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THE IRISH ACCOUNTING AND FINANCE ASSOCIATION

OBJECTIVES

The Irish Accounting Association was founded in 1987 to bring together academics from all parts of Ireland in order to advance teaching and research in accounting and related disciplines. In 1991, the name and objectives were changed to include finance.

MEMBERSHIP

Membership is open to those engaged in teaching, research or educational administration in accounting, finance or related disciplines and to those engaged in similar activities acceptable to the Council for membership purposes.

The Association now has members in virtually all third level colleges that employ accounting and finance academics in both Northern Ireland and the Republic of Ireland. The annual membership fee is €35/£25.

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The *Irish Accounting Review* is published by the Irish Accounting and Finance Association as part of the process of fulfilling its objective to advance accounting and related disciplines in the education and research fields in the Republic of Ireland and Northern Ireland. The *Review*'s policy is to publish suitable papers in any of the areas of accounting, finance and their related disciplines. Papers in all categories of scholarly activity will be considered, including (but not limited to) reports on empirical research, analytical papers, review articles, papers dealing with pedagogical issues, and critical essays.

All submissions that pass an initial editorial scrutiny will be subject to double-blind refereeing. Referees will be asked to assess papers on the basis of their relevance, originality, readability and quality (including, for empirical work, research design and execution). In determining relevance, the editors will be influenced by the Association's objectives; thus, papers reporting on empirical work will be viewed more favourably if they deal with data relevant to those working in Ireland. Similarly, papers that have previously formed the basis of a presentation at the Association's annual conference will be particularly welcomed.

All submissions to the *Irish Accounting Review* should be made to either:

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RESEARCH IN CHARITY ACCOUNTING AND REPORTING: A FERTILE FIELD FOR EXPLORATION

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ABSTRACT

Although the charity sectors in the United Kingdom (UK) and the Republic of Ireland (RoI) are both substantial in numerical terms and in economic impact, research in the area by accounting and finance academics is limited. Substantial challenges in terms of accounting, accountability and governance are faced by the sectors as they strive to engage with their stakeholders in meaningful ways. This paper explores some key themes of research in this area that have been central to the authors' interests over many years and, on the basis of this, and on wider reflection as to the operation and importance of the charity sector in both the UK and the RoI, highlight potentially fruitful future research for accounting and finance academics.

INTRODUCTION

The not-for-profit (NFP) sector, which is also referred to as the third sector or the voluntary sector, represents the sphere of social activity undertaken by organisations that are non-profit and non-governmental.[1] The NFP sector is quite different from either the private or the public sector in terms of its orientation and motivation, the nature of its activities, its resource availability to engage in these activities and the manner of its contribution to the public good. Some charitable organisations in the United Kingdom (UK) and Republic of Ireland (RoI)[2] are substantial international organisations while others are small locally based groups run by volunteers. Regardless of their size, charities play a significant and vital role in society, often serving and helping those who are most disadvantaged, marginalised or helpless, and increasingly delivering public services to tackle social exclusion.

As a result, they make a unique and widely recognised contribution to the public good by building social capital in civil society. However, the rise in the visibility and influence of the charity sector in recent years, together with adverse publicity surrounding a number of high-profile scandals of fund misappropriation and organisational inefficiency (Brody, 2002; Beattie, McInnes and Fearnley, 2002; Home Office, 2003; Charity Commission, 2004), has highlighted the need for an increased focus on charity accountability and good governance. This could be seen as a basis for ensuring greater confidence in the control processes within charities (which may encourage greater willingness on the part of donors to provide funding), as well as providing further legitimisation of the sector's activities. These conditions can be seen as crucial to ensuring the health and growth of the sector.

Although the charity sectors in the UK and the RoI are both substantial in numerical terms and in economic impact, research in the area by accounting and finance academics in Ireland and elsewhere is limited. Substantial challenges in terms of accounting, accountability and governance are faced by the sectors as they strive to engage with their stakeholders in meaningful ways. The objectives of this paper are to explore some key themes of research in this area that have been central to the authors' interests over many years, and, on the basis of this, to highlight potentially fruitful future research for accounting and finance academics in Ireland and elsewhere. It seeks to present past research and excite academics who have not previously considered the potential for research in this field. The remainder of the paper proceeds as follows. The next section briefly profiles the charity sectors in the UK and the RoI as a basis for understanding context. This is followed by an analysis of governance, accounting and accountability, and then an examination of the drivers of charity accountability in the UK and the RoI. Some key research themes, including output from the authors, over the last thirty years relating to charity accounting, accountability and governance is subsequently presented. The paper concludes with the identification of possible areas for future research.

THE CHARITY SECTOR IN THE UNITED KINGDOM AND REPUBLIC OF IRELAND

The charity sector in the UK and the RoI is a vast and growing segment of economic activity. There are approximately 162,000 charities in England and Wales with an estimated total annual income of £56 billion, a £4 billion increase from 2010 (Charity Commission, 2011). In addition, there are over 23,000 charities in Scotland and 4,700 such organisations in Northern Ireland (NI) with total estimated annual incomes of approximately £8 billion and £570 million respectively (Charity Commission for Northern Ireland, 2011; Northern Ireland Council for Voluntary Action, 2009; Office of the Scottish Charity Regulator, 2011). It is estimated that there are approximately 5,700 charities operating in the RoI, collecting more than €500 million annually in donations (*Irish Times*, 2011).

While the charity sector in the UK and the RoI is growing, the income distribution is skewed with a small number of large charities accounting for a significant proportion of the total sector income. For example, in England and Wales 833 large charities (just over one-half of 1 per cent of total charities) account for 56 per cent of total income (Charity Commission, 2011). The sector's growth has led to increased visibility and scrutiny by diverse stakeholders including government, funders, the media and the public. Moreover, as charities in the UK and the RoI operate under different legal structures, coupled with the difficulties in defining the sector and the fact that different systems of charity administration exist in England and Wales, NI, the RoI and Scotland, the resulting complexity has immense implications for the development of clear principles of accountability (this is discussed further below).

The UK charity sector employs over 600,000 people, up 25 per cent over the last decade, and the public is increasingly engaged in voluntary activities, with 45 per cent of the public volunteering at least once a year and 29 per cent at least once a month (National Council for Voluntary Organisations and Charities Aid Foundation, 2010). While there is a growing reliance on earned income (50 per cent of total income) within the sector, voluntary income continues to play a significant role (40 per cent), with the remaining 10 per cent largely consisting of dividend and interest income (Cabinet Office of the Third Sector, 2009). Individuals and government are important sources of income for the sector, contributing 37 per cent and 34 per cent respectively of the total income in the UK. Albeit on a smaller scale, evidence indicates that the RoI charity landscape exhibits similar features to that of the UK (Donoghue, O'Regan, McGee and Donovan, 2007). Consequently, since a considerable amount of charitable work is supported by the general public – either as direct givers through donations and/or through voluntary activities, or as indirect givers through taxes – it is critical that there are appropriate systems in place, not only to ensure that public money is not misappropriated and is fittingly and effectively spent for the communities the funds were intended for, but also to sustain the health and longevity of both the sector and the groups and communities that charities seek to serve.

CHARITY GOVERNANCE, ACCOUNTING AND ACCOUNTABILITY

Good governance is a *leitmotif* in discussions on how organisations should operate. In the business sector one of the seminal contributions to the UK debate on corporate governance, the *Cadbury Report* (1992, para. 2.5), states that 'corporate governance concerns the way in which companies are directed and controlled'. Often concepts of governance as applied in the business sector literature are considered in relation to principal–agent theory, with the focus primarily being concerned with how suppliers of finance protect, and get a return from, their investments (a clear issue in the recent systemic banking crisis). Basically, individuals are assumed to be rational utility maximisers, meaning they will improve their own welfare, potentially at the expense of others, if it is possible to do so. Corporate governance may be viewed as the way in which shareholders (viewed as the dominant stakeholder) compel managers to act in their best interests (thereby maximising shareholders' wealth) or, indeed, how managers convince shareholders that they are doing so.

Immediately, it is apparent that this definition is inappropriate for use in a charity. The most fundamental problem is that charities are not supposed to provide a financial return to their fund providers. Rather, suppliers of funds generally want the charity to use the money to benefit *other* individuals or groups of individuals (beneficiaries). Donors may have an interest in maximising the pass-through ratio, which is the fraction of a charity's revenues that is ultimately distributed to beneficiaries, in the same way that shareholders have an interest in maximising the net cash flows of the company they invest in. One element of governance in charities may therefore be the way in which either donors compel (or, perhaps more fittingly in the charity sector, encourage and support) the trustees and workers (whether employed or volunteers) to distribute as much as possible to the intended beneficiaries (and achieve the greatest impact for the money distributed) or a charity's trustees and staff convince (potential) donors that that is what they will do.

Principal–agent theory might also suggest that one would expect to see some degree of monitoring of charities by donors (and possibly beneficiaries) and regulators (who, partially at least, are assumed to act in the interest of donors – an issue explored in Hind, 2011). Additionally, principal–agent theory can also be applied *within* a charity. For example, the board of trustees may steer (or monitor) the highest-paid staff of a charity, who themselves may steer (or monitor) those situated lower in the organisational hierarchy (including volunteers). In the UK, the voluntary sector's own governance code, *Good Governance: A Code for the Voluntary and Community Sector* (Governance Code Steering Group, 2010), although highlighting many principles of governance present in corporate models, is tailored to the circumstances in which charities operate – where, for example, objectives are other than to make money and motivations for involvement may be heavily influenced by altruism. In the voluntary sector code, integrity is added to the skills set expected from a charity's trustee board and the fundamental nature of charity is emphasised with the reminder that trustees 'lead in setting and championing the values and ethos of the organisation' (Governance Code Steering Group, 2010, p. 20) and the 'board should always … make decisions in the best interests of the people or cause it aims to help' (Governance Code Steering Group, 2010, p. 14).

While the concept of what is meant by 'governance' is rather fuzzy and a myriad of ideas are often placed under the umbrella of 'good governance', themes that often emerge relate to good accounting and comprehensive accountability. The conventional view of accounting is that it is a purposive activity, directed towards a specified end – that is, the meeting of users' information needs (American Accounting Association, 1966; Canadian Institute of Chartered Accountants, 1980; Macve, 1981; Accounting Standards Board, 1999). While the main focus of these publications was on corporate accounting issues, they helped stimulate debate on users' needs with respect to the charity sector. The user-needs emphasis was evident in the *Trueblood Report* (American Institute of Certified Public Accountants, 1973) and the Statement of Financial Accounting Concepts No. 4, *Objectives of Financial Reporting by Non-Business Organizations* (Financial Accounting Standards Board, 1980), in the United States, and in the work of Bird and Morgan-Jones (1981) in the UK. Indeed, this latter research ultimately led to the publication of Statement of Recommended Practice (SORP) 2, *Accounting by Charities* (Accounting Standards Committee, 1988),[3] which, together with subsequent revisions, sought to reduce the diversity of accounting practice in charities' published financial statements on the basis that a lack of consistency makes it difficult for users of accounts to understand (and therefore use) the information provided.

Before considering accountability in the context of charities specifically, it is important to note that despite being a much-debated topic in the literature, the concept remains an abstract construct that lacks a clear definition (Munro and Mouritsen, 1996; Ebrahim, 2003; Geer, Maher and Cole, 2008). Various conceptualisations and measures of the construct are offered in the literature (Roberts, 1991; Sinclair, 1995), and the concept has been studied from different perspectives and in different contexts. For example, previous research has considered accountability in the context of principal–agent theory (Laughlin, 1990; Edwards and Hulme, 1995), stakeholder theory (Gray, Kouhy and Lavers, 1995; Mäkelä and Näsi, 2010) and legitimacy theory (Deegan, 2002; Campbell, Moore and Shrives, 2006; Tilling and Tilt, 2010). The concept has also been examined in terms of the role and value of the different mechanisms of accountability (O'Dwyer, 2005; O'Dwyer and Unerman, 2007), the play-out of accountability in organisations (Panozzo, 1996; Ezzamel, Robson, Stapleton and McLean, 2007) and the discharge of accountability through public discourse (Connolly and Dhanani, 2009; Dhanani, 2009).

Jackson (1982) and the Government Accounting Standards Board (1987) describe accountability as being responsible to someone or for some event and as explaining one's actions and justifying what has been done respectively. Rutherford (1983) views accountability as being related to the requirement to be answerable for one's conduct and responsibilities. In contrast, Goodin (2003), Brody (2002) and Taylor and Rosair (2000) identify and distinguish between different themes or states of affairs for which one may be responsible and may in turn (be made to) account for. Goodin's (2003) states of affairs include one's intentions, which for charities translate into the missions, visions and objectives that the organisations are working towards; one's actions, that is, the actual activities and programmes undertaken by charities to fulfil their visions and objectives; and one's results, that is the extent to which the organisations have achieved their mission and objectives.

Brody (2002) and Taylor and Rosair (2000), who classify Goodin's themes as managerial accountability, add that charities also need to discharge fiduciary accountability whereby appropriate systems and measures such as good compliance, control and governance practices are in place to ensure financial probity. Fiduciary accountability emphasises probity, compliance, control and good governance to assure organisational stakeholders that the funds, assets and future of the organisation are safeguarded (Taylor and Rosair, 2000; Brody, 2002). In this regard, it is analogous to the stewardship function that financial accounting fulfils, whereby there is confirmation and, in turn, confidence that the funds and assets of the organisation are not being misappropriated. Managerial accountability (Goodin's themes), on the other hand, refers to managerial effectiveness and the impact of the organisation on society (i.e. organisational success). Based on the notion that charities should provide a review of their financial position and the impact that they have had on societal development, managerial accountability can be further separated into managerial success in financial terms and in non-financial, operational/societal terms as follows:

- Financial managerial accountability looks at managerial success in relation to generating funds and using them appropriately to secure the future of the organisation and to optimise its impact.
- Non-financial, operational accountability measures the organisation's impact in relation to the charitable objects for which it was set up.

Thus, charity accountability may be categorised as fiduciary accountability, financial managerial accountability and operational managerial accountability (see Table 1).

TABLE 1: ACCOUNTABILITY THEMES AND ASSOCIATED DISCLOSURES

Themes of Accountability	Associated Disclosure Items
Fiduciary accountability emphasises probity, compliance, control and good governance, to assure organisational stakeholders that the funds, assets and future of the organisation are safeguarded	• Organisation structure, including managerial structures and how key decisions are made • Trustee selection, appointment induction and training policies • Reserves policy • Financial investment policy • Risk management statement
Financial managerial accountability addresses organisational performance in financial terms, that is, managerial success at generating and using funds. To enhance performance accountability, information dimensions include: • Comparison of actual performance with targets • Objectives, previous year results or competitor organisations • Explanations/justifications for activities and performance • Future intentions and information	• Financial position/stability (income, expenditure and surplus/deficit levels) • Financial performance of investments and reserves policies • Fundraising efficiency • Overall organisational efficiency
Operational managerial accountability addresses performance in terms of the impact of the organisation on society; to enhance performance accountability, information similar to that stated above applies	• Organisational aims and objectives • Organisational activities • Direct charitable activities (inputs, with separate attention to volunteers, outputs, results, efficiency and effectiveness)

While the definitions of accountability presented above contain useful elements, discussions on accountability, particularly in the charity sector, are fraught with problems. The Government Accounting Standards Board (1987) and Patton (1992) suggest that accountability suffers from imprecise meaning, and Rutherford (1983) and Taylor (1989) argue that user-needs models do not explain clearly the information that should be provided. Edwards and Hulme (1995) highlight the problem of multiple accountabilities, suggesting that difficulties in prioritising and reconciling varied user needs may lead to weak accountability. However, regardless of these difficulties, accountability is a key mechanism through which charities can achieve legitimacy for their activities and the sector as a whole. Accounting information is central to the discharge of accountability and gives a visibility to the resources, activities and achievements of an organisation, thus enabling informed discussions and decisions that impact on economic well-being. Decisions to give, Walker, Pharoah, Jas, Paasey and Romney-Alexander (2002) opine, are not only about values or faith, but are a result of a variety of factors, one of which is good charity communications. Moreover, the need to discharge accountability arguably supports principal–agent theory since it encourages management to concentrate on issues that are important to stakeholders outside the immediate management of the organisation, who often provide the resources for the organisation to function. Whilst accepting the argument made by Jones and Pendlebury (2010), that accountability, in its widest sense, is more than accounting (however widely accounting is defined), focusing on the information needs of users seems clearly linked with ideas relating to accountability (a key aspect of a contemporary definition of accounting).

By relaying to funders and financial supporters (upward stakeholders), both small and large, the financial probity and efficiency with which they operate and the impact they have on those they serve, charities can gain legitimacy from such parties (Slim, 2002; Ebrahim, 2003; Accounting Standards Board, 2007). Theoretically, it can be argued that their altruistic motive avoids the need for charities to account because, by acting for the public good, they can be assumed to operate honestly and optimally to maximise organisational impact. In practice, however, this assumption may not necessarily hold, and the demands of accountability become validated. Charity funds are being placed under increasing scrutiny and the need to account and to reinstate and maintain public trust and confidence, either voluntarily or on demand, is being increasingly emphasised (Beattie et al., 2002; Ebrahim, 2003; Home Office, 2003). Charity supporters and funders are akin to shareholders of commercial organisations (Accounting Standards Board, 2007), and, while they are arguably less likely to monitor charities as closely as shareholders may commercial organisations, they are more likely to terminate their support if their trust and confidence wane as their personal welfare is not necessarily dependent upon this support. Accountability and transparency are therefore critical attributes with which to gain and maintain public/funder support and trust.

The discharge of accountability also enables charities to achieve legitimacy from their downward stakeholders (i.e. the beneficiary groups and clients). There is a clear disparity in the position of power between the charities and their downward stakeholders (as compared to the situation with upward stakeholders). However, it could be argued that this power should not be exercised to avoid accounting to these stakeholder groups, but rather, recognising their position of weakness, charities, as value-driven organisations, should choose to account to/take account of them. Accounting to and for downward stakeholders enables charities to develop intangible sources of legitimacy such as credibility, reputation, trust and integrity, which will in turn engender the trust and support of their beneficiaries (Slim, 2002). In other words, consistent with the notion of a broader accountability paradigm (*vis-á-vis* the narrower stewardship and decision usefulness paradigms) (Coy, Fischer and Gordon, 2001), charities have an 'upward' accountability to their funders and financial supporters, government and oversight agencies and the public at large, and also a 'downward' accountability to the beneficiary groups and clients who use their services.

As a subsidiary benefit, systems that enable charities to account to their stakeholders also have the potential to facilitate an improvement in organisational performance and learning (Brown and Moore, 2001; Blagescu, Lloyd, Dombrowski, Kadosh and Oatham, 2006). An organisation that is answerable for its actions should be more compelled to improve its performance to demonstrate sound organisational activity and organisational success than one with weak accountability (where there may be a limited incentive to manage the organisation's funds efficiently and effectively) (Hyndman and Anderson, 1995). In relation to organisational learning, Brown and Moore (2001) suggest that organisational successes and (perhaps more so) failures offer extensive learning opportunities upon which to develop, and that sound information is essential to facilitate the learning process. Accountability systems that methodically measure success and failure and produce the relevant information are therefore central to organisational learning.

