

TODAY'S PHD STUDENTS -
IS THERE A FUTURE
GENERATION OF ACCOUNTING
ACADEMICS OR ARE THEY
A DYING BREED?
A UK PERSPECTIVE

Vivien Beattie
Sarah Jane Smith



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FOREWORD

A viable future for the accounting academic discipline may be something which those in the profession take for granted but this report highlights a real concern amongst accounting and finance academics that the future is uncertain in terms of both the quantity and quality of the future generation of academics.

Whilst many of the 'new' generation of accountants entering the profession do so without an accounting degree, an active and quality academic discipline is surely vital to the profession both in terms of those entrants who do choose to undertake a relevant ('accounting') degree and in terms of the advancement of accounting thought and knowledge through research.

This study looks to the present and future generation of accounting academia by studying the current state of the market for PhD studies in the UK, the level of satisfaction with current supervisory processes and the implications for accounting education and training in the UK, for the academic accounting profession and the public accounting profession. The study involved a survey of PhD students, recently graduated PhD students and accounting and finance academics. A large number of interviews were also undertaken with individuals from these three groups, together with a small number of interviews with individuals from the UK professional bodies and the UK Accounting Standards Board.

The study finds that whilst the numbers of PhD students are high the vast majority are non-British domiciled, few are professionally qualified and the belief is that most will not seek academic positions within the UK. There is a concern that the numbers of students will not be sufficient to renew and sustain the academic community. Students of British domicile appear to be discouraged from undertaking a PhD by the lower levels of financial reward associated with an academic career in comparison to the profession/industry. There are also concerns amongst academics about the adverse consequences of institutional pressures to focus on increasing the numbers of PhD students, whether the current PhD programmes are producing accounting academics who are fit for purpose in terms of teaching and producing relevant research and the barriers to recruiting professionally qualified accountants to academia.

Whilst this study is focussed on the UK, reference is also made to similar concerns and efforts elsewhere, particularly in the US, to ensure the future of a viable academic accounting profession.

Recommendations are made by the authors to attempt to address some of these fundamental problems. The authors call for more available data on the age profile and/or retirement intentions of staff and the need for a database of accounting and finance PhD students. They suggest that professional bodies and accounting firms sponsor a range of measures including scholarships for PhDs and professionally qualified accountants to enter academia. More profession-academe interface activities are encouraged. It is also recommended that the profession increase its level of support to the academic community through lobbying activities in relation to higher education policies.

This project was funded by the Scottish Accountancy Trust for Education and Research (SATER – see page 73). The Research Committee of ICAS has also been happy to support this project. The Committee recognises that the views expressed do not necessarily represent those of ICAS itself, but hopes that the report will lead to a constructive debate about the future of accounting academia and the importance of interaction between academia and the profession.

Allister Wilson
Convener of ICAS Research Committee
December 2012

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The contribution of this research to existing knowledge must be attributed to the PhD students, recently graduated PhD students, and members of academic staff who gave so freely of their time and experience when completing the questionnaire survey and during interview. Whilst current and recently graduated interview participants remain anonymous, the following members of academic staff agreed to have their interview participation in this study publicly acknowledged:

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EXECUTIVE SUMMARY

I'm a new PhD [recently graduated]. What I notice most about our new faculty is that they are all culturally quite different from those departing [retiring].

Background

One of the defining characteristics of a profession is the existence of a related academic discipline, which engages in teaching and research activities that support the profession. The linkage of the profession with the university sector legitimises claims to professionalism. In the US, severe faculty shortages in accounting have been documented and attributed to inadequate renewal in terms of PhD graduates (AAA, 2008; AAA/AAPLG, 2005). In the UK, too, there is a very thin academic labour market for both the accounting and finance disciplines, despite a large increase in PhD student numbers in these disciplines in recent years. This rapid increase in numbers has created concern regarding the quality of doctoral education generally (THES, 2009).

Aims of study and research approach

The aims of this study are to:

1. Document the current state of the market for PhD studies in the UK in the accounting and finance disciplines, in terms of supply, demand, student demographics and employment destinations.
2. Investigate the degree of satisfaction with current PhD supervisory processes.
3. Explore the implications for accounting education and training in the UK, for the academic accounting profession and for the public accounting profession. This includes eliciting the views of organisations with an interest in the academic accounting profession (i.e. professional accounting bodies, the UK accounting standard-setter) regarding PhD and faculty issues.

To address these issues, databases were compiled to allow questionnaire surveys to be undertaken of three groups: current PhD students, recently graduated PhD students and supervisors across pre-1992 and post-1992 institutions. The year 1992 marked a structural shift in the UK university sector. Government policy sought to increase the proportion of school leavers entering university from approximately 12% to 40% by awarding university status to polytechnic institutions. In the present study, these

new, less research-focused universities are labelled 'post-1992' while the established, more research-focused institutions are labelled 'pre-1992'. It was anticipated that this difference in research emphasis could affect certain PhD supervisory issues.

One hundred and seventy-six respondents completed the current PhD student survey, with variations being completed by 73 recently graduated students and 299 academic staff. Across the three groups, the 548 responses represent a 22% response rate. Ninety-seven follow-up interviews were conducted to explore the issues further. An additional five interviews were conducted with representatives from the UK professional bodies (ICAS, ICAEW, and ACCA) and the UK Accounting Standards Board (ASB).

Key findings

Current market for PhD studies in the UK (research aim 1)

- **Nationality.** The proportion of current PhD students of British nationality is found to be very low (approximately 20%) and markedly lower than the comparable proportion of US nationals in the US (50%). The vast majority of PhD students come from outside Europe, with a significant proportion coming from Asia (33% of current students). Interview evidence suggested that the trend of students coming from Asia may start to reverse due to a relaxation in the entry requirements applied by US institutions (a key competitor nation for PhDs).
- **Disincentives for British students.** British students are discouraged from undertaking a PhD by the lower levels of financial reward associated with an academic career in comparison to the profession/industry.
- **Mode of study.** In pre-1992 institutions, the vast majority of students are enrolled full-time (87%), with part-time study being more common in post-1992 institutions (only 65% full-time).
- **Funding of PhD studies.** Thirty percent of current students are financed by university/departmental scholarships, some of which have significant teaching/administrative duties attached. Employer or overseas government sources are also common (31%) and are generally linked to a requirement for the student to return home after the PhD is completed.
- **Professional qualification.** In pre-1992 institutions, only 23% of current PhD students are members of a professional accounting body, rising to 38% in post-1992 institutions. The corresponding figures for recently graduated students are 13% and 29%, respectively, while those for supervisors are 39% and 66%, respectively. Looking to the future, a continuation in the documented UK decline in the proportion of professionally qualified academics (Brown *et al.*, 2007) can be predicted.

- **PhD topic area.** From the questionnaire survey of current students, a more or less even split between finance and accounting topics is apparent. However, from the questionnaire survey of recently graduated students, finance appears more popular than financial accounting. Only a very small proportion of current students appear to be researching in management accounting, a phenomenon that is attributed, at least in part, to the lack of databases.
- **Career plans.** The vast majority of current PhD students intended to pursue an academic career (64%), however, only 34% of current students in pre-1992 institutions were intending to apply for an academic position in the UK, with the proportion being even lower in post-1992 institutions (23%). Approximately one-third of current students intended to other countries to work in academia, many of them obligated to do so by way of their funding.

Satisfaction with current PhD supervisory processes (research aim 2)

- **Overall satisfaction.** Current and recently graduated students are generally very satisfied with their supervisors' availability, assistance and encouragement.
- **Additional pastoral support.** Some overseas students sought additional emotional and practical support which was not always available.
- **Adverse consequences of institutional pressure to increase PhD numbers.** These included student perceptions of poor value-for-money (especially for privately funded students); supervisors taking students outside their areas of expertise; and supervisors taking students of inadequate quality.
- **Additional supervisory problems.** Supervisor relocations disrupted the PhD, especially if alternative supervisors did not have the same level of knowledge in the topic area. Significant pressure to complete within three to four years, due to university performance indicators and funding restrictions, adversely impacted the quality of the final thesis and placed supervisors under stress.
- **PhDs fit for purpose.** The ability of PhD programmes to produce accounting academics who are fit for purpose in terms of teaching was seriously questioned. The purpose of researching in areas so far removed from teaching and of interest/assistance to the profession was also cause for concern.

Policy implications, including profession/regulator concerns (research aim 3)

- **Changing demographics.** In contrast to the current student sample, a large majority of those responding to the supervisor survey were British across both pre-1992 and post-1992 institutions (71% and 84%, respectively). A substantial proportion of these academic staff moved from the profession several decades earlier without a PhD qualification.

