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INTRODUCTION

In the last 10 years, management accounting research (MAR) has made dramatic strides in relevance and rigor. The challenges now facing this research area include: (1) maintaining this momentum; (2) finding new, relatively unexplored areas that offer the promise of further substantive contributions to knowledge; and (3) meeting the first two challenges while maintaining and increasing scientific rigor.

This paper examines future directions for MAR. Emphasis is given to promoting efforts that will identify relatively unexplored areas that could make a substantive contribution to knowledge. Specifically, we are interested in research topics that would be of high priority to general managers, management accountants and management accounting researchers. We believe that the interaction and interests of these stakeholders has increased substantially in recent years, and the potential for producing research of mutual interest is very high. To maximize their contribution, however, researchers must make careful initial choices that match areas of high general interest with those that exploit their core academic competencies.

The paper proceeds as follows. To avoid ambiguity, in the next section we define management accounting, management accounting research and its boundaries. Next, we discuss the sources of ideas for MAR and specifically address the role of practicing managers in helping to generate research ideas. The ties between what practitioners think are important business topics and those that have been studied by academic researchers are illustrated next in a comparison of survey results and a literature review by Shields (1997). One under-discussed issue related to the linkages between practice and research is how to determine whether new management accounting systems and practices are better than existing ones. This issue is addressed in the following section. The subsequent section discusses issues related to how academic researchers can use ideas generated from managers to advance theory and practice, and the final section summarizes and concludes the paper.

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DEFINING MANAGEMENT ACCOUNTING RESEARCH

In order to define management accounting research (MAR) it is necessary to define management accounting. While definitions of management accounting abound, we follow the Institute of Management Accountant's (1997) draft definition, "Management accounting is a value adding, continuous improvement process of planning, designing, measuring, and operating nonfinancial and financial information systems that guides management action, motivates behavior, and supports and creates the cultural values necessary to achieve an organization's strategic, tactical and operating objectives." Management accounting research, then, is the process of using rigorous methods to explain and/or predict: (1) how changes to an existing management accounting system will affect management actions, motivation and organizational functioning, and (2) how internal and external organizational forces will affect management accounting system design and change.

What are the boundaries of MAR? There is a core set of studies for which the label "research" can be applied with minimal disagreement. These include analytic, archival, field studies, survey studies and experimentation. Most of these studies are authored by academics and published in journals edited by academics (examples are *Accounting, Organizations and Society, The Accounting Review, Contemporary Accounting Research, Journal of Accounting and Economics, Journal of Accounting Research* and the *Journal of Management Accounting Research*). The target readership is predominantly academics. Beyond these studies, there are several areas where differences of opinion exist regarding whether they can be classified as research:

A. Books, monographs and articles published in journals whose target readership includes a sizable non-academic audience. Examples include the *Journal of Cost Management* and *Management Accounting*.
B. Cases developed for teaching purposes. Examples include those published by Harvard Business School Press and the European Case Clearing House.

Our viewpoint is that it is the rigor of the analysis and the "newness" of the results that distinguishes whether a study should be labeled as research. It is not the location of the author (academic or non-academic) or the publication outlet that determines whether a given paper is "research." Using this criterion, *individual* studies in A or B could well be considered research studies. For example, consider Greeson and Kocakulah's (1997) article on "Implementing an ABC Pilot at Whirlpool" which appeared in the *Journal of Cost Management*. This article reports plots of the ratio of overhead cost of an ABC system vis-à-vis a traditional cost system for Whirlpool's entire product line of 333 refrigerators and vertical freezers. An analysis is then made of how this ratio is explained by differences across products in their "complexity rating." This study goes beyond a description of the ABC costing system (it has "new results") to seek explanations for when the ABC costing system would yield different product cost numbers. The paper is comprehensive in that it reports an analysis of all the 333 products rather than just a single product sample.

We would include this paper in the MAR literature despite its publication in a journal edited by a non-academic and whose target audience is predominately managers.