While acknowledging the many avenues through which organisations (for-profit and NFP) can communicate with their stakeholders, the annual report[4] is recognised as 'the primary means with which the management of an entity is able to fulfil its reporting responsibility' (Accounting Standards Committee, 1975, p. 16) to discharge its duty of accountability and stewardship (Charity Commission, 2000). Within the public discourse system employed by both for-profit and NFP organisations, the annual report occupies a prominent place as a textually mediated mass communication medium. As a statutory document in most Western economies (Gray, Bebbington and Collison, 2006), it attracts a degree of authenticity not associated with other such media and has become the principal means through which management fulfil their reporting responsibilities (Boyne and Law, 1991; Coy et al., 2001). Presently, the annual report is the communication lens through which stakeholders can understand and monitor organisations' activities, operations, successes and failures. Consequently, it is recognised as one of the most widely used tools with which organisations can account to their stakeholders (Davison, 2007; Samkin and Schneider, 2010). In the context of charities (as noted above), the Accounting Standards Committee developed SORP 2 (Accounting Standards Committee, 1988), which sought to reduce diversity in charity financial statements to aid reader analysis. Subsequent revisions, particularly the 2000 SORP, shifted attention from the presentation of financial statements to the content of narrative information in recognition of its significance in discharging accountability, particularly in the context of charities (Charity Commission, 2000).

DRIVERS OF CHARITY ACCOUNTABILITY IN THE UNITED KINGDOM AND REPUBLIC OF IRELAND

As much charitable work is supported by public donations, it is important that appropriate safeguards are in place to ensure that such contributions are spent appropriately, and that the organisations effectively serve those for whom the funds were intended. Moreover, the manner and strength of charity regulation is arguably a barometer for the way in which charities are valued and viewed in a particular jurisdiction, including the benefits that charitable recognition and status potentially bring.

In the UK and the RoI there are four charity regulators: the Charity Commission for England and Wales, the Charity Commission for Northern Ireland and the Office of the Scottish Charity Regulator in the UK, and the Charities Regulation Unit (Department of Justice and Equality) in the RoI. Although the UK and the RoI comprise four separate legal jurisdictions, they share a common history of charity law dating back to the 1601 Statute of Charitable Uses. Of the four regulators, the Charity Commission for England and Wales is the longest established (founded in 1853), with the others at different stages of their development (for example, the Charity Commission for Northern Ireland was created in 2008 and has yet to begin to register charities (as of November 2011) and often draws on the experiences and practices of the Charity Commission for England and Wales when formulating its policies and procedures).

In recent years, all four jurisdictions have embarked on major changes to their respective regulatory regimes for charities (Breen, Ford and Morgan, 2009), with the Charities Act 2006 (for England and Wales), the Charities Act (Northern Ireland) 2008, the Charities and Trustee Investment (Scotland) Act 2005 and the Irish Charities Act 2009 (for the RoI). While these four pieces of legislation have much in common with respect to their definition of 'charity', and the accounting and registration requirements, there are differences which could potentially cause problems (Breen et al., 2009), for example with respect to cross-border registration, accounting obligations and service provision.

In a UK context, there has been a number of recent initiatives, both regulatory and voluntary, to encourage and promote charity accountability. Recent drivers include the publication of *Private Action, Public Benefit: A Review of Charities and the Wider Not-for-Profit Sector* (Strategy Unit, 2002), which called for the sector to develop greater accountability and transparency to build public trust and confidence, and *Charities and Not for Profits: A Modern Legal Framework – The Government's Response to 'Private Action, Public Benefit'* (Home Office, 2003). Subsequent developments include the:

- Publication of the Charity Finance Directors' Group (2003) report *Inputs Matter*, which seeks to improve charitable transparency through financial reporting and also recommends that a voluntary code of practice be agreed in relation to the content of annual reviews
- Publication of the 2005 SORP (Charity Commission, 2005), which places greater emphasis on the trustees' annual report, promotes the importance of narrative information as part of the annual report and provides detailed and systematic guidance on how this can be achieved
- Publication/revision of charity legislation and establishment/strengthening of regulatory bodies to oversee, promote and encourage accountability within the sector (see above)

- Introduction of Summary Information Returns in 2005 for larger charities in England and Wales as part their annual return to the Charity Commission, in order to provide the public with easy access to relevant, useful and comparable information about charities

In terms of self-regulation, UK developments and practices aimed at promoting charity accountability include the:

- Establishment of a voluntary code of conduct by the National Council for Voluntary Organisations (2005), the ImpACT (Improving Accountability, Clarity and Transparency) Coalition, to encourage members to enhance the sector's transparency and accountability practices and, in turn, improve public confidence and trust
- Development of a voluntary code of fundraising practice by the Institute of Fundraising (2006) to promote the highest standards in UK fundraising activities (following negative media publicity in this area)
- Creation of databases such as GuideStar (UK) and organisations such as Intelligent Giving (UK) and New Philanthropy Capital (UK) which aim to raise public interest in charitable giving, direct more funding to effective charities and help donors make more informed decisions on how to give. Such organisations attempt to open up and rationalise giving behaviour, especially with government looking to encourage larger tax-effective donations. They are akin to an equity research firm for the NFP sector, analysing the workings of charities and disseminating relevant accountability information to external stakeholders via the internet.
- Joint sponsorship, by the Institute of Chartered Accountants in England and Wales and Charities Aid Foundation, of awards in relation to reporting practices in the charity sector

With respect to the RoI, the Irish Charities Act 2009 favours a non-statutory code of practice, combined with legislation that requires formal registration, collection permits and financial accountability. The Act provides for the appointment of a charities regulation authority to oversee and enforce its provisions, and a charities appeals tribunal to deal with complaints. However, as a result of the economic crisis and the subsequent resource constraints, the RoI government has acknowledged that it is not possible to implement many of the Act's provisions at this time (Shatter, 2011). Key aspects of the Act still to be activated (as of November 2011) include the establishment of a formal register of charities and an agency to pursue charities for malpractice, together with the requirement for RoI charities to publish their accounts. While the RoI government and the sector's coordinating body (Irish Charities and Tax Research) have asked RoI charities to sign up to a voluntary code of practice that requires them to publish annual accounts and provide information to the public on how their money is being spent, initial acceptance by Irish charities appears very low (*Irish Times*, 2011; Shatter, 2011). For the RoI, in the continued absence of a specific charities regulator, the debate has centred on improving compliance and regulation rather than on improving reporting,[5] with research often attempting to understand the state of the sector and fundraising rather than the standard of reporting (Donnelly-Cox and Cannon, 2010; Prizeman and McGee, 2009).

Globally, in 2006, the largest international non-governmental organisations (NGOs), several of which are also UK-registered charities, publicly endorsed an Accountability Charter,[6] the purpose of which is to enhance organisational transparency and accountability, encourage communication with stakeholders, improve organisational performance and effectiveness, and define shared principles, policies and practices. In addition, the Global Reporting Initiative (2010) developed sustainability reporting guidelines for NGOs to encourage and aid members to discharge financial and procedural accountability.

CHARITY GOVERNANCE, ACCOUNTING AND ACCOUNTABILITY

While a range of studies on charity accounting, accountability and governance exists, some key thrusts of past research are considered here: areas that particularly interest the authors, and areas that have been the focus of much of their writing over many years. Research is broadly categorised into studies that have investigated the:

- Extent to which charity financial statements comply with the financial accounting recommendations of the extant SORP
- Disclosure patterns of information accompanying annual financial statements (often in the annual report)
- Extent and impact of stakeholder engagement with respect to reporting frameworks for charities

These categorisations are a convenient way to present the material, although many of the studies themselves impact across the three categories and more widely.

Charity Financial Statements and the SORP

Austin and Posnett (1979) and Bird and Morgan-Jones (1981)

Studies of UK charity reporting practice in the late 1970s identified widespread poor practice in reporting, and cast significant doubt on the usefulness of annual reports and financial statements as a means of providing accurate, reliable and comparable information to stakeholders (perhaps unsurprising given limited legislation, accounting standards and regulatory oversight in both the UK and the RoI). Austin and Posnett (1979) found that many UK charities were simply failing to provide information at all: in their survey of 393 large charities, only 25 per cent had up-to-date accounts filed with the Charity Commission, despite the requirement of the 1960 Charities Act to do so. Moreover, where accounts were supplied, quality, consistency and compliance with extant accounting standards were often not in evidence; Austin and Posnett (1979) cited examples of such non-standard practices as showing income net of costs (for example, fundraising costs) and significant variation in valuing and depreciating assets (including items such as buildings not valued at all).

In 1981, Bird and Morgan-Jones published a study of the annual reports and accounts of the top 100 UK fundraising charities (by income). Their study, which focused primarily on financial reporting, revealed a sector where non-compliance with accounting standards was prevalent, archaic accounting treatments were used and wide disparity in accounting practices between charities was observed. Examples of such practices included immediate expensing of fixed asset purchases (rather than capitalising and depreciating such assets over their useful life); recording legacy income (in full or partially) to capital rather than income; and, contrary to the rules on provisioning, creating provisions for future expenses which were charged to the income statement to reduce profit. This perceived bias towards treatments that made charities seem more in need of funds led Bird and Morgan-Jones (1981, p. 196) to opine that:

> Management is fearful that, if they report truly and fairly, its fund raising activities will be adversely affected and therefore ways and means are found for tucking away revenue and charging expenses which would not be tolerated in business accounts.

Moreover, they concluded that this situation was tolerated and indeed perpetuated because there was 'no effective monitoring of the public accountability of charities by ensuring prompt filing of financial statements and by expert review of a significant proportion of these' (Bird and Morgan-Jones, 1981, p. 225).

These studies had exposed substantial poor reporting practice in a sector which was, even at that time, important in the context of the economy as a whole and highly visible in the public consciousness. In April 1982, in a stated response to Bird and Morgan-Jones' (1981) work, the Accounting Standards Committee set up a charities working party with representatives from various stakeholder groups (the accounting profession, charities, foundations and the Charity Commission) to look into ways of enhancing the usefulness and comparability of charities' annual reports. Following an extensive consultation period, it issued the first charity SORP (Accounting Standards Committee, 1988). Applying existing commercial standards to charities, in the majority of cases it clarified best practice (often close to the recommendations of Bird and Morgan-Jones, 1981).

Ashford (1989), Gambling, Jones, Kunz and Pendlebury (1990) and Hines and Jones (1992)
Three very different studies completed shortly after the publication of the 1988 SORP concluded that that SORP had had very limited impact on the financial statements of the charities studied. Ashford (1989) investigated the compliance of the financial statements of large charities with the recommendations of the SORP, and highlighted that, notwithstanding some examples of good practice, many charities were continuing to use accounting practices contrary to the recommendations (and, it was suggested, the spirit) of the SORP. They did this, he argued, to present their position in a way which made those charities seem to be more in need of funds; examples included failing to recognise income from legacies in the income

statement, and recording the value of investments at the (usually lower) cost value rather than market value.

In a study of six small charities, Gambling, Jones, Kunz and Pendlebury (1990) identified, through a series of semi-structured interviews, that not only were these smaller charities not applying the recommendations of the SORP, but that awareness of the existence of the SORP was low. In addition, the recommendations were seen as adding additional compliance costs with little or no perceived benefit to the charity. The authors suggested that this lack of awareness and perceived irrelevance, combined with the lack of resources then available to the Charity Commission to monitor or enforce compliance, made it unlikely that the SORP would impact significantly on the sector.

In a longitudinal study of the financial statements of large charities, Hines and Jones (1992) found that while the vast majority prepared the statements recommended by the SORP, dubious accounting practices in the preparation of those statements remained pervasive, citing such basic examples as failure to capitalise and depreciate assets. They argued that non-compliance with the mere recommendations of the SORP was unsurprising and opined that if this position was to change then legislation or mandating of the SORP would be required.

Williams and Palmer (1998) and Connolly and Hyndman (2000 and 2001)

The poor response of the sector to the 1988 SORP necessitated the development of a more rigid regulatory framework and strengthening of the SORP to ensure proper accountability in the sector. After further review and consultation, a revised SORP was published in 1995 (Charity Commission, 1995)[7] and this recommended more standardised practices for financial reporting, rather than relying on the judgement of the preparing accountant, with the most radical change being the introduction of the Statement of Financial Activities (SOFA) in place of the income and expenditure statement. Following this, Williams and Palmer (1998), in a study reviewing the financial statements of a sample of small, medium-sized and large charities, identified some improvement in compliance with the 1995 SORP. They observed significant improvement among larger charities since the early 1980s, but fairly extensive failure to comply with the SORP's recommendations among small and medium-sized charities.

Connolly and Hyndman (2000) analysed the financial statements of the top 100 fundraising charities before and after the 1995 SORP revision. Referencing earlier studies including Bird and Morgan-Jones (1981), Ashford (1989), Hines and Jones (1992) and Williams and Palmer (1998), they commented that the 1988 SORP had had a significant, but lagged, impact over time on charity accounting practices. They argued that this delayed impact was as a result of a 'fairly gradual learning curve' (Connolly and Hyndman, 2000, p. 96) in the accounting profession on the recommendations of the SORP. However, in respect of the 1995 SORP only partial compliance was seen. Non-compliance was particularly observed in respect of some of the most significant changes, such as reporting on costs, and Connolly and Hyndman (2000) commented that given the 'radical' nature of the 1995 SORP changes and the lagged impact of earlier recommendations, change would perhaps again be seen, but it was likely to be later. Overall, they concluded that 'charity accounts have improved significantly since the early 1980s, where improvement is seen in terms of increasing compliance with recommended practice' (Connolly and Hyndman, 2000, p. 95).

In subsequent work exploring compliance with the SORP, and comparing Irish and British charities, Connolly and Hyndman (2001) found that Irish charities' compliance with the SORP was even more lagged and less complete. Suggesting reasons for these differences, they remarked that, compared to British charities, Irish charities (while also encouraged to apply the SORP) operated in a less regulated environment, with no legislative requirement on any charities to comply with the SORP and less scrutiny of their reporting.

Disclosure Patterns of Information other than Financial Statements

Over time the focus of much empirical work on UK and RoI charities has shifted away from financial accountability (usually framed in terms of compliance with the extant financial requirements of the SORP) to accountability for performance and the provision of additional background information valuable to the users of accounts. The potential importance of such information had been identified by Bird and Morgan-Jones (1981) but was not the focus of the 1988 SORP. However, progressively, over time, the performance and governance aspects of charities came more to the fore. Mirroring what was developing in the public sector at the time, a number of parties, including government, called for greater focus on performance measurement and performance reporting. For example, through the publication of *Private Action, Public Benefit* (Strategy Unit, 2002) the UK government highlighted the need for better performance information as a basis for building trust and confidence in the sector, and on supporting the sector in improving performance. As the SORP evolved, the performance and governance aspects were strengthened considerably. For example, from 1995 the SORP promoted reporting on the general progress of the charity and what it had been able to achieve during the year (supported by statistical information if available) and encouraged the provision of examples (such as the number of beneficiaries reached).

Hyndman (1990 and 1991)

Based upon an analysis of the annual reports of 163 large UK charities and a survey of 133 donors to such charities, Hyndman (1990) sought to identify the information that was routinely made available to donors through the annual report, and the most important information sought by donors to charities. In the study, donors were asked to rank fourteen types of financial and non-financial information, including frequently disclosed information, in terms of importance to them. This was compared with the information routinely made available to them in the annual report. He found that while audited financial statements dominated reporting by charities, donors viewed other information, particularly that relating to performance, as most important.

In a related study, Hyndman (1991) investigated whether the identified 'relevance gap' – the difference between the information disclosed by charities in their annual reports (mainly audited financial statement information) and the information required by donors (mainly performance-related information) – was due to a lack of awareness on the part of the providers of the information. The objectives of the paper were to identify the views of providers of information regarding the importance of donors as users of charity reports, and to ascertain the perceptions of such providers concerning the importance to donors of the fourteen information types used as the basis for previous study (Hyndman, 1990). Two key groups involved in the provision of information to donors (charity officials and auditors) were surveyed. As well as identifying the perceived importance of donors as users of charity annual reports (with both groups of providers overwhelmingly identifying donors as the user group to whom the annual report is primarily directed), the major part of each questionnaire asked charity officials and auditors to rate the fourteen information types in terms of perception of importance to donors. These perceptions were then compared with the actual importance to donors identified in the previous study. It was found that while providers of information are aware of the most important information required by donors (performance-related information), and donors are identified as the most important user of the annual report, the majority of charities do not disclose such information. Overall, the research discounted the possibility that the 'relevance gap' is caused by providers of information being unaware of the information needs of donors. Rather, it was argued that accountability to donors is not discharged in the most effective manner, with limited reporting of performance information to donors. In addition, it was suggested that there may be a general complacency among the providers of information with respect to the adequacy of existing reporting procedures, given that they know what is important but do not disclose, and limited motivation to improve accountability to donors.

Connolly and Hyndman (2003 and 2004)

In a study of the annual reports of large UK charities over two accounting periods, Connolly and Hyndman (2003), aware of the changes in the SORP and the pressure from various sources for charities to improve performance reporting, sought to identify the extent to which performance accountability was discharged. Annual reports were analysed using a checklist developed from the recommendations of the SORPs, the information types identified by Hyndman (1990) as being important to donors, and other sector guidance of the time (such as that by the Charities Aid Foundation, 2001). Categorising disclosures on this basis and comparing to the Hyndman (1990) study, they identified that many charities were providing extensive background information (for example, on how the charity was constituted, the mission and the need area addressed) and that there had been some limited improvement over time in performance reporting (such as reporting on goals, objectives and outputs). However, their primary conclusion was that, despite the recognised importance of performance information to the users of accounts, it was still not widely disclosed by charities.

A number of examples of charities' failings in this regard were given, including a significant proportion of charities failing to disclose a single measure of efficiency or effectiveness (two of the key criteria for judging performance). Reporting of efficiency and effectiveness measures actually decreased in the two periods studied, against an increase in the reporting of more 'marketing-focused' (Connolly and Hyndman, 2003, p. 117) information. The authors contrasted this situation with significant improvements in reporting in the UK public sector in the same time period, and suggested this deterioration might be due to a number of factors, including a lack of willingness and pressure to report in the charity sector, combined with a paucity of guidance on performance reporting in charities. They also suggested that the focus of the charity reporting debate on financial accounting matters 'may have detracted from a meaningful debate relating to the relevance of the information content of charity annual reports' (Connolly and Hyndman, 2003, p. 117).

Applying a similar methodology, and distinguishing between small and large charities, Connolly and Hyndman (2004) compared the reporting of performance information in British and Irish charities. Analogous to their findings in respect of financial reporting (Connolly and Hyndman, 2001), the authors identified that for almost all types of performance reporting, and across both size groups, Irish charities reported significantly less than their British counterparts. For example, measures of output were reported by 96 per cent of large British charities, 77 per cent of small British charities, 47 per cent of large Irish charities and 29 per cent of small Irish charities. Reasons for the lower disclosure by Irish charities were suggested as including the weaker legislative framework, little government focus on the issue, the relative lack of scrutiny and comparative lack of research into charity reporting practice in Ireland.

