood and appreciated by non-researchers, the importance and economic significance of their results. Another important finding is that members and staff of regulatory bodies and standard setters have come to play a much more integral role in the journal, both as authors of articles and as intended readers, than was perhaps envisioned by the journal's founders. We also draw on research that

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¹ The first two are *The Accounting Review*, launched in 1926, and *Issues in Accounting Education*, begun in 1983.

characterizes the change in the Big N accounting firms beginning in the 1970s and 1980s which led to the withdrawal of practitioners from the accounting literature, and we also note the almost total disappearance of normative research by academics. Additionally, we look at how the journal has adapted to its current form and the role it now plays, a role that is quite different than was originally conceived in the middle 1980s—a very different era than exists today. We conclude with some suggestions for the future.

Our methodology involved conducting one brief interview, cited in footnote 5, and also included a detailed review of the 30 years' issues of *Accounting Horizons* and an examination of Executive Committee minutes received from the AAA's secretariat and the issues of *Accounting Education News* concerning the founding of the journal. We also conducted a comparative analysis with several years' contents of *The Accounting Review*. Our research also involved writing emails (a) to secure documentation from the AAA's secretariat and from the principals concerning the Executive Committee's attempt, in vain, to terminate *Horizons* in 2003, and (b) to investigate another episode in the early 1990s. We also wrote emails to *Horizons'* past editors and co-editors on particular questions and to request their comments and suggestions on our first full draft.

THE FOUNDING

Prior to the 1970s, both *The Accounting Review* and the *Journal of Accounting Research* regularly contained articles that were accessible to practitioners as well as to a broad audience of academics (Dyckman and Zeff 1984, pp. 226–249). However, an increasing number of papers involving hypothesis-testing empirical research and mathematical modeling, focused more on internal than external validity, began to dominate both journals in the 1970s, substantially reducing reliance on other modes of research.

Concern about the increasing methodological narrowness of *The Accounting Review*, and the difficulty expressed by practitioners in being able to read, let alone understand and learn from, its published articles, had become evident by the middle of the 1970s. In a survey of AAA educator and practitioner members in 1975, Rashad Abdel-khalik (1976) found significant sentiment among practitioners that the *Review* should publish applied research that related to the immediate needs of the profession and that the research being published in the *Review* was not aimed at a wide range of audiences. He also found that practitioners were concerned about the readability of the published research.

In 1977, the AAA published a report of its [Committee to Examine the Editorial Policy of *The Accounting Review* and to Consider Additional Publication Outlets \(1977\)](#), chaired by Maurice Moonitz. The committee, among its several recommendations (none of which were acted upon by the Executive Committee), said that the *Review* should include a statement of editorial policy, which “should be specific on aspects such as empirical research, theory development, [and] practice-oriented articles...” ([Committee to Examine the Editorial Policy of *The Accounting Review* and to Consider Additional Publication Outlets 1977](#), p. 23). This statement implied that the *Review* should carry articles on theory development and practice-oriented articles as well as empirical research. The committee also reported that practitioners said they “strongly recommend that articles published in *AR* [*The Accounting Review*] be written so that they can read, understand and learn from them” ([Committee to Examine the Editorial Policy of *The Accounting Review* and to Consider Additional Publication Outlets 1977](#), p. 24). The closest approximation to such an editorial policy statement appeared in the July 1978 issue of *The Accounting Review*, when Editor Stephen A. Zeff, without citing the committee's proposal as motivation, introduced the Financial Reporting section in the journal. In a preamble to the new section, he wrote:

In recent years, the increasing attention accorded to the enhancement of research methodology has sometimes tended to overshadow analysis and criticism of current financial reporting practices. The principal focus of this section is on the state of the art in financial accounting and reporting. (Zeff 1978b)

At the outset of his editorship, Zeff made it clear that he hoped to receive papers for the Main Articles section reflecting the use of a broad range of research methods (Zeff 1978a, p. 474). During his term he published work using both classical and modern methods. Yet empirical research, including papers relying on normal hypothesis statistical tests (hereafter, NHST), particularly the subset of those papers relying on a regression model-based (hereafter, RMB) approach, were nonetheless in the plurality of those he published. In 1983, when Zeff concluded his five years as editor of *The Accounting Review*, he recorded the following lament in an editorial:

I fear that the very proper emphasis on rigor in the application of modern empirical and analytical research methods to accounting questions may endanger the successful coexistence of classical approaches. In particular, I refer to historical research. Many potentially interesting data relating, for example, to standard-setting bodies, the accounting behavior of companies and firms, and changes in accounting thought and practice may not be susceptible to rigorous analysis by the use of modern research techniques. Should these data thus be allowed to escape the scrutiny of researchers? (Zeff 1983, p. 134)

In May 1985, AAA President Doyle Z. Williams reported to the membership as follows:

In my survey of a year ago of priorities for the Association, many respondents indicated that the Association must seek ways of providing more meaningful service to the membership at large, especially to our practitioner members. The most-often cited opportunity was in the publications area. In response to this counsel, I appointed a Publications Committee chaired by Past-President Harold Langenderfer (*Accounting Education News* 1985).

Other members of the committee were Robert N. Anthony, a past president; William W. Cooper; William L. Ferrara; Roger H. Hermanson; D. Gerald Searfoss, of Touche Ross & Co.; and Stephen Zeff. The committee thus consisted of six academics and a public accounting firm partner who had previously been an accounting academic. The charge to the committee was: “To propose a strategy for the AAA’s publication function to (1) best serve the education and research needs of the AAA membership and to (2) fulfill the leadership responsibilities of the AAA” (*The Accounting Review* 1985, p. 142). As it turned out, the committee reached a consensus by the end of its first meeting that a new journal aimed at bridging academe and practice was “urgently needed” (Langenderfer 1987, p. iii).

On March 8, 1985, following the committee’s two meetings, the Chair, Harold Langenderfer, transmitted its 16-page final report to the Executive Committee. Its chief recommendation was that “A new journal should be created which is readable by educators, practitioners, and others who are interested in technical accounting issues, accounting policy issues, applied research and interpretations of research findings for practical application” (p. 4).² In its rationale for the new journal, the committee said that these educators and practitioners “do not read *The Accounting Review* and are not writing for *The Accounting Review*. Furthermore, educators and practitioners who are not especially interested in doing research of the type currently accepted by *The Accounting Review* have not been encouraged to express their views on accounting issues because of the lack of appropriate publication outlets” (p. 8). Yet the committee added, because of this lack of publication outlets and that “key figures in the accounting profession are no longer speaking out on the issues in accounting...the American Accounting Association has not only lost some of its historical means of exercising its influence with the accounting profession, but has also lost a significant number of its nonacademic members over the past 20 years. In short, the Association is becoming more and more isolated from the real accounting world of accounting problems and practices and is increasingly drawing its problems only from its own published literature...Hypothesis testing is only one facet of scientific research and it does not necessarily contribute to the state of knowledge in the real world of accounting. It often fails to be sensitive to emerging problems and opportunities. Isolation of accounting faculty from the real world also produces a sterile environment in the classroom” (pp. 8–9). The committee concluded, “Considerations like these led to the Committee’s recommendation that the American Accounting Association should establish a new journal to provide our members and professional colleagues with an opportunity for expanding their accounting horizons and developing interfaces on accounting issues that can contribute to better research, better teaching, and better practice” (p. 9). The committee suggested that the journal be published quarterly and be known as “Accounting Interfaces.”

The committee recommended to the Council and the Executive Committee that the new journal adopt the following editorial policy:

This journal is intended to be of interest and value to accountants including private as well as public practitioners, accountants in government and other non-for-profit [sic] organizations, and academics devoted to accounting education and research. Reports of new or impending developments, pronouncements, regulations or laws affecting accountancy will be published with interpretations and evaluations, and case studies involving changing, maintaining or implementing particular types of accounting practices will also be described and analyzed. Expositions of results from accounting and related disciplines will be commissioned for the journal with the following two purposes: (i) to help identify research that appears to have potential value for practice and (ii) to make such research available in a form that can be understood and evaluated by practitioners and others who may not be specialists in particular research methods. Also to be published will be scholarly “think pieces” and original research that are relevant currently and/or are relevant to the short and long-term future of the profession of accounting. All such articles will contain clear explanations and interpretations of technical matter and the potential usefulness and significance of the materials in such articles will be explicitly stated both in the headnote or abstract and in the body of the article. (p. 12, and in Appendix A to Executive Committee minutes, March 22–23, 1985)

Clearly, the committee had in mind a very different journal from *The Accounting Review*, one that was focused on the policy implications and practical applicability of research as well as other contributions to knowledge.