SOURCES OF RESEARCH IDEAS

Management accounting research ideas can come from a variety of sources. One source is the existing literature. Reviewing this literature may yield new insights into topics that have been researched for quite some time. The extant literature signals what topics are acceptable, what methods are being used, and what the next study in a particular line of research could be. This process is characteristic of how most fields evolve. One limiting aspect of this approach is that often new ideas are abandoned, or authors are discouraged, because no current exemplars of the topic or of the proposed research method exist in the published literature. In some cases, papers are rejected because they are perceived to be too different. Ball and Brown (1968), the inaugural *Seminal Contribution to the Accounting Literature Award* paper, illustrates this point. This paper was submitted first to *The Accounting Review*, but was rejected on the grounds that it lacked accounting context. Since there were no prior papers like it, it did not appear to be part of an established literature. Fortunately for the discipline, the editor and reviewer of the *Journal of Accounting Research* accepted the paper arguing that journals should be willing to take the risk of publishing in new areas regardless of what the future might hold.

A second source of ideas to management accounting researchers is the existing literature in other fields. Other fields can have substantive developments that have important implications for MAR. Fields such as economics, history, organizational behavior and theory, and various branches of psychology all cover topics relevant to MAR. As discussed subsequently, the information systems literature is another area of high interest to MAR. The challenge in using this source of ideas is to increase the insights into MAR topics. In some cases, researchers have not made much headway with this source, being more content with summarizing the research in other disciplines or making cosmetic changes to that research before publishing it in accounting journals.

A third source of ideas comes from topics and challenges important to managers. This third source has much intuitive appeal. *Management* is indeed a pivotal term in the term "management accounting research." There are several ways to gain insight from this source. One approach is to gain ideas by using clipping services that document the coverage of topics in business periodicals or the press. Another approach employs focus groups. A third approach is to use survey instruments. Business periodicals and consulting firms regularly report the results of such surveys. We will report the results of a survey we conducted at practitioner conferences in the United States and Australia. We use this survey data to illustrate this general approach to gaining MAR ideas and to examine the overlap between (1) ideas important to managers and management accountants and (2) topics that have been examined in the MAR literature.

A View from Managers

In 1995 and 1996, we made presentations at two U.S. cost management conferences and gave executive seminars in four Australian cities. A one-page questionnaire was handed out at these conferences and seminars. We collected 300 responses, which is approximately a sixty percent response rate of those attending. Respondents included both general managers and accounting/finance managers. While we realize that we do not have a random sample of managers, we believe that those attending advanced educational conferences and seminars are probably those who are knowledgeable and interested in "cutting edge" topics. Thus, in one sense, we have bias in the sample, but we speculate that the bias may lead us to even more state-of-the-art topics than a random sample would.

We asked respondents to rank their top three choices to the questions listed below. We use these responses to examine the over-arching question: "What is the correspondence between the issues important to managers and the issues covered in selected management accounting research journals?" Respondents wrote in their own descriptions rather than ranking a set of issues already listed on the survey. The advantage of this approach was that we did not lead respondents to categories that we had developed *a priori*, thereby creating a researcher bias; however the disadvantage typically was that the degree of heterogeneity in the responses was quite large. We coded these responses into categories using our judgment. While certainly not a comprehensive survey, our results provide one source of evidence on issues important to practitioners. Exhibit 1 lists the most frequently given responses to the following two questions:

- What were the three most important general management priorities that your organization faced in the 1980s? (See panel A of exhibit 1.)
- What were the three most important general management priorities that your organization faces today? (See panel B of exhibit 1.)

Results show that cost management/cost control is the only topic listed in the top 3 priorities of our respondents in panel A (1980s) and panel B (today) of exhibit 1. Of special note is that customer profitability/satisfaction is the single most important general management priority today (panel B) for the organizations responding to our survey.

How do these general management priorities correspond to the topics covered in the management accounting research literature? Shields (1997) identifies 152 articles on management accounting that were published in major accounting research journals during the 1990–1996 period. We matched the listing of topics in our sample to those in his classification scheme. Exhibit 2 illustrates the possible combinations of topics important to managers and their relative coverage in management accounting research journals. Exhibit 3 shows the relative coverage of topics compared to the general management priorities listed in exhibit 1.

There is only one area where a topic of high priority to general management has received extensive coverage in the management accounting research literature. The cost management/cost control area is the only one to fall in the high/high (1,1) cell in exhibit 2. In general, this finding is not

EXHIBIT 1
General Management Priorities

PANEL A: What were the three most important general management priorities that your organization faced in the 1980s?

Rank	Topic
1	Cost management/cost control
2	Growth
3	Profitability
4	Customer profitability/satisfaction
5	Market share

PANEL B: What are the three most important general management priorities that your organization faces today?