Connolly and Dhanani (2006)

Connolly and Dhanani (2006) investigated narrative reporting practices in the top 100 fundraising charities in the UK, including the disclosure of organisational information, financial management policies, financial information, operational information and non-financial performance information. They found that while charities readily disclosed organisational information and financial management policies, the quantity and quality of disclosure tended to decrease in the reporting of financial information, decreasing again in respect of operational information (including measures of fundraising efficiency) and lowest in respect of performance information. Performance reporting tended to be dominated by information on charitable activities (with 91 per cent of the sample reporting at least one measure), reporting on inputs (73 per cent), volunteer contributions (67 per cent) and outputs (66 per cent). Significantly lower levels of disclosure were seen in respect of reporting on results (17 per cent) or on effectiveness (3 per cent). Moreover, the authors commented that the charities tended to report using quantitative or monetary measures (depending on what was being reported), but that ratio analysis presentations were uncommon. Where the information was disclosed, a key concern in respect of this reporting was that:

> Charities seldom provided disclosures of comparative information, explanations of results and plans for the future, indicating that there is considerable scope to improve reporting practices (Connolly and Dhanani, 2006, p. 59).

Dhanani (2009)

Dhanani (2009) reviewed the reporting practices of 73 of the largest charities reporting on the GuideStar UK website, and applied content analysis to those charities' records to identify the existence and quantity of reporting across four key disclosure types: charitable intent (or aims and objectives), charitable activities (or programmes), charitable performance (subdivided into outputs, results, efficiency and effectiveness) and future intentions (or plans/strategy). The study found that while all but one charity provided information on aims and objectives, and 89 per cent provided information on their activities, reporting on performance and future plans was much less common. She highlighted that while 75 per cent of charities provided some performance measures, these tended to be the 'lower order' measures such as simple quantifications of the services provided, rather than measures of efficiency or effectiveness. Additionally, only one-third of the sample provided any information on future plans, indicating 'a willingness to provide descriptive information but hold back information that organisations may be held to or questioned about' (Dhanani, 2009, p. 189). Dhanani (2009) argued that this lack of reporting was particularly concerning given the high levels of media attention and public scrutiny being focused on higher-order measures of performance, particularly on efficiency and effectiveness. While these results demonstrated some improvement in comparison with earlier studies (albeit acknowledging difficulties in that comparison), they also suggested wide variations in practice between the charities investigated. For example, fundraising charities were more likely to provide information on charitable activities, performance information and future plans (concurring with the findings of Connolly and Hyndman, 2003).

Connolly and Dhanani (2009)

Connolly and Dhanani (2009) carried out content analysis of the annual reports and annual reviews of the largest UK charities, an examination of their websites and a series of interviews with representatives of those charities. Their results identified continuing problems with the discharge of accountability in the sector – at the most basic level, 36 per cent of charities asked to supply a copy of their annual report failed to do so and therefore contravened a statutory requirement. Comparing their analysis with earlier research, they commented that the demonstration of accountability in the annual reports of charities had weakened over time. They contrasted the increasing length and perceived importance of these reports with lower disclosure levels of information relating to fiduciary accountability, financial managerial accountability and operational managerial accountability. Considering operational management disclosures in more detail, they found that reporting was dominated by information on the charity's activities, rather than on their performance or impact on society. They commented that:

> Charities appear to seek legitimacy for their actions on the basis of the nature of their work (i.e. charitable activities and projects) rather than from evidence of the resulting societal change [or impact] (Connolly and Dhanani, 2009, p. 7).

From the interviews, conducted in tandem with their survey, the authors concluded that this was an identified problem among interviewees, who highlighted an information gap that existed both internally within charities in terms of how they assess their performance and externally in respect of their reporting of that performance.

They acknowledged some attempts to report better on the impact of charity activities and recommended that such efforts be supported through attempts to put in place holistic and formal systems of performance measurement within charities.

Engagement with Stakeholders

Hyndman and McDonnell (2009)

In their 2009 paper, Hyndman and McDonnell provided a critical analysis of 'governance' in the context of charities, and examined both the theoretical underpinnings and empirical investigations relating to it. Their focus was very much a stakeholder focus, and the importance of stakeholder theory was highlighted in the paper. By exploring the major themes that form the basis of much of the discussion of governance in charities, primarily looking from the perspective of the key stakeholders in the sector, the paper presented a broad definition of governance with respect to charities and discussed governance issues in relation to important external stakeholders (donors, regulators and beneficiaries). In addition, key aspects of governance pertaining to internal charity stakeholders were considered in terms of two key themes: board composition and board roles, and the relationships between the board and staff/volunteers. The authors suggested that charity governance can be viewed as relating to the distribution of rights and responsibilities among and within the various stakeholder groups involved, including the way in which they are accountable to one another, and also relating to the performance of the organisation, in terms of setting objectives or goals and the means of attaining them. On the basis of this a research agenda for those interested in adding to knowledge in this area was outlined (albeit acknowledged as partial).

Hyndman and McMahon (2010 and 2011)

The objective of Hyndman and McMahon (2010) was to analyse the evolution of the UK charity SORP with insights from stakeholder theory. Stakeholder theory originated in the 1980s, the central argument advanced being that if organisations engaged with stakeholders on a basis of mutual trust and cooperation those organisations would build legitimacy and reputation that would give a competitive advantage over rivals. It was argued that for an accounting pronouncement such as a SORP, stakeholders might include groups or individuals who impact, or are impacted upon by, a sector's reporting regime. They opined that these considerations have been central in discussions on accounting principles both in the commercial and charitable sectors over many years. Drawing on work relating to stakeholder salience, they explored 'who or what really counts' (Mitchell, Agle and Wood, 1997, p. 853) when prioritising competing stakeholder claims as they impacted on the evolution of the SORP since the mid-1980s.

Analysing a period of almost twenty years, they contended that the SORP had developed from the 1988 version (which was truly 'recommended' rather than 'required', was heavily based on applying commercial accounting principles, was financial accounting focused, and allowed a high degree of preparer discretion) to a much more significant accounting and reporting document by the 2005 SORP (which is mandatory for many, applies charity-specific principles, requires significant amounts of governance and performance reporting, and allows only limited preparer discretion). Hyndman and McMahon (2010) argued that the language of stakeholder theory, with its emphasis on identification of key stakeholders, their salience and their information needs, was used by the Charity Commission and others as a foundation for discussions on appropriate accounting and accountability frameworks within the charity sector. From their analysis it was suggested the two most salient and continuing stakeholders in this process have been government and the accounting profession. Furthermore, in each case, it was argued that these stakeholder groups began as rather passive and inactive with respect to charity accounting and reporting issues, but, through time, as discussion built and awareness of the importance of the issues became clearer, they each engaged vigorously in shaping the SORP. Moreover, it was suggested that the perspectives of these two stakeholder groups had different focuses, with government being more concerned with performance and governance reporting, while the accounting profession's primary interest was more related to technical financial accounting issues.

This theme was extended in empirical work by Hyndman and McMahon (2011). Using insights from stakeholder theory and data from interviews with members of the various SORP committees, this research focused on the influence of one highly salient stakeholder – government – in developing a regime of quality accounting and reporting in the charity sector. It was argued that, over time, government as a stakeholder became much more vigorous and demonstrated considerable power and legitimacy as it has sought to push through agendas it perceived as urgent. In addition, the authors contended that government's influence has been partly coercive (in creating the regulatory framework, through legislation requiring SORP compliance, and as an increasingly important resource provider exercising a direct disciplining effect on those charities to whom it provides funds) and partly persuasive (in encouraging greater prominence to measuring and reporting performance, and in facilitating the basis for the drafting of best practice financial reporting). The authors claimed that the field data from the research suggested that government's increasing engagement over time with the charitable sector, often on the basis of a customer–provider relationship, has certainly influenced government's demands relating to the 'giving of accounts' to themselves (and more widely to other stakeholders) and is evidence of the powerful hand of government shaping accounting and reporting. Moreover, it was argued that much of this had to do with government's view with respect to the correct conduit through which certain services should be delivered to the public, and the increased prominence afforded the charity sector was evidence of it being viewed in a progressively more favourable light.

RESEARCH AGENDA

This paper has explored a range of issues relating to governance, accounting and accountability in charities, setting the discussion largely in a UK and RoI context. Moreover, while acknowledging that there are other issues that justify exploration, it presents past research relating to the extent to which charity financial statements comply with established accounting frameworks, disclosure patterns of information accompanying annual financial statements, and the extent and impact of stakeholder engagement with respect to reporting frameworks for charities. These are areas that particularly interest the authors, and areas that have been the focus of much of their writing over many years. On the basis of this, and on wider reflection as to the operation and importance of the charity sector in both the UK and RoI, a research agenda for those interested in adding to knowledge is now outlined in an attempt to excite academics who have not previously considered research in this area. Important themes that emerge in contemporary discussions of governance, accounting and accountability in the charity sector are the accountability of charities to their stakeholders, beneficiaries and beneficiary involvement, the regulation of the sector, volunteers and the impact of marketisation. These themes are reviewed separately below with components of a research agenda (expressed in the form of questions) at the end of each review.

Accountability to Stakeholders

Accountability (being the requirement to be answerable for one's conduct and responsibilities) is an important aspect of governance in charities. In considering accountability, two key questions emerge: to whom is a charity accountable and what form should that account take? While recognising the importance of a range of stakeholders (such as government, beneficiaries and the regulator), it has often been argued that donors (or funders) are the primary stakeholders to whom an account is owed: they provide funding to a charity and often receive no direct economic benefit in return. Without their support charities cannot function and charitable activity will cease. In terms of the form of the account, it is argued that while financial accountability (through high-quality, audited financial statements) is important (to indicate, for example, that the money raised has been used for the appropriate purposes, that the charity has 'lived within its means' and the level of resources available to the charity for future service provision), such accounts are likely only to be of secondary importance.

Wider information, particularly relating to performance, is probably paramount in discharging accountability to donors, and this will require the telling of 'the story' of the charity (often from the perspective of beneficiaries – if it is possible to operationalise such a perspective) in a way that is truthful, consequential and engages with donors. While donors generally have no right to withdraw their donation once made, they may not donate in the future if it appears that the charity used their donation inefficiently or ineffectively. In this sense, the relationship could be regarded as a principal–agent relationship, with a charity being accountable to its donors through the publication of information on its website, annual report, etc. It is noteworthy that the sector's own governance code in the UK (Governance Code Steering Group, 2010) extends 'accountability' more broadly that its commercial counterpart and includes, among other things, appropriate consultation on significant changes to the organisation's services or policies; listening and responding to the views of supporters, funders, beneficiaries, service users and others; and considering the organisation's responsibilities to the wider community.

A range of possible research questions therefore emerges. How is the accountability of charities discharged? Does it matter to donors and beneficiaries? What role, if any, can traditional formats like annual reports and annual reviews play in this?

Are reporting frameworks like SORP important? If so, to whom? What consultation takes place (or should take place) with donors and beneficiaries regarding accountability? What effect does it have? Can charity reporting move beyond activity and output reporting, to reporting impact? Through what medium is accountability best discharged? In addition, do good governance guides, which have increasingly assumed greater prominence in the sector, help? Are the recommendations contained in such documents appropriate for all charities? What are the consequences of adherence to such guides? Does it result in improved performance, or is it merely a legitimising mechanism used in interactions with key external stakeholders?

Beneficiaries and Beneficiary Involvement

While donors may be viewed as the primary stakeholder for charities (although this is sometimes disputed), others have suggested that beneficiaries are equally (or even more) important. Often the mission of a charity is focused on the beneficiary, and those who work within a charity are often concerned with maximising the benefit provided to the beneficiary. An issue that arises is the extent to which beneficiaries are involved, or should be involved, in the decision-making functions of a charity (and consulted in terms of accountability mechanisms). Certainly the donor to a charity often takes a beneficiary-focused view of events (albeit this may be a somewhat removed view), because the plight of the beneficiary is frequently at the heart of the donation decision. However, it has been argued that involving beneficiaries can encourage a much sharper focus by a charity and guard against the danger of mission drift. Wellens and Jegers (2011) have hypothesised a positive correlation between the degree of involvement of beneficiaries in a charity and the performance of a charity. Indeed, over the last twenty years beneficiary (or user) involvement has been heralded as a necessarily good thing for charities and public sector organisations.

However, identifying beneficiaries and engaging with them in a meaningful way with respect to accounting and reporting issues (and in wider governance issues) is often problematical. This may be because of their motivation, capability and the urgency of their needs, and is especially difficult in certain types of charities (for example, those with animal welfare and medical research objectives). While engagement with such stakeholders has the potential to improve reporting and focus by charities considerably, and legitimise further the accounting and reporting framework, such engagement has, to date, been limited. At its very best, such engagement can, among other things, provide managers and members of boards with useful feedback on the effectiveness of service provision, cement a mutual vision that is shared by all stakeholders and be a source of important and appropriate ideas as to what should be planned for the future. However, possible adverse impacts of inappropriate beneficiary involvement can arise (such as tokenism, possible reduced performance of the charity and too much focus on current service recipients).

Therefore, from a research question perspective, does beneficiary involvement in decision making avoid mission drift? How can it be achieved? Are there adverse consequences? Can beneficiaries' views on accounting and accountability facilitate more appropriate accountability frameworks?

The Regulation of the Sector

One argument is that government regulation of charities may be particularly apposite because of the large information asymmetry problems associated with the sector. For example, when a donor gives money to a charity, he or she will not have as much information as the people within the charity about the charity's intentions with regard to the use of the donation. Therefore, while this situation persists, donors will be unlikely to donate as much as they would if they had as much information about the use of their money as the charity, as they will be aware of the possibility of opportunism on the part of the charity workers (in the form of, for example, diversion of donated funds from the intended beneficiaries to themselves). Thus, a world in which this information asymmetry and potential for opportunism is reduced will be one in which the extent of charity donation is likely to increase as a donor will become more confident that his/her donation is going towards its intended purpose.

More (or better) regulation of the sector has the potential to, among other things, increase public confidence in charities (resulting in more public support for the sector), improve the management of charities (as they are aware of the possibility of investigation if their organisation is poorly run) and reduce the likelihood of scandal. Alternatively, it is possible that the intrinsic motivation of the large number of volunteers and staff involved may be 'crowded out' by excessive regulation, resulting in less volunteering and fewer skilled individuals wishing to work in a sector to which they are naturally committed and within which they are possibly prepared to accept a lower remuneration than if they worked in the business sector. Excessive and inappropriate regulation can thus undermine an important foundation of a good charitable sector.

Therefore, research questions relating to the appropriate balance between these contrasting factors can be asked: What is the effect of regulation upon charity performance? Should the level of regulation vary on the basis of charity size? What is viewed as 'excessive' in terms of regulation and in what ways do such regulations impact on individuals within a charity?

Volunteers

A major difference between charities and businesses is that charities often rely heavily on volunteers, either delivering the services of the charity or providing the administrative/governance backup that enables a charity to function (including acting as trustees). Volunteerism in the UK and RoI is extensive, both in charities and in other organisations (Cordery, Proctor-Thomson and Smith, 2011). For example, in England alone it is reckoned that 71 per cent of adults volunteer in some way each year and such volunteering contributes £22.7 billion to the UK economy (Volunteering England, 2011). The importance of such volunteerism has been highlighted by governments in many countries, for example in the 'Big Society', a flagship policy of the 2010 UK Conservative Party general election manifesto and an aspect of the Conservative–Liberal Democrat coalition government programme. Priorities relating to this include encouraging people to take active (particularly voluntary) roles in their communities, and supporting non-profit social action endeavours. A key idea is that volunteerism is critical to civil society and government must create the framework and environment to support this. Such volunteerism, which often brings with it a passion for the cause, can provide a counterbalance to pressures that can lead to mission drift in charities. In addition, it can be argued that the presence of volunteers, who especially in small local charities supply an important bond between charities and their communities, provides a vital link of accountability.

Given the above, how (if at all) are volunteers involved in the governance and accountability processes within charities? What impact does this have? How is accountability affected by their presence? How do (or should) charities account for the inputs that volunteers provide?

The Impact of Marketisation

The 'marketisation' of the charity sector, whereby charities are encouraged to adopt management approaches and values of the private sector, often in response to external influences, can create tensions (Bruce and Chew, 2011; Dacombe, 2011). With respect to governance issues, it is recognised by some (but perhaps not all) that charities are not businesses and therefore reading across and imposing private sector governance frameworks on the charity sector may not be appropriate, and indeed may be counterproductive (Hind, 2011). For example, should boards of trustees *control* managers and volunteers within a charity (as is often suggested by private sector governance frameworks), or should they *partner* managers and volunteers within a charity (as may be suggested by those who see individuals who work or volunteer in charities as naturally committed to the cause)? It could be argued that imposing private sector governance controlling and compelling norms in charities has the potential to undermine the charitable ethos and discourage volunteering.

It may even be the case that performance per se, as measured by terms like efficiency and effectiveness and often championed by those of a private sector managerial bent, may be significantly less important in charities than in businesses. This may be because involving volunteers brings major benefits to a charity (such as focus, passion and legitimation) that do not show up on any normal performance metric. In addition, while more (or better) regulation of the sector by government has the potential to, among other things, increase public confidence in charities (encouraging more public support for the sector), a danger is that excessive regulation can 'crowd out' the intrinsic motivation of volunteers and result in less volunteering by individuals who wish to engage with the sector. In the UK and RoI, accelerating marketisation can be detected (although possibly to varying degrees) with the increasing use of charities, often on a contractual basis, as a provider of public services (and the flow of public sector funds into the sector). As a consequence of this, pressure has been placed on charities to focus on particular priorities of government, operate in prescribed ways mandated by government and provide extensive financial and performance information required by government. A danger in this is that the core values of a charity could be undermined as money is 'chased', resulting in mission drift.

Given this, to what extent has such marketisation occurred in the charity sectors in the UK and RoI? What is its impact? Has mission drift occurred? To what extent, and in what ways, has government sought to influence what happens in the sector? Is this influence positive?

CONCLUDING COMMENTS

This paper has explored some key extant literature and research relating to governance, accounting and accountability in the charity sector. On the basis of this, a research agenda (or at least a set of research questions) for those interested in adding to knowledge in this area is outlined. It is understood that this is only partial, but hopefully it will provide encouragement to researchers to explore the important areas relating to governance, accounting and accountability in charities as a basis for improving understanding, evaluation and practice.

It is envisaged that this research agenda can be pursued using a mixture of qualitative and quantitative research techniques. Some of this research would involve engagement with the key stakeholders (for example regulators, support groups, charity managers, charity boards, volunteers and beneficiaries). Other aspects of it will involve quantitative analysis looking at forms of accountability and measures of effectiveness (if possible) and efficiency (albeit where much used indicators are often contested). In particular, the importance of financial accountability, as reflected in the production and use, if any, of best practice compliant financial statements, could be contrasted with performance accountability, as reflected in narrative statements contained in trustees' reports, relating to key non-financial performance indicators, possibly associated with the quantity and quality of service provision, and efficiency indicators. The availability, demand and use of such information within a charity (to aid decision making) and outside of a charity (with respect to external stakeholders) would provide insights to support the evaluation of accountability frameworks and planning and control systems.