² A copy of the report of the 1984–85 Publications Committee, as well as the Executive Committee’s minutes during 1985, are in the authors’ files.

During the 1970s and into the 1980s, the number of the AAA's practitioner members had steadily dropped from 8,617 in August 1970 to 3,992 in August 1984 (Flesher 1991, p. 12). We believe that the decline worried the Executive Committee (*Accounting Education News* 1986, p. 1) even though other reasons—including the increasing commercialism in the Big 8 accounting firms—can be advanced for a lack of practitioner interest in the work of the Association and in writing articles and giving speeches on accounting principles (Zeff 1986).

By coincidence, the American Economic Association was then preparing to launch its *Journal of Economic Perspectives* to bridge academic research and policy. In 1981, the AAA's Auditing Section had launched its bridging journal, *Auditing: A Journal of Practice & Theory*, whose founding editor was William Cooper, one of the members of the Publications Committee in 1984–85.

There had been a long tradition of practitioner journals—*Journal of Accountancy*, *The Accountant*, *The Australian Accountant*, *Canadian Chartered Accountant*, *The CPA Journal*, and *The Accountant's Magazine*—that welcomed academic research, but this tradition in most of these journals had been gradually dying out by the middle of the 1980s. In addition, it was becoming essential at an increasing number of U.S. universities for accounting faculty to publish in premier accounting research journals in order to receive promotion and tenure. The work that most accounting academics, especially younger ones, were publishing was almost exclusively hypothesis testing, often using regression analysis and model-building (analytical) research, which was written with few exceptions exclusively for a research audience.

AAA President Doyle Williams reported on the Council's and Executive Committee's meetings in March 1985 as follows, "[t]he proposal for a new journal received enthusiastic support from Council. In view of Council's strong endorsement, the Executive Committee voted to begin the planning process to launch the proposed new journal" (1985), and the Committee approved the following motion:

The Executive Committee expresses its will with respect to the importance of creating a new journal, which is readable by educators, practitioners, and others who are interested in technical accounting issues, accounting policy issues, applied research and interpretations of research findings for practical application. (Executive Committee minutes, March 22–23, 1985, p. 9)

The Executive Committee then asked the Publications Committee to suggest several journal names for its consideration at its next meeting in August. Evidently, "Accounting Interfaces" did not meet with approval. At its August meeting, the Publications Committee chose instead "Accounting Horizons." The Executive Committee, at its August meeting, adopted this name. The journal was to be a quarterly publication.

For his part, President Stephen Zeff, who had succeeded President Doyle Williams, set about seeking pledges from the Big 8 accounting firms to underwrite most of *Horizons'* start-up costs for the first three years. He succeeded in raising \$145,500 from Touche Ross & Co. (the largest contributor); Deloitte Haskins & Sells; Price Waterhouse & Co.; Arthur Young & Company; and Peat, Marwick, Mitchell & Co. (*Accounting Education News* 1986, p. 1).

Accounting Horizons published its first issue in March 1987, and its ten editors and pairs of co-editors from 1987 to 2015 were as follows:

1987–89	Robert K. Mautz
1989–91	John C. (Sandy) Burton and Robert J. Sack
1992–94	Jerry L. Arnold
1995–97	Helen Gernon
1998–2000	Eugene A. Imhoff, Jr.
2001–03	James A. Largay III
2004–06	Robert C. Lipe
2007–09	Ella Mae Matsumura and David A. Ziebart
2010–12	Dana R. Hermanson and Terry Shevlin
2013–15	Paul A. Griffin and Arnold M. Wright

THE EXECUTIVE COMMITTEE'S ILL-FATED DECISION IN 2003 TO AX ACCOUNTING HORIZONS

The Association's 2002–03 Executive Committee, acting on advice from a Journals Task Force composed from its own membership, sent shock waves through much of the AAA membership by making it known in March 2003 that it had approved a plan to discontinue *Accounting Horizons* and *Issues in Accounting Education*. The Task Force proposed replacing them with a new journal that would provide a single forum for learning about both teaching and practice. The decision, which immediately became controversial, was discussed in President G. Peter Wilson's message in the Spring 2003 issue of *Accounting Education News* (2003, pp. 1, 3). The deficits recently incurred by the two journals at a time of financial stringency for the Association, together with concerns over the quality of *Horizons'* content, were cited as prominent factors in the

TABLE 1
Main Articles, Commentaries, and AAA Committee Reports in *Accounting Horizons*, 1987–2016
as Classified by the Editors

<u>Editorship</u>	<u>Main Articles</u>	<u>Commentaries</u>	<u>AAA Committee Reports</u>
Mautz (1987–88)	87	35	0
Burton and Sack (1989–91)	103	40	2
Arnold (1992–94)	66	31	9
Gernon (1995–97)	65	52	17
Imhoff (1998–2000)	47	30	12
Largay (2001–03) ^a	43	34	13
Lipe (2004–06)	31	22	8
Matsumura and Ziebart (2007–09)	43	33	11
Hermanson and Shevlin (2010–12)	83	24	4
Griffin and Wright (2013–15)	94	41	1
Totals	<u>662</u>	<u>342</u>	<u>77</u>

^a Largay's counts of Main Articles and Commentaries include five Main Articles and four Commentaries in the 2003 Supplement, edited by Patricia Dechow. The Commentary counts exclude AAA committee reports and Presidential addresses.

decision. A shortage of submissions was also said to be a problem. An additional motivation was to combine the new print journal with complete online publication to reduce cost and increase the timeliness of dissemination.

This announcement caught *Horizons* Editor Largay and the editor of *Issues* by surprise, because neither had been apprised, let alone consulted, about this plan.³ In a lengthy email to AAA members dated April 11, 2003, President Wilson wrote that *The Accounting Review* “should focus exclusively on basic scholarship and be the only association-wide journal with that focus.” That argument, coupled with the Task Force’s view that “The best articles published in *HORIZONS* have tended to be commentaries and integrative applications of research to current accounting issues,” signified that the AAA leadership believed that some of *Horizons*’ Main Articles—an increasing percentage of which, as we shall see below, involved RMB-statistical analysis—should be dispensed with, as either belonging instead in the *Review* or, perhaps, as not useful contributions. See Tables 1 and 2, which will be discussed below.

Members who were critical of the Task Force’s argument that *Horizons* was incurring deficits argued that the Association credited AAA members’ additional dues payments to receive *Horizons* to dues revenue, and not to publications revenue. They also criticized the Executive Committee for taking such an important decision without adequately consulting the membership. President Wilson replied that the Executive Committee believed it had the responsibility to act in a leadership role after having considered the matter at length and obtained the views of Council. He had written in a March 23 email to Council that, if the Executive Committee had taken a survey, “We suspected that the survey results would be predictably unreliable,” because “the underlying issues are too complex and difficult to communicate in writing.” Critics of the decision did not accept this explanation. They saw it as a pretext for not gauging the membership’s very likely resistance to such a step.

It was not long before AAA members conveyed “voluminous negative feedback” (Miranti, Chandar, and Collier 2016, p. 99) on this proposal with sufficient force⁴ that, by the summer of 2003, the Executive Committee was said to have removed the proposal from consideration (Lipe 2004, p. 80). Indeed, at its June 2003 meeting—only three months after taking its decision—the Executive Committee voted to rescind the March decision. William E. McCarthy, a member of the Task Force and of the 2002–03 Executive Committee, who moved at the latter’s June meeting to rescind the earlier decision, later reflected, “We made a mistake, and we needed to fix it.”⁵ Yet the Executive Committee’s decision in June to abandon the March plan was not given any publicity.

But the after-effects of the reversal by the Executive Committee lingered. Editor Robert Lipe, whose term was from 2004 to 2006, has written to the authors, “According to the agreed-upon transition from the prior editor, I was to start receiving papers in April of 2003, just after the plan to merge the journals was announced. Even though the AAA Executive Committee

³ Conversation with both editors at the time.

⁴ See Robert Jensen’s website (<http://faculty.trinity.edu/rjensen/AAAJournals.htm>) for members’ criticisms and for President Wilson’s two emails explaining the decision.