Rank	Topic
1	Customer profitability/satisfaction
2	Cost management/cost control
3	Quality
4	Growth
5	Profitability

surprising since cost management has been a topic of considerable interest to academics over the last decade. Leading academics often are frequent keynote speakers at conferences well attended by senior managers. Over the past five years, there has been a major shift in the management accounting literature (broadly defined) from general cost management/ cost control towards topics such as target costing, cost drivers and capacity cost planning. These topics emphasize *ex ante* cost management as opposed to the contemporaneous and *ex post* cost reporting and analyses that much prior management accounting research emphasized. However, the mainstream research journals surveyed by Shields do not reflect this general shift of emphasis. Topics such as target costing, Kaizen costing, or capacity cost planning are not extensively covered in the 134 cost management/cost control articles listed by Shields (1997, table 1).

What is noticeable from the exhibit 3 coverage of topics of high priority to managers is the small number of entries for topics other than cost management/cost control. We would classify these topics in the high/low (3,1) cell in exhibit 2. It can be argued that a management priority such as profitability already embraces cost management. However, this is only part of the picture. There are other management accounting-related topics that are integrally related to profitability, yet have been given minimal attention in the MAR literature. Consider revenues which represent one side of the profitability computation and hopefully are larger in aggregate than costs. The articles surveyed by Shields include much discussion of cost drivers but little on revenue drivers. Indeed, articles and textbooks on management accounting that present income statements invariably show many more cost line items than revenue line items. Often there is only a single

EXHIBIT 2
Possible Combinations of Topics Important to Managers and Topics Coverage in Management Accounting Journals

		Importance of Issues to Managers		
		High	**Medium**	**Low**
Coverage of Issues in	High	1,1	1,2	1,3
Management Accounting	Medium	2,1	2,2	2,3
Research Journals	Low	3,1	3,2	3,3

revenue line presented! A highly promising research area is identifying revenue drivers and the nature of their relationship. Budgeting illustrations in the literature typically assume a linear relationship with units sold. In practice, it is likely that multiple revenue drivers exist and non-linear relationships occur. However, the existing management accounting research literature provides few insights into this important area. Many companies have a proliferating stream of revenue categories. Guidance on how to analyze and draw inferences from these diverse revenue streams typically is given minimal coverage vis-à-vis guidance relating to the various cost streams. The phrase "management accounting" has long since superseded "cost accounting" as the preferred label by professional associations. It is interesting that management accounting researchers still focus on the cost side to the virtual exclusion of the revenue side of the income statement.

Several factors could explain why a topic of high importance to managers has received minimal coverage in the accounting research literature. One factor is that the topic inherently has minimal accounting content. For example, the "growth" priority of management in exhibit 1 likely has sizably stronger economics or marketing content than accounting content. However, even here interesting management accounting issues arise. Financial data can yield insight into the relative cost structure of different firms which is of central importance to the competitive position of a firm

EXHIBIT 3
Relative Coverage of Topics in Survey to Topics in Shields' (1997) Study

General Management Priorities	**Number of Articles**
Cost management/cost control	134
Quality	4
Customer profitability/satisfaction	0
Growth	0
Profitability	0
Market share	0

and its growth. There are challenging research issues in conducting competitor cost analysis that can be addressed with management accounting methods. Our exposure to consulting firm work in this area indicates little appreciation of differences in cost classifications, cost variability, cost capitalization, assumptions about capacity utilization, asset valuation, and how differences in the relative outsourcing of parts of the value chain can affect unit-cost comparisons across competitors. A sizable research thrust that addresses these issues would be a welcome addition to the MAR literature.

The "market share" priority of management in exhibit 1 illustrates how the management accounting literature often contains "seeds of an idea" that have been planted but left relatively uncultivated. Some time ago, Shank and Churchill (1977) emphasized how a sales mix variance analysis can be used to analyze market share and market size shifts. In the subsequent two decades, we have seen few extensions of this research nor an integration of such topics into performance analysis research where they would seemingly be a natural fit. Certainly senior managers view market share to be high priority and it very much remains an area where management accountants can but are yet to contribute substantive research. For instance, researchers could examine the effect on brand values of decisions by managers to use aggressive price discounting to improve market share. Brand valuation is an area where management accountants can use their expertise in computing a key parameter such as brand profitability.