If governance, accounting and accountability is poor in charities (and, as a consequence, scandals are more prevalent) publicity surrounding such occurrences could severely undermine confidence in the charity sector and reduce both charitable giving and charitable activity. Good accounting, accountability and governance processes are vital to support management decision making within charities and appropriate accountability by charities. Such may be desirable, or indeed necessary, for the continuing health and growth of the sector. Thus the continuing work of the SORP Committee, which sets accounting and reporting rules for charities, could be seen as important. This committee has, over time, facilitated the improvement in the quality of charity financial statements and the communication of wider performance and governance information to key stakeholders. Moreover, the ethos of charities, and the role that volunteers play in such organisations, must be considered when framing governance processes. If governments are genuinely concerned about supporting and expanding the roles of volunteers and charities in civil society then they should be aware that too much inappropriate regulation, and too much marketisation, increases the danger of undermining the ethos of the sector they wish to support (and has the potential to discourage volunteering).

In addition, while some lessons can be learned from both private sector and public sector models of governance, accounting and accountability, reading across should be undertaken cautiously. Given the motivation of many of those who involve themselves in charities, forms of governance that emphasise compelling and controlling (rather than partnering, encouraging and supporting) may be inappropriate. Finally, beneficiary involvement is increasingly accepted as an important aspect of good governance in charities. Where possible, creative ways of involving beneficiaries in the decision-making processes can prevent mission drift, provide useful feedback to management as they seek to improve performance and cement a mutual vision that is shared by all stakeholders. However, it must be realised that trying to achieve this in many charities is extremely difficult.

Overall, more research into what passes for good accounting, accountability and governance, and, as a result, greater debate of the issues, has the potential to support charities as they seek to relate to their communities and increase public confidence in what charities are doing. The net result of such research and such debate, if conducted with key stakeholder input and reflecting the context in which charities operate, can provide the basis for a better managed, more accountable and thriving charitable sector; this must surely be the desire of all those with a heart for the varied, valuable and socially desirable activities engaged in by charities.

ENDNOTES

1 The distinction between a not-for-profit organisation (NFPO), non-governmental organisation (NGO) and charity is often imprecise (Vakil, 1997; Martens, 2002). In broad terms, an NFPO (also referred to as a non-profit organisation) is an organisation that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals. NFPOs include NGOs and charities. While most governments and their agencies meet the definition of an NFPO, they are usually considered a separate categorisation of organisation and not normally viewed as NFPOs. An NGO is a non-profit, voluntary group. NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, advocate and monitor policies and encourage political participation through the provision of information. A charity is an NFPO that meets stricter criteria regarding its purpose and the way in which it makes decisions and reports its finances.

2 Different political and legislative systems operate in England, Northern Ireland (NI), the RoI, Scotland and Wales. In this paper, the term 'United Kingdom' is used to refer to England, NI, Scotland and Wales; 'Britain' refers to England, Scotland and Wales; and 'Ireland' refers to NI and the RoI.

3 SORPs are recommendations on accounting practice for specialised industries or sectors, and they supplement other legal and regulatory requirements. The first charity SORP was issued in 1988, with subsequent revisions in 1995, 2000 and 2005.

4 The term 'annual report' here refers to documents which comprise organisations' annual financial statements as well as narrative reports by management.

5 It could be argued that exceptions to this include the Irish Nonprofits Knowledge Exchange (INKEx) project, creating a database of annual reports of Irish charities and the *Statement of Guiding Principles for Fundraising* promoted by Irish Charities Tax Research (2008), which includes guidelines on reporting.

6 See the International Non-Governmental Organisation Accountability Charter at <http://www.ingoaccountabilitycharter.org/>.

7 Changes in legislation in England and Wales (Charities Acts in 1992 and 1993 and Charity Accounting Regulations 1995, 2000 and 2005) and Scotland (Charity Accounts (Scotland) Regulations 2006) progressively made adherence to the SORP mandatory for larger charities.

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THE LEADING CAUSES AND POTENTIAL CONSEQUENCES OF OCCUPATIONAL STRESS: A STUDY OF IRISH TRAINEE ACCOUNTANTS

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ABSTRACT

This study examines the root causes of occupational stress in Irish trainee accountants and investigates the relationship between occupational stress, job satisfaction and turnover intentions of Irish trainee accountants. Findings suggest that exam pressure, role conflict, role ambiguity, qualitative role overload, quantitative role overload and a dominant supervisor are the most common sources of occupational stress experienced by Irish trainee accountants. Whilst many of the job stressors identified were independently found to be significantly positively related to job-related tension (occupational stress), the combination of role overload (both qualitative and quantitative) and role ambiguity is found to significantly impact on job-related tension. Furthermore, role ambiguity and career development concerns were found to have a combined negative impact on job satisfaction, and job dissatisfaction combined with role conflict significantly impacted on turnover intentions. The implications for employers and accounting membership bodies are discussed in this paper along with opportunities for further research.

INTRODUCTION

Stress has been defined as 'any force that puts a psychological or physical factor beyond its range of stability, producing a strain within the individual' (Cooper, Cooper and Eaker, 1988, p. 12). Libby (1983, pp. 372–373) suggests that stress results from both the quantitative and qualitative demands of a task, which can be 'mediated by perceived control and predictability'. Quantitative demands refer to the 'level of effort' required in undertaking a task, whilst 'qualitative demands include physical/psychological discomfort caused by the decision environment and, more importantly, the stakes, incentives, or potential costs and benefits of any action selected' (Libby, 1983, pp. 372–373).

Occupational stress has in the past been the focus of a plethora of studies (e.g. Rizzo, House and Lirtzman, 1970; Gaertner and Ruhe, 1981; Choo, 1986). The accounting profession is generally considered to be a stressful profession (Gaertner and Ruhe, 1981; Smith and Everly, 1990; Sanders and Fulks, 1995) and has been referred to in the past as a 'pressure cooker environment' (Gaertner and Ruhe, 1981, p. 69). Carcello, Copeland, Hermanson and Turner (1991) found stress/pressure to be one of the main facets of public accounting that practitioners liked least about the profession. While some stress is normal and can generate positive effects, e.g. motivation of employees to attain goals (Gavin and Dileepan, 2002), excessive stress can have negative repercussions for both organisations and individuals (Collins and Killough, 1989). From an organisational perspective, stress has been found to contribute to job dissatisfaction, lower job performance, absenteeism and employee turnover (Gavin and Dileepan, 2002). The many undesirable consequences of excessive stress signal the importance of research in this area.

Trainee accountants are more susceptible to occupational stress than any other group in an accountancy firm (Gaertner and Ruhe, 1981; Sanders and Fulks, 1995) and thus represent an important focus for occupational stress research. Sweeney and Boyle (2005) investigated the relationships between levels of job satisfaction, perceived supervisory actions and turnover intentions of Irish trainee accountants, but did not consider occupational stress as a potential antecedent of job dissatisfaction. The principal objectives of this study are, firstly, to examine the sources of occupational stress of trainee accountants in Ireland and, secondly, to model the fundamental relationships between occupational stress, job satisfaction and turnover intentions.

This paper is organised as follows: the next section reviews academic literature in the area and develops a number of hypotheses to be examined in this study. The following sections address the research methodology employed in the study, the findings, and an analysis of the findings. Finally, a discussion of the conclusions and implications of the study are presented where limitations of the study and scope for future research in the area are briefly outlined.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Job Stressors: Sources of Occupational Stress

Stress in the workplace has been primarily regarded as resulting from job stressors. Stressors are 'those events occurring in the environment or in the body that make an emotional or task demand on the individual' (Hobfoll, 1988, p. 16). Increases in job stressors are deemed to act on individuals to produce job stress (French and Caplan, 1973). Several job stressors have been documented in the occupational stress literature, e.g. role conditions, job qualities, work relations, career progress and lack of challenges.

Job Stressors among Trainee Accountants

Gaertner and Ruhe (1981), in their research, found that junior staff accountants experienced more stress than other groups within accounting firms. The junior staff respondents reported the greatest levels of stress resulting from role underload, role ambiguity, career progress concerns and having insufficient opportunities to partake in decisions that ultimately have an effect on them (Gaertner and Ruhe, 1981). Sanders and Fulks (1995) also reported junior accountants suffered the greatest level of 'psychosomatic distress' in an accounting firm. Their study indicated that the main job stressors acting on junior accountants were role ambiguity, role conflict, qualitative overload, job scope and career progress.

This paper aims to examine the sources of occupational stress in trainee accountants in Ireland. Given the impracticability of examining a large number of variables, this study embraces only a certain number of variables of potential relevance to trainee accountants. These are outlined below.

Role Stress

'One source of stress regularly encountered by most individuals in work settings is role stress' (Fisher, 2001, p. 143). Role stress consists of two constructs: role ambiguity and role conflict (Kahn, Wolfe, Quinn, Snoek and Rosenthal, 1964). Role conflict refers to 'the presence of incompatible role pressures' (Bamber, Snowball and Tubbs, 1989, p. 287). An employee experiences role conflict when he/she 'must choose to do one thing over another and feels uneasy' about the situation (Milbourn, 2006, p. 44). Role ambiguity has been defined as the 'lack of clarity surrounding a person's job authority, responsibility, task demands, and work methods' (Milbourn, 2006, p. 44). '[A] job is ambiguous [if] the worker has unclear work goals, procedures, and responsibilities and may be uncertain about his or her authority' (Milbourn, 2006, p. 44). Role conflict and role ambiguity have been found to be related to job-related tension in non-accounting firms (Lysonski, 1985). [Note: prior literature have used the terms 'job stress', 'occupational stress' and 'job-related tension' interchangeably; this study defines job-related tension as occupational stress.] Senatra (1980) and Rebele and Michaels (1990) carried out studies among independent auditors and established statistically significant relationships between role conflict and job-related tension. No significant correlation between role ambiguity and job-related tension was identified in either of these studies. Based on previous research, the following hypotheses specific to Irish trainee accountants are put forth:

H_1: High levels of role conflict will be positively associated with job-related tension in Irish trainee accountants.

H_2: High levels of role ambiguity will be positively associated with job-related tension in Irish trainee accountants.

Job Quality

Job quality refers to both role overload and role underload (Ehlen, Cluskey and Rivers, 2000). Both role overload and role underload have quantitative and qualitative dimensions. Quantitative role overload stress arises where an individual is assigned 'too great a volume of work to accomplish in the allocated time' whereas qualitative role overload stress occurs where 'job requirements exceed the individual's ability or skill level' (Sanders and Fulks, 1995, p. 46). Contrastingly, quantitative role underload stress occurs where an individual is assigned too little work (Milbourn, 2006). Qualitative role underload stress arises where job requirements are too easy, i.e. where 'job assignments are not personally challenging' (Larson, 2004, p. 1126) and 'do not require full use of skills and abilities' (Gavin and Dileepan, 2002, p. 53). Numerous researchers have reported a significant relationship between role overload and occupational stress in members of the accounting profession (Collins and Killough, 1989; Haskins, Baglioni and Cooper, 1991; Collins and Killough, 1992; Cluskey and Vaux, 1997; Gavin and Dileepan, 2002). Gaertner and Ruhe (1981) reported a relationship between stress in junior accountants and feelings of being underused at work. Thus, low job scope – where a job is unimportant, lacks variety or is not demanding enough for the employee – is a potential source of job-related stress (Collins and Killough, 1992). Xie and Johns (1995) reported a strong association between stress and low job scope. Based on the previous cited studies which have linked the existence of either role overload or role underload (including low job scope) to occupational stress, a third hypothesis is postulated:

H_3: High levels of role overload/role underload will be positively associated with job-related tension in Irish trainee accountants.

Career Progress

Career progress, in terms of job insecurity and under-promotion, has also been recognised in the literature as a potential source of occupational stress for accountants (Gavin and Dileepan, 2002) and junior accountants (Sanders and Fulks, 1995). In addition, Gaertner and Ruhe (1981) discovered that ambiguity regarding junior accountants' future careers is a primary source of occupational stress. Thus, it is postulated that:

H_4: Career progress concerns will be positively associated with job-related tension in Irish trainee accountants.

The Supervisor/Manager

Larson (2004) found that supervisors who 'rule with an iron hand' and who rarely allow participation in decision making can contribute to severe stress problems for subordinates (Larson, 2004, p. 1127), yet Siegel and Reinstein (2001) found that mentoring by supervisors can play an important role in reducing stress levels. Thus, varying supervisory styles are likely to have an impact on stress levels of subordinates and the following hypotheses are postulated:

H_5: A dominant and demanding supervisor/manager will be positively associated with job-related tension in Irish trainee accountants.

H_6: A passive supervisor/manager who gives little feedback to Irish trainee accountants will be positively associated with job-related tension in Irish trainee accountants.

Exam Pressure

Collins and Killough (1989) found when surveying qualified accountants that a conflict existed between their work and family due to insufficient time available for leisure (family-oriented) activities. It is likely that trainee accountants would also experience this conflict, which may be exacerbated by the additional requirement to spend time outside of work hours attending courses and studying for examinations. Previous studies have not examined this potential variable; thus, a seventh hypothesis is proposed:

H_7: Exam pressure will be positively associated with job-related tension in Irish trainee accountants.

Consequences of Occupational Stress: Job Outcomes

The impact of occupational stress on variables such as job satisfaction and turnover intentions has stimulated considerable research in the behavioural accounting literature (e.g. Fogarty, Singh, Rhoads and Moore, 2000). In this study we will examine a number of potential sources of occupational stress but the bulk of prior literature examining the impact of occupational stress has operationalised stress as role conflict and role ambiguity (e.g. Senatra, 1980; Rebele and Michaels, 1990; Fisher, 2001). Role conflict and role ambiguity have been found to be related to dysfunctional job outcomes and job-related attitudes: lower job satisfaction and higher job-related tension (Lysonski, 1985).

Job-Related Tension

The relationships between role conflict and ambiguity and job-related tension have been included in the current study as H_1 and H_2.

Job Satisfaction

'Job satisfaction can be defined as an individual's affective reaction to his or her work environment' (Dole and Schroeder, 2001, p. 235). 'Job dissatisfaction results when a job, for whatever reason, fails to fulfil job-related values' (Fisher, 2001, p. 148). The bulk of previous literature has reported an inverse relationship between occupational stress and job satisfaction (Burke, 1976; Rebele and Michaels, 1990; Snead and Harrell, 1991; Gregson and Wendell, 1994; Fisher, 2001; Gavin and Dileepan, 2002). Senatra (1980) found that increased role ambiguity led to increased senior auditor job dissatisfaction. However, Senatra (1980) did not find a significant relationship between role conflict and job satisfaction; thus there have been conflicting results in the literature reviewed. Based on prior findings, the following hypotheses specific to Irish trainee accountants are put forth:

H_8: High levels of role conflict will be negatively associated with job satisfaction in Irish trainee accountants.

H_9: High levels of role ambiguity will be negatively associated with job satisfaction in Irish trainee accountants.

Turnover Intentions
Prior research has consistently found an inverse relationship between job satisfaction and an employee's turnover intentions (Harrell, Chewning and Taylor, 1986; Rasch and Harrell, 1990; Dole and Schroeder, 2001; Sweeney and Boyle, 2005). Turnover intentions represent the desire to leave one's current employment and, combined with other factors, can provide a viable indication of subsequent actual turnover (Arnold and Feldman, 1982). Trainee accountants often work within a pyramidal structure, where some turnover is deemed to be natural and necessary in order to make room for new trainees. Employers, however, invest significantly in training young accountants (Sorensen, Rhode and Lawler, 1973) and excessive turnover can be very costly (Hyndman, 1994). Generally, turnover is viewed as 'the natural conclusion to a state of extreme occupational dissatisfaction' (Cluskey and Vaux, 1997, p. 27). Based on previous research, it is postulated that:

H_{10}: Job satisfaction will be negatively associated with turnover intentions in Irish trainee accountants.

RESEARCH METHOD

Choice of Data Collection Method
A questionnaire was deemed to be the most appropriate method of data collection for this study as it allowed for data to be collected from a large population in an economical and efficient manner. The questionnaire was constructed by combining a number of well-established models for measuring stress and its outcomes from the literature (Ivancavich and Matteson, 1980; Gmelch, Lovich and Wilke, 1984; Hoppock, 1935; Donnelly, Quirin and O'Bryan, 2003) with a number of new constructs being added for variables not previously examined in this context, for example exam pressure and the role of a dominant or passive supervisor on job-related tension.

The questionnaire (which had previously been pilot tested) was distributed to trainee accountants attending lectures in preparation for professional accounting examinations in Dublin and Galway. Additionally, the questionnaire was circulated to trainee accountants at medium-sized firms in Ireland. In all, 148 questionnaires were distributed and 116 usable responses were returned. Relevant extracts from the questionnaire for this paper are included in the appendix.

Analysis of Respondents
Table 1 provides an analysis of the respondents based on gender, type, size of practice and industry sector.

TABLE 1: DEMOGRAPHICS OF RESPONDENTS

Variable	Number	%
Gender		
Male	44	37.9
Female	72	62.1
Type		
Practice	63	54.3
Industry	53	45.7
Size of practice		
Big 4	18	15.5
Non big 4	45	38.8
Industry sector		
Financial services	29	25.0
Other	24	20.7

Variable Measures

Role conflict and role ambiguity were measured using a modified version of the Role Stress Scale developed by Rizzo et al. (1970) (Section B of questionnaire extract in the appendix). This measure consists of fourteen items: the first six items relate to role ambiguity and the final eight items relate to role conflict. The minor alterations made to the items in the questionnaire by Gregson, Wendell and Aono (1994) to make them more relevant to accountants were adopted in this study. Respondents were required to respond to each role item, signifying the degree to which the condition existed for them, on a five-point Likert scale where 1 = very false and 5 = very true. This fourteen-item scale is the most widely used measure of role ambiguity and conflict (Gregson et al., 1994). Gregson et al. (1994) tested the psychometric properties of both measures (role ambiguity and role conflict) and found that both are satisfactory measures of two separate and distinct role constructs. The items that measured role ambiguity were reverse scored so that higher values indicated a higher degree of ambiguity.

Role overload (qualitative) and career progress concerns were measured using items drawn from the Ivancavich and Matteson (1980) survey (Section D of questionnaire extract in the appendix). The first four items in Section D of the questionnaire measure role overload (qualitative) while items 9–13 measure career progress concerns. The respondents were required to indicate the frequency with which the condition described is a source of stress using a seven-point Likert scale where 1 = if the condition described is never a source of stress and 7 = if it is always a source of stress.

This study used a questionnaire developed by Gmelch et al. (1984) and used by Reichel and Neumann (1993) to measure quantitative role overload (Section D of questionnaire extract in the appendix – items 5, 6, 7, 8 and 15). Again, respondents were required to indicate the frequency with which the condition described is a source of stress using a seven-point Likert scale where 1 = if the condition described is never a source of stress and 7 = if it is always a source of stress.

The authors designed a two-item construct to measure role underload (Section D of questionnaire extract in the appendix). One item – 'I feel that I have too light a workload' – was designed to measure quantitative role underload. The other item – 'My assigned tasks are sometimes too easy and/or unchallenging/undemanding and thus I tend to get bored easily at work' – was designed to measure qualitative role underload. Respondents were required to signify the frequency with which the conditions described are a source of stress using a seven-point Likert scale, consistent with previous construct measures.