- **Dissatisfaction of current generation of academic staff.** Many current faculty doubted that they would make the same career decision in today's academic environment. This was due to the decreased freedom and flexibility of an academic career, the lack of career prospects for new lecturers, the reduced prestige associated with academia, and the severe lack of financial rewards compared to the profession. The potential to lose members of the current generation to academic institutions outside the UK was also evident.
- **Need for professionally-qualified accounting academics.** This need in terms of teaching, research, and other service provision to students was strongly advocated, yet severe structural difficulties in fulfilling this need exist as the PhD is now seen as a pre-requisite for securing a research and teaching contract in universities. Although some accounting and finance academics expressed scepticism as to the value placed on the academic function by the profession, representatives from the accounting profession were keen to acknowledge the necessity of professionally-qualified academics.
- **Consequences of lack of professionally-qualified accounting academics.** Representatives from the profession were aware that the inability of institutions to recruit professionally-qualified academics had led to the loss of course accreditations (in particular in the areas of audit and tax) and the employment of staff on teaching-only contracts. However, this was perhaps less of a concern to the profession than might be expected, due to the low overall proportion of entrants with 'relevant' degrees.
- **Policy-relevance of academic research.** All interested parties expressed concern regarding the general lack of policy-relevance of academic research and the increasing divergence between the accounting profession and academia.
- **Future of the discipline.** Creating a future generation of accounting academics in the UK relies heavily on recruiting those completing UK PhD programmes into UK institutions. The potential, in terms of the number of students enrolled on PhD programmes, is currently there. However, only a minority are potential candidates for UK academia, as they are either required to (or chose to) return to their home country. Current members of the academic accounting community foresee a bleak future, in which the discipline withers, due to staff shortages, the emergence of a clear demarcation between teaching and research institutions and/or a loss of distinctiveness by becoming subsumed within business schools. Representatives from the profession were concerned by this prospect, feeling that it would adversely impact upon claims to be a profession. For some, accounting academics were predicted as a dying breed!

Conclusions and recommendations

Need for database of accounting and finance PhD students

The execution of this study was made more difficult by the lack of any central database of PhD students in the accounting and finance disciplines in the UK, making it very difficult for interested parties to monitor and manage the PhD situation. Recently, ICAS has been instrumental in seeking to develop a database covering Scotland, but even here the data is recognised to be incomplete.

Recommendation 1: We recommend that the representative body of the accounting and finance academic community (the British Accounting and Finance Association) extend its biennial research register to cover PhD students and their thesis topics. We also suggest that the age profile and/or retirement intentions of staff be documented to facilitate the projection of staff numbers.

Funding issues

The demographics of current and recently graduated PhD students, compared to established academic staff, show clearly that the academic staff profile is changing radically. In particular, there are very few British PhD students and a small minority have a professional qualification. So while the number of PhD students is growing, the proportion that is likely to stay is not sufficient to sustain faculty numbers, especially in accounting. Key disincentives relate to the low level of funding available for PhD studies and the low salary levels for lecturers.

Recommendation 2: We recommend that key interested parties in the UK (in particular the professional accounting bodies and the large accounting firms) sponsor a range of measures, including PhD scholarships and top-up funding for university accounting and finance staff. These scholarships should be targeted in several directions. For example, scholarships to encourage UK undergraduate accounting students to continue on to a PhD, scholarships to encourage professionally-qualified accountants to make a career change into accounting academe and scholarships to encourage part-time PhD study by existing lecturers employed and paid by an academic institution. Top-up funding would encourage existing professionally-qualified academic staff to stay in the university sector. Professions are knowledge-based occupations and the university is viewed as the primary repository of formal knowledge. Thus, it is in the interests of the profession to sustain accounting as an academic discipline studied in the universities. Higher education institutions should also seek to address the pay differential between academe and profession by means of a market supplement to the national pay scales that are applied to those not at professorial level, and to any institutional salary guidelines used for those at a professorial level. Another means to equalise salaries would be to

encourage joint appointments in academe and also in the profession or in industry. The practitioner-professor is quite common in some countries (e.g. the Netherlands) and this would also serve to align research more directly with practice.

Closer practice – academe links

Representatives from the accounting professions and regulatory bodies expressed the view that links between the profession and university staff were, compared to the UK, stronger in some mainland European countries and in the US. On the continent, it is not uncommon to hold dual roles in both spheres and in the US academic placements with regulators are an embedded feature. Most of the UK professional accountancy bodies offer grants to support academic research, sponsor/host academic (and academic/practitioner interface) conferences and events and provide support in kind. However, the amount of funds available is relatively small. On the PhD front, ICAS has taken an initiative by producing an annual guide for PhD students studying in Scotland (ICAS, 2012). They have also actively sought to engage with the PhD student body in Scotland (for example, by hosting for several years a research development programme aimed at early career academics and PhD students).

Recommendation 3: We recommend that interested parties prioritise more highly (in terms of strategic priority and funding priority) the development of engagement initiatives between the profession and academe. Initiatives could include research access to accounting firms and practice-based doctorates. The success of such activities would assist in securing higher levels of funding in the future.

Recommendation 4: We recommend that the profession (including firms, professional bodies and accounting regulators) reflect carefully upon the role of relevant degrees to the profession. Accounting as a profession is distinctive in that in certain jurisdictions such as the UK, a relevant degree is not a pre-requisite for entry to the profession. If it is concluded from such debate that the future success (indeed survival) of the profession requires a related academic discipline, then the profession should increase its level of support to the academic community through lobbying activities in relation to higher education policies (at the national or institutional level). For example, lobbying against the use of PhD numbers as a university performance indicator for academic staff and for the need for a reasonable proportion of professionally-qualified academic staff within subject units, employed either as university teachers (with no research role) or as staff on research and teaching contracts. An alternative to persuasive lobbying on the latter issue would be for the professional bodies that accredit accounting degrees to simply insist on a given percentage of professionally-qualified academic staff teaching on the programme. However, given the drift away from such staff in recent years this percentage would initially have to be set at a relatively low level to avoid a radical shock to the system.

Recommendation 5: More generally, in line with Laughlin (2011), we recommend that the linkages between the professional spheres of practice, policy and education/ research be more sharply defined and more closely aligned, to ensure the long-term survival of the professional status of accounting.

These recommendations resonate with the recently published recommendations of the Pathways Commission on Accounting Higher Education in the US (AAA/AICPA, 2012) and the views emanating from the forum on the relationship between academic accounting research and professional practice held in Australia (Evans *et al.* 2011).

1. INTRODUCTION

Background to the research

To flourish, the global accountancy profession needs accounting to thrive as an academic discipline. Studies into the sociology of the professions define all professions as ‘knowledge-based occupations’, with the knowledge in question being ‘certified and credentialed’. Education and training is institutionally located in universities and/or professional associations (MacDonald, 1995: 11, 160-161). The question of which groups comprise any given ‘profession’ is an important one. The term can be used to refer either exclusively to the practice sphere or to incorporate both the academic and policy spheres as well (Laughlin, 2011). Professionally-qualified individuals typically populate the latter two spheres in significant numbers and the three spheres are interconnected to some degree.

Thus, academic accounting is arguably central to the success of the accountancy profession for two principal reasons. First, many entrants to the profession are educated by the accounting academy; hence it is important that accounting faculty are of sufficient quantity and quality. Staff quality standards are set by various quality assurance standards (at institutional, national and supranational level) and by the accreditation requirements of the professional bodies (e.g. ICAS). Second, in addition to teaching activities, accounting faculty undertake research. Given the global drive for evidence-based policy making (Buijink, 2006; Pawson, 2006), the quality of research produced by accounting faculty is a concern for the consumers of this research, accounting regulators and the professional accounting bodies as well as the academic research community.

It should be recognised, however, that the accounting profession currently possesses rather different characteristics from the other well-established professions, such as medicine and law. The linkages between the three spheres are relatively weak. In the UK, many entrants to the profession do not possess a relevant degree; many university staff in accounting and finance departments have no relevant practical experience and most do not seek to address research issues of immediate practical significance; policy-makers tend not to turn to academic research in the first instance; and nor do practitioners. In short, the level of engagement is low, characterised by Laughlin (2011) as ‘worlds apart’.

In the US, the professional bodies and the major accounting firms have already recognised faculty shortages as a major threat to the accounting profession. A report commissioned by the American Accounting Association (AAA) documents a significant decline in the number of accounting faculty over the period 1993 to 2004, despite

increasing student numbers (AAA, 2008). A severe problem is believed to exist in the accounting supply chain, with a growing number of retirements and inadequate renewal in terms of new faculty (generally PhD graduates entering academe). A related study of the supply and demand for accounting PhDs in the US was undertaken by the AAA and the Accounting Programs Leadership Group (AAA/AAPLG, 2005). The overall shortage revealed is particularly severe in the audit and tax specialties. To address the underlying problem public accounting firms created a pool of funds (the Accounting Doctoral Scholars Program) to attract new doctoral students with some public accounting experience (Accounting Education News, 2008, p3). These organisations recognise that a process of constant renewal is required to ensure a vibrant academic discipline and supply of accounting educators and researchers. Thus, it is in their interest to act to address the problem. Concerns regarding faculty shortages in accounting have also been expressed in Australia (Irvine *et al.*, 2010)

In the UK, we too are faced with an aging faculty in the accounting and finance disciplines. Increasingly, due to pressures from the UK government's Research Assessment Exercise (RAE) and the new Research Excellence Framework (REF), new faculty must have (or be about to have awarded) a PhD qualification. Due to specific environmental factors, many UK institutions have identified increasing research student numbers (especially full-fee paying overseas students) as a strategic target. Ad hoc evidence suggests that the numbers have been growing rapidly, although it is difficult to establish exact figures, as there is no central (or dispersed) repository of data that matches the boundaries of the accounting and finance disciplines.