⁵ Authors’ interview with William McCarthy on August 8, 2016.

TABLE 2
Analysis of NHST Papers with and without a Regression Model

<u>Editorship</u>	<u>NHST with a Regression Model</u>	<u>NHST without a Regression Model</u>
Mautz (1987–88)	1	7
Burton and Sack (1989–91)	2	16
Arnold (1992–94)	5	19
Gernon (1995–97)	7	23
Imhoff (1998–2000)	12	9
Largay (2001–03)	16	8
Lipe (2004–06)	15	10
Matsumura and Ziebart (2007–09)	23	8
Hermanson and Shevlin (2010–12)	43	15
Griffin and Wright (2013–15)	76	11
Totals	<u>200</u>	<u>126</u>

NHST: normal hypothesis statistical tests.

Largay's numbers are inclusive of the 2003 Supplement.

reversed this decision by summer of 2003, information of the reversal did not spread as quickly or as widely as the initial merger decision. Thus for many months, I had people asking me about the future of *Accounting Horizons*. In my opinion, these events had a profound effect on my term as editor.”⁶

AN ANALYSIS OF THE COMMENTARIES SECTION

As between the Main Articles and the Commentaries, the latter provide the distinguishing feature of *Accounting Horizons*. The 1984–85 Publications Committee, in its March 1985 report to the Executive Committee, wrote the following about what the Main Articles section of the proposed new journal and “other sections” should contain:

The main articles would cover such areas as (1) content reviews of accounting standards, (2) case studies and other applied research, (3) improvements and extensions of practice, (4) analysis of policy issues, e.g., financial reporting, tax, management accounting, and public policy issues and (5) interpretations of hypothesis-testing/statistically oriented research. The journal should have other sections that might include some or all of the following on a regular basis: scholarly “think pieces,” provocative speeches, position papers on debates of the day, legal developments on governmental and not-for-profit accounting, memorials, state-of-the-art descriptions, invited editorials (get it off your chest), and financial press comments about accounting. (p. 10)

Much of what the committee associated with the Main Articles section were the kinds of papers that regularly appeared in *The Accounting Review* before papers placing more reliance on mathematical modeling and statistical analysis gradually came to dominate in the 1970s and the early 1980s. The truly distinctive feature of the committee's proposed table of contents for *Horizons* was the “other sections,” most of which came to be known as the Commentaries.⁷

From volumes 1 to 30,⁸ we have logged 342 Commentaries as classified by the editors (see Table 1). That represents approximately 34 percent of the total number of Main Articles plus Commentaries, 1,004, published during the 30 years.

⁶ Communication from Lipe to the authors, dated September 2, 2016. According to the submissions data reported annually by the editors, Lipe's total submissions for his three years, 295, were well below those for Editors Arnold (522) and Gernon (432), and were very likely well below those for Editor Imhoff, who reported a total of 273 submissions for his first two years but did not render a report for his third year. Yet Editor Largay's submissions total was only 265. It is possible that many of the submissions received by Lipe were of an unacceptable type or of lower quality than under Largay, or that his editors and reviewers were more demanding.

⁷ The term “Commentaries,” which was sometimes referred to by the editors also as “Comments” or “Correspondence,” has not been interpreted to refer, as in scholarly journals, to comments on, and critiques of, previous work. Instead, the term has been used to distinguish “core” research papers from a diverse set of more applied writings. However, there is no reason why it could not have allowed for comments on Main Articles.

⁸ Our reference to volume 30 (2016) is intended to include only the 24 Main Articles and one Commentary accepted by Editors Griffin and Wright, or their associate editors, but not published until the March, June, September, or December 2016 issues. Our study does not treat the four Commentaries and one memorial published in the December 2016 issue that were accepted by Editor Teri Lombardi Yohn or her associate editors.

Excluded from these 342 were the 14 solicited reviews of major book-length works (1995–97), ten solicited memorial articles (from September 2010 to March 2014), five AAA Presidential addresses (1987–91), and 77 AAA committee reports, all but a few of which were responses to discussion papers or exposure drafts issued by a regulator or standard-setting body. A number of these 342 Commentaries were originally based on presentations made at eight conferences or AAA meetings. The editors then usefully arranged to publish the written-up versions in *Horizons*. But they were not initially prepared with *Horizons* in mind. The total number of these articles was 40. Hence, the remaining 302 Commentaries were prepared and written expressly for *Horizons*, 27 of which (as will be seen below) formed part of forums composed of articles on a particular theme, which were collected in seven issues. Each issue was organized by either an editor or another academic.

We now proceed to discuss the principal trends and developments in the Commentaries section in three stages: those authored by (1) accounting practitioners, (2) regulators and standard setters, and (3) accounting academics. The surprise, to us, is the considerable number of articles written by those in the second category, regulators and standard setters. In the 1984–85 Publications Committee’s report, frequent mention was made about enhancing the communication between academics and accounting practitioners, including articles that would be readable by, and of strong interest to, practitioners. Nothing was said explicitly in the report about stimulating a dialogue with regulators and standard setters, although it is possible that at least some of the committee members had regulators and standard setters in mind as well.

We also comment on the editorials, the reviews, the memorial articles, the reports of the AAA committees, and the AAA Presidential addresses that appeared in *Horizons* over the years.

Accounting Practitioners

We have counted 45 Commentaries plus five Main Articles written by accounting practitioners from volumes 1 through 30. The total of 50 represented just under 5 percent of the 1,004 articles in *Horizons*. This very low rate of production of Commentaries by accounting practitioners would, we believe, hardly have met the lofty expectation of the founders for practitioner involvement in the journal.

Of the 50 practitioner Commentaries and Main Articles, five were coauthored with one or more accounting academics: two of these five were published as Main Articles, and three as Commentaries. We classify joint practitioner-academic articles under the practitioner heading.

Hence, 42 Commentaries were written solely by accounting practitioners. Eight of these were jointly authored by two of Editor Mautz’s former colleagues in Ernst & Whinney, Roland Hill and Joseph Weber. Mautz appointed them as contributing editors to write Commentaries in each issue during his two-year editorship. Dale L. Gerboth, a partner in Arthur Young & Company, wrote a Main Article in the September 1987 issue and then was invited by Mautz to be a contributing editor for three additional Commentaries. During 1987–88, Mautz published an additional two Main Articles and two Commentaries by four different practitioners.

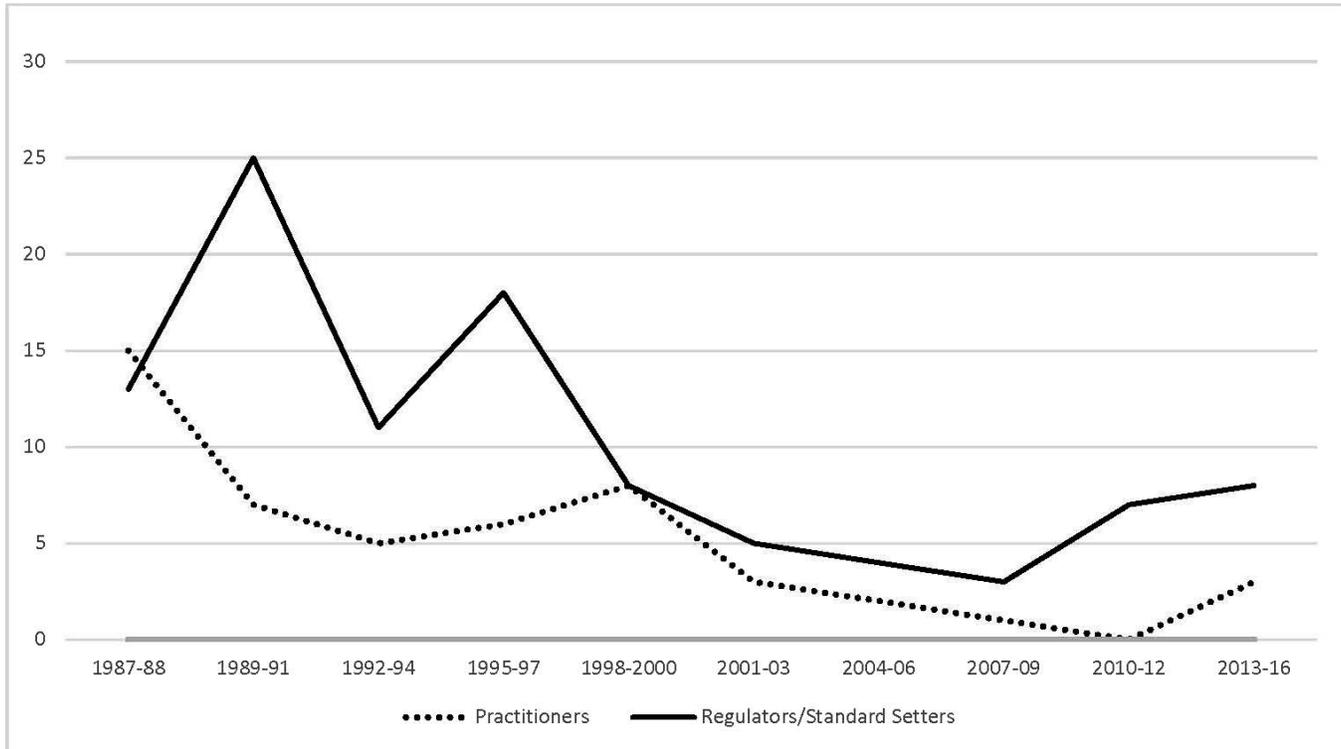
Co-Editors Burton and Sack continued Mautz’s policy of appointing contributing editors to submit Commentaries. Among their contributing editors were six practitioners who wrote one Commentary each, and the co-editors published a Main Article written jointly by a practitioner and an academic. Their successor editors did not appoint any contributing editors, and therefore were generally less proactive in stimulating the submission of Commentaries—except, to be sure, for the forums and papers based on sessions at conferences and AAA meetings that some of them arranged, as will be further noted below.