The authors designed a two-item construct to determine if the characteristics of the trainee accountant's supervisor/manager are a source of stress for the trainee (Section D of questionnaire extract in the appendix – items 18 and 19). One item was designed to determine if a dominant supervisor is a source of stress for the trainee accountant. The other item was designed to establish if a passive supervisor who gives little feedback to the trainee accountant is a source of stress.

The authors also designed a two-item construct to measure exam pressure (Section D of questionnaire extract in the appendix). The two items were 'I am undertaking lectures in the evenings and/or at weekends which interfere with other activities' and 'Studying for exams interferes with other activities (family, recreation, etc.)'

Respondents were required to complete Hoppock's (1935) measure of job satisfaction, an instrument previously validated by McNichols, Stahl and Manley (1978) (Section G of questionnaire extract in the appendix). This instrument has frequently been used as a measure of job satisfaction (e.g. Rasch and Harrell, 1990; Dole and Schroeder, 2001). The instrument consists of four questions that test respondents' job satisfaction levels, each of which allows for seven possible responses. The average of responses to the questions was used to calculate an overall job satisfaction score for each individual. A score of 1 indicates low job satisfaction while a score of 7 indicates high job satisfaction.

Donnelly et al. (2003) developed and utilised a scale to assess turnover intentions. It consists of three items which assesses the respondents' immediate turnover intentions (within two years), middle-term turnover intentions (within five years) and long-term intentions (until retirement). The current study used this scale but the measurement of long-term intentions was changed from retirement to ten years to make it more realistic for trainee accountants (Section F of questionnaire extract in the appendix). The items were measured using a seven-point Likert scale where 1 = strongly disagree and 7 = strongly agree. Items were reverse scored so that higher values indicated a higher degree of turnover intent.

The authors used a job-related tension instrument developed by Lysonski (1985) and adapted by Rebele and Michaels (1990) to measure job-related stress in this study (Section A of questionnaire extract in the appendix). This job-related tension instrument, consisting of eight questions, is an overall measure of psychological tension or stress linked to stress at work. The respondents were required to indicate the effect their job had on their health using a six-point Likert scale where

1 = strongly disagree and 6 = strongly agree. A job-related tension score for each individual was calculated as the average of the responses to the eight questions.

Reliability of Scales

Each of the scales included in the study were tested for their internal consistency to assess the degree to which the component items in the scales were all measuring the same underlying attribute (Pallant, 2007), consistent with prior literature (Cluskey and Vaux, 1997; Dole and Schroeder, 2001; Donnelly et al., 2003; Fisher, 2001; Lysonski, 1985; McNichols et al., 1978; Smith, Everly and Johns, 1993; Snead and Harrell, 1991). Cronbach's (1951) coefficient alpha was used where an average correlation between all items that make up the scale was provided. Cronbach alpha values can range between 0 and 1, with the higher value indicating higher reliability. Pallant (2007) indicates that the ideal alpha coefficient of a scale should be above 0.7 but values can differ depending on the size of the scale, where lower values of 0.5 are common with scales of fewer than ten items. Briggs and Cheek (1986, p.115) further suggest that where short scales, of fewer than ten items, are used the mean inter-item correlation should be reported as a measure of reliability where the optimal range is between 0.2 and 0.4; anything above 0.5 indicates that the construct measured was too specific. Where items were 'negatively worded' these were reversed before checking for reliability. Table 2 outlines the Cronbach alphas and mean inter-item correlations for each of the scales applied in the study. The Cronbach alphas reported demonstrate very good internal consistency for all measures. The mean inter-item correlation for career development and exam pressure, in particular, scored highly (0.71 and 0.788 respectively), indicating that the construct measured was too specific. No measures of reliability were calculated for role underload or the impact of a passive or dominant supervisor as in each case only one construct was developed. The results, however, have been incorporated in this study with suggestions for further expansion of these constructs in future research.

TABLE 2: RELIABILITY OF SCALES

Scale	Cronbach Alpha	Number of Items in Scale	Mean Inter-Item Correlation
Job-related tension	0.882	8	0.485
Role ambiguity	0.829	6	0.450
Role conflict	0.836	8	0.388
Role overload – qualitative	0.878	4	0.647
Role overload – quantitative	0.868	5	0.570
Career development	0.923	5	0.710
Exam pressure	0.880	2	0.788
Turnover intentions	0.760	3	0.590
Job satisfaction	0.878	4	0.664

Additional Comments

Space was provided at the end of the questionnaire to enable respondents to make voluntary, unstructured comments on job problems or stress in their work (Section H of questionnaire extract in the appendix).

Statistical Tests

The data were input onto a spreadsheet and subsequently imported into SPSS (Statistical Package for the Social Sciences). SPSS allowed the authors to conduct a number of statistical tests. Statistical tests can be categorised as parametric tests and non-parametric tests. Parametric tests are generally used for interval data that is normally distributed. Parametric tests are deemed to be more powerful and efficient than non-parametric tests (Cooper and Emory, 1995) as non-parametric tests can sometimes fail to detect differences between groups that actually exist. The data in this study are primarily ordinal in nature and thus would deem that non-parametric tests should be used; however, it is not uncommon to treat ordinal variables as intervals because the advantages of using parametric tests are great and the error that is likely to occur would be deemed negligible (Labovitz, 1970). Prior studies in this area have also employed parametric tests and, thus, consistent with this, parametric tests including ANOVA tests, *t*-tests and correlation analysis were employed in this study. Non-parametric tests were also undertaken, the results of which are largely consistent with their parametric counterparts, differences being reported where they arise. Regression analysis was also used to evaluate the combined impact of a number of identified variables on job-related tension, job satisfaction and turnover intentions. Multiple regression and step-wise regression have been employed to explore the interrelationship between the identified variables (Pallant, 2007).

FINDINGS

Job Stress Scores

The average responses for each job stress variable ranging on a scale from 1 to 7 show that exam pressure is considered to be the most stressful of variables (mean of 5.14) with role underload (quantitative) scoring as the least stressful variable (mean of 2.41). Role stress scores for each of the individual role stress variables (role conflict and role ambiguity) were calculated using a five-point Likert scale. These were then transformed to a seven-point scale in order to aid comparability with the other job stress variables being studied. The mean role stress scores in the current study using a seven-point scale were 4.03 and 3.65 for role conflict and role ambiguity respectively. In order to compare contribution of various sources of stress, mean item scores were ranked (Table 3). The five highest mean scores were for exam pressure, role conflict, role ambiguity, role overload (qualitative) and role overload (quantitative). The five lowest mean scores were for a dominant supervisor, career development, a passive supervisor, role underload (qualitative) and role underload (quantitative).

TABLE 3: MEANS OF JOB AND ROLE STRESS VARIABLES USING A SEVEN-POINT SCALE

Variable	Mean
Exam pressure	5.14
Role conflict	4.03
Role ambiguity	3.65
Role overload – qualitative	3.44
Role overload – quantitative	3.39
Dominant supervisor	3.27
Career development	3.04
Passive supervisor	2.87
Role underload – qualitative	2.72
Role underload – quantitative	2.41

Testing of Individual Hypotheses

Hypothesised relationships were tested by Pearson's product–moment correlations. As shown in Table 4, role conflict was positively correlated (significant at the 0.01 level) with job-related tension (r = 0.322). Role ambiguity was also positively correlated (significant at the 0.01 level) with job-related tension (r = 0.307). Thus, the relationships specified in H_1 and H_2 were supported.

A moderately strong positive relationship was observed between role overload (quantitative and qualitative) and job-related tension (r = 0.580 and r = 0.609 respectively), significant at the 0.01 level (Table 4). No support exists for the hypothesised relationship between role underload (quantitative and qualitative) and job-related tension due to a lack of statistical significance (Table 4). Thus, the relationship between role overload and job-related tension in H_3 is supported but the relationship between role underload and job-related tension in H_3 is not supported.

The hypothesised relationship between career progress concerns and job-related tension was supported although the relationship was weak (r = 0.275), significant at the 0.01 level (Table 4). Thus, the relationship specified in H_4 is supported.

The results portrayed a moderately strong positive relationship between a dominant supervisor and job-related tension (r = 0.534), significant at the 0.01 level (Table 4), thereby supporting H_5. A positive but weak correlation (r = 0.239) was identified between a passive supervisor and job-related tension, significant at the 0.01 level (Table 4), thereby supporting H_6.

A positive relationship between exam pressure and job-related tension was observed (r = 0.364), significant at the 0.01 level, thus supporting H_7. The results from Spearman's rank order correlations largely support the findings of the Pearson Correlation displayed in Table 4, with role ambiguity ranking above role conflict (r = 0.343 role ambiguity; r = 0.285 role conflict).

TABLE 4: PEARSON'S CORRELATION COEFFICIENTS FOR JOB STRESS VARIABLES (INCLUDING ROLE STRESS VARIABLES) AND JOB-RELATED TENSION

Variable	Job-Related Tension
Role overload – qualitative	0.609**
Role overload – quantitative	0.580*
Dominant supervisor	0.534*
Exam pressure	0.364*
Role conflict	0.322*
Role ambiguity	0.307*
Career development	0.275*
Passive supervisor	0.239*
Role underload – qualitative	0.040
Role underload – quantitative	-0.020

* Correlation is significant at the 0.01 level (1-tailed).

Role conflict was found to be negatively correlated with job satisfaction (r = -0.352), significant at the 0.01 level, providing support for H_8. A negative relationship was also observed between role ambiguity and job satisfaction (r = -0.481), significant at the 0.01 level, thereby providing support for H_9 (Table 5).

TABLE 5: PEARSON'S CORRELATION COEFFICIENTS FOR ROLE STRESS VARIABLES AND JOB SATISFACTION

Variable	Job Satisfaction
Role ambiguity	-0.481*
Role conflict	-0.352*

* Correlation is significant at the 0.01 level (1-tailed).

Job Satisfaction and Turnover Intentions

A negative correlation was observed between job satisfaction and turnover intentions (r = -0.470), significant at the 0.01 level (Table 6). Thus, strong support was obtained for the hypothesised relationship between job satisfaction and turnover intentions (H_{10}). As job satisfaction increases, there are stronger intentions to remain within the firm, thus the desire to leave the firm decreases.

TABLE 6: PEARSON CORRELATION COEFFICIENT FOR JOB SATISFACTION AND TURNOVER INTENTIONS

Variable	Turnover Intentions
Job satisfaction	-0.470*

* Correlation is significant at the 0.01 level (1-tailed).

Relationships between Variables
To test multiple relationships between the variables, multiple regressions and stepwise regressions were carried out with job-related tension as the dependent variable in the first regression, job satisfaction as the dependent variable in the second regression, and turnover intentions as the dependent variable in the third regression. Tests for multicollinearity, normality and the existence of outliers were undertaken and deemed the data suitable for regression analysis. The significant models that emerged from the stepwise regressions are outlined in Table 7.

TABLE 7: STEPWISE REGRESSION ANALYSIS

Dependent Variable	Regression Coefficient	Standard Error	Beta Coefficient	Sig. *t*	VIF
Job-Related Tension					
Role overload – qualitative	0.284	0.081	0.342	0.001	1.996
Role overload – quantitative	0.256	0.076	0.326	0.001	1.937
Role ambiguity	0.348	0.113	0.218	0.003	1.042
R^2 = 0.464, F = 32.311, Signif. F = 0.000					
Job Satisfaction					
Role ambiguity	-0.528	0.126	-0.351	0.000	1.174
Career development	-0.210	0.052	-0.337	0.000	1.174
R^2 = 0.328, F = 27.63, Signif. F = 0.000					
Turnover Intentions					
Job satisfaction	-0.508	0.115	-0.379	0.000	1.141
Role conflict	0.457	0.150	0.260	0.003	1.141
R^2 = 0.280, F = 21.996, Signif. F = 0.000					

In the first stepwise regression, with job-related tension as the dependent variable, a significant model has emerged (F = 32.311, p <0.005, R^2 = 0.464) with significant variables identified as being role overload (both quantitative and qualitative) and role ambiguity. The findings from the multiple regressions show that in the case of job-related tension no statistically significant variables were identified as having made a unique contribution to job-related tension; moreover a combined effect contributed to the outcome (F = 10.296, p <0.005, R^2 = 0.495).

In the second stepwise regression, with job satisfaction as the dependent variable, a number of models emerged with the final model including role ambiguity, career development, exam pressure and qualitative role overload as variables predicting job satisfaction. The findings regarding exam pressure and qualitative role overload were not statistically significant, however, therefore the model with significant variables is shown in Table 7 (F = 27.63, p <0.005, R^2 = 0.328). The findings show that role ambiguity and career development concerns are the greatest predictors of job satisfaction for this sample of trainee accountants. The multiple regression findings are consistent with stepwise in this instance, with career development (Beta = -0.359, p = 0.001) and role ambiguity (Beta = -0.357, p <0.0005) being identified as significant variables contributing to job satisfaction with no other variables being identified as statistically significant predictors (F = 7.101, p <0.005, R^2 = 0.403).

Finally, a significant model has emerged using stepwise regression with turnover intentions as a dependent variable (F = 21.996, p <0.005, R^2 = 0.28) where job satisfaction and role conflict are identified as significant predictors of turnover intentions. The multiple regression findings support that of stepwise regressions with job satisfaction (Beta = -0.346, p = 0.001) and, to a lesser extent, role conflict (Beta = 0.283, p = 0.004) contributing to turnover intentions (F = 5.163, p <0.005, R^2 = 0.376).

Background Variables

T-tests and ANOVA tests were performed to determine if there are any differences in variables depending on demographic characteristics. *T*-test results show a significant difference in job-related tension scores between male and female respondents (t = -2.878, p = 0.005), where female respondents experienced higher levels of job-related tension, but no differences between the two groups in terms of job satisfaction and turnover intentions. Those respondents who worked in practice displayed significantly lower job satisfaction than their counterparts working in industry (t = -3.166, p = 0.002) but no difference in terms of job-related tension or turnover intentions. The non-parametric Mann–Whitney U tests support the findings of the parametric tests undertaken above.

Qualitative Comments

In the space provided at the end of the questionnaire respondents were asked to comment on job problems or stress in work; only 20 respondents from a sample size of 116 completed this section. The respondents listed long working hours, poor pay, heavy workload and intimidating colleagues as contributing to stress in the workplace. A common theme was the difficulty of balancing all commitments with limited study leave for exams. The responses here support the evidence from the quantitative analysis, that exam pressure is a significant source of anxiety for Irish trainee accountants. One respondent commented:

> I find that working in industry whilst attending lectures at night time is quite stressful and hard especially when you have no option but to work late as strict deadlines have to be met thus affecting your study and lecture patterns.

Another comment by a trainee chartered accountant was:

> Accounting is what I've always wanted to do but sometimes when you try to juggle having a life, attending lectures, study and work on very bad money, you wonder what it's all for, you see people with limited qualifications earning three times as much as I am and have their evenings and weekends to themselves, its disillusioning, to say the least.

ANALYSIS OF FINDINGS

Job Stressors

The mean scores displayed in Table 3 indicate the ranking of job stressors and the frequency with which they contribute to job stress. The findings show that exam pressure is the highest ranked job stress variable experienced 'often' by the respondents in their roles as trainee accountants. The remaining job stressors are deemed to be experienced by the respondents sometimes or occasionally with role conflict, role ambiguity, role overload (both qualitative and quantitative) and a dominant supervisor impacting on stress 'sometimes'; and career development, a passive supervisor and role underload (qualitative and quantitative) contributing to stress 'occasionally'. Pearson correlation coefficients reported in Table 4 show that there is a strong relationship between role overload and job-related tension, consistent with prior literature (for example, Collins and Killough, 1989, 1992; Gavin and Dileepan, 2002), with qualitative overload ranking highest, followed by quantitative role overload. Role conflict, role ambiguity and career development concerns are also found to have significant positive relationships with job-related tension, supporting prior literature (Lysonski, 1985; Gavin and Dileepan, 2002). This study contributes to the literature further by identifying additional factors that are significantly related to job-related tension, namely the impact of a dominant or passive supervisor and exam pressure. In addition, this study finds no statistical support for the relationship between role underload and job-related tension, which conflicts with earlier findings by Gaertner and Ruhe (1981) with regard to junior accountants. Thus, trainee accountants in Ireland either do not feel that they are being 'underused' at work or experiencing 'low job scope' or they do experience these feelings but are not stressed by them.

Given these findings, we return to the first objective of this paper, which is to establish the root causes of occupational stress for trainee accountants in Ireland. The findings in Table 3 and 4 identify that eight of the ten stressors examined in this study are deemed to correlate with job-related tension. Multiple regressions undertaken confirm that these stressors account for 49.5 per cent of variation in job-related tension but no statistically significant variables were identified as having a unique contribution to job-related tension; rather there is a combined effect. In contrast, stepwise regression indicates that the combination of role overload (both qualitative and quantitative) and role ambiguity are quite strongly correlated to job-related tension. The findings regarding role overload are consistent with prior research but the impact of role ambiguity, whilst being recognised in prior literature as impacting job-related tension in non-accounting firms (Lysonski, 1985), has not to date been found to have had a significant impact in accounting firms (Senatra, 1980; Rebele and Michaels, 1990).

Job Satisfaction

The average score for the job satisfaction measure on a scale from 1 to 7 was 4.25. This is very similar to the score obtained by Sweeney and Boyle (2005), who used three of the four items used in this study to measure job satisfaction and reported a mean score of 4.22. Almost one-third (31.9 per cent) of respondents in this study indicated that they were only satisfied with their job occasionally or less than occasionally, which contrasts with 36.7 per cent of respondents in the Sweeney and Boyle (2005) study. Consistent with prior literature, both role conflict and role ambiguity were found to be negatively related to job satisfaction. The individual variables identified as contributing to job-related tension were examined for their impact on job satisfaction and found to explain 40.3 per cent of the variation in job satisfaction, with career development concerns and role ambiguity significantly contributing to job dissatisfaction (Table 7). These findings support those of Senatra (1980) with regard to role ambiguity but add to the literature by demonstrating the impact of career progress concerns on job satisfaction.

Turnover Intentions

The average score for turnover intentions was 5.13 on a scale from 1 to 7. The mean scores for turnover intentions within two, five and ten years were 3.65, 5.47 and 6.28 respectively. These results support the view that in the short term trainee accountants have the immediate objectives of gaining a qualification and acquiring experience and thus may be less reluctant to depart their firms but, in general, there is a long-term expectation of moving on, which is not unexpected for trainee accountants. The individual variables identified as contributing to job-related tension and job satisfaction were examined for their impact on turnover intentions and found to explain 37.6 per cent of the variation in turnover intentions, with job dissatisfaction and role conflict significantly contributing to turnover intentions (Table 7). The findings with regard to job satisfaction and turnover intentions are consistent with prior literature (Rasch and Harrell, 1990; Dole and Schroeder, 2001) whilst the impact of role conflict on turnover intentions is consistent with Sorensen and Sorensen (1972).