Another topic in exhibit 1 that has received little coverage in the research literature is customer profitability/satisfaction. This topic clearly has substantive accounting content. It involves challenging issues relating to customer revenue analysis and customer cost analysis. Note that this is listed in exhibit 1 (panel B) as the single most important current general management priority. The annual reports of many corporations invariably state that they are a customer-driven organization. It is difficult to explain the minimal research that has occurred on this topic. The published literature to date is limited to several case studies[1] and several articles in applied journals. None of it has appeared in the research journals examined by Shields (1997). The upside of making substantive contributions on a topic of such high importance to managers makes this an area warranting significant research.

Priority Cost/Management Accounting Issues to Managers

Another set of questions on our questionnaire pertained to cost/managerial accounting issues. Exhibit 4 presents a summary of the five most cited responses to the following two questions:

- What were the three most important cost/managerial accounting issues that your organization faced in the 1980s? (See panel A of exhibit 4.)
- What are the three most important cost/managerial accounting issues that your organization faces today? (See panel B of exhibit 4.)

[1] See Kaplan (1989), Juras and Dierks (1993) and Shank (1996).

EXHIBIT 4
Key Cost/Management Accounting Issues Facing Organizations

PANEL A: What were the three most important cost/management accounting issues that your organization faced in the 1980s?

Rank	Topic
1	Systems issues
2	Cost management/cost control
3	Product costing/product profitability
4	Budgeting
5	Cost Allocation

PANEL B: What are the three most important cost/management accounting issues that your organization faces today?

Rank	Topic
1	ABC/cost drivers
2	Customer profitability
3	Systems issues
4	Performance measures
5	Cost management/cost control

A key cost/managerial accounting issue to practitioners in both the 1980s and today relates to systems. Specific topics here include the ability of financial and operating data bases to integrate with each other, the development of enterprise data bases, procedures to verify the accuracy of data inputs, and the timeliness of reports provided by the management accounting system.

The importance of these topics to managers is reinforced by a 1996/1997 cooperative research project sponsored by the American Productivity and Quality Center (APQC) and Arthur Andersen.[2] This project involved cooperative research on activity-based management. Forty managers from 22 companies ranked specific topics they viewed as high priority to the project. The four most requested topics were:

1. Systems issues
2. Format content and timing of ABM reports
3. Transferring ownership of ABM projects from finance/accounting personnel to operating managers
4. Quantifying the net benefits of implementing ABM

In a keynote address at Cost Con '97, a leading practitioner conference, John Shank (1997), reinforced this growing recognition of systems issues

[2] The result of this project is Consortium Benchmarking Study (1997).

as being pivotal to management accounting today. He outlined 13 "structural issues of architecture" in strategic cost management (SCM). The last six of these 13 had strong systems content.[3]

Systems issues are clearly an area in the high/low (3,1) cell in exhibit 2. While it is of high priority to managers, it is not the main focus of any of the 152 management accounting research articles surveyed by Shields (1997). Moreover, many existing textbooks and courses do not highlight these issues as important.

The systems challenges managers face include some that most management accounting researchers seemingly have little comparative advantage examining. For example, the integration of diverse databases into an enterprise database requires deep understanding of hardware, software and networking capabilities that are rarely even discussed in accounting Ph.D. programs. Yet, managers find that it is these issues that consume sizable amounts of their time. Moreover, failure to adequately resolve systems issues can cause the implementation of new management accounting systems to be delayed or even to be abandoned. Researchers who wish to understand why (say) an activity-based costing system is abandoned after 18 months of implementation may miss a key explanation if they decide not to examine systems challenges with the project.

Accounting researchers have several options in dealing with systems issues. One is to define systems issues as outside their province and effectively "ignore" them, or let MIS and computer science researchers deal with them. A second option is to invest resources in becoming deeply knowledgeable with them. This, however, is a daunting task for most researchers. A third option is to develop research teams that include individuals with systems research skills, as well as other individuals with skills in more "mainstream" management accounting topics, such as cost driver analysis and customer profitability analysis.

Adoption of the third option raises the issue of funding for team-based research projects that focus on management accounting topics. The budgets required to support a multi-researcher team, involving sizable travel with research staff, could well require $250,000 and above (especially when university overhead rates are taken into account). At present, there are few available sources for these amounts. The research infrastructure for management accounting is not set up to provide funding for a series of large scale projects that could greatly add to the stature of the research community. Also, there is the related issue of where to publish such research. The functional silo mentality of many academic disciplines can reduce the "value" that promotion committees place on publications in areas outside of their field-specific research journals.