All told, Mautz’s two-year editorship was a boon for articles written solely by accounting practitioners: they authored three Main Articles and 12 Commentaries. All but two of the Commentaries were written by his contributing editors. Mautz’s 12 Commentaries accounted for just under 30 percent of the total of 42 sole-practitioner Commentaries published during *Horizons*’ first 30 years—an astonishingly high proportion. During their three years (1989–91), Editors Burton and Sack published another six Commentaries and a Main Article solely by practitioners. Yet already in 1990 there was a perceived lack of practitioner awareness of *Horizons*: President John K. Simmons wrote that, at its November 1990 meeting, the AAA Executive Committee “discussed ways to increase the practitioner interest in *Accounting Horizons*. There was a general consensus that the content of *Accounting Horizons* is not widely known among accounting practitioners...” (*Accounting Education News* 1990, p. 1).

Figure 1 depicts graphically the trend in practitioner-authored articles from Mautz’s editorship in 1987–88 to Griffin and Wright’s editorship in 2013–15. The graph shows that the trend began at a high of 15, then leveled off at between five and eight over the next four editorships, and finally descended to between zero and three during the final five editorships. In the last ten years, from 2007 to 2016, a total of only four practitioner-authored papers appeared in the journal.

As indicated in Figure 1, after 2001 the frequency of practitioner articles (all Commentaries) plummeted: only nine were published during the last five editorships, from 2001 to 2016. The reasons for this drop-off can only be speculated. By the

FIGURE 1
Number of Articles by Accounting Practitioners and Regulators/Standard Setters
1987–2016



1980s, let alone the 1990s, the incidence of Big N firm partners and managers writing “think pieces” in accounting journals had dropped to almost a vanishing point, because, we believe, of declining professionalism and increasing commercialism.⁹

Several editors solicited papers to appear in themed forums. Among them was a triptych of Commentaries appearing in the June 1993 issue, under Jerry Arnold’s editorship, entitled “Thoughts on the Liability Crisis and the Accounting Profession.” The papers had been presented at a conference at Northwestern University. The authors were Shaun F. O’Malley, the senior partner of Price Waterhouse; Walter P. Schuetze, the SEC Chief Accountant; and Philip R. Lochner, Jr., a former SEC Commissioner. Editor Eugene Imhoff arranged for set of six Commentaries to be published in the June 1998 issue, written mostly by practitioners, which dealt with the “Characteristics of High Quality Accounting Standards,” a topic that had been raised in an earlier issue by SEC Chair Arthur Levitt (Imhoff 1998b). The papers had been presented at the December 1997 AAA/FASB Financial Reporting Issues Conference. Two additional papers from this conference appeared in the September 1998 issue, but neither was written by a practitioner. Editor James Largay included a practitioner article in his set of three articles in the March 2001 issue on lease accounting.

Only four of the practitioner articles published during the 30 years were written by company accountants.

Regulators and Standard Setters

As already mentioned, the founders did not expressly mention regulators and standard setters either as the beneficiaries of *Horizons* articles or as contributors of articles to *Horizons*, although it is possible that regulators and standard setters were in the backs of their minds. Yet 43 *current* regulators or standard setters and 59 *ex*-regulators or standard setters wrote articles published in volumes 1 to 30. We include in this category both members and technical staff (including academic fellows) of these bodies: the SEC, FASB, IASC, International Accounting Standards Board (IASB), Public Company Accounting Oversight Board (PCAOB), Federal Accounting Standards Advisory Board, Public Oversight Board, Ontario Securities

⁹ For an extensive discussion of the causes and effects of this shift from professionalism to commercialism, see Zeff (1986, 2003).

Commission, and the Australian Accounting Research Foundation.¹⁰ Of this total of 102 articles, three were classified as Main Articles and 99 as Commentaries. This number of Commentaries from regulators and standard setters more than doubled the number, 45, of practitioner Commentaries in the 30 volumes of *Horizons*.

Of these 102 total articles, 35 were written by regulators or ex-regulators (predominantly from the SEC) and 67 were written by standard setters or ex-standard setters (predominantly from the FASB). Individuals publishing an article in *Horizons* following their service as a regulator or standard setter, even though subsequently employed in academe or practice, are classified by us as ex-regulators or ex-standard setters, because we believe that this experience strongly colored their thinking.

Editors Mautz and Burton/Sack appointed contributing editors who were from the regulatory or standard-setting sphere. Indeed, Burton himself was a former SEC Chief Accountant, and Sack, previously a practitioner, was a former Chief Accountant of the SEC's enforcement division. At the time of their editorship, both were academics. Mautz designated Robert T. Sprouse, a former FASB Vice-Chairman, as a contributing editor; Sprouse wrote eight Commentaries in Mautz's two-year term. Two others from the regulatory or standard-setting arena wrote an additional two Commentaries, for a total of ten. (Mautz also published three such papers that he classified as Main Articles.) Burton and Sack engaged three current or former regulators or standard setters as contributing editors, who collectively wrote 19 Commentaries.¹¹ Of this number, Arthur R. Wyatt, former FASB member and current member or Chair of the IASC, contributed eight; Donald J. Kirk, former FASB Chair, wrote six; and A. A. Sommer, Jr., a former SEC Commissioner and then Chair of the AICPA's Public Oversight Board, wrote five. Other current or former regulators or standard setters contributed a further six Commentaries. Therefore, a total of 35 Commentaries, representing some 35 percent of all of those written by regulators and standard setters in the 30 years, appeared between 1987 and 1991 because of the proactivity of Editors Mautz and Burton/Sack in seeking them out.

Of particular interest were the four long, thoughtful analyses of issues facing accounting and financial reporting, published between 1995 and 1997 under Editor Gernon, by SEC Commissioner Steven M. H. Wallman, a lawyer. All four were published as Commentaries but, we believe, could easily have qualified as Main Articles.

Figure 1 shows that, unlike accounting practitioners, the regulators and standard setters continued contributing articles at a fairly steady pace in the last 16 of the journal's 30 years of volumes: 27 appeared during the last five editorships from 2001 to 2016, including 15 in the last seven years alone.

Accounting Academics

Virtually all of the excess of the total number of Commentaries, 342, over the numbers written by (1) accounting practitioners, 45, (2) regulators and standard setters, 99, and (3) four practitioners who were not accountants, were authored by accounting academics. They totaled 194, an average of about 1.6 articles per issue during the 30 years. The founders probably had privately hoped for a rather more robust productivity by academics in a section of the new journal that was intended to enable them to broaden the scope of their published work to bridge academe and practice.