CONCLUSIONS

A number of limitations should be considered before drawing conclusions from the study's findings. First, random selection was not engaged in to select the individuals who participated in this study. As a result, it is not known with certainty if the study participants are representative of all Irish trainee accountants. Second, social desirability may have had an impact on the responses. To reduce this limitation, the survey was completed anonymously by respondents. Third, the timing of distribution of the survey may have had an impact on particular responses. The survey was distributed in early summer prior to many of the trainee accountants sitting their exams and, resultantly, respondents may have reported higher levels of stress as a result of exam pressure. Fourth, some of the scales to measure job stressors had only one or two items resulting in difficulty in assessing their reliability using Cronbach's alpha (exam pressure and dominant or passive supervisor). Their inclusion in this study represents an exploratory start at recognising the impact of variables not measured in prior research. Further research can extend their use by lengthening the scales to allow for greater measurement of reliability.

Subject to these limitations, a number of important implications can be drawn from this research. The findings in this study provide support for earlier research with regard to the relationship between role stress and job-related tension, job satisfaction and turnover intentions (Senatra, 1980; Rebele and Michaels, 1990; Fisher, 2001). Role conflict and role ambiguity do significantly impact on job-related tension, which in turn leads to job dissatisfaction, which can impact on staff turnover intentions. The findings, however, are not that simplistic. A number of individual role stressors have been found to impact on job-related tension (as previously identified in prior literature): role overload (qualitative and quantitative), role conflict, role ambiguity and career development concerns; and some new role stressors were tested and found to have an impact, namely exam pressure and having either a dominant or passive supervisor (the dominant supervisor being identified as having a greater impact on job-related tension than his/her passive counterpart). In particular, role overload (both quantitative and qualitative), a dominant supervisor and exam pressure had the strongest correlation with job-related tension.

Multiple regression analysis finds that the variables' impact on job-related tension are not significant on their own but are in a combined way, with stepwise regression identifying role overload (qualitative and quantitative) and role ambiguity having a significant impact. Regression analysis also identifies role ambiguity as having a significant impact on job satisfaction, along with career development concerns, and job satisfaction and role conflict impact significantly on turnover intentions.

From the employer's perspective, the issue of role ambiguity is important in the current study in that it significantly impacts on both job-related tension and job satisfaction. Milbourn (2006, p. 44) defines a job as ambiguous if 'the worker has unclear work goals, procedures, and responsibilities and may be uncertain about his or her authority'. Employers could address role ambiguity by clearly defining and documenting goals, procedures and responsibilities and ensuring that staff are adequately trained to perform the tasks they are expected to undertake. In addition to role ambiguity, employers need to address the impact of role overload (qualitative and quantitative) on job-related tension. Qualitative role overload could be addressed through further training (as outlined above) and perhaps the use of supervisors in a mentoring capacity. The mentoring aspect of a supervisor's role could assist in reducing the perception of supervisors as 'dominant' and aid trainees in mapping out their career path, thus reducing career development concerns. Mentors may also be able to provide trainee accountants with the opportunity to discuss their concerns with regard to role conflict and perhaps reduce the levels of stress associated with this issue. The leadership and mentoring role of supervisors has been found by Sweeney and Boyle (2005) to be significantly positively associated with job satisfaction in Irish trainee accountants. Quantitative role overload requires that employers address the workload of their trainees. Roslender, Stevenson and Kahn (2006, p. 3) suggest that 'perhaps the single most important practice that employers can put in place to minimise employee stress is to ensure that there are sufficient numbers of employees to perform the work that needs to be done'. This is particularly relevant during periods of exam preparation, where exam pressure has been identified as significantly correlating with job-related tension in this study. The accounting professional bodies could consider their role in reducing stress levels for their student members by reviewing the structure of the examination process and consider allowing for credit to be applied for continuous assessment. This continuous assessment approach could be linked to practical learning outcomes that could also assist in a reduction in qualitative role overload and better prepare students for the demands of the profession they are entering into.

The findings of this study indicate that there is further scope for research in this area. First, future research utilising more qualitative means of data collection such as interviews would be very beneficial. This would allow an examination of a wide range of additional variables that contribute to occupational stress. Second, the present study measures the outcomes of stress through the use of self-reporting. Similar to the thoughts of Collins and Killough (1992), the authors of the current study suggest future research should supplement these subjective measures of stress outcomes with physiological (medical) measures of mental and physical distress. Finally, from a methodological point of view, it may be fruitful for future researchers to conduct longitudinal studies to enable hypotheses concerning causality to be tested.

Reducing job-related tension, increasing job satisfaction and reducing turnover intentions of Irish trainee accountants is by no means a simple chore for employers in today's pressure-cooker business environment. However, the authors in the current study highlight the importance of adequate staffing levels, training, mentoring, documented procedures and clearly defined roles in reducing role ambiguity, role overload, role conflict, the impact of a dominant supervisor or a passive supervisor, career development concerns and exam pressure. By managing the quantity of workloads effectively and focusing on improving the training environment, employers should find a reduction in the level of occupational stress, increased job satisfaction and reduced turnover intentions.

ENDNOTES

1 The views expressed are solely those of the authors, and not necessarily shared by Ernst & Young.

APPENDIX: RELEVANT EXTRACTS FROM QUESTIONNAIRE

Please note that this information is strictly for *research purposes only*.

Respondent Profile
Age: _______________

What year of training are you in? _______________

Sex: Female ☐ Male ☐

Are you working: In practice ☐ In industry ☐

If working in practice, are you employed by:
Big four firm ☐ Non-big four firm ☐

If working in industry, what sector are you employed in? _________________

Membership body with which you are taking exams: ACCA, CIMA, CPA, ICAI, etc.

____

Have you entered into a contract? Yes ☐ No ☐

If so, what duration is your contract? ________________

Section A

With respect to the effect your job has on your health, please indicate your agreement or disagreement with each statement below by circling the appropriate response according to the following scale:
1 = Strongly disagree, 2 = Disagree, 3 = Slightly disagree, 4 = Slightly agree, 5 = Agree, 6 = Strongly agree

My job tends to directly affect my health	1	2	3	4	5	6
I work under a great deal of tension	1	2	3	4	5	6
I have felt nervous as a result of my job	1	2	3	4	5	6
Job worries sometimes get me down physically	1	2	3	4	5	6
Problems associated with my job have kept me awake at night	1	2	3	4	5	6
I often wonder whether it's all worth it	1	2	3	4	5	6
I have worried, after making a decision, whether I did the right thing	1	2	3	4	5	6
I often 'take my job home with me' in the sense that I think about it when doing other things	1	2	3	4	5	6

Section B

Please indicate your answer to the following statements by circling the most appropriate where 1 = Very false, 2 = False, 3 = Neither true nor false, 4 = True and 5 = Very true

I feel certain about how much authority I have at my firm	1	2	3	4	5
Clear, planned goals and objectives exist for my job	1	2	3	4	5
I know that I have divided my time properly at my firm	1	2	3	4	5
I know what my responsibilities are at my firm	1	2	3	4	5
I know exactly what is expected of me at my firm	1	2	3	4	5
Explanation is clear of what has to be done at my firm	1	2	3	4	5
I have to do things that should be done differently at my firm	1	2	3	4	5
I receive assignments without the staff to complete them at my firm	1	2	3	4	5
I have to disobey a rule or policy in order to carry out job assignments	1	2	3	4	5
I work with two or more groups who operate quite differently at my firm	1	2	3	4	5
I receive incompatible requests from two or more people at my firm	1	2	3	4	5
I do things that are acceptable by one person and not acceptable by others at my firm	1	2	3	4	5
I receive assignments without adequate resources and materials to execute them at my firm	1	2	3	4	5
I work on unnecessary things at my firm	1	2	3	4	5

[…]

Section D

Please indicate the <u>frequency</u> with which the following conditions are a <u>source of stress</u> for you by circling the appropriate number:

1 = If the condition is *never* a source of stress
2 = If it is *rarely* a source of stress
3 = If it is *occasionally* a source of stress
4 = If it is *sometimes* a source of stress
5 = If it is *often* a source of stress
6 = If it is *usually* a source of stress
7 = If it is *always* a source of stress

The demands for work quality made upon me are unreasonable	1	2	3	4	5	6	7
My assigned tasks are sometimes too difficult and/or complex	1	2	3	4	5	6	7
Tasks seem to be getting more and more complex	1	2	3	4	5	6	7
The organisation expects more of me than my skills and/or abilities provide	1	2	3	4	5	6	7
I have insufficient time to keep abreast of all current developments in my work	1	2	3	4	5	6	7
I feel that I have too heavy a workload that I can't possibly finish during the normal day of work	1	2	3	4	5	6	7
I am attending meetings that take up too much time	1	2	3	4	5	6	7
I have insufficient time to carry out all of my tasks	1	2	3	4	5	6	7
I lack the proper opportunities to advance in this organisation	1	2	3	4	5	6	7
If I want to get promoted I have to look for a job with another organisation	1	2	3	4	5	6	7
I am hurting my career progress by staying with this organisation	1	2	3	4	5	6	7
I have few opportunities to grow and learn new knowledge and skills in my job	1	2	3	4	5	6	7
I feel that I am at a standstill in my career	1	2	3	4	5	6	7
I feel that I have too light a workload	1	2	3	4	5	6	7
I have job demands that interfere with other activities (family, recreation, etc.)	1	2	3	4	5	6	7
I am undertaking lectures in the evenings and/or at weekends which interfere with other activities	1	2	3	4	5	6	7
Studying for exams interferes with other activities (family, recreation, etc.)	1	2	3	4	5	6	7
I have a dominant/demanding supervisor/manager	1	2	3	4	5	6	7
I have a passive supervisor/manager who gives little feedback on the work I perform	1	2	3	4	5	6	7
My assigned tasks are sometimes too easy and/or unchallenging/ undemanding and thus I tend to get bored easily at work	1	2	3	4	5	6	7

[…]

Section F

Please indicate your answer to the following statements by circling the most appropriate where 1 = strongly disagree and 7 = strongly agree

I plan to remain with my current organisation for at least two more years	1	2	3	4	5	6	7
I plan to remain with my current organisation for at least five more years	1	2	3	4	5	6	7
I plan to remain with my current organisation for at least ten more years	1	2	3	4	5	6	7

Section G

Please indicate your answer to the following questions by ticking the most appropriate box.

Q: Which one of the following shows how much of the time you feel satisfied with your job?

1. Never ☐
2. Seldom ☐
3. Occasionally ☐
4. About half of the time ☐
5. A good deal of the time ☐
6. Most of the time ☐
7. All of the time ☐

Q: Choose one of the following statements which best tells how well you like your job:

1. I hate it ☐
2. I dislike it ☐
3. I don't like it ☐
4. I am indifferent to it ☐
5. I like it ☐
6. I am enthusiastic about it ☐
7. I love it ☐

Q: Which one of the following best tells how you feel about changing your job?

1. I would quit this job at once if I could ☐
2. I would take almost any other job in which I could earn as much as I am earning now ☐
3. I would like to change both my job and my occupation ☐
4. I would like to exchange my present job for another one ☐
5. I am not eager to change my job, but I would do so if I could get a better job ☐
6. I cannot think of any jobs for which I would exchange ☐
7. I would not exchange my job for any other ☐

Q: Which one of the following shows how you think you compare with other people?

1. No one dislikes his/her job more than I dislike mine ☐
2. I dislike my job much more than most people dislike theirs ☐
3. I dislike my job more than most people dislike theirs ☐
4. I like my job about as well as most people like theirs ☐
5. I like my job better than most people like theirs ☐
6. I like my job much better than most people like theirs ☐
7. No one likes his/her job better than I like mine ☐

Section H

Please provide any additional comments on job problems or stress in your work in the space provided below.

Thank you for your time and cooperation in completing this questionnaire.

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SCIENTIFIC REVOLUTIONS, PROGRESS AND ACCOUNTING RESEARCH

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ABSTRACT

Thomas Kuhn's concept of a normal science paradigm has been utilised and criticised across a range of social science fields. However, Kuhn's aim was to argue that science progresses not in an incremental manner but through a series of paradigms that need a revolution in thought to shift from one to the next.

This paper addresses Kuhn's work focusing on the totality of his model, but recognising the ambiguities concerning paradigm shifts that have led to charges of relativism. To address this weakness an argument is advanced for a political economy analysis of the publication process and the development of critical accounting research centred on human emancipation. The paper concludes with some suggested research agendas particularly relevant to the Irish context.

INTRODUCTION

Thomas Kuhn's (1996) *The Structure of Scientific Revolutions* has had an impact far beyond its initial intention, to challenge the perception of scientific discovery as an incremental accumulation of facts. Kuhn's schema has been utilised across the natural and social sciences as a model to explain the development of individual research fields. However, Kuhn's work has also been criticised as a collection of '… manifest failures of intellectual responsibility on several levels …' (Fuller, 2003, p. 17). Much of this criticism has focused on Kuhn's conception of a normal science paradigm, which, it is argued, researchers operate within for the majority of their careers. Whilst recognising these debates, the aim of this paper is to focus on the paradigm shifts (or scientific revolutions) element of his work. As a starting proposition, this element has been much over-looked in the debates about Kuhn's schema, partly due to Kuhn's vague formulations concerning how scientific revolutions occur.

These vague formulations have opened the space for allegations of relativism in Kuhn's work.

The argument advanced here is that the same vagueness also allows an alternative explanation based on a sociological analysis. Thus to develop and enhance Kuhn's model it is posited that a political economy analysis allows for a robust and defensible explanation of how paradigm shifts occur. This analysis includes the information flows (journal publications), the role of the individuals (journal editors) and the social and economic context in which knowledge is produced. Having set out Kuhn's schema and placed it within a political economy approach, the different accounting research schools are explored. This provides the backdrop for the arguments developed in the rest of the paper, starting with the problem of assessing progress. Once we have explained how paradigm shifts occur, how can we know if this represents progress? This paper seeks to develop an argument in favour of critical research that has the concept of human emancipation at its heart. The deployment of human emancipation is as an objective criterion upon which we can judge progress. Further critical accounting research is the only school of research in accounting that has this criterion overtly stated as an objective. The rest of this paper is structured as follows: the next section discusses Kuhn's schema. After outlining his approach, there is a critical discussion of the revolutionary element of the schema, which identifies a weakness in Kuhn's approach and posits a political economy inspired explanation to overcome that weakness. The following section applies these ideas to accounting research and draws on the accounting schools (Hopper and Powell, 1985; Chua, 1986) already established in that field. Having established that accounting currently has three research schools the next section argues that accounting is in a Kuhnian *state of crisis*. The implications of this crisis for progress in accounting research and more broadly in the social sciences is discussed, with the concept of emancipation (Alvesson and Willmott, 1992; Bhaskar, 2002; Gallhofer and Haslam, 2003) seen as an appropriate criterion on which to evaluate such progress. The paper concludes with a call for increased work within critical accounting research (CAR), including examples of potential topics in the Irish context, if accounting is to progress beyond the current crisis stage into a new normal science paradigm.

KUHN: PROGRESS AND SCIENTIFIC REVOLUTIONS

There have been three significant attempts to map out the philosophical and by extension methodological approaches in accounting research (see Laughlin, 1995; Hopper and Powell, 1985; Chua, 1986). One of the difficulties with these analyses lies in the ahistorical and abstracted nature of their models.[1] We get categories of research based on traditional research methods but there is little attention focused on how these categories came into being or change over time, how those changes are generated and what influence the current generation of researchers has on future categories. This is not just a criticism of accounting research but lies at the heart of the approaches adopted in both natural and social sciences. This section attempts to address these issues by revising and adding to Kuhn's (1996) work. The established view is that science progresses in an incremental manner with scientists finding answers to ever more questions, with greater precision. Chalmers (1999, p. 3) starts his discussion of 'What is science?' by positing that two philosophical traditions, empiricism and positivism, '… share the common view that scientific knowledge should in some way be derived from the facts arrived at by observation'. Thus, the role of the scientist is to 'discover' or observe more facts. Whether the scientist follows in the deductive or inductive tradition or even Popperian falsification (Popper, 1994), any progress in science is assumed to be linear and incremental. A little thought leads to the conclusion that this premise is untenable as a bald statement. Questions such as 'What constitutes a fact?', 'What do we mean by observation?' and 'What role is there for theory and social context in defining a fact?' lead to a series of differing philosophical traditions.

This incrementalist approach was criticised by Kuhn (1996), who argued that scientific advances occurred not in a linear manner but through a series of disjointed paradigms, with a revolution in thought needed to shift from one paradigm to the next. The central tenet of Kuhn's analysis is the concept of a 'paradigm'. Benton and Craib (2001, p. 59) describe Kuhn's paradigm as an all-embracing '… source of guidance for conducting and evaluating research which is consensual within a particular scientific discipline'. This can take numerous forms such as shared theoretical assumptions or ontological positions. In addition, the paradigm plays a role in preparing students for future membership of that scientific community. For this to be sustained the paradigm must be both 'sufficiently unprecedented' and 'sufficiently open-ended' but seldom evoking disagreement over fundamentals. Therefore, the paradigm sets the limits for answering the question 'What is science?' In so doing, it establishes what is an observable fact and moulds prospective entrants to its perspective. Kuhn's (1996) work however was not solely about establishing the characteristics of normal science at a moment in time. His concern was to seek an alternative explanation for progress in science.

Initially based on his analysis of the Copernican revolution in astronomy but further developed in *The Structure of Scientific Revolutions*, Kuhn (1996) proposes a disjointed, almost circular process of moving from one paradigm to the next:

- *Pre-science* – the stage before a scientific paradigm has been formed. There are numerous competing theories and a lack of consensus to such an extent that the research area cannot be considered a science.
- *Normal science* – the stage where consensus on key theoretical elements has been reached and a paradigm can be said to exist.
- *Crisis* – the all-embracing paradigm established in the normal science stage comes under sustained attack, as the level of unexplained anomalies increases. Alternative theories start to emerge and gain acceptance among sections of the scientific community.
- *Revolution* – the crisis develops to such a level that the old normal science paradigm can no longer hold and members of the scientific community swap allegiances to an emerging alternative paradigm.

- *New normal science* – once the revolutionary crisis has passed and the research community has accepted the new consensual theories, a new normal science paradigm is established.
- *New crisis* – the revolutionary process is then repeated through the new and subsequent paradigms.

Kuhn's schema advances a strong critique of the ahistorical, incrementalist approach to scientific progress. Kuhn develops a grand narrative using the grand sweep of scientific history to substantiate his argument, whether that is the discussion of the Copernican revolution or the history of physical optics. By taking such a general approach, Kuhn is able to identify specific paradigms and turning points that would be missed if a narrower focus was utilised.

There are, however, limitations and weaknesses to Kuhn's concept of normal science paradigms. For example, Masterman (1970) identifies 22 different ways in which Kuhn uses the term 'paradigm' in his text, thus allowing critics to question the validity and usefulness of Kuhn's schema. Callinicos (1995) uses the concept of normal science paradigms to illustrate the manner in which philosophical trends[2] can become stagnant and ossified. This highlights a major difficulty at the heart of Kuhn's model: if there is no disagreement about the fundamentals of the paradigm and any fact that falls outside the paradigm's limits is deemed not to be part of science, how does science progress from one paradigm to another? As Kuhn (1996, p. 34) himself states:

> Work under the paradigm can be conducted in no other way, and to desert the paradigm is to cease practicing the science it defines … [yet] such desertions do occur. They are the pivots about which scientific revolutions turn.