The rapid increase in PhD numbers has led to concerns regarding the quality of doctoral education generally (e.g., THES, 2009). These concerns exist in spite of an increasingly stringent regulatory framework regarding doctoral research in the UK, set and monitored by the Quality Assurance Agency for Higher Education (QAA, 2008) and the Economic and Social Research Council (ESRC, 2009). There is a dearth of prior studies investigating the PhD population and process in the accounting and finance disciplines, with the exception of recent investigations in the US context. Investigation of the PhD in accounting and finance in the UK appears to be uncharted territory. The findings from this study will inform all parties worldwide with an interest in a viable academic accounting profession.

Aims and objectives

The aims and objectives of this study are to:

1. Document the current state of the market for PhD studies in the UK in the accounting and finance disciplines, in terms of supply, demand, student demographics and employment destinations.
2. Investigate the degree of satisfaction with current PhD supervisory processes.
3. Explore the implications for accounting education and training in the UK and for the academic accounting profession and for the public accounting profession. This includes eliciting the views of organisations with an interest in the academic accounting profession (i.e. professional accounting bodies, accounting regulators) regarding PhD and faculty issues.

To address these aims and objectives, questionnaire surveys of current PhD students, recently graduated PhD students, and academic staff are undertaken. Follow-up interviews are conducted with the three groups to explore the issues further. Interviews with representatives from the professional bodies ICAS, ICAEW, ACCA and the Accounting Standards Board (ASB) are also conducted.

Report structure

Chapter two reviews relevant prior literature; the specific areas covered are: research outside the accounting and finance disciplines; the accounting supply chain; PhD and faculty markets in accounting in the US; and the UK context. Chapter three outlines the research methods used in the study, covering: the database construction; questionnaire design and administration; and questionnaire and interview response profiles. Chapters four to six contain the main results. Chapter four presents the questionnaire and interview findings from PhD students. While the focus is on current students, the views of recently graduated PhD students are also summarised. Chapter five presents results for respondents to the PhD supervision questionnaire. Chapter six summarises the findings from the interviews with representatives from the professional bodies and the ASB. The final chapter synthesises the results across the respondent groups, draws conclusions and makes recommendations.

2. LITERATURE REVIEW

Introduction

A fairly extensive literature exists regarding PhD student-supervisor relationships and the supervisory process. However, the vast majority of this literature is generic and is located in higher education journals, with the remainder appearing in other discipline-specific journals. In addition to disciplinary influence, another important source of variation in practices and experiences exists at the country level, since the structures and processes of the PhD system vary from country to country, as does the underlying pedagogic culture. There is a dearth of prior studies investigating the PhD population and process in the accounting and finance disciplines, with the exception of recent investigations in the US accounting context. Investigation of the PhD in accounting and finance in the UK appears to be uncharted territory. This review is organised as follows: the first section acknowledges prior research outside the accounting and finance disciplines; the second section discusses prior research into the PhD and faculty markets in the accounting discipline in the US; and the third section sets out the UK context.

Prior research outside the accounting and finance disciplines

A range of disciplinary perspectives have been applied to the investigation of doctoral study in prior studies: economic; psychology; counselling; education; public policy; and critical. The methods used have predominantly been survey-based (from large-scale questionnaires to in-depth interviews), with others being mainly reflective of personal experience. In addition to studies of the basic PhD process (experiences and strategies to improve the outcomes from that process), prior research exists on specific aspects in various country settings. These aspects include: the viva examination process (Lovat *et al.*, 2004 and 2008; Morley *et al.*, 2002); completion and drop-out rates (Rodwell and Neumann, 2008; Van Ours and Riddler, 2003); dissemination of research findings (Dinham and Scott, 2001); gender issues (Wall, 2008; Harman, 2003a); and ethical issues (Mitchell and Carroll, 2008; Lee, 1998).

Studies have focused on both the supervisor's perspective (Barnes and Austin, 2009; Deuchar, 2008; Lee, 2008; Wright *et al.*, 2007; McCormack and Pamphilon, 2004), and the student's perspective (Bell-Ellison and Dedrick, 2008; Harman, 2002 and 2003a), or both. There exists concern that the current focus within the UK PhD on the acquisition of transferable skills is marginalising collaborative creativity between student and supervisor (Pole, 2000). This concern is evidenced by Whitelock *et al.*'s (2008) study which interviews supervisors and students. It is argued that formal instruction and monitoring (which satisfy the current demands for transparency and accountability

and lead to the acquisition of transferable research skills) should not be given more weight than activities and interactions that encourage creativity.

Studies from the student's perspective tend to focus on the determinants of satisfaction with supervision. A small set of studies look at conflictual supervisory relationships and counterproductive supervisory events (Nelson and Friedlander, 2001, Veach, 2001). As the PhD market becomes increasingly global, particular issues with international students have been investigated (Mori *et al.*, 2009; Evans, 2007; Harman, 2003b).

The accounting supply chain: PhD and faculty markets in accounting in the US

A recent report commissioned by the AAA, with collaboration from the American Institute of Certified Public Accountants (AICPA), documents a decline in accounting faculty over the period 1993 to 2004 by 13.3% (AAA, 2008). Changing faculty demographics exacerbate the problem, with an increase in those aged over 55 and a reduction (halving) in those aged less than 40 over this ten year period. In essence, there is a problem in the accounting supply chain, with a growing number of retirements and inadequate renewal in terms of new faculty (generally PhD graduates entering academe). Fogarty and Makarian (2007) document not only the decline in accounting faculty but set this in the context of the contemporaneous increase in faculty within other business school disciplines. They reflect that accounting may be transforming into a service discipline within business schools (Makarian and Fogarty, 2009).

The supply and demand for accounting PhDs in the US has been investigated (AAA/AAPLG, 2005; Plumlee *et al.*, 2006). As no adequate database of information about the PhD market existed, three surveys were conducted to fill the void: a survey to accounting program leaders assessed expected demand; a survey to PhD program leaders assessed supply and a survey to current PhD students assessed demographic characteristics in addition to experiences and motivations. The production of new PhDs has been declining. The survey revealed that demand for new PhDs far outstripped supply with the overall shortage being particularly severe in audit and tax. Approximately half of the PhD students were non-US citizens and could return home. In the short term, the gap is being filled by the recruitment of staff without PhDs into non-tenure track positions (such staff focus on teaching). To address the underlying problem public accounting firms, led by the Big 4 and the AICPA, have created a pool of funds (the Accounting Doctoral Scholars Program) to attract new doctoral students with some public accounting experience (Accounting Education News, 2008, p3). In the year to March 2009, more than 66 firms and 36 state CPA societies have committed more than \$17 million to the program, administered by the AICPA Foundation (Bonner, 2009). As at the beginning of 2012, 65 firms (including the Big Four) and 48 state CPA societies

have funded the program (see <http://adsphd.org/>). The first students began their programmes in 2009 and can be expected to begin to graduate in 2012.

Behn *et al.* (2008) investigate the characteristics of PhD applicants that are being looked for, funding and teaching requirements and research focus. They found that archival research methods and financial accounting topics rank highest. Consistent with this, Porporato *et al.* (2003) found a strong emphasis on financial accounting topics and the use of publicly available databases in their examination of trends in accounting doctoral dissertations for the ten-year period 1991-2000.

Most recently, the jointly sponsored Pathways Commission on Accounting Higher Education has made wide-ranging recommendations concerning accounting education change (AAA/AICPA, 2012). It is concluded that institutional cultures and structures need to change in an integrated way to sustain and strengthen the community of accounting students, academics and practitioners and other interested parties. One recommendation concerns the need to better integrate research, education and practice for the benefit of students, practitioners and educators. Flexible doctoral education is seen as key to meeting the future demand for faculty, with ongoing mechanisms to be put in place to analyse the current and future level of demand in the market for accounting faculty. There is also seen to be a need to better reward teaching vis-à-vis research productivity and enhance professional relevance in the classroom.

The UK context

Accounting, in comparison to other academic disciplines in UK universities, is a relatively recent phenomenon. The launching of the Association of University Teachers of Accounting in 1947 saw the start of serious efforts to stimulate accounting research (Zeff, 1997). Despite a relapse during the 1960s when there were few teachers and researchers in British universities (Parker, 1997), accounting as an academic discipline continued to grow. Maunders (1997) documents that the number of staff teaching accounting and finance in the UK more than doubled from 699 in the 1984 British Accounting Review Research Register (BARRR) to 1480 in the 1996 edition. A dramatic increase in full professors is observed between 1982 and 2004, accompanied by indications of a changing landscape in accounting and finance faculty's backgrounds (Brown *et al.*, 2007). An increase in the proportion of staff holding a PhD was observed in conjunction with a decrease in those holding a professional qualification over this period. It seems that the importance of a PhD as a pre-requisite to an academic career was starting to emerge.