Other Areas of High Interest to Managers

As mentioned earlier, business magazines and the financial press are a rich source of information on issues of high importance to practitioners.

[3] Shank contrasted these structural issues with approaches that he described as "rearranging the deck chairs." SCM issues 8–13 of Shank's talk were: (8) Financial processing through a few shared service centers with a common G/L and benchmarked best practices; (9) User generated/open frequency reporting (the "virtual close"); (10) Client/server with relational databases; (11) Wide use of networks (LAN & WAN) and Intranets; (12) Extensive data warehousing; and (13) Enterprise wide systems (Oracle/SAP/Baan/PeopleSoft).

Clipping services exist that can document the amount of coverage of individual topics/issues. The Internet also offers the opportunity to systematically gain evidence on issues perceived to be of high general management interest. Management accounting researchers face the challenge of determining that subset of general management issues for which they can make a substantive contribution. To illustrate, consider two issues frequently discussed in business periodicals—globalization and start-up companies.

Globalization of Business

Many companies are expanding operations beyond single political jurisdictions. Despite this high level of global expansion by companies, management accounting researchers continue to devote limited resources to this area. Case studies exist for teaching purposes on topics such as international transfer pricing and how performance evaluation of managers in different countries is affected by currency translation issues. However, there is not an extensive research literature in major research journals on these related topics. For example, Shields (1997) lists 21 performance measurement papers and eight transfer pricing papers in six journals in the 1990 to 1996 period. Multinational/globalization issues was not the focus of attention in the vast majority of these studies.

Many management accounting topics, in addition to currency translation and transfer pricing, arise with globalization. Research journals have barely scratched the surface in this area. Consider joint ventures and technology licensing agreements. These ventures/agreements invariably are based on accounting numbers in which revenues, costs and asset values are used to develop sharing rules. The design of such agreements and the resolution of sharing-rule disputes in this area is a fertile ground for research of high relevance to managers and MAR on incentives and performance measures. This is clearly an area where a strong accounting expertise can help explain or predict differences in how sharing rules are developed.

Interesting insights into the role of accounting data in such sharing-rule agreements can come from financial disputes in the entertainment and sporting ("show me the money") industries. For example, two recent teaching cases[4] on the Forrest Gump movie highlight accounting issues such as breakeven analysis, revenue- vs. profit-based sharing rules, and the importance of obtaining agreement on what revenue streams are to be shared. Systematic research on the nature of sharing rules could well provide findings of high interest to managers, engaging teaching material as well as making a substantive research contribution.

Start-Up Companies

Start-up companies and companies going through multiple rounds of financing prior to an initial public offering (IPO) attract high levels of attention in the financial press. Silicon Valley in California and similar areas elsewhere (Austin, Texas; Boston, Massachusetts; and Tel Aviv, Israel) have literally spawned thousands of new companies in recent years. A

[4] See Davis (1996) and Pfeiffer et al. (1996).

subset of these companies are experiencing explosive growth and capital appreciation heretofore unimaginable to many managers working in larger companies.

The management accounting issues involved with start-ups are many. Budgeting in companies that have very high uncertainty as to revenues, new product introductions, technology success, etc., may be very different from companies like Coca-Cola, Heinz and Nestlé. Cost management for a company that is negotiating many new supplier relationships at the same time as it is resolving many technical uncertainties of its first generation of products is inherently more complex than in companies with established supplier relationships and minimal technological uncertainty. The design of incentive systems/compensation packages for these companies potentially is different given the high levels of individual wealth appreciation possible in some start-ups. Accounting issues associated with stock options are as interesting to management accounting researchers as they are to financial accounting researchers. Venture-capitalists often stress the importance of "managing" the pre-IPO reported earnings series to have an increasing profit sequence. This is fertile ground for research on ethical issues and accounting method choice. Again, this is an area where there is sizable congruence between research issues important to management accounting and those important to financial accounting. The scope for accounting-related for research on the above and related topics is very large. Given the importance of this sector to the economy, and the high profile nature of these companies, such research likely would attract much attention. Moreover, teaching materials developed from this research would be of high interest to students. It is disappointing how little substantive management accounting research has been conducted in this area.