Arguably, the motor or basis for scientific revolution is where Kuhn is at his most ambiguous. The sometimes contradictory and often vague formulations in Kuhn's work have led to various and competing interpretations of his work. Before expounding an alternative solution to this issue based on political economy (Arnold, 2009; Cooper and Sherer, 1984), the following section explores the explanations advanced covering the basis and processes for scientific revolutions.

Chalmers (1999) emphasises the 'gestalt switches' and 'religious conversions' metaphors that Kuhn uses to describe the process individual members of a scientific community go through when moving from one paradigm to another – metaphors which Chalmers rejects as an acceptable explanation of this process. Kuhn himself refers to competition between different schools in a scientific community, which could be interpreted as the basis on which science progresses. But this again leads to a difficulty that Benton and Craib (2001, p. 60) have labelled as a 'thesis of incommensurability'. Here we have two schools, each adhering to their own normal science paradigm with differing theoretical foundations and methods – how can the schools then communicate with each other rather than past each other? For example, those who claim that astrology is as much a science as astronomy. The two groups are unable to find an agreed starting point on what constitutes scientific knowledge. This difficulty has allowed some to argue (Chalmers, 1999, p. 122) that at the heart of Kuhn's ideas is a relativist view of scientific progress,[3] where science progresses because one school of scientists tells us it has. Benton and Craib (2001) hint at an alternative view, where Kuhn's perceived relativism opens the door for a sociological explanation of the motor for scientific revolutions:

> In the absence of objectively rational, paradigm-neutral criteria for theory choice, scientific revolutions are accomplished by way of power struggles in the scientific community, in which editorial control over key journals, capture of particular university departments, the use of rhetoric and propaganda may all have a place (Benton and Craib, 2001, p. 61).

Crucial to the ability of the individual scientists (who have come up with the new anomaly or theory) to proselytise their ideas is access to the pages of not just academic journals, but top-ranking journals. This seems to be an obvious first link in the chain of how a new paradigm might gain acceptance, but to fully understand the process of scientific revolutions it is necessary to continue the movement along the chain. Thus, the priorities of the editors of top-ranking journals predominate. These priorities are mediated by a range of forces such as the funding streams for the journal, the impact of managerialist exercises such as the Research Excellence Framework (REF) and the relationship between the editor and the university he or she works for, including the promotion criteria. These forces are in turn mediated by wider priorities such as government and industry research funding, and government policy towards research in higher education. The point is that scientific research does not exist in a vacuum but is part of broader society, a society that is dominated by the interests of capital such as the commodification of knowledge (Arnold, 2009). Kuhn's model recognises the former in the manner in which he challenges the incrementalist approach to scientific progress but he fails to flesh out the broader relations. There is a research tradition that can help in this matter, that of political economy (Tinker, 1980; Cooper and Sherer, 1984; Arnold, 2009).

There are numerous versions of political economy utilised both within and beyond accounting research. Cooper and Sherer (1984, p. 217) state that '… most emphasize the inter-relationship between political and economic forces in society'. Space limits the expansion of a political economy analysis of accounting knowledge, however we can briefly apply Cooper and Sherer's (1984) three features of political economy.[4] These are a recognition of power and conflict in society, the specific historical and institutional environment, and a more emancipated view of human motivation and ability to change society. Thus by taking just one aspect of the production of accounting knowledge – publishing in academic journals – we can identify a range of forces that influence whether and where a paper is published. These include '… the institutional incentives faced by accounting scholars, including the tenure and promotion system and university rankings …' (Arnold, 2009, p. 806). Moizer (2009) analyses the double-blind reviewing process and identifies work that shows little consistency in the process, leading to a lottery of publication. Added to this he shows how the use of assessment exercises as performance measurements mean '… the focus of research becomes what can be published rather than what is of high inherent value to the long term future of the discipline' (Moizer, 2009, p. 295). In this whole process the editors become the gatekeepers (Tinker, 2006) of what accounting knowledge is. This claim is backed empirically and expanded by Williams and Rodgers (1995, p. 281) in their study of *The Accounting Review*:

> We find that in accounting, like other academic fields, there is an elite who control the direction the field will take. And likewise as in other fields, this elite consists of graduates of a certain set of schools.

Thus, we can identify that accounting research takes place in a social context which is riven with conflict and power (for example between researchers, reviewers, editors or academics and the management in their institutions). Accounting research also takes place in the context of performance measurement schemes such as assessment exercises and increasingly competitive funding practices. Crucially, though, individuals (in this case editors individually but also groups of like-minded academics) can play a key role in sustaining or challenging the process and outcomes of accounting research. The foregoing discussion is important because it starts to sketch out an alternative sociological (materialist and dialectical) explanation for how accounting knowledge changes.

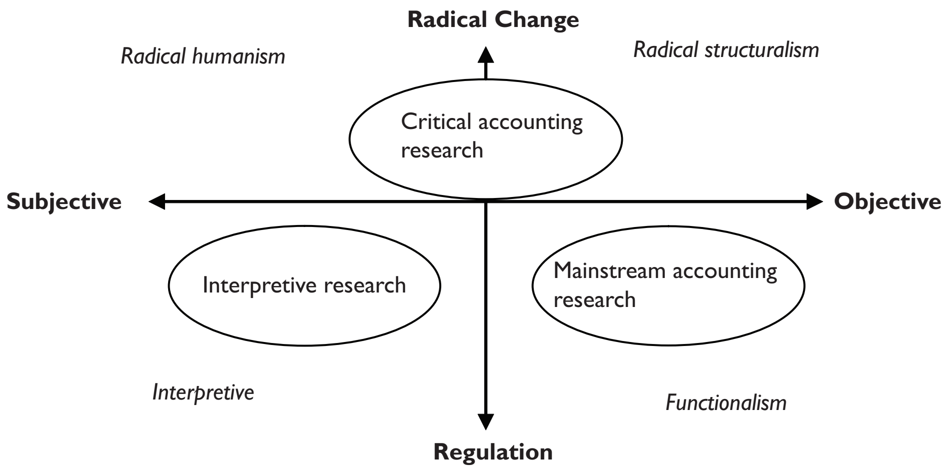
Summary

The previous section has developed a critique of the incrementalist conception of progress in science by relying on Kuhn's (1996) schema. This model has strengths and certainly achieves Kuhn's stated objective of developing an alternative explanation of scientific progress, based on an analysis of the history of science. Kuhn's schema also has weaknesses and limitations. The central one of concern for this paper is the allegation of philosophical relativism at the heart of his model, due to a lack of clarity over how paradigm shifts occur. It has been argued that the contradictory formulations that allow the space for the relativism allegations can also allow an alternative sociological explanation to be developed, and that the most appropriate sociological explanation is based on a political economy analysis. Of course anybody who is familiar with Kuhn's work will have a pertinent question based on the discussion to this point – what relevance does Kuhn have for the social sciences? Kuhn is conscious of the differences between the social and natural sciences, referring at regular points in his work to the differing circumstances applicable in the social sciences. Kuhn is agnostic about the general applicability of his model to the social sciences. At one point he distinguishes between economics and other social sciences, where it may be '… significant that economists argue less about whether their field is a science than do practitioners of some other fields of social science' (Kuhn, 1996, p. 161). Overall though Kuhn leaves the question of normal science paradigms in the social sciences open. Chalmers is slightly more definitive, when he states 'much of modern sociology lacks a paradigm and consequently fails to qualify as science' (1999, p. 109). The argument in this paper is contrary to Chalmers' conclusion. Rather than accounting research failing to be a science with no accepted paradigm, instead accounting research is in a state of ongoing crisis. Thus, the next section will take Kuhn's model and apply it to accounting research and locate where accounting research falls within Kuhn's schema, before exploring the implications for accounting research, particularly from an Irish perspective.

'NORMAL SCIENCE' AND ACCOUNTING RESEARCH

In the first eighteen years after the first publication of *The Structure of Scientific Revolutions* in 1962, Gutting (1980) identified 119 'works about Thomas Kuhn' from a range of social science fields including political science, economics, history and education. Accounting research too has a history of using Kuhn's work. Cushing (1989) makes clear and robust use of Kuhn's schema, concluding that accounting developed a normal science paradigm in the sixteenth century that developed through 'puzzle-solving' until it reached a crisis point in the 1960s. One of the outcomes of Cushing's (1989) work is a comprehensive review of where Kuhn's schema has been used in accounting research from its first appearance in Chambers (1966) to the late 1980s.[5] Since that time accounting researchers have continued to use Kuhn's work in various forms. For example, Dempsey (1996) explores the 'cost of capital' paradigm and possible alternatives in corporate financial management; Arthur (1999) follows in the footsteps of Cushing (1989) by drawing attention to the role of a 'practitioner paradigm' influencing accounting practice, and contrasts this with researcher-led paradigms more often found in recent literature; while Bryer (1998) invokes Kuhn's schema to enlighten the debate about the nature of accounting history research. These papers focus on defining a Kuhnian paradigm within accounting as a discipline. The focus in this paper is on accounting research rather than the discipline itself. Obviously, the two are related and, in a point echoed by Cushing (1989), this paper argues that there is a crisis in accounting research with three competing alternatives, the existence of which '… is indicative that accounting is no longer in a normal science stage, but has instead entered a crisis stage' (Cushing, 1989, p. 19). This position is in sharp contrast to the conclusion of Norreklit, Norreklit and Mitchell (2010), who, drawing on the earlier work of Laughlin (1981), conclude that '… as accounting is a social rather than a physical science it does not have a paradigmatic consensus …' (Norreklit et al., 2010, p. 735). Somewhat inconsistently though, Norreklit et al. (2010) do argue that there is such a thing as a practice paradigm for accounting. This conclusion seems at odds with their definitive view that Kuhn's idea of paradigms is '… too simplistic for exploring accounting' (Norreklit et al., 2010, p. 735), thereby asserting that accounting research is an activity qualitatively different from accounting itself. The argument developed in this paper is that rather than applying the normal science paradigms in a static manner we can establish that accounting is in a crisis stage. Further, there are a number of accounting academics (Wells, 1976; Cushing, 1989) who refute Norreklit et al.'s (2010) conclusion, arguing instead that accounting did have a normal science paradigm but that accounting research is now in a crisis state according to Kuhn's model (see discussion below). At a minimum, the disagreement over the use of paradigms in accounting does not negate Kuhn's schema; indeed it can be argued that it is evidence that the research is in a state of crisis. Thus Kuhn's schema endures but the basis of paradigm shifts needs to be reformulated (using a political economy approach as argued above) and his whole schema applied in a dynamic manner. We will now turn to the use of paradigms in organisational studies research more broadly before looking at accounting research specifically.

FIGURE 1: TAXONOMY OF ACCOUNTING RESEARCH



Source: Adapted from Burrell and Morgan (1979, p. 22), © Ashgate Publishing, 1985, adapted with permission; Hopper and Powell (1985); and Chua (1986).

One of the most influential works using paradigms in social science is Burrell and Morgan's (1979) *Sociological Paradigms and Organisational Analysis*. Burrell and Morgan (1979) sought to develop their classification over two axes: subjective–objective and radical change–regulation (see Figure 1). The first axis, subjective–objective, has four further sub-scales (see Table 1): ontology, epistemology, human nature and methodology.

TABLE 1: THE SUB-SCALES OF THE SUBJECTIVISM–OBJECTIVISM AXIS

Sub-Scales	Subjective	Objective
Ontology	Individual consciousness	Concrete construction
Epistemology	Interpretation	Observation
Human nature	Free will	Determinism
Methodology	Hermeneutics	Scientific method

Source: Adapted from Burrell and Morgan (1979, p. 3), © Ashgate Publishing, 1985, adapted with permission.

Ontology concerns the nature of reality, with the two extremes being that reality occurs within an individual's own mind or that reality exists independent of human beings. Epistemology concerns the nature of knowledge, with Burrell and Morgan (1979) emphasising how knowledge is obtained through accumulation of observable 'facts' or the interpretation of facts through the development of prior frameworks or theories. The sub-scale of human nature deals with the question of agency and structures, with one end emphasising the role of human beings in determining their own future, and the opposing end representing human action being driven by structures (e.g. economic determinism). Finally, the methodology subscale is largely a product of the stances taken in the previous three sub-scales. Thus, fixed design (Robson, 2002) methodologies with an emphasis on identification of correlations and frequencies is described above as the scientific method, as opposed to flexible design methods, such as hermeneutics, which emphasise the interpretive skills of the researcher.

Hopper and Powell (1985) took the work of Burrell and Morgan (1979) and applied it to accounting research. The resulting taxonomy saw accounting research broadly split into three categories: mainstream accounting research, interpretive research and critical accounting research. Chua (1986) sets out the characteristics of each category of research under the headings 'beliefs and knowledge', 'beliefs about physical and social reality', and 'relationship between accounting theory and practice':

1. *Mainstream Accounting Research (MAR)* is based on a realist ontological and a positivist epistemological approach, where theory and observation are separate. MAR is based on two assumptions: first, human behaviour is purposive, driven by a single superordinate goal – 'utility maximsiation' – and, second, there is a controllable social order where '[d]ysfunctional behaviour occurs when individual or group interests override what is best for the organization in some reified sense' (Chua, 1986, p. 609), which can be counteracted by effective budgeting, cost allocations and other accounting controls. MAR also sees a dichotomy between the 'means' of producing accounting information and the 'ends' it is used for. This requires the accountants to take a 'value-free' stance and to not make moral judgements about the end users' decisions and actions. The MAR category is the equivalent of Burrell and Morgan's (1979) *functionalist* paradigm.
2. *Interpretive Accounting Research* emphasises the role of language and interpretation of the individual, so that knowledge creation is a subjective activity drawn from an emergent reality. Thus '… the aim of the interpretive scientist is to enrich people's understanding of the meanings of their actions …' (Chua, 1986, p. 615). In the context of accounting research, work in this category has tended to focus on the behavioural implications of accounting, seeking to explain rather than change the status quo. This category is again matched to Burrell and Morgan's (1979) *interpretive* paradigm.
3. *Critical Accounting Research (CAR)* seeks to overcome the inherent limitations in both previous categories. The subjective–objective dichotomy (which each of the previous categories takes one side of) is overcome by placing both elements in a dialectical relationship. 'Empirical reality is characterised by objective, real relations which are transformed and reproduced through subjective interpretation' (Chua, 1986, p. 622). In addition, each phenomenon is seen as being part of an inter-related reality (or totality) where every phenomenon mediates the others. Crucially, CAR seeks to challenge the status quo and find appropriate methods to change social relations. In comparison to Burrell and Morgan's (1979) schema, CAR does not distinguish between their humanist and structuralist paradigms. This is not to say such distinctions have not occurred in CAR but that critical accounting researchers have had a more plural approach.

Burrell and Morgan (1979), and by extension Hopper and Powell (1985), do not subscribe to the full use of Kuhn's model, instead seeking to use paradigms as a map to both structure and navigate through four possible sociological paradigms.[6] Their analysis allows the researcher to see where they have been, where they currently are and where they could possibly go in theoretical and methodological terms. However, they note that most researchers are likely to operate within a particular paradigm due to each paradigm being based on elementary positions in relation to ontology and epistemology. With echoes of Kuhn, they argue that for a researcher to move from one paradigm to another can only be described as a *gestalt switch*. Burrell and Morgan (1979) locate Kuhn's own work in their *interpretive* paradigm, with its emphasis on the social constructionist nature of science. At root, this application of Kuhn's work is again static in that it sees competing paradigms co-existing permanently, rather than being an expression of a crisis.

THE CREATION OF A 'CRISIS' IN THE PARADIGM

Kuhn sees a process of transcendence from one paradigm to the next, with each successive paradigm growing out of anomalies in the previous paradigm but also representing a fundamental break.[7] If we apply Kuhn's model with this process of transcendence we are left with two alternatives: the study of accounting is either at the pre-science stage or we are experiencing a crisis or revolution in the normal science paradigm. Thus a choice is presented between a multi-paradigm science (Riahi-Belkaoui, 2004) and a science in the middle of a crisis or revolution (Wells, 1976; Cushing, 1989).[8] Wai Fong Chua's (1986) influential paper 'Radical Developments in Accounting Thought' recognises this split in the accounting literature but does not side with either (although when she does set out her stance it is a remarkably similar description of a normal science paradigm in crisis). Riahi-Belkaoui's (2004) approach is similar to that of Burrell and Morgan (1979), where the researchers make a value-based choice on which paradigm to work within and so multiple paradigms can co-exist within the same field of science. Wells (1976) and Cushing (1989) on the other hand take an approach closer to the interpretation of Kuhn's schema set out above, arguing that in accounting research a normal science paradigm emerged which has come under sustained and increasing attack since the 1960s; a normal science paradigm continues today with the dominance of MAR. However the growth of interpretive and critical accounting research has created a crisis in the MAR paradigm. It is this second interpretation that represents the starting point for the rest of this paper. What follows is a discussion on the basis of progress into a new normal science paradigm.

DISCUSSION

While the foregoing may be of passing interest in and of itself, the bigger question is what is the relevance of such an analysis for the practice of accounting research? After all, the use of Kuhnian paradigms in social science studies broadly and accounting research is not unique, as previously discussed. The arguments in this paper have twofold implications: first, on a theoretical level saving the paradigm shifts from mystical explanations (as has been argued above) and, second, as a pointer for future research in accounting. Chalmers (1999), in his discussion of Kuhn's work, calls for a ditching of the gestalt switches and their replacement with '… an objective characterisation of paradigms and the relationship between them' (Chalmers, 1999, p. 128). The remainder of this paper addresses Chalmers' (1999) call and outlines a research agenda to that end.

The growth of *interpretive* research over the last 30 years has also brought to the fore radical relativist and post-modernist preoccupations with the concepts of progress in science, objective reality and the Enlightenment project as a whole (Crotty, 1998). While this is not the place for a detailed discussion on postmodernism (see Cooper, 1997), a couple of points will suffice. As with any philosophical school, post-modernism has a number of different and sometimes contradictory interpretations – for example James Joyce is claimed to be both a modernist and a post-modernist depending on who you read. One definition of postmodernism outlines the reactive nature of the philosophy. Lyotard (1984, p. 5) states 'I define *postmodern* as incredulity toward metanarratives', and explains this by using:

> … the term 'modern' to designate any science that legitimates itself with reference to a metadiscourse … making an explicit appeal to some grand narrative, such as the dialectics of Spirit, the hermeneutics of meaning, the emancipation of the rational or working subject, or the creation of wealth (Lyotard, 1984, pp. xxiii–xxiv).