Today, the UK is faced with an aging faculty in the accounting and finance disciplines. Increasingly, due to pressures from the UK government's RAE/REF, new faculty must

have (or be about to have awarded) a PhD qualification. New hires from the accounting profession are now generally only taken on as teaching fellows, with no contractual requirement to undertake research. However, the UK setting is different from the US in a number of key respects. First, in the UK many entrants to the profession do not have a 'relevant' (e.g. BAcc) degree. Second, financial pressures on UK institutions, combined with the role of PhD student numbers as a minor volume indicator in the RAE/REF, has led many institutions to set as a strategic target increasing research student numbers (especially full-fee paying overseas students). Third, while only a subset of universities in the US has doctoral degree awarding status, all UK higher education institutions are able to award PhDs. US doctoral degree awarding schools tend to fund their own PhDs, while this is less common in the UK, where most doctoral studies are funded by the UK government's research councils, by sponsors (i.e. the candidate's home country government or employer) or self-funded. Consequently, PhD students in the UK generate income and ad-hoc evidence suggests that the numbers have been growing rapidly. Unfortunately however, it is difficult to establish exact figures, as there is no central (or dispersed) repository of data that matches with the relevant discipline boundaries. Possible sources are Higher Education Statistics Agency (HESA), RAE returns and institutions but none of these sources is ideal. Many accounting and finance faculty are located within larger organisational units (often business schools); not all institutions submit to the RAE and, although institutions have an obligation to disclose details of PhD student numbers and subject area under the Freedom of Information Act, few comply with this in practice.

The rapid increase in PhD numbers has led to concerns regarding the quality of doctoral education generally (THES, 2009); specifically in terms of the research abilities of supervisors; the quality of supervision; the quality of new students at entry; declining completion rates; and the quality of research in successful theses. In extreme cases, ethical standards may not be met by individual supervisors, PhD examiners, departments and institutions. These concerns exist in spite of an increasingly stringent regulatory framework regarding doctoral research in the UK. There exists a detailed framework for higher education qualifications in England, Wales and Northern Ireland (Framework for Higher Education Qualifications), with an equivalent one in Scotland (Scottish Credit and Qualifications Framework) (QAA, 2008). The Quality Assurance Agency for Higher Education (QAA) sets out a code of practice for postgraduate research programmes (QAA, 2004) and has recently set out the defining characteristics of doctoral degrees (QAA, 2011). For Economic and Social Research Council (ESRC) funded studentships, the detailed ESRC guidelines for postgraduate training apply (ESRC, 2009). Additionally, most higher education institutions have in place their own local regulations.

There are no previous investigations or comprehensive information available concerning the PhD population or process in the accounting and finance disciplines in the UK. As the UK is viewed worldwide as one of the leading countries for doctoral studies (the US and Australia are the other preferred locations), the findings from the present study will inform all parties worldwide with an interest in a viable academic accounting profession.

3. RESEARCH METHODS

Introduction

Databases were compiled for the three groups: current PhD students; recently graduated PhD students (2006 onwards); and academic staff. The view was taken that those awarded their PhD before 2006 could not be considered 'recently' graduated and were better included in the supervisor sample. An online questionnaire survey was used to collect data and investigate the views across the three groups in pre-1992 and post-1992 institutions. The year 1992 marked a structural shift in the UK university sector. Government policy sought to increase the proportion of school leavers entering university from approximately 12% to 40% by awarding university status to polytechnic institutions. In the present study, these new, less research-focused universities are labelled 'post-1992' while the established, more research-focused institutions are labelled 'pre-1992'. It was anticipated that this difference in research emphasis could affect certain PhD supervisory issues. A survey permits different issues to be comprehensively investigated for a large sample. Follow-up interviews were conducted to explore the issues further and, in particular, to explore the reasons for the views stated in the questionnaire. The sections in this chapter cover the following aspects of the research methods: database compilation; questionnaire design and administration; questionnaire response profile; interview methods and interviewees' profile; and limitations.

Database compilation

A database of current PhD students was compiled using information displayed on Accounting and Finance departments/divisions/subject group web sites for all 103 UK universities listed in the British Accounting Review Research Register 2010. There are 134 members of Universities UK at present (<http://www.universitiesuk.ac.uk/AboutUs/Pages/About-Us.aspx>), however this includes universities that do not cover accounting and finance at degree level (e.g. University of the Arts, London, University of Cumbria). Sixty institutions (24 pre-1992 and 36 post-1992) either didn't publish any details on the web or didn't publish student email addresses. The Accounting and Finance division/department/subject group of these institutions was directly contacted (mainly via personal contacts of the researchers) requesting the required information. A number of institutions were unable to provide information under the Data Protection Act and a number failed to respond. Therefore, the 1,008 current PhD students identified cannot be considered fully representative of the population. Further, only 833 valid email addresses were obtained for the purposes of distributing the questionnaire survey to current students across pre-1992 and post-1992 institutions as shown in Table 3.1 below.

A database of recently graduated PhD students (2006 onwards) was pieced together using alumni information currently displayed on Accounting and Finance departments/divisions/subject group web sites for all UK universities. Data was also available from web searches undertaken three or four years earlier on current students of the time. However, current contact details (email addresses) of recently graduated PHD students were not available and in some instances access to alumni information on the web was restricted. For recently graduated PhD students working in UK institutions, contact details were included from the construction of a database of current UK academic staff discussed below. An attempt to trace recently graduated PhD students not employed as UK academic staff was made via general internet searches. In total, 251 valid email addresses were obtained for the purposes of distributing the questionnaire survey to recently graduated students across pre-1992 and post-1992 institutions as shown in Table 3.1 below.

It was originally intended to use email addresses listed in the British Accounting Review Research Register 2010 to distribute the PhD supervisor survey to academic staff. However, several problems were identified with this approach. First, the register includes teaching assistants/teaching fellows who are not eligible for PhD supervision as part of their remit. Second the movement of staff, from the time when the register was compiled (December 2009) to the time of questionnaire distribution (April/May 2011), resulted in a significant number of incorrect email contacts. Third, a number of academic staff listed in the register were candidates for the recently graduated PhD student survey. In response to these problems, a database of academic staff members in post as of March/April 2011 was compiled by comparing the details provided in the register with staff profile web pages. Email addresses were collected from the web and possession of a PhD, the date, and the awarding institution were recorded. The Index to Thesis electronic database and online university library catalogues were used to make further investigations into PhDs held by academic staff. The database was split into recipients of the recently graduated PhD questionnaire (those identified as graduating in 2006 and onwards) and recipients of the PhD supervisor questionnaire. In pre-1992 institutions, 60% of the 764 potential supervisors identified held a PhD, 24% didn't have a PhD, and the situation was unknown for 16%. In contrast, in post-1992 institutions, only 16% of the 636 potential supervisors identified held a PhD, and 70% didn't have a PhD (the situation was unknown for 12%).

Notwithstanding the difficulties identified in compiling these databases, we believe that the data which we have been able to obtain is sufficiently representative and reliable to provide a satisfactory basis for the conclusions of the research.

Questionnaire design and administration

The content of the three questionnaires was derived following an extensive review of the existing literature. The initial drafts were piloted across a sample from the three groups of potential respondents at the Universities of Glasgow and Stirling (four professors, two recently graduated PhD students, and two current PhD students). The questionnaires generally used close-form questions and adopted a five-point Likert scales with verbal anchors. The online survey software and questionnaire tool *SurveyMonkey* was used to enable the questionnaires to be distributed electronically.

The questionnaire links were initially emailed May/June 2011 followed by a reminder two weeks later. In total, six links were used to collect responses from the three groups according to whether they were associated with a pre-1992 or a post-1992 institution. It was considered important to segregate responses by institution type, given that post-1992 institutions are not traditionally research focused. Questionnaire responses were anonymous with the aim of eliciting frank and open responses. Personally addressed emails by institution were used to enhance response rate, along with the inclusion of an incentive. Respondents in each group were offered the opportunity to enter a prize draw to win an Ipad or have a donation made to charity. Collecting contact details for the prize draw was achieved by redirecting respondents, on completion of the questionnaire, to a separate link for entry to prize draw. Respondents were also asked if they would be willing to participate in a follow-up interview at this stage.

Questionnaire response profile

In total, 2,484 questionnaire links were issued across the three groups. After the follow-up requests, a total of 548 responses were received (22%). The sample groups and response rates are shown in Table 3.1.

Table 3.1 Sample groups and response rates

Sample groups	Number in sample	Completed questionnaires	Completed response rate
Current PhD in pre-1992 institution	649	128	20%
Current PhD in post-1992 institution	184	48	26%
Total current PhD	833	176	21%
Recent PhD in pre-1992 institution	229	66	29%
Recent PhD in post-1992 institution	22	7	32%
Total recently graduated PhD	251	73	29%
Supervisor in pre-1992 institution	764	194	25%
Supervisor in post-1992 institution	636	105	17%
Total supervisor	1400	299	21%
Grand total	2,484	548	22%

Interview methods and interviewees' profile

Interviewees were selected from those who responded in the affirmative across the three groups, with a bias towards supervisors, while attempting to ensure variation in pre-1992 and post-1992 institutions. An interview instrument was prepared for the three groups and further developed during initial interviews by asking interviewees to identify any further questions/issues. The interviews were tape-recorded and transcribed. Quotes from current students indicate what type of institution (pre-1992 or post-1992) the individual is studying at; quotes from recently graduated students indicate both what type of institution the individual studied at and what type of institution they currently work at; quotes from supervisors indicate what type of institution they currently work at.

A total of 97 interviews were conducted (during the period October 2011 to December 2011) across the three groups of respondents. Forty-nine interviews were conducted face-to-face, with the remaining forty-eight conducted over the telephone. The sample groups interviewed are shown in Table 3.2.