WHAT IS A BETTER MANAGEMENT ACCOUNTING SYSTEM?

Much of the management accounting literature (broadly defined) concerns proposals for new costing systems, new performance evaluation systems, new budgeting systems and so on. Typically, it is argued that the proposed systems are *better* than existing systems. What is strikingly absent from the research literature is any systematic analysis of what *better* means, how *better* should be measured, and what challenges are encountered in making these measurements. Our previously cited APQC/Arthur Andersen ABM Best Practices Study found that the managers who sponsored the study ranked "quantifying the net benefits from implementing ABM" as one of their top four priorities for the project. Contrast the MAR literature with the medical or the pharmaceutical research literatures. Proposals for a better medical treatment or new drugs typically are the subject of longitudinal studies in which the effect of the new treatment/new drug is examined. As with most research, uncertainties can exist even after extensive study or a large number of medical trials. However, in these two areas there are agreed upon standards regarding how to document claims of a superior treatment or a more effective drug.

The MAR literature does not have agreed standards regarding how to document whether (say) an ABC system is better than a traditional system. Indeed, many management accounting disputes appear to continue *ad nauseam* over many decades. Consider the long-standing argument about whether variable or full absorption costing is superior. The traditional justification offered was a stylized (antiseptic) decision setting in which a one-time-only sales opportunity arises and the selling price exceeds the short-run variable cost. On the basis of this and similar stylized decisions, it is claimed that variable costing is preferred to absorption costing. More recent contributions counter this by arguing that pricing on the basis of variable costs can lead to failure to cover infrastructure and fixed costs. The debate rages on and on in a sea of words without any agreement as to the type of evidence that would settle the issue. Each new decade is likely to recycle the same familiar arguments, albeit in a (then) contemporary decision setting. An example from telecommunications may replace an example from the steel industry, but the same underlying dispute continues without resolution.

Typically, managers stress that management accounting systems have to pass a cost-benefit test. However, the literature does not contain case studies of how this cost-benefit test is being, or should be, conducted. Our own field evidence is that few firms currently attempt to quantify the expected benefits from updating their management accounting system. However, we anticipate some (albeit slow) movement to quantification of benefits since benefits typically are a key dependent variable in empirical research. The size of the investment associated with some new proposals makes it is likely that more quantification of benefits and costs will be required by senior management. For example, a current ABM project in one telecommunications company has a budget of over $5 million per year for three years. Several proposals for developing enterprise data bases have annual budgets of $10 million and above. Justifying the expected benefits of such outlays will require analysis and quantification of what making better pricing decisions means, what quantifiable benefits providing a better incentive system yields, etc. We believe that academic researchers, trained in rigorous research design methods, can add much value to the development of methods that quantify the benefits of a new ABC system or a new balanced scorecard proposal. Consulting firms sometimes conduct such analysis when they make estimates of the cost savings or revenue enhancements associated with their proposals for new work with clients. However, we are unaware of any research that examines the reliability of the methods that consultants (or managers) use to make their projected financial benefit computations. Nor are we aware of any studies on the frequency with which the actual financial benefits equal or exceed the projected amounts.

We view measuring the benefits as one of the major challenges facing management accounting researchers.[5] Researchers in areas such as medicine or pharmaceuticals accept that it is insufficient to assert, based on verbal arguments, that a new medical procedure or a new drug is a better procedure or a better drug. "Show me the evidence" is a challenge researchers in these areas accept as part of the rules of the game. At present, there appear to be few "rules of the game" that management accounting

[5] The effect of using alternative measures of ABM success is examined in Foster and Swenson (1997).

researchers agree to when asserting that a new proposal is superior to existing methods or when examining the determinants of differences across firms on the "success" from using new proposals.

THE ROLE OF ACADEMICS

Thus far, we have tried to illustrate some of the challenges management accounting academics face and some of the new areas in which management accounting research can advance. Many of our prior comments suggest that academics can increase their research frontiers by including explicit analyses of the challenges facing managers when setting their research agendas. From a research standpoint, while the focus of much of the empirical research and some analytical work is beginning to move toward issues of more relevance to practice, basic research and theory development still are needed. A key role is still building theories/frameworks that explain and predict which firms will adopt specific methods. Academics, by training, have more focus on underlying forces affecting behavior than on the short-run "fire fighting" that occupies much time of management or on delivering short-run benefits as do many consultants.