As noted above, the aggregate number of Commentaries was bolstered by papers composing seven forums and drawn from eight conferences or AAA meetings on particular themes, and all but 12 of the 70 articles, or 58, in these special sections were authored by academics. Among the various themes treated were: the experiences of academic fellows (September 1996 issue), high quality accounting standards (1996 AAA/FASB Financial Reporting Issues Conference, June/September 1998 issues), lease accounting (March 2001 issue), principles- vs. rules-based standards (March 2003 issue), recent reforms in financial reporting (March 2006 issue), is accounting an academic discipline? (symposium from the 2006 AAA Annual Meeting, June 2007 issue), big unanswered questions in accounting (symposium from the 2007 AAA Annual Meeting, December 2008 issue), disclosure (symposium from the 2011 AAA Annual Meeting, June 2012 issue), the state of accounting scholarship (2011 strategic retreat of the AAA Executive Committee, December 2012 and 2013 issues), controlling healthcare costs (June 2014 issue), the inception and development of the PCAOB (December 2014 issue), and big data (June 2015 issue). Three of the seven forums (17 papers) and one of the eight AAA/conference sessions (seven papers) were organized by Co-Editors Griffin and Wright (2013–15). In addition, Editor Arnold published three Commentaries in the June 1993 issue that were papers presented at a conference on the legal liability crisis held at Northwestern University (as noted above), and Editor Imhoff arranged for four Commentaries based on presentations made at the AAA doctoral consortium in June 1999 to be published in the December 1999 issue. These collections nicely complemented the individually submitted Commentaries in the journal.

In addition to the practitioners, regulators, and standard setters whom Editors Mautz and Burton/Sack appointed to their rolls of contributing editors, they designated a number of academics as well. Mautz invited Gordon B. Davis and Loyd C. Heath to be continuing contributors: Davis wrote seven Commentaries on information systems, and Heath wrote six

¹⁰ Curiously, no one from the Governmental Accounting Standards Board (GASB) wrote for *Horizons*.

¹¹ We exclude Arthur R. Wyatt's AAA Presidential address published in the December 1991 issue.

Commentaries on the accounting literature. Burton/Sack published three Commentaries by Contributing Editor Katherine Schipper, and nine other Commentaries also written by academics. Hence, 25 academic Commentaries were published during just the journal's first two editorial terms.

One might then inquire how many unsolicited Commentaries from academics were published after the first two editorial terms. Of the total of 194 academic Commentaries indicated above, 58, as also noted above, were solicited by the editors, leaving 136 that were submitted by academics without a special invitation. Of that number, 25 were published during the first two editorial terms. Hence, 111 unsolicited academic Commentaries were published in the 101 issues between 1992 and 2016, an average of just over one per issue, a miniscule fraction and probably much lower than the journal's founders had hoped would be contributed from the academic community.

During the latter years of *Horizons*, from 2012 to 2015, under the leadership of Co-Editors Hermanson/Shevlin and Griffin/Wright, there was a considerable number of solicited Commentaries, all but three from academics. Thirty-four of the 65 Commentaries they published during that span were ones they had commissioned.

None of the articles by academics (or by any other authors) in the Commentaries section used NHST (normal hypothesis statistical tests). They were all narrative papers, either normative or descriptive, or analytical. The majority of the articles dealt with financial accounting and reporting, with auditing not far behind. Management accounting and the state of the accounting literature itself were also frequent topics treated in the Commentaries. As already noted, Co-Editors Griffin and Wright made a conscious effort to bring management accounting and accounting systems into the journal.

Editorials, Reviews, Memorials, AAA Committee Reports, and AAA Presidential Addresses¹²

Editors Mautz and Burton/Sack wrote six and eight editorials, respectively, on substantive issues facing academics, the profession, or standard setters. In addition, Mautz published a guest editorial by an academic on a pedagogical issue. Most of the subsequent editors' editorials (not always called editorials) were about the journal's editorial policy or editor changes. The lone exception was Editor Largay's editorial about the lessons learned from Enron (June 2002 issue); he also published two guest editorials on substantive accounting issues. It is perhaps unfortunate that more of the editors of a bridging journal such as *Horizons* did not mount their editorial pulpit to comment on important accounting and auditing issues of the day, which Eric L. Kohler, the editor of *The Accounting Review* from 1929 to 1943, did many times to good effect.

Horizons published 14 reviews of major reports and policy statements under Editor Gernon between 1995 and 1997, and also published ten memorial articles for recently deceased accounting leaders between 2010 and 2014, as part of a deliberate policy of soliciting and publishing such pieces. In addition, Editor Mautz published an unsolicited memorial article on Edward Stamp as a Main Article in his inaugural issue. Memorials were one of the kinds of articles that were suggested by the founders of the journal in 1985. The reviews, as well as the memorials, carried forward the mission envisioned by the journal's founders.

Beginning with the March 1990 issue and especially from 1993 onward, *Horizons* editors launched the frequent publication of reports of the AAA's Financial Accounting Standards Committee (FASC) and some other AAA committees. The great majority of these reports commented on FASB discussion papers or exposure drafts, but some also addressed drafts issued by the GASB, IASC, IASB, and the SEC. *Horizons* published a total of 65 FASC reports until March 2012.¹³ After 2011–12, the AAA leadership dropped FASC from its committee list, and in March 2014 *Horizons* published a report on the FASB's move toward private company accounting, authored by the Financial Reporting Policy Committee of the AAA's Financial Accounting and Reporting Section (FARS),¹⁴ following which no further committee reports have appeared in the journal. Co-Editors Griffin and Wright decided on a policy not to publish AAA committee reports, partly because they perceived that the number of quality submissions was on the way up and was expected to continue to rise, and partly so as not to favor one committee over all of the other AAA-wide and Section committees. They were concerned that the journal might be overrun with requests to publish AAA committee reports. They inherited the committee report that appeared in the March 2014 issue from the previous co-editors and therefore consented to its publication.¹⁵

The publication of the AAA committee reports—otherwise not readily accessible at the time—represented an important fulfillment of the founders' aims.¹⁶ From 1993 to 1996, 16 published FASC reports conveyed the committee members' normative views on the drafts. From 1997 onward, the reports reflected either the members' normative views or an explanation

¹² We exclude the editorials, reviews, solicited memorials, AAA committee reports, and AAA Presidential addresses from the counts of Commentaries mentioned elsewhere in this article.

¹³ The decision to publish a committee report was made at the discretion of the editor or co-editors, and not all of the reports submitted to *Horizons* were published. One editor apprised us that some FASC members were incensed that *Horizons* did not stand ready to publish *all* of their committee's reports.

¹⁴ In the issues dated June 2008, March 2009, and March 2010, *Horizons* had also published three reports of the FARS committee.

¹⁵ Communications from Paul Griffin and Arnold Wright to the authors, dated November 6, 7, and 18, 2016, respectively.

¹⁶ To be sure, the FASC's reports would also have been posted on the standard setters' or regulators' website, once websites came into existence.

of the meaning and purport of empirical research findings, apparently depending on the charge given to the committee and the committee's composition (Zeff 2013).

Editors Mautz and Burton/Sack reproduced the AAA Presidential addresses in each of their five years, three times as Commentaries and twice as Main Articles. No subsequent editor followed suit.

AN ANALYSIS OF THE MAIN ARTICLES SECTION

The first question we considered at this point is what should constitute a Main Article and a Commentary. Our resolution of this issue involved deciding whether the paper made a serious and significant contribution to accounting thought or practice. We concluded that Main Articles are systematic empirical, normative, or descriptive studies that attempt to advance the field's core knowledge, without regard to whether they use mathematics. In our view, Commentaries are asides, syntheses and reviews of previous work, reflections on personal experiences, opinions, historical perspectives, curiosities, and other pieces that do not rise to the stature of Main Articles, in the sense of advancing the field's core knowledge. They are papers that "round out," supplement, or comment on the literature, or build upon practice. They exclude AAA committee reports, solicited memorials, substantive editorials, book reviews, and Presidential addresses.

In our analysis in this paper, we decided to rely on the editors' decisions on how to classify an accepted paper rather than impose our own definitions. All but perhaps a dozen or so of the hundreds of Main Articles—since the editorships of Mautz and Burton/Sack—were authored by accounting academics. An examination of the papers over time suggests that two apparent heuristics were likely adopted by the succeeding editors. First, there appears to have been an unwritten criterion that has led editors to classify practitioner-submitted papers almost automatically as Commentaries. Second, papers written by academic authors were, in the great majority of instances, considered to be Main Articles.