Table 3.2 Sample groups of interviewees

	Pre-1992 institutions	Post-1992 institutions	Total
Current PhD students	18	12	30
Recently graduated PhD students	14	4	18
PhD supervisors*	38	11	49
Total	70	27	97

Note: *A list of participants is included in the acknowledgements

In addition, the views of other interested parties were elicited. The professional accounting bodies were approached because they represent accountants in both practice and industry (and so serve as a proxy for the views of these groups). In particular, we targeted the individuals responsible for the education and training function, to explore what the profession is looking for in accounting graduates educated at UK universities. Additionally, we targeted the individuals responsible for the research/technical functions and the UK accounting standard-setter, as users of accounting research produced within UK universities. Five interviews with interested parties were conducted, as follows:

- David Wood, Executive Director, Technical Policy and Services, The Institute of Chartered Accountants of Scotland;
- Mark Protherough, Executive Director, Learning and Professional Development, Institute of Chartered Accountants in England and Wales;
- Robert Hodgkinson, Executive Director, Technical, Institute of Chartered Accountants in England and Wales;
- Clare Minchington, Executive Director, Learning & Products, Association of Chartered Certified Accountants; and
- Andrew Lennard, Technical Director, Accounting Standards Board.

Material from interviews is presented in italics throughout this report. Longer quotes are indented and followed by key interviewee details; in places, very brief quotations are embedded in the text of the report without these details.

Limitations

As with all research, this study has several limitations. The first limitation relates to the representativeness of the three samples. While the database of academic staff is considered to represent the entire population, difficulties experienced in collecting information, despite pursuing alternative sources, prevents the database of current PhD students being considered fully representative. Further, difficulties experienced in tracing recently graduated PhD students has introduced a bias in favour of recently graduated PhD students currently employed in UK institutions. The second limitation relates to the particular institutional setting of the study, where accounting and finance are intermingled. Consequently, the findings of the study do not attempt to separate these subject areas. It must be recognised, however, that each of these subject areas has distinct features relating to the supply chain. The third potential limitation arises from the fact that the two researchers are themselves part of the academic community and one is also a member of a professional accounting body. Whilst every effort has been made to conduct the research with an objective mindset, the relationship of the researchers as participants in the activities being studied is acknowledged.

4. RESULTS: PHD STUDENTS

Introduction

The findings from the questionnaire responses and follow up interviews with the current PhD students are presented in the following sections. The next section considers the demographic information of current PhD students, both personal and PhD related. Educational and professional background is considered in the third section. The fourth section considers factors influencing the decision to pursue a PhD and intentions after completing a PhD. Overall satisfaction with the PhD experience is considered in the fifth section. The results from the smaller sample of recently graduated PhD students are summarised in the final section. Findings are summarised in chapter seven.

Demographic information of current PhD students

Personal characteristics

The majority of responding current PhD students are male, 65% in pre-1992 institutions and 52% in post-1992 institutions. The age profile is shown in Table 4.1. On average, current PhD students in post-1992 institutions are older, with a lower proportion under 30 and a higher proportion over 50 compared to those in pre-1992 institutions. Compared to the US, where 50% of students were aged 30 or less and only 13% were over age 40 (AAA/AAPLG, 2005, p.24), the UK PhD cohort was generally older.

Table 4.1 Age profile of responding current PhD students

Age profile	Pre-1992 (n=128)	Post-1992 (n=48)
Under 30	41%	23%
30 - 39	47%	48%
40 - 49	11%	17%
Over 50	1%	12%

The observation that the PhD is increasingly being undertaken by younger candidates was made at interview:

A PhD has basically gone back to being something you do at the very start of your career; and I don't think that's entirely good because I think you can bring something a bit later on, different things. [Current British student, pre-1992]

However, 12% of current students in post-1992 institutions are in the over fifty age group. For these students, career timing is not a feature:

I was of an age where retirement wasn't that far away; the PhD became the most important interest I had, so by retiring then, I could make it happen. [Current North American student, post-1992]

The nationalities of responding current PhD students are shown in Table 4.2. The proportion of current PhD students of British nationality is low (under 20%). The vast majority of students come from countries outside of Europe, with the most common origin being Asian countries. This trend began in the late 1950's to the early 1970's (Simpson, 1983). Approximately half of current students did not reside in the UK prior to commencing their PhD.

Table 4.2 Nationality profile of responding current PhD students

Nationality profile	Pre-1992 (n=128)	Post-1992 (n=48)
British	16%	23%
Other European	23%	21%
Asia	34%	30%
Africa	13%	18%
United States	1%	2%
Canada	1%	2%
Latin or South American	3%	0%
Australia	1%	0%
Other	8%	4%

The main explanation for the relative lack of British PhD students was the lower levels of financial reward associated with an academic career in comparison to professional/industry careers:

It's mad because there's going to be no UK PhD students left. [Current British student, pre-1992]

I don't know why UK students don't go for it. I think with accounting they tend to go for the jobs... it's the pay differential. [Current British student, pre-1992]

Outside the academic environment, the importance attached to the PhD appears less significant in the UK compared to other countries:

In the UK, the PhD is more for academics but in my country even if you want to work in the business environment, government bodies, or somewhere else, the PhD is very important to us. It opens to you many chances. [Current African student, pre-1992]

For overseas students, studying in the UK appears attractive because of the proximity to Europe:

I think the UK is a good opportunity because I want to travel in Europe. [Current Chinese student, pre-1992]

A current European student [pre-1992] indicated that he had not considered doing a PhD outside the UK. Other European countries were not an option - *maybe because of the language problem*. The UK also appears to attract overseas students on the basis of perceived quality of programmes compared to those offered in home countries, and for the opportunity to apply a diverse range of research approaches:

How did I choose here, that would be because of the rankings.
[Current European student, post-1992]

You'll have to go to England, you'll have to go to Australia, [North American Country's] going to be a dead loss, research tradition over here is very, very quantitative. [Current North American student, post-1992]

PhD-related characteristics

The sources of funding for responding current PhD students are shown in Table 4.3. The most common source of funding in pre-1992 institutions is scholarships awarded by the university or department in which the student is placed. Private or self-sponsor is most common across students in post-1992 institutions.

Table 4.3 Sources of funding for responding current PhD students

Funding source	Pre-1992 (n=128)	Post-1992 (n=48)
University/department scholarship	35%	21%
Private or self-sponsored	22%	34%
Employer	11%	21%
An overseas government or source	18%	16%
UK Research Council (ERSC)	4%	2%
Other	11%	7%

The decision to pursue a PhD at a particular institution appears to coincide with the accompanying offer of funding:

What actually brought me here is the funding I'm getting, the studentship. [Current African student, pre-1992]

The only one who provided me the full scholarship that is the reason I chose [post-1992 institution]. [Current Chinese student, post-1992]

However, funding by scholarship is not without problems in terms of what is expected in return:

The problem was, we'll waive the fee and pay you research stipend. But, of course, you don't get it for nothing. [Current North American student, post-1992]

The subject focus for responding current PhD students is shown in Table 4.4. Only a small proportion of current students appear to be researching in the area of management accounting. A significant number of current students in post-1992 institutions are focusing in other areas such as accounting education and tax.

Table 4.4 PhD subject focus for responding current PhD students

Subject focus	Pre-1992 (n=128)	Post-1992 (n=48)
Financial accounting	40%	29%
Management accounting	9%	13%
Finance	41%	25%
Other	10%	33%

Limited research in the area of management accounting was highlighted at interview; a concentration of expertise in certain areas and a scarcity in others was also alluded to:

When I contacted a bunch of universities, as soon as the words managerial accounting came out of my mouth, they said: 'Oh my god, I can't do that. If you want to do financial accounting, and stuff to do with corporate governance, and go through annual reports, great!'.
[Current North American student, post-1992]

In the accounting field, the emphasis on financial accounting relative to management accounting highlighted here is also evidenced in findings in US PhD programmes (Porporato *et al.*, 2003). This emphasis has been attributed to the desire to publish in what are often viewed by tenure committees as the key journals, such as *Journal of Accounting and Economics*, *Journal of Accounting Research* and *Accounting Review*. The central focus of these journals is financial reporting, rather than tax or accounting information systems. The focus on financial accounting and finance may be due to the quantitative nature of most research in these fields (i.e. the availability of databases such as Compustat, CRSP and Datastream from which to extract and manipulate large quantities of data using established procedures). This type of study is highly suited to non-native English speakers/writers. Shortage of potential supervisors in some areas of expertise was also evident:

His [fellow PhD student] is in tax so basically his supervisor left so he left with them, because there's nobody who specialises in tax anymore. [Current British/Asian student, pre-1992]

Educational and professional background of current PhD students

The vast majority of responding current PhD students did not complete an undergraduate degree in the UK (84% (74%) in pre-1992 (post-1992) institutions). However, the vast majority of current PhD students have a relevant academic background, with 74% (62%) in pre-1992 (post-1992) institutions possessing an undergraduate degree in accounting and/or finance. The most common entry qualification for responding current PhD students is to complete a taught masters programme at a UK institution, as shown in Table 4.5. In pre-1992 (post-1992) institutions, only 23% (38%) of current PhD students are members of a professional accounting body.