The conclusion of Lyotard's (1984) definition is expressed by Rue (1994, p. 272): '[t]here are no absolute truths and no objective values.' The lack of a materialist explanation for paradigm shifts opens the space for Kuhn's schema to be closely related to the relativism of that outlined by Rue (1994). Therefore, Kuhn's schema does not in and of itself answer the challenges laid down by postmodernism, and indeed it could be argued that his work could be appropriated to aid the post-modern project. Again, answers must be sought elsewhere if Kuhn's work is to be rooted as part of the Enlightenment project and avoid the relativism of the post-modern project. Thus, there have been attempts made to formulate non-relativistic criteria for establishing scientific progress. For example, Popper (1994), while drawing the parallels between scientific progress and evolution in nature, gives two criteria. First, the new theory must conflict with the previously held views: '[i]n this sense, progress in science … is always revolutionary' (Popper, 1994, p. 12). And second, the new theory must '… yield results at least as good as those of its predecessor and, if possible, better results' (Popper, 1994, p. 12). While Popper's (1994) criteria undoubtedly have relevance they are again abstracted and shorn of their social setting, and so suffer from the same limitations as Kuhn's criteria highlighted above.

As an alternative, we can posit the very un-postmodern idea of emancipation (Alvesson and Willmott, 1992; Bhaskar, 2002; Gallhofer and Haslam, 2003) as the criterion against which progress in science and research could be evaluated. While post-modernists will argue whose emancipation and emancipation from what, we can turn to the work of philosopher Roy Bhaskar for some insights into the project of human emancipation. Bhaskar (2002), drawing on a formulation by Rousseau, recognises that human beings are born free but are everywhere in chains. Thus the project of human emancipation is to throw off those chains. 'This immediately gives rise to a general definition of emancipation or liberation as the shedding or disemergence of unwanted and unnecessary determinations' (Bhaskar, 2002, p. 29). For Bhaskar this is one of the essential elements '… of the charter of social science …' and as social science encompasses the study of human behaviour and outcomes 'human emancipation is something that cannot be imposed from without; so it has to be self-emancipation' (Bhaskar, 2002, p. 21). Bringing these ideas into the management studies field, Alvesson and Willmott (1992) argue that emancipation:

> … describes the process through which individuals and groups become freed from repressive social and ideological conditions, in particular those that place socially unnecessary restrictions upon the development and articulation of human consciousness (Alvesson and Willmott, 1992, p. 432).[9]

However, when we turn towards the accounting literature there are few works that address the concept of emancipation directly, choosing to align accounting with an emancipatory project (Gallhofer and Haslam, 2003) or seeking to recast the emancipatory possibilities of social accounting through civil society campaigns (Spence, 2009).

This point leads us to the role that research can and should play. Thus the first task for accounting researchers is the need to develop further the idea of emancipation – primarily by drawing on works in other social sciences but latterly with the aim of developing accounting-based insights into the project of human self-emancipation. Central tasks here include developing a vision of human emancipation that is relevant in capitalist societies of the early twenty-first century and of no less importance is the question of how we transcend the current oppressive social structures (i.e. what is the role of agency?). To that end, Cooper (1997) recognises that the working class (that is, both those workers involved with the production of accounting information and those workers who suffer from '… the effects of new accounting regimes …' (Cooper, 1997, p. 35)) is largely absent from the accounting literature. The argument here is not just that we should study an excluded social group because of their absence but that on a more profound level workers carry agency, the ability to not only change the world around them but also challenge the effects of accounting in the world. A prime example of this is the workers' occupations of their workplaces that took place at the end of 2011 and start of 2012. The occupations at La Senza and Vita Cortex raise questions concerning the role of accounting firms acting as administrators (Nihill, 2012) and the manner in which a group structure is utilised to avoid payment of redundancy monies (*The Phoenix*, 2012). On a broader scale, the role of state bodies such as the National Asset Management Agency (NAMA) and the Labour Relations Commission (LRC) need to be interwoven into our understanding of accounting practice and information. To address these research topics requires a challenging of the 'means' and 'ends' dichotomy (Chua, 1986) that dominates accounting research.

This leads us to the second task facing accounting researchers: the concerns identified above need different theoretical and philosophical frameworks to those that had been used prior to the great crash of 2008. As Arnold (2009) has argued:

> Our dominant theories provided an insufficient bases [sic] for understanding the transformations that were occurring in the international political economy over the past quarter century. … Most importantly, we did not develop a sufficiently broad culture of critique within our academic community (Arnold, 2009, p. 808).

We need to look beyond the existing walls of accounting research into other social sciences to help us address the fundamental issues common to all social science research. For example, the past decade or more has seen the establishment of critical realist currents within organisation and management studies (Ackroyd, 2009; Fleetwood, 2004) and economics (Lawson, 1994, 1997; O'Boyle and McDonough, 2011) in response to the limitations of positivism highlighted by the post-modern critique and the slippery slope towards solipsism that postmodernism represents. Critical realism as an under-labouring philosophical approach allows us to address fundamental issues such as the relationship between structure and agency, the nature of reality and our knowledge of it, and most importantly how change occurs in social structures. Furthermore, the recent history of the Irish state (the Celtic Tiger, the property bubble, the financial and banking crash and the troika deal) provides an almost unique experience that has relevance beyond the shores of this island. For example, we have the troika's structural adjustment plan, once the preserve of the global south, now being imposed much closer to the heart of global capitalism. One aspect of this adjustment is the discourse around the budget deficit, a figure that is portrayed as being an absolute fact. Yet accounting figures have a range of assumptions and subjective judgements embedded in them. This leads to two tasks for accounting researchers: first, to unpack the assumptions and judgements in the figures quoted by government and the troika, and second, to address the ideological manner in which accounting figures have been deployed as justification for the course of action taken by successive Irish governments. New light could be shed upon these issues by the application of the models of financialisation, privatisation and accumulation by dispossession by critics of the neoliberal project such as Harvey (2003, 2005) and Ashman and Callinicos (2007). The ideological aspects could be addressed through the use of Gramsci's (1971) concept of hegemony and the application of a dialogical analysis based on Bakhtin's (1981) and Volosinov's (1986) work.

The above are suggestions of possible research agendas that could be pursued as part of a broad critical school of accounting research. Such a school must be heterodox in nature, if we are to avoid the pitfalls Arnold (2009) identified previously, and needs to be open to ideas from other disciplines. Further, if the logic of Kuhn's model as adapted above is to be followed and we are to progress to a new paradigm, then the goal of human emancipation needs to be central to such a research agenda. There remains one final point – that the effort expended in such a research agenda ultimately needs to see the light of day. This brings us back to the points made earlier concerning the political economy of publishing academic research. Not only do we need to change the type and focus of research but we also need to change the social structures that maintain research capacity in our higher education institutions. This is likely to involve both a change in the performance measurement systems surrounding research (e.g. the REF) and the funding of research, as well as an acceptance of the importance of heterodox research at local levels in accounting departments and among journal editors.

CONCLUSION

The central arguments in this paper can be summarised as follows: accounting research had created a normal science paradigm (Mainstream Accounting Research), which has been under attack since the 1960s. This attack has come from the growth of both the interpretive and critical research schools in accounting. While the advance of postmodern approaches has been somewhat less pronounced in accounting than in other social sciences, accounting research could accurately be portrayed as being in a state of crisis, according to Kuhn's schema. This raises a number of questions: Is Kuhn's schema appropriate for social science research such as accounting? Is progress through a paradigm shift possible in accounting research or will a permanent state of crisis prevail? If a paradigm shift to a new normal science is possible, how do we know if this represents progress? The arguments in this paper have proceeded on the basis that Kuhn's schema can be applied to social sciences; that a permanent state of crisis is not inevitable and therefore a paradigm shift to a new normal science is possible. Finally, we would do well to remember the alternative relativistic interpretation of Kuhn's schema, developed by Burrell and Morgan (1979). This relativism, in much the same way as postmodernism ends up making excuses for maintaining the status quo, almost inevitably leads to portraying the functionalist (MAR) paradigm as the one truly developed paradigm, while '… to avoid emasculation and incorporation within the functionalist problematic, the [alternative] paradigms need to provide a basis for their self-preservation by developing on their own account' (Burrell and Morgan, 1979, p. 398). Based on the arguments developed here the stakes are actually much higher, encompassing not just the existence of a particular research school but progress in the accounting discipline as a whole. It has been posited that human emancipation is the most appropriate criteria on which to make judgements about whether any paradigm shift represents progress. Thus, the final point is a call for accounting, and indeed other social science, researchers to engage in Critical Accounting Research to develop an emancipatory accounting (Gallhofer and Haslam, 2003). This research needs to address issues of transcendence and agency, theoretical perspectives and methodological approaches, and ultimately be supported by existing and future generations of researchers. In this way, we can hold on to the prospect of facilitating a paradigm shift and progress in our discipline.

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ENDNOTES

1 Laughlin (1995) does trace the philosophical history of each of the categories he develops; however in the model itself once the categories have been created they are stripped of their historical content and treated in an ahistorical and abstracted manner. This criticism is not unique to Laughlin's model but follows as a consequence of attempting to find generic models.

2 The philosophical trend he was analysing here is post-modernism.

3 Something which Kuhn denies – see the postscript to the third edition of *The Structure of Scientific Revolutions* (Kuhn, 1996).

4 Cooper and Sherer (1984) also call on researchers to be explicitly normative, in other words to state clearly the frameworks and approaches they are using in their work. Thus the version of political economy adopted in this paper is influenced by the classical Marxist tradition with a central emphasis (Callinicos, 1983, 2006; Rees, 1998) on materialism and dialectical analysis.

5 Cushing's (1989) literature review covers thirteen papers that directly deal with the application of Kuhn's schema in the context of accounting research, whether that application is either utilising or criticising the schema.

6 Burrell and Morgan's (1979) work sets out four paradigms: functionalist, interpretive, radical humanist and radical structuralist. These paradigms represent the four quadrants when two continuums are overlaid, that of subjective–objective and regulation–radical change.

7 A very dialectical notion.

8 There are significant differences between Wells' (1976) and Cushing's (1989) methods for arriving at the conclusion that accounting as a discipline and accounting research are in a state of crisis. Wells (1976) argues that a normal science paradigm started in the 1940s whereas Cushing (1989) locates this in sixteenth century. However, these differences are not relevant here as both locate accounting being in a crisis since the 1960s.

9 Alvesson and Willmott's (1992) conception of emancipation is heavily influenced by the critical theory of Habermas (1984) and his concept of communicative rationality. An alternative approach to emancipation following a classical Marxist approach (Callinicos, 1983, 2006; Rees, 1998) would place class struggle over the economic, political and ideological levels at its heart.

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PAPERS PRESENTED AT THE TWENTY-FOURTH ANNUAL CONFERENCE

The titles of papers presented at the twenty-fourth Annual Conference of the Irish Accounting and Finance Association (28–29 April 2011), University College Cork, were as follows:

Author(s)	Paper Title
Akileng, G. Donnelly, R. *University College Cork*	The Valuation of Discretionary Accruals and Corporate Governance
Beelitz, A. Merkl-Davies, D. *Bangor Business School*	Negotiating Organisational Legitimacy after a Nuclear Incident: The Case of Vattenfall
Bonache, A. *University of Montpellier/University of Burgundy, France* Zouhour, B.H. Chapellier, P. *University of Montpellier, France* Mohammed, A. *University of Aleppo, Syria*	Cultural Contingency on the Antecedents of the Complexity of Management Accounting Systems: Evidence from a Meta-Analysis of Individual Data
Brennan, N.M. *University College Dublin*	Audit Committees at Work: A Review and Research Agenda
Brennan, N.M. *University College Dublin* Conroy, J.P. *Ernst & Young*	Executive Hubris: Evidence from the Banking Sector
Burke, R. *Waterford Institute of Technology* Demirag, I. *Queen's University Belfast*	Public–Private Partnerships in the Irish Transport Sector: An Analysis of Partnership Arrangements
Byard, D. Mashruwala, S. Suh, J. *Baruch College, City University New York*	The Economic Consequences of Eliminating the Reconciliation of IFRS to US GAAP: An Information Transfer Analysis

Byrne, M. Chughtai, A. Flood, B. Murphy, E. Willis, P. *Dublin City University*	Burnout and Job Satisfaction among Accounting and Finance Academics
Cafferkey, K. Doyle, G. *University College Dublin*	Health Literacy and Economic Costs
Callejón Gil, A. *University of Malaga, Spain* Whelan, G. *Institute of Technology Tallaght*	A Solvency Prediction Model: Preliminary Results from the Irish Retail Sector
Campa, D. Donnelly, R. *University College Cork*	The Effect of the Legal Jurisdiction on the Association between Mandatory IFRS Adoption and Earnings Quality: A Comparison between Italy and the UK
Cao, T.Y. O'Halloran, G. *University College Cork*	The Performance Effect of Long-Term Incentive Compensation Plans: Irish Evidence
Casey, J. O'Mahony, O. *Waterford Institute of Technology*	An Analysis of the Determinants of Voluntary Impairment Disclosure Post the 2008 Credit Crisis
Connolly, C. Hyndman, N. McMahon, D. *Queen's University Belfast*	UK Charity Accounting: An Exercise in Widening Stakeholder Engagement
Cotter, D. Healy, M. McCutcheon, M. *University College Cork* Kerrigan, F. *Christ King Secondary School, Cork*	The Bull, The Bear and a Beaver Called Bob: Exploring the Use of Stories to Introduce Business Concepts
Cotter, D. Walsh, D. *University College Cork*	The Evolution of the Annual Report of UK Companies during the Period 1988–2006
Cotter, J. *University College Dublin* Hanly, J. *Dublin Institute of Technology*	Hedging Effectiveness under Conditions of Asymmetry
Cui, W. *University College Dublin*	Ultra High-Frequency Financial Data: Analysing NYSE Euronet TAQ Data
Curtis, E. Sweeney, B. *NUI Galway*	Creative Spaces, Control and Efficiency

Daly, N. *PricewaterhouseCoopers* Kirwan, C. O'Riordan, C. *Waterford Institute of Technology*	Comparability of Financial Statements Prepared under IFRS: A Study of UK and Irish Listed Companies
Deeney, P. *Open University*	A Comparison of Methods to Price Spread Options
Donnelly, R. Hajbaba, A. *University College Cork*	Earnings Surprises, Forecast Revisions and Acquirers' Long-Run Post-Acquisition Performance
Doran, J. Healy, M. McCutcheon, M. O'Callaghan, S. *University College Cork*	'Bringing the Outside In': Investigating Accounting and Finance Students' Knowledge of, and Sources of Information about, the Financial World
Doran, J. Healy, M. McCutcheon, M. O'Callaghan, S. *University College Cork*	No Easy Answers: Perspectives on Traditional Forms of Assessment
Griffin, J. Quinn, M. *Dublin City University*	Internalising 'External' Management Accounting Rules
Heneghan, J. *University of Limerick* Donnelly, E. *Irish Revenue Commissioners*	The Role of Tax Authorities in Encouraging Corporate Social Responsibility and Good Governance
Hodgkinson, L. *Bangor Business School, Wales* Partington, G. *University of Sydney, Australia*	Capital Gains Tax Managed Funds and the Value of Dividends
Hyndman, N. *Queen's University Belfast* McGeough, F. *Institute of Technology Blanchardstown*	Rational Planning and Performance Measurement: A Comparative Study of the Public Sectors in Ireland and the UK
Kelly, Mary *University of Ulster, Jordanstown* Kelly, Martin *Queen's University Belfast*	Are Northern Ireland Accounting Graduates Equipped to Deal with the Challenges of Sustainable Development? An Exploratory Story
Lenihan, O. *University of Limerick*	A Review of the Use of Case Studies in Accounting Education: Ireland and the UK
Mattimoe, R. *Dublin City University*	'The Fragility of Smallness': Financial Management Skills in Owner-Managed SME Tourism Businesses – Case Evidence

McAree, D. *University of Ulster, Magee*	Intertemporal Stability of Dividend Models
McCarrick, C. *Deloitte* Ó hÓgartaigh, C. *University College Dublin* Ó hÓgartaigh, M. *All Hallows, Dublin City University*	'The Accountancy Basis of this Scheme Is far more Vital than Ever': The Presence and Absence of Accounting in Two Dublin Milling Companies, 1937–1947
McCullagh, O. *University of Limerick*	Markov Switching GARCH Value-at-Risk
McInerney, C. *University College Cork*	Valuing Interconnector Transmission Rights: An Arbitrage or Options Approach?
Mulcahy, M. *University College Cork*	Shocks and Governance Changes: Do Losses Precipitate Improvements in Director Independence?
Mulcahy, P. *Dublin City University* Murphy, E. O'Leary, E. *KPMG*	An Empirical Exploration of Capital Structures and their Interaction with the Thin Capitalisation Rules: An Australian, UK and Irish Comparison
Neville, K. O'Donoghue, J. *University College Cork*	A Best Practice Financial Regulatory Framework for M-Banking
Neville, K. O'Sullivan-Rochford, C. de Sousa Gallagher, M. *University College Cork*	Educating the Educator: An Opportunity to Learn from Others
Neville, K. Woodworth, S. McInerney, C. O'Sullivan-Rochford, C. *University College Cork*	An Interactive Financial LMS
O'Brien, A.M. *Institute of Technology Carlow* Brennan, N. *University College Dublin*	Hospital Governance: The Role of Power
O'Brien, F. Brosnan, S. O'Sullivan-Rochford, C. *University College Cork*	An Examination of Practitioners' Views in Relation to IFRS and the US Convergence Project
O'Regan, P. *University of Limerick*	Market Control Strategies and the Professional Project: The Case of the Society of Incorporated Accountants and Auditors in Ireland

Regan, K. *University of Limerick*	An Investigation into the Level of Compliance with IAS 36 Impairment of Assets
Shaw, F. O'Brien, F. Murphy, F. *University of Limerick*	European Corporate Credit Returns: A Risk Return Analysis
Sheerin, C. *National College of Ireland*	How Gender Influences Educational and Occupational Choices in Investment Management Careers
Smyth, S. *Queen's University Belfast*	Exploring Public Accountability in Social Housing Using Critical Realism
Tynan, A. *University of Limerick*	A Critical Evaluation of Tax Expenditures
IAFA PLENARY SESSION Gurdgiev, C. *Head of Macroeconomics, Institute for Business Value, IBM*	Staring at the Future, but Seeing the Past: The Ongoing Transformation of Irish Financial Services
CIMA PLENARY SESSION Bhimani, A. *London School of Economics*	Globalisation and Technological Disruption: Implications for the Accounting Function

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The Trust was established in 1981 by the Institute of Chartered Accountants, from which it receives annual funding, to enable it to fulfil the objectives for which it was formed.

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NOTES FOR CONTRIBUTORS

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4. References should be listed alphabetically at the end of the manuscript in the following style:

DeAngelo, L.E. (1981). Auditor Size and Audit Quality, *Journal of Accounting and Economics*, Vol. 3, No. 3, pp. 183–199.

European Commission (1996). *Green Paper on the Role, the Position and the Liability of the Statutory Auditor Within the European Union*, October, Brussels: European Commission.

Faulkner, R.R. (1982). Improvising on a Triad, in *Varieties of Qualitative Research*, Vol. 5, Van Maanen, J., Dabbs, J.M. and Faulkner, R.R. (eds.), pp. 65–101, Beverly Hills, California: Sage Publications.

Fielding, N.G. and Fielding, J.L. (1986). *Linking Data: Qualitative Research Methods*, Beverly Hills, California: Sage Publications.

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