Horizons published 662 Main Articles, as classified by the editors, over its 30-year life. During this same period, 326 of the Main Articles, or just under 50 percent, involved NHST.¹⁷ A dominant percentage (82 percent) of the Main Articles relied on NHST methodology during just the last seven volumes (two editorships). This high percentage of the Main Articles represented a considerable increase from the level of 14 percent for all NHST papers in the first five volumes (two editorships), published from 1987 to 1991 (see Tables 1 and 2).

The remaining 18 percent of the Main Articles included in the last seven volumes that did not involve NHST was composed almost entirely of non-quantitative articles written by accounting academics, a very small number of which addressed a variety of accounting issues using diverse research approaches.¹⁸ In terms of topics, financial accounting and reporting dominated, followed closely by auditing and then small numbers of papers on management accounting, systems, and taxation. The research approaches have included, in the main, an analysis of issues usually accompanied by normative argument, reporting on surveys, field studies, and experiments, reviews of the literature, discussions of the likely consequences of particular standards and regulations, descriptions of trends in practice, and reflections on one's professional experiences. This subset of articles—the remaining 18 percent—constituted a declining proportion of articles in *Horizons* over the years. Yet they were preponderantly the ones that we believe the founders hoped would form the centerpiece of the journal.

Next, we examine the decline in non-mathematical Main Articles over the 30 years and offer some potentially important explanations for the decline. We begin by examining the interaction between academics on the one hand and practitioners, regulators, and standard setters on the other.

Academic Interaction with Practitioners, Regulators, and Standard Setters

From the beginning, there was a hope and an expectation that *Horizons* would generate a conversation between academics and practitioners. Practitioners would suggest important issues and problems that would intrigue academics, and the latter would undertake suitable research and communicate their results on the issues posed or raised independently by academics. Indeed, it was hoped that the two-way interaction between practitioners and academics would constitute an important percentage of the Main Articles. The second section of the journal, designated as Commentaries, was to have included papers reflecting the greater diversity of approaches, including responses to the Main Articles. Unfortunately, the responses portion never materialized.

Working from the founders' design and the nature of our craft, we expected to find a number of Main Articles focusing on auditing issues, because auditors constitute a sizable group of practitioners.¹⁹ We identified 207 auditing papers, just less than

¹⁷ None of the Commentaries published in *Horizons* employed NHST.

¹⁸ As already stated, the calculations in this paragraph are based on the editors' decisions for classifying papers as Main Articles.

¹⁹ In view of *Horizons'* practitioner focus, we would have expected to see more papers, including especially NHST papers, relying on data obtained from interviews or correspondence with auditors, regulators, and financial analysts in order to establish the "real-worldliness" of the research.

seven on average per volume, and just fewer than two papers on average per issue. The number seemed low to us, but we were more surprised to discover that auditors themselves wrote fewer than five, and all five were published as Commentaries. Surely, both the number and classification of such articles would have been a disappointment to the founders. Why did this result happen? The causes, we submit, are multiple and some even seem obvious in hindsight.

One reason why more auditing papers were not published in *Horizons* was, we believe, due to the success of the Auditing Section's two journals. *Auditing: A Journal of Practice & Theory*, begun in 1981, joined in 2007 by *Current Issues in Accounting (CIIA)*, which "is devoted to advancing the dialogue between academics and practitioners on current issues facing the auditing practice community" (*Current Issues in Accounting* 2007). CIIA's two founding co-editors were an academic and an audit partner in KPMG. But there are other potentially contributing explanations.

First, auditors—and indeed other practitioners, but excluding standard setters and regulators—are busy folks and need potential solutions to their concerns quickly. The research and writing process takes considerable time. Practitioners often have in-house experts who can address issues of immediate concern. Problems that interest academics are uniformly of a longer duration in resolution. They typically require time to address. Additionally, academics are motivated to write to one another under the existing promotional and reputational incentives that greatly influence their careers. Time has encouraged a writing style that is not easily digested by the practitioner even when the topic would be of broad interest. Separation of the Commentaries from the Main Articles may have been meant in part to provide a means by which editors could identify the less mathematical works to readers whose interest focused on the results rather than on methodology.

Second, the publication process for academic journals requires substantial time, typically well over a year, and ends only then after a process of review, revision, and ultimate acceptance or rejection. The editorial process lengthens and reinforces the conversation, and is one between academics, with the results typically not fully appreciated by most practitioners. Editors (also called managing editors) were always selected from published researchers in the academic ranks.²⁰ In addition and quite early in the history of *Horizons*, the appointments to serve as associate editors and members of the editorial board became increasingly a role also filled by academics. The result was to foster a dialogue between academics rather than a cross-dialogue with practitioners.

Third, editors became increasingly dependent on academics' submissions. We believe that editors in general are likely—and logically so—expected to act to assure the highest quality journal possible. We surmise that the editors of *Accounting Horizons* would indeed focus on this goal. It follows that, over time, editors' selections would increasingly be reflected not only in the choice of topics and their clear exposition but also in the sophistication of techniques adopted by the academic community to investigate them. The effect of this process naturally tended further to reduce the number of submissions from the practitioner segment of the intended audience. We further surmise that the editorial process and its attendant delays would not have been acceptable to those in practice.

Editors surely understood the difficulties to which we have alluded and, indeed, in several published editorials they indicated the importance of the communication process (Imhoff 1998a; Largay 2001; Matsumura and Ziebart 2007). Yet it is doubtful that most authors would have even read these editorials or felt constrained by them. Unfortunately, the message needed to be communicated more than once and with each acceptable submission. Editors could be excused for husbanding their scarce time when authors did not get the message the first time.

Fourth, over time academic authors have increasingly dominated the Main Articles. Their papers often rely on mathematics and statistics, while devoting substantial space to methodology. In addition, as we noted earlier, academics write primarily to each other. This means that a substantial portion of the submissions to *Horizons* have been devoted to material of interest primarily, if not solely, to other academics who employ the same research tools.

Papers employing normative analysis have become a smaller fraction of the pages in the journal. This decline is partly due to normative papers being difficult to evaluate as candidates for space. With quantitative submissions, the list of characteristics that need to be addressed is clear and directs the reviewers' attention immediately. After checking the methodology, the reviewers consider the question of statistical significance. It is a rare paper relying on statistical methodology that is accepted—indeed, even submitted—unless one or more significant tests support the proffered hypotheses. The increasing attention to quantitative work is quite clear in *Accounting Horizons*, as it is also in the other leading journals of our field. The increase likely reflects the standardized pattern for such work, including computer programs, the increased emphasis on this type of research in doctoral programs, and its perceived relative value in reputational status.

The dearth of normative papers in *Horizons* by academics in recent years follows the gradual retirement of normatively inclined authors who grew up in academe during the 1950s and 1960s, when normative research was popular and was rewarded

²⁰ Editors Mautz, Burton, and Sack were special cases. Mautz, although reared as an academic, spent seven years, 1972 to 1979, as a partner in Ernst & Ernst, and then returned to academic life. Burton, also mainly an academic, was SEC Chief Accountant from 1972 to 1976, following which he returned to academe. Sack became an academic after a career as a partner in Touche Ross & Co. and as Chief Accountant of the SEC's enforcement division.

by university accounting departments. Today, normative argument no longer seems to be in vogue, and almost all of the publication outlets in the practitioner world either have disappeared or have turned their backs on such research. *The CPA Journal* is one of the last remaining such outlets.

Fifth, beginning in the 1980s, the big accounting firms became much more commercially competitive, and actively discouraged their partners from writing normative articles that might offend even one client. It was reported in the 1980s that one senior practitioner was heard to say, “The worst thing a partner can do is to lose a client over a matter of principle!” The big firms were no longer professional in the traditional sense but had become profit-and-growth-focused commercial enterprises (Zeff 2003). By the 1990s, there were very few Big N firm partners still writing articles that conveyed their accounting views. Robert Elliott, of KPMG, was probably the leading exception. By the early 2000s, there were almost none. So, perhaps there is yet another supply-side explanation as well as a demand-side to the changing nature of *Horizons*. Further, as *Horizons’* contents had begun to contain a rising number of NHST papers using an RMB approach,²¹ some of the dwindling number of practitioners who might have contributed papers could easily have come to the conclusion that the journal no longer catered to narrative papers.