Table 4.5 Masters degrees held by responding current PhD students

Masters degree	Pre-1992	Post-1992
Taught masters from UK institution	56%	49%
Taught masters from overseas institution	29%	36%
Masters by research from UK institution	7%	5%
Masters by research from overseas institution	15%	15%

Note: Percentage exceeds 100% as respondents were asked to check all that apply

From the interviews, it appears common practice to recruit students from taught masters programmes to the PhD programme within the same institution:

I did the masters here so then it was a natural choice. [Current European student, pre-1992]

PhD students with a professional accounting qualification are generally those who have taken the decision to move from working in the profession to teaching. Irrespective of being professionally qualified, opportunities to obtain a lecturing post prior to completion of PhD appear to be fairly restricted and mainly limited to less research active post-1992 institutions. Future accounting academics, therefore, have little incentive to become professionally qualified, even if they recognise the potential benefits:

There was no point in me going away and doing a professional training contract, it won't get me anywhere in terms of academia, there's just no point. I find it difficult sometimes though and I think students look at you and think well, what right have you got to teach me? [Current British student, post-1992]

During general conversation after switching off the tape, one interviewee indicated that teaching fellows had been recruited at a pre-1992 institution to combat communication problems with overseas lecturers and students. This was in response to finding it impossible to find native English speaking academics suitable for recruitment to a research and teaching contract.

Factors influencing the decision to pursue a PhD and intentions after completion

The importance placed on various factors in the decision to pursue a PhD was investigated. Aggregate responses are shown in Table 4.6. ‘Personal growth and development’ was viewed as being the most important factor in the decision to pursue a PhD by current students in pre-1992 institutions, closely followed by ‘interest in pursuing research in subject’, ‘desire to learn more’ and ‘intellectual challenge’. These factors also featured as the top four for current students in post-1992 institutions. PhD

Table 4.6 Factors in the decision to pursue a PhD

How important were the following factors in your decision to pursue a PhD?	Response category ¹ Percentage of respondents ³					Average score	Consensus ²
	1	2	3	4	5		
Personal growth and development	0%	3%	6%	25%	65%	4.49	High
Interest in pursuing research in subject	1%	2%	7%	30%	60%	4.43	High
Desire to learn more	0%	2%	7%	30%	61%	4.42	High
Intellectual challenge	1%	2%	8%	33%	56%	4.39	High
Ability to pursue a career in academic research	2%	5%	13%	23%	55%	4.21	Medium
Ability to pursue a career in teaching	4%	8%	13%	29%	44%	3.95	Medium
Professional recognition	6%	8%	16%	31%	37%	3.78	Medium
Earning potential	5%	13%	17%	32%	31%	3.64	Medium
Success in postgraduate study	3%	9%	18%	48%	18%	3.54	Medium
Work/family balance	8%	12%	19%	33%	21%	3.28	Medium
Success in undergraduate study	9%	15%	27%	36%	12%	3.21	Medium
Encouragement from lecturers to continue into research	12%	11%	22%	31%	18%	3.16	Medium
Presence of role models	9%	19%	29%	21%	17%	3.02	Medium
Limited employment opportunities after undergraduate studies	39%	18%	13%	13%	5%	1.93	Medium

Table 4.6 Factors in the decision to pursue a PhD (Cont.)

How important were the following factors in your decision to pursue a PhD?	Response category ¹ Percentage of respondents ³					Average score	Consensus ²
	1	2	3	4	5		
Desire to learn more	0%	0%	5%	28%	67%	4.63	High
Interest in pursuing research in subject	0%	0%	19%	21%	60%	4.42	High
Intellectual challenge	0%	2%	10%	36%	52%	4.38	High
Personal growth and development	0%	0%	12%	26%	57%	4.26	Medium
Ability to pursue a career in academic research	7%	2%	5%	35%	47%	3.98	Medium
Professional recognition	2%	0%	12%	30%	47%	3.91	Low
Ability to pursue a career in teaching	7%	12%	5%	24%	45%	3.67	Low
Earning potential	7%	12%	12%	33%	31%	3.55	Medium
Work/family balance	7%	12%	30%	21%	26%	3.33	Medium
Encouragement from lecturers to continue into research	14%	12%	16%	37%	19%	3.28	Medium
Success in postgraduate study	5%	8%	28%	36%	15%	3.26	Medium
Presence of role models	17%	7%	19%	31%	21%	3.19	High
Success in undergraduate study	14%	16%	23%	21%	19%	2.93	High
Limited employment opportunities after undergraduate studies	33%	17%	7%	12%	14%	2.07	High

Notes:

1. Response categories are: 1=not important at all; 2=of little importance; 3=fairly important; 4=important; 5=very important.
2. Consensus is based on standard deviation (sd) of responses classified as follows: sd less than or equal to 1.00 = high; sd greater than 1.00 and less than or equal to 1.50 = medium; sd greater than 1.50 = low.
3. Percentages may not total 100% as the 'not applicable' category is not shown.

At interview, the actual process of conducting research did occasionally feature as an incentive:

I fell in love with the idea of academic research. [Current British student, pre-1992]

However, the main incentive for pursuing a PhD evident at interview was the perception of a better work-life balance in academia:

It was to get an academic post which to be honest I probably believed was a better work life balance. [Current British student, post-1992]

A pretty brilliant lifestyle. [Current British student, pre-1992]

The trade-off between lifestyle and financial remuneration featured further. Current students appear acutely aware that a PhD is not to be pursued if future financial rewards are a primary motivation:

Most of my friends are working in industry right now and they earn a lot of money, better than academics. They have all told me I am quite stupid to do a PhD. [Current Chinese student, pre-1992]

The academic lifestyle in terms of flexibility was seen as a significant advantage to working in the profession/industry in terms of raising a family:

It's more compatible, lecturing, with having a family. [Current British student, pre-1992]

Intentions after completing the PhD were investigated. Responses are shown in Table 4.7. Only 34% (23%) of current students in pre-1992 (post-1992) institutions were intending to apply for an academic position in the UK. Approximately a third of current students in post-1992 institutions intend to return to non-UK countries to work in academia.

Table 4.7 Intentions after completing the PhD

Intention	Pre-1992	Post-1992
To apply for an academic position in the UK	34%	23%
To apply for an academic position in home (non-UK) country	19%	33%
To apply for an academic position in another country	13%	3%
To apply for a research or consulting position within industry/business	12%	10%
To apply for a post-doctoral position	5%	5%
Other	17%	26%

When applying to a country other than the UK or their home country, the USA was most frequently cited. The vast majority in the 'other' category in pre-1992 institutions indicated that they would resume their employment for their overseas academic institutions or for their overseas sponsors:

I am currently employed by our public university in [an African country] as an assistant lecturer. It is usually expected that I would go back to my university. [Current African student, pre-1992]

As part of the deal, they [students sponsored by overseas governments] have to go back and work for the government that they were sponsored by. [Current British student, post-1992]

For those students who were not obligated through funding, an academic career in the UK was not the driving force for many interviewed:

I do of course think of that [UK academia] as an option... but I don't know, it's a little bit of a shame if I don't try other stuff. [Current Asian student, pre-1992]

After I finish, I want a baby! [Current Chinese student, post-1992]

Overall satisfaction with the PhD experience so far

The level of satisfaction placed on various factors concerning the PhD experience was investigated. Aggregate responses are shown in Table 4.8. The majority of current students, across both pre-1992 and post-1992 institutions, did appear satisfied. Supervisor behaviour factors scored most highly, especially 'availability of supervisors' 'assistance from supervisors' and 'encouragement from supervisors'. Journal access and search facilities rated second top in the pre-1992 institutions and only sixth top in the post-1992 institutions, suggesting that the literature resources and/or training is better in the former institutions.

Table 4.8 Overall satisfaction with PhD experience

Panel A: Current PhD students from pre-1992 institutions (n=118)							
How satisfied are you with the following?	Response category ¹ Percentage of respondents ³					Average score	Consensus ²
	1	2	3	4	5		
Availability of supervisors	1%	7%	6%	36%	50%	4.28	High
Journal access and search facilities	2%	4%	9%	33%	50%	4.20	Medium
Assistance from supervisors	1%	4%	16%	35%	44%	4.16	High
Encouragement from supervisors	0%	7%	10%	41%	42%	4.14	High
Guidance in topic selection	0%	6%	17%	39%	38%	4.09	High
Guidance on research design and data analysis	1%	5%	14%	49%	29%	3.95	High
Guidance on literature to be reviewed	1%	7%	14%	48%	30%	3.99	High
Research equipment/facilities	3%	10%	15%	42%	30%	3.83	Medium
Guidance on writing up	1%	4%	23%	32%	34%	3.79	Medium
Support from other PhD students	2%	8%	35%	32%	20%	3.52	Medium
Contact with other research students	4%	13%	28%	31%	23%	3.50	Medium

Table 4.8 Overall satisfaction with PhD experience (Cont.)