Also, because of the pace of change in practice, researchers have to seek a balance between understanding what is relevant in practice and simultaneously trying to use our competitive advantage of training in developing theories that explain or predict the effects of management accounting on individual, team and organizational performance. Building sound theories is one basis which separates academics from consultants. Theory building and testing overcomes the criticism of some practitioners that academics are merely scribes whose task it is to document what practitioners do. Basic research still is of major importance to academics, be it analytical or empirical. Academics have the advantage of having a longer time frame than most managers in expecting payoffs from their investments of time and other resources. However, the onus is on academics to show that over an extended time period, the research they claim is "basic research" is indeed essential to subsequent applications being developed.

Academics can play key roles in developing potential innovative accounting systems and documenting the benefits and costs from those systems. However, the level of rigor required to provide credible support for claims of "better" in this area is far above that found in much of the MAR literature. In other disciplines, detailed observation and systematic evidence is required before claims of a better system (drug, treatment, etc.) are viewed as credible. In much MAR, detailed empirical support for claims of "new" systems being better is minimal. Academic education and exposure to field research methods should enable researchers to make a greater contribution in this area.

Of central importance, then, is for management accounting academics to gain broader and deeper institutional knowledge and to hone their research skills. Gaining such knowledge and skills and having universities reward more in-depth studies will allow researchers to take a longer-run perspective on the role of management accounting in organizations. Further, it will allow us greater insight into what is a management fad and what is not.

Certainly, since the mid-1980s with Kaplan's (1983) call for more relevant research, field methods have been suggested (see Birnberg et al. (1990) and Young and Selto (1991) for more discussion on field methods). While many academics have ventured into the field, it is surprising, when looking at the published literature, how few studies that meet the criteria of field work from other disciplines such as sociology and anthropology have, and are, being conducted. One explanation is that developing skills in field work takes an enormous amount of time and effort as one needs to become well-versed in interview methods, survey design, unobtrusive methods, writing up field research, etc., each of which can take years to refine. It has been suggested that field work may be best suited for more senior faculty members rather than doctoral students and assistant professors. But do senior faculty members have the time, effort and incentives to invest in learning how to conduct high-quality field research? While Kaplan (1983) may be correct, on average, that the time needed to conduct such research can negatively affect early careers, it is also the case that doctoral students and newly minted Ph.D.s probably have the greatest opportunity for training in field methods in their Ph.D. programs than do faculty members originally schooled in more traditional approaches to research.

Another question to consider is, "Does doing relevant research necessarily imply that field methods have to be used?" The answer is not necessarily. However, for some topics, it is highly likely that a great deal of institutional knowledge can be gained by going into the field. Many ideas gathered from the field can be used to inform analytical and laboratory studies, and can most certainly be used to help develop more effective surveys. Thus, we are not suggesting that field research is the only way to research new topics. If researchers do decide to conduct field studies of the role of management accounting in start-up companies, then, almost by definition, the researcher is committing to a fairly long-term, multiperiod study.

Another aspect to consider is that we must begin to break out of the boundaries suggested by the extant literature. As is evident from Shields' (1997) review, virtually none of the papers published over the last six years look at the role of management accounting in globalization and start-up companies. This is not to say that academics are unaware of these roles or topics, but rather that doing research in these areas may be considered too risky, too difficult or too long-term in nature. Despite these issues, a great deal of innovative work finds its way into the classroom via cases, but often the ideas stay in the classroom. In the minds of many, cases work well for the classroom, but are hard to turn into rigorous academic research.

CONCLUSION

The research agendas of many management accounting scholars have been heavily influenced by recent and current trends in the MAR literature or by the literature in related disciplines such as economics, organizational behavior and psychology. We believe that many topics in major MAR research journals have not been specifically prompted by an analysis of the challenges facing managers. The exhibits in this paper illustrate one approach to identifying relatively unexplored areas that offer the promise of substantive contributions to the MAR literature. A key challenge now is for some researchers to draw on their traditional intellectual rigor while simultaneously addressing relevance to managers. Researchers who take this challenge will likely face more risks than those who are content to linearly extend the current MAR literature or make predictable adaptations of related literatures. However, the benefits are sizable, including developing more interesting and challenging teaching materials, examining a richer and broader-based set of research topics, and developing more grounded theories of, or related to, the ever-changing discipline of management accounting.

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