One unintended consequence of the founders’ decisions, neither addressed nor perhaps even foreseen, was the opportunity perceived and grasped by the editors to publish the reports of AAA committees that were commenting on the discussion papers and exposure drafts issued by standard setters and regulators. In 1989, after FASB Chair Dennis Beresford had written to the AAA leadership, recommending that the Association do more to stimulate academic comment on Board drafts, AAA President Gerhard Mueller and President-elect John K. Simmons collaborated to appoint Jerry J. Weygandt, a senior academic, as chair of the Financial Accounting Standards Committee (FASC). He was to have a hand in selecting a strong and diverse committee. After President-elect Simmons consulted with *Horizons* Co-Editor Sandy Burton, who readily agreed to publish such reports, he inserted the following passage in his charge to the committee: “To explore the publication of selected responses by the committee in *Horizons* or other appropriate outlets.”²² The Executive Committee also acted to provide for “increased continuity and effectiveness” of the FASC (*Accounting Education News* 1990, p. 1). Weygandt’s committee published its first report, commenting on the FASB’s exposure draft on other post-employment benefits, in the March 1990 issue of *Horizons*. The next three FASC reports published in *Horizons* were in the September 1993 issue. All four of these published reports were classified as Commentaries. From 1994 to 2012, 61 more FASC reports were published as Commentaries in *Horizons*. A number of the published reports came from other AAA committees as well.

What we noted when reading these reports was that the committees, which were composed almost wholly of accounting academics, were well able to explain the purport of their colleagues’ empirical and other research. The demonstrated ability of the academic members of these committees to interpret and explain the research of their academic peers to standard setters and regulators in this context is sufficient proof, to us, that it *can* be done when the incentive or requirement is clearly present.²³ We are aware of at least one *Horizons* editor who used his editorial prerogative to increase the accessibility of these reports.²⁴ Thus, an initially unrecognized opportunity to converse with a broader readership presented itself and was adopted. Interaction between practitioners and academics occurred even if initially unexpected. Furthermore, the creation of the category of Commentaries has allowed for consideration of academically oriented papers to find an AAA publication outlet in addition to the Main Articles. Because writing is an excellent learning mechanism, everyone would benefit. The founders would have been pleased.

Another unintended consequence was the early recognition by the accounting standard setters and regulators of a new journal allowing them to communicate with the academic community. Indeed, as noted previously, it was the FASB Chair who prompted the ramping up of the FASC’s role by the AAA leadership.

However, on another dimension we suspect that the founders would have been disappointed. We refer here to the marked downward trend in the number of nonacademic members in the AAA. Our hypothesis is that the founders expected, or at least

²¹ Regression papers all involve statistical hypothesis testing. However, many papers employing NHST do not use a regression model in the analysis. One example is papers relying on an ANOVA. As noted above, we adopt the phrase “regression model-based NHST,” reduced to RMB, to identify this subset of NHST papers.

²² Cited in the 1989–90 *Directory of the American Accounting Association*, p. 11. This passage remained in the committee’s charge in subsequent years. We are grateful to Jerry J. Weygandt for his communication about this episode, dated September 27, 2016, and to John K. Simmons for his communications on the matter, dated November 19 and 20, 2016.

²³ An additional example of making a difficult subject accessible to the journal’s intended audience is a paper by the financial economist Fischer Black (1993), entitled “Choosing Accounting Rules.” It is not only eminently readable but receives our vote as among the very best papers in *Horizons’* 30-year history.

²⁴ James Largay, in a communication to the authors dated April 17, 2016, wrote, “Another controversial matter [was] the AAA Committee reports typically addressed to the FASB. I believed that these reports could be much more useful to *Horizons’* readers if they were written with the general reader in mind. Hence I edited several (all?) of these reports prior to publication. Lead authors worked with me but I don’t think the AAA Financial Accounting Standards Committee fully agreed.” We suspect that readers were better informed and that the founders would have approved of Largay’s efforts. We are not aware to what extent other editors may have followed the same path.

hoped to see, evidence that the new journal would increase membership among practitioners, yet the number of professional members in the AAA declined from 2,837 in 1987 to 1,521 in 2004, and to a low of 618 in 2009, the last year for which we could obtain data. But we believe that most of the explanation for this decline was because of cultural changes in the accounting profession, as audit partners and managers were no longer disposed to study, speak, and write about, or be interested in shaping, accounting principles, and to express their views publicly about what constituted sound accounting practice (Zeff 1986, 2003).

The Regression Story

A developing theme over the 30 years, which was intriguing, involved the increasing number of RMB Main Articles in the journal. A series of nine-year comparisons between *Accounting Horizons* and *The Accounting Review* is instructive in this regard. In 1988, none of *Horizons'* 47 Main Articles employed RMB, compared with 42 percent of articles of the same kind in the 1988 volume of the *Review*. In 1997, just under 20 percent of *Horizons'* Main Articles relied on RMB, compared with 68 percent of the articles using RMB in the 1997 volume of *The Accounting Review*. In 2006, 30 percent of *Horizons'* Main Articles relied on RMB, while the *Review* increased the number of such articles to 74 percent. In the final year of our comparative study, 2015, the *Review's* percentage of RMB articles remained essentially unchanged at 74 percent from 2006, while *Horizons* experienced a considerable increase to 73 percent of its Main Articles using RMB. The steadily increasing trend in the percentage of RMB Main Articles in *Horizons*—from zero in 1988, to 20 percent in 1997, to 30 percent in 2006, and finally to 73 percent in 2015—is one indication of an increasing similarity of the two journals. A final point, we think, is telling. If we consider the last of *Horizons'* ten editorships, encompassing the years 2013 to 2015 (plus the co-editors' overflow papers published in 2016), the percentage of *Horizons* Main Articles relying on RMB reached 81 percent, five percentage points higher than that for the *Review* in 2013–15, 76 percent.

It is useful to explore why reliance on the regression analysis technique increased to where it currently dominates the Main Articles section of *Horizons*. We suggest several contributing explanations.

First, it has become common for accounting academic researchers to rely on RMB analysis. It is a powerful technique when the objective is to isolate the importance of one or more speculated variables' importance to a phenomenon of interest. The increasing availability of large data sets and the advances in computer programming have stimulated its use, along with the increase in researchers becoming comfortable with its application. This comfortableness has been greatly facilitated by the development of computer programs that can not only accommodate large data sources but which can also apply a host of tests and other data manipulations sometimes referred to as “data carpentry,” at the option of the researcher.

Second, at least in academe, the accounting reward structure has come to be highly influenced by publications using mathematics and statistics, particularly RMB analysis. The familiarity of reviewers with the regression format facilitates the reviewing process. Citations also play a substantial role in the reward structure, and this possibility is enhanced with work based on available databases easily accessed by others. (Online textual material may also lead to an increase in qualitative work, as seems to be happening in standard setting.) We do not address in this paper whether the statistical techniques were used appropriately. However, we do commend, to those readers who are curious about some of the underlying problems, a relevant *Horizons* Best Paper award winner in 2014 that addresses this and other related concerns (Williams 2014). We also recommend a Commentary written by Ball (2013), which addresses research issues by analyzing two continuing major subjects: earnings management and how accounting information affects investors.

Third, as noted earlier, it is important to observe that editors are constrained by the mix of papers submitted. In their understandable desire to produce the best journal possible, they must work with the material that is available to them. The RMB papers may in fact be the best work available via the submission process. A complete resolution of this issue would require an analysis of the submissions data to determine the number and nature of the rejected articles. These data are, however, not available.

It remains for us to address two additional issues: First, does the research topic selected, even when the statistical methodology is done well and the communication issue is adequately attended to, address an important topic for the intended readers? By an important topic, we mean an issue that is both current and relevant. Among intended readers, we include in particular practitioners, because they were the initially intended audience. After reading all of the 200 RMB papers during the 30 years, we conclude that the large majority of the papers meet the hurdle of addressing an important and, therefore, a relevant and timely issue. Our investigation process on this point might be best described by invoking a “so what?” test. The result is not surprising, given the thorough reviewing and editing process that precedes each editor's acceptance and publication decision. Nevertheless, we remain skeptical of whether the research results are reaching the potential practitioner audience. The more relevant work is likely to find its way to the forefront via other mediums such as citations. But the process by which this happens is murky at best. Two non-academic audiences that we suspect have closely followed issues addressed by *Horizons* are regulators and standard setters. However, academics building on the more interesting and relevant work published in *Horizons* remain the primary audience.