Panel B: Current PhD students from post-1992 institutions (n=41)							
How satisfied are you with the following?	Response category ¹ Percentage of respondents ³					Average score	Consensus ²
	1	2	3	4	5		
Encouragement from supervisors	2%	2%	12%	34%	49%	4.24	High
Availability of supervisors	2%	5%	7%	44%	41%	4.17	High
Assistance from supervisors	2%	2%	22%	34%	39%	4.05	High
Guidance on literature to be reviewed	3%	5%	15%	45%	33%	4.00	High
Guidance in topic selection	2%	2%	20%	34%	39%	3.98	Medium
Journal access and search facilities	2%	7%	15%	44%	29%	3.83	Medium
Research equipment/facilities	2%	5%	22%	39%	29%	3.80	Medium
Guidance on research design and data analysis	5%	12%	17%	32%	34%	3.78	Medium
Contact with other research students	2%	10%	29%	32%	24%	3.59	Medium
Guidance on writing up	0%	3%	10%	30%	38%	3.43	Low
Support from other PhD students	5%	7%	34%	27%	22%	3.39	Medium

Notes:

1. Response categories are: 1=very dissatisfied; 2=dissatisfied; 3=neutral; 4=satisfied; 5=very satisfied.
2. Consensus is based on standard deviation (sd) of responses classified as follows: sd less than or equal to 1.00 = high; sd greater than 1.00 and less than or equal to 1.50 = medium; sd greater than 1.50 = low.
3. Percentages may not total 100% as the 'not applicable' category is not shown.

Satisfaction with supervisor availability and support was evident from several current students at interview:

Supervisors in my case are there, they are available....and always they go out of their way to assist. [Current African student, pre-1992]

I find what he says very motivational and I feel he has confidence in me and I always look forward to and enjoy the meetings and conversations with him. [Current British student, post-1992]

Overseas students were often looking for additional support beyond that associated with their academic research:

I have no accommodation, it was really worrying me. I ask my supervisor whether he can help me, and he's like, he does not have any responsibility for that. [Current Chinese student, post-1992]

I have left my family in another country... The supervisor is someone who you'll be talking to regularly, so there should be that human aspect to it. [Current African student, pre-1992]

For some students, supervisors were meeting and exceeding such expectations:

We regularly meet for dinner...with his wife actually. It gives me that community. [Current African student, pre-1992]

Despite the satisfying experience of several students interviewed, problems with supervisor availability are not, apparently, uncommon:

I don't think I have meeting with my supervisor in the last one year. [Current Chinese student, post-1992]

This is now, exactly six weeks that I've been trying to get an answer out of him and I cannot. He's absent! [Current British student, post-1992]

Current students don't always appear to hold the supervisor personally responsible for lack of availability and support. Institutions placing pressure on academic staff to supervise increasing numbers of students was suggested by several interviewees:

They [UK universities] have accepted so many students for PhD so that is one of the main concerns. [Current African student, pre-1992]

The institution got more and more orientated towards trying to make money and sell more seats. [Current North American student, post-1992]

In some instances, value for money, especially for students privately funding their PhD, comes into question:

I invest so much money in education. My family is not a rich family. [Current Chinese student, post-1992]

Summary of results from recently graduated students

The findings from questionnaire responses and follow up interviews with the recently graduated (2006 onwards) PhD students are biased in favour of those who went on to become academics in the UK, due to the difficulties experienced in tracing other recently graduated PhD students. Interviews were conducted only with recently graduated PhD students currently employed as UK academics.

Just under one-third of the sample of recently graduated PhD students are of British nationality. In pre-1992 institutions, a further third come from countries within the EU, and a significant number appear to come from Asian countries. Interviews revealed that a number of British recently graduated PhD students had been working as members of academic staff for a significant period of time before deciding that it was important to gain a PhD:

The realisation dawned that I probably wouldn't now get my own job, if I tried to apply for it again! [Recently Graduated British student, pre-1992; employed for over 20 years in post-1992 institution]

The lack of British students embarking on a full-time PhD programme was highlighted at interview:

Of the 27 PhD students who started with me, I was the only UK citizen and perhaps one of only two native English speakers. [Recently Graduated British/North American student, pre-1992; currently employed in pre-1992 institution]

The most common source of funding is scholarships awarded by the university or department in which the student is placed (37%), followed by private or self-sponsored (27%). Most respondents had researched in finance (42%), followed by financial accounting (28%), other (22%) and management accounting (6%).

Nearly two-thirds (61%) of respondents held a taught masters degree from a UK institution. However, only 14% of recently graduated PhD students are members of a professional accounting body. The need for a PhD to make a career change from the accounting profession to become a university staff member and the lack of new professionally qualified academics were commented on during interview:

I was in the profession for just over 12 years. I wanted to get it done [the PhD] soon because it was holding me back to get a position in academia. [Recently Graduated British student, pre-1992; currently employed in pre-1992 institution]

What I notice most about our new faculty is that they are all culturally quite different from those departing [retiring]. They have little association or interest in UK business or research and perhaps less affiliation with domestic students and institutions (like the Chartered Institutes). [Recently Graduated British/North American student, pre-1992; currently employed in pre-1992 institution]

The importance placed on various factors in the decision to pursue a PhD was very similar to the findings in relation to current students, with 'desire to learn more', 'intellectual challenge', 'personal growth and development' and 'interest in pursuing research in subject' being the top four factors.

A level of satisfaction with the academic role in preference to working in industry or the profession was evident among several interviewees. The financial loss was compensated by *a more challenging environment* and a better quality of life. Working as an academic in the UK, compared to elsewhere, was attractive to students from outside Europe because of the good collaborative opportunities across Europe and the lack of interference in academic freedom from the government.

However, from the interviews, it was apparent that acquiring an academic position in the UK, on completion of a PhD, does not necessarily mean long-term commitment to the future UK accounting and finance academic generation:

It's likely I will stay in the UK, but I will consider offers from elsewhere. [Recently Graduated European student, pre-1992; currently employed in pre-1992 institution]

It was also clear from the interviews that a number of recently graduated students were not at all satisfied with various aspects of academic life in the UK, including the commercialisation of large class sizes, the low quality of PhD students accepted and assigned to supervisors without consultation and the low pay and resultant standard of living.

The level of satisfaction placed on various factors concerning the PhD experience was similar to that found in relation to current students. Interview comments on supervisors ranged from glowing (*he was almost immediately available and he would review anything I sent him very quickly*) to damning (*It was always one hour to the dot*). There was some dissatisfaction in relation to contact with other students (*it was a very lonely process*) and guidance on research design and data analysis.

5. RESULTS: PHD SUPERVISORS/ACADEMIC MEMBERS OF STAFF

Introduction

The findings from questionnaire responses and follow up interviews with academic staff are presented in the following sections. The next section considers personal demographic information of academic staff. Educational and professional background is considered in the third section. The fourth section considers PhD supervision. Reflections and future predictions are considered in the fifth section. Findings are summarised in chapter seven.

Demographic information of academic staff

Personal characteristics

The majority of academic staff respondents were male, 68% in pre-1992 institutions and 58% in post-1992 institutions. The age profile of these academic staff is shown in Table 5.1. A significant percentage are over 50 (41%) in pre-1992 institutions, whereas the majority (61%) are over 50 in post-1992 institutions. An ageing population and shortage of experienced staff was perceived as a cause for concern during interview:

Basically it [the academic community] isn't being regenerated.
[Supervisor, pre-1992]

Table 5.1 Age profile of responding academic staff

Age profile	Pre-1992 (n=193)	Post-1992 (n=105)
Under 30	2%	1%
30 - 39	24%	11%
40 - 49	33%	27%
50 - 59	30%	44%
Over 60	11%	17%

The nationalities of responding academic staff are shown in Tables 5.2. A large majority are British across both pre-1992 and post-1992 institutions (71% and 84% respectively). The proportion of academic staff from countries outside Europe is relatively low. Approximately 18% of academic staff employed in pre-1992 institutions are from

European countries other than the UK, with the percentage being lower (8%) for post-1992 institutions. The length of UK service that might be expected from European academics was questioned at interview:

We appoint quite a number of new staff from continental Europe, it turns out their average stay is about half that of a British person. They have family over there, a girlfriend, a mother, they want to go home, whatever! [Supervisor, pre-1992]

Table 5.2 Nationality profile of responding academic staff

Nationality profile	Pre-1992 (n=192)	Post-1992 (n=105)
British	71%	84%
Other European	18%	8%
Asia	5%	6%
Africa	2%	1%
USA	1%	0%
Canada	1%	0%
Australia	1%	0%
Other	2%	2%

Educational and professional background of academic staff

The majority (63%) of academic staff questionnaire respondents in pre-1992 institutions completed an undergraduate degree (in any subject) in the UK. In post-1992 institutions, this was the case for 67% of academic staff. However, less than half (45%) of academic staff in pre-1992 institutions possess an undergraduate degree in accounting and/or finance. The proportion is slightly lower in post-1992 institutions (36%).

The postgraduate degrees held by academic staff are shown in Table 5.3. Approximately, 76% of academic staff from pre-1992 institutions hold a PhD, with 63% graduating from a UK institution. For 43% graduating from a UK institution, their PhD was in the area of accounting and finance.

Table 5.3 Postgraduate degrees held by responding academic staff

Postgraduate degree	Pre-1992 (n=173)	Post-1992 (n=94)
Taught masters from UK institution	47%	56%
Taught masters from overseas institution	14%	9%
Masters by research from UK institution	9%	7%
Masters by research from overseas institution	5%	3%
PhD from UK institution in accounting and finance	43%	34%
PhD from UK institution in another business subject	12%	6%
PhD from UK institution in other non-business subject	8%	2%
PhD from overseas in accounting and finance	11%	0%
PhD from overseas institution in another business subject	1%	1%
PhD from overseas institution in other non-business subject	1%	0%

Note: Percentages are in excess of 100 as respondents were asked to check all that apply.

The percentage of academic staff holding a PhD in post-1992 institutions is significantly lower at 43%. Almost all obtained their PhD from a UK institution with the vast majority in the area of accounting and finance. Today, the PhD is an essential pre-requisite to an academic career in pre-1992 institutions and, if not essential, highly desirable in post-1992 institutions. Interviewees made it clear that this was certainly not previously the case:

Times were different then, it wasn't the be all and end all to have a PhD. [Supervisor, pre-1992]

The irony is, I turned out to be a successful academic, but I would never be employed now [not having a PhD]! [Supervisor, pre-1992]

Furthermore, the PhD as the single entry requirement to accounting and finance academia was seriously questioned:

A PhD is not a complete training for a rounded academic, like, don't they have to teach occasionally, and, aren't they supposed to do some administration? So it's not a complete staff training programme. [Supervisor, pre-1992]

The reason that the PhD is now viewed by higher education institutions as essential for entry as a lecturer is an (unintended) consequence of government policy that rewards

research in such a way that institutions' survival depends critically upon research performance rather than teaching performance. The resultant one-size-fits-all hiring strategy employed by (the majority of) institutions adversely impacts on the suitability of these recruits, in terms of their skill set for teaching, researching and administration/management.

In pre-1992 (post-1992) institutions, 39% (66%) of academic staff are members of a professional accounting body. For many interviewees, the move from the profession to academia had occurred several decades earlier. Numerous interviewees doubted they would make the same career decision today:

I came out of CA and the salaries were very marginally different, and it appeared that you would move on a salary track that was parallel to but slightly below CA, but one would never have expected salaries to diverge as much as they did. [Supervisor, pre-1992]

When I started, the potential of earning within university was not as high as the profession, but there was quite a lot of prestige around university appointments...Over the years that's been eroded. [Supervisor, pre-1992]

The requirement for professionally qualified accounting academics in terms of teaching, research, and other service provision to students was strongly identified at interview:

If the research is to be relevant to anybody outside the academic community then it has to be researching problems which are realistic and relevant to people outside that. [Supervisor, post-1992]

If you're teaching, it [professional qualification] gives you more credibility apart from a PhD. [Supervisor, pre-1992]

We want people who know the people downtown, and maybe help our students get internships, get jobs. We want people who know about the recruitment processes that the big four are following. [Supervisor, pre-1992]

Despite the benefits associated with universities employing professionally qualified research active academics, it appears to be both directly and indirectly discouraged across the majority of institutions in the current climate. Members of the profession who manage to attain university appointment face difficulties in studying for a PhD and becoming research active whilst in post. As one interviewee put it:

If you actually look at technical colleges, new universities that are non-research based, you'll often find some very good people apply and are appointed from the profession and with practical experience. The particular problem is that now it's virtually impossible to convert them into researchers. They've got heavy teaching loads and they don't get much financial support, or practical support to do a PhD. A lot of those departments, with the way the research funding is done now, have no incentive to do research. So those people don't seem to be coming through as they used to do in the past, and a lot of my generation, that's how they came through. [Supervisor, pre-1992]

Furthermore, research-active academics coming through the PhD route are discouraged from becoming professionally qualified:

The current state of play is that there is zero incentive to have them [professional qualifications]. [Supervisor, pre-1992]

But nobody here does it [become professionally qualified]. We've been told, unless you have a huge publication record, don't even think about it. [Supervisor, pre-1992]

In some institutions, employing professionally qualified academics was a problem they were looking to solve:

Either professional qualification or reasonably substantial experience counts for quite a bit, where are those going to come from? We have been thinking about professionally qualified accountants and some sort of development programme for them. [Supervisor, post-1992]

We are turning back to having more teaching-focused people. [Supervisor, pre -1992]

PhD supervision

Approximately 86% of responding academic staff in pre-1992 institutions are/have been involved in PhD supervision, compared to 62% in post-1992 institutions. The number of successfully completed PhD supervisions by academic staff who are/have been involved, is shown in Table 5.4.

Table 5.4 Successfully completed supervisions by academic staff

Number of successfully completed PhD	Pre-1992 (n=148)	Post-1992 (n=58)
None	18%	31%
One	20%	22%
Two	11%	9%
Three	7%	5%
Four	7%	9%
Five	4%	10%
Between six and ten	18%	7%
Between eleven and fifteen	5%	3%
Between sixteen and twenty	3%	3%
Over twenty	6%	0%

Pressure on supervisors, from certain institutions, to take on PhD students was strongly expressed at interview, as were the subsequent adverse consequences to both supervisors and PhD students:

So the pressure has usually come to take PhD students. Some of the ones I have are not particularly in my area, but I haven't had much choice in the matter. It has been expected that a professor here would have at least six PhD students. [Supervisor, post-1992]

We are under pressure to take on PhD students and to get completions... it probably caused me to take on somebody I shouldn't have taken on. [Supervisor, pre-1992]

This apparent fixation on PhD student numbers by numerous institutions was seriously challenged in some quarters:

I don't quite understand the pressures. To have a reasonable sized doctoral programme, in any research-active school, is important, but, pure numbers aren't a very good indicator of that... PhD students cost far more than the fees, so we're not really doing it for financial reasons. [Supervisor, pre-1992]

It's not clear to me that the obsession in this country [UK] and by university managements, with seeing postgraduate research students as being a performance indicator, with the implication that the more the better. I think that has meant that we take too many overall. It's cruel. I think it's irresponsible. [Supervisor, pre-1992]

However, there was evidence to suggest that in some instances it was individual supervisors, rather than university management, who required moderating in terms of student numbers:

I've seen shameful examples of students in departments taking PhDs, and basically in the department there's nobody who's ever published anything, and probably they don't have PhDs themselves, and then when you see the student's work you just think 'Oh my God'. You just want to shoot the supervisor really because the student has had a bad deal. [Supervisor, pre-1992]

We're not keen on people taking large numbers because if they leave it's a problem. [Supervisor, pre-1992]

At interview, supervisors were asked to comment in terms of the supply of candidates for PhD programmes across the UK. A distinct lack of British undergraduate students was widely recognised and attributed, in the main, to the financial allure of the accounting profession/business world and the lack of adequate research funding:

We had superb undergraduates and they all went into the profession... None of them wanted to do a PhD because of the financial attractions of the profession. [Supervisor, pre-1992]

UK undergraduates – we did have one excellent potential candidate but eventually they disappeared due to a lack of funding or as the candidate put it to me 'IBM have offered to pay me now and you might offer to pay me in three years'. [Supervisor, post-1992]

The market for those following a teaching role in further/higher education and subsequently registering for a PhD was identified as thin:

The market for home PhD students has been almost negligible. You used to get a lot of people that came up through technical colleges, what they were then, polytechnics and things like that, that would register for a PhD, and kind of move up the research ladder. [Supervisor, pre-1992]

It was apparent that PhD programmes across the UK rely, almost entirely, on overseas students, many of which are employed by overseas academic institutions or overseas governments:

The lively demand comes from, nowadays, abroad. Just the label, PhD from the UK...it carries a lot of weight and enables them to get jobs when they come back to their own countries. [Supervisor, pre-1992]

Mostly developing countries, we've seen nearly all developing countries here. [Supervisor, pre-1992]

Quality concerns relating to PhD candidates in the current climate were identified, including reference to problems with communicating in English:

Generally the quality doesn't seem to be all that high, and so I'm not sure that there is a lot of really good people around wanting to do PhDs. [Supervisor, pre-1992]

Typically what I find is when you reply to their proposal, they will email you back and their English is terrible. [Supervisor, pre-1992]

In terms of these problems, there appears to be a marked difference in PhD candidates in accounting compared to finance. A shortage of students undertaking accounting PhDs was identified:

I think, finance, there is adequate supply of well-trained people in quantitative methods, typically from an economics background, and without stereotyping, too much...there are hundreds of Chinese students who can, probably, do that with reasonable supervision, even if they can't speak English – I exaggerate, slightly! ...Accounting is a different world, very modest numbers of people, let alone well qualified people. I think there are significant supply problems in accountancy. [Supervisor, pre-1992]

There are very few accounting PhDs coming through, aren't there? [Supervisor, pre-1992]

Marked differences also appear within the accounting discipline. Scarcity in terms of both supervision expertise and the supply of PhD candidates in the area of management accounting was apparent:

Largely they [PhD candidates] have been in the area of financial reporting and corporate governance that I have seen. There has not been much management accounting or other topics. [Supervisor, post-1992]

There are no public databases of management accounting information and, I think, that's one of the reasons it's become increasingly unpopular. [Supervisor, pre-1992]

Respondents' level of agreement with statements about various aspects of the PhD programmes of today was investigated. Aggregate responses are shown in Table 5.5. Approximately 74% of supervisors in pre-1992 institutions agreed or strongly agreed that 'there is more focus on speedy completion'. This percentage is markedly lower (29%) for supervisors in post-1992 institutions. Significant pressure to complete within three or four years appears to stem from both university performance indicators and funding restrictions:

There's a lot of external pressure on universities to have statistics that a certain proportion of PhD students complete in four years. To some extent, it's inhibited the quality of the final PhD. [