Horizons was initially intended to be a communications medium between academics and practitioners and not primarily a medium of communication just between and among academics, although one would not likely realize this from reading most of the Main Articles. Its purpose was *not* intended to mimic *The Accounting Review*. Communication, primarily with an academic audience in mind, is likely to be quite different and more opaque than when addressing practitioners. Nearly all of the RMB papers we reviewed were written as if the authors' intention was to communicate primarily, if not solely, with an academic audience.

Second, researchers should provide readers with an estimate of the economic significance of their results, not just whether they are statistically significant. A statistically significant result can be economically unimportant, and the opposite can be true for an insignificant finding. Irani, Tate, and Xu (2015) explicitly recognized this issue. They stated (Irani et al. 2015, p. 847; emphasis added): "We recognize the small magnitude of the univariate market reaction, which, although statistically significant, is arguably not economically significant." The issue of economic significance parallels the common confusion of assuming that a correlation necessarily implies causation. It is relatively easy to devise a story consistent with the test results.

The earliest acknowledgment in *Horizons* of the importance of identifying the economic significance is Behn, Eaton, and Williams (1998). They wrote, "... additional guidance is needed in determining the existence and magnitude of the valuation allowance" (Behn et al. 1998, p. 77; emphasis added). Several examples of studies that do indicate measures of the economic importance of their findings in either the conclusions or synopsis include: Cheung, Krishnan, and Min (1997), Munsif, Raghunandan, Rama, and Singhvi (2011), and Ettredge, Huang, and Zhang (2016).

Failure to address clearly the economic importance of an issue, while noting only its statistical significance, can easily lead to inaccurate conclusions. We examined the RMB papers to determine how the authors had handled this matter. What we hoped to see was authors indicating the economic significance of their results, preferably in both the synopsis and in the conclusions. Very few of the 200 RMB papers that we read did so, and the majority did not address the economic importance in either of the two locations. We strongly recommend that the economic—not just statistical—significance of the results be specifically identified in both the synopsis and the conclusions.

RMB analysis is a very powerful methodology, and we strongly support its application to accounting issues. Indeed, it has been appropriately adopted in a substantial number of papers to address what we and others have concluded are, in large part, important issues in our field. We encourage authors to continue to rely on this powerful research technique when it can be properly adapted to the research topic at hand.

LIMITATION OF OUR STUDY

While we have reason to believe that the contents of *Horizons* have had an impact on practice, we have been unable to construct a means of identifying the precise path connecting specific publications to a specified practice application.

CONCLUSIONS AND SUGGESTIONS

We have endeavored to trace the origin and development of *Accounting Horizons*. In so doing, we have allotted a substantial amount of space to the evolving character of the journal. Doing so has involved a good deal of historical digging and communication with the editors.

Those who were involved in the initiation of the new journal were anxious to facilitate a dialogue between the academic community and the practitioner community. This, unfortunately, has not occurred as planned, because of the different needs and desires of the groups involved. A redeeming feature here was the inclusion of the section on Commentaries, which ultimately provided an outlet for ideas and conversation not likely to invade the Main Articles section, which has always seemed to be the preserve of academic authors. The Commentaries were an example of the law of unintended consequences. The exchange of ideas involving the accounting academics on the one hand with standard setters and regulators on the other, such as the FASB, the SEC, and other thought leaders or influential individuals, was unforeseen. None of this was anticipated, yet the Commentaries came closest to fulfilling the hopes of the founders. Meanwhile, the Main Articles in *Horizons* provided an additional outlet for papers targeted to an academic audience. Curiously, the Commentaries section never seemed to become a draw for discussions of the Main Articles. In addition, the potential for using some of the space for abstracts of replication studies was, if ever even considered, abandoned.

While the founders hoped to encourage an exchange between academics and practitioners, an analysis of the pay-off functions of both populations should have warned them that the venture was very unlikely to succeed. In fact, the hoped-for practitioner involvement did not materialize. Yet there arose an important interaction between AAA members and standard setters and regulators, including especially the publication of many AAA committee reports responding to the FASB's and other bodies' exposure drafts. *Horizons* became another valued outlet that would encourage academics to write and thereby

educate their contemporaries and themselves. There was now a platform on which an academic could profitably interact with a policy maker, and *vice versa*.

Recently, the editors of *Horizons* have elected to cease publishing AAA committee reports destined for standard setters and regulators. The editors made this decision in part to allow space for the continuing growth of high-quality manuscripts and their desire to treat all of the AAA committees equitably, as well as to recognize that these reports are now available on the Internet. We remain concerned, however, that this decision could lessen the exchange of ideas between standard setters, regulators, practitioners, and the academic community. The desire to communicate with an important group of those “in the trenches” was one criterion for which the journal’s contents were initially intended.

During the 30-year period, a major change occurred in the focus of the papers ultimately published. Papers relying on regression-based NHST analysis continued to increase until they now reflect a major portion of the journal. The reasons are many. First and foremost, the increasing use of statistical research methods, and in particular RMB, made it possible for many more academics to address important issues systematically. We also contend that, of near equal importance is that such papers were deemed critical to the advancement of a large portion of academics’ careers. Crafting an RMB paper to assure that all aspects of the analytical process have been properly resolved is technical and lengthy, but well understood. Thus, we perceive that these papers, while inevitably difficult to read even by those well versed in the relevant mathematics, will continue to dominate the pages for the near future. Additional incentives include the familiarity of editors with such material and the perceived erudition associated with the paper’s publication. Editors and the reviewers have also felt a commitment to the journal’s academic standing and recognize that the papers authored by academics should be readable not just by academics but also by practitioners—and perhaps by policy makers—as well. The editorial process is time-consuming, and often unpleasant for the editor and author as well. RMB papers take an extended time to read and satisfy the reviewer that the technical aspects are all correctly applied. In the end, an interested reader wants to be able to determine whether the research identifies an important problem and, if so, its economic importance. Therefore, it is essential that the author make these points clearly and concisely in either the synopsis or the conclusion, or preferably both. The time saving alone is worth the effort.

We examined the RMB papers to determine whether the topics addressed were substantive and not simply data-driven. Despite the potential hurdles that confront the meeting of this objective, we believe—along with the editors—that the large majority of papers do address issues of relevance and importance to an ever-evolving clientele.

We have also argued that fundamental changes in both the practicing profession and in academe have militated against the achievement of the founders’ aims for the journal.

We close this exploration of the past with two questions, followed by several suggestions also framed as questions for possible consideration. First, is it reasonable to believe that *Horizons*, however structured, would be found to be a valuable source of information by practitioners as well by academics? Second, is it nevertheless the case, as one early reader of this paper suggested, that “the technical possibilities of communication far outstrip the limits of academic incentives which remain mainly based on journal publications”?²⁵ If the answers are yes and no, respectively, would a special AAA committee composed of the current and interested past editors to consider the future direction of the journal be productive? Many things have changed since the founders set *Accounting Horizons* afloat.²⁶ Third, *should* the editorial policy going forward be different? Fourth, *should Horizons* consider emulating the Practitioner Summaries in the Auditing Section’s journal, *Current Issues in Auditing (CIIA)*, in which academics compose explanations of previously published research in terms that are intelligible to practitioners? Fifth, given the initial importance of *Horizons* in reaching and involving practitioners, *should* practitioners—as well as regulators and standard setters—be involved higher up in the editorial process, as was the case in some of its early years but not since 2003?²⁷ Sixth, *should* authors be encouraged or even required to address the economic consequences of their work? And finally, *should Horizons’* editors be given the freedom, or even be encouraged, to adapt the journal to their own views of a changing profession in changing times, or be restrained to remain within the framework of an overall editorial policy established by the AAA Publications Committee?

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²⁵ Communication from Kees Camfferman to the authors, dated December 15, 2016.

²⁶ We note that the AAA has indeed created such a committee for 2017–18, chaired by past *Horizons* Co-Editor Dana Hermanson.

²⁷ We note that, since its founding in 2007, *CIIA* has had a practitioner as one of its two co-editors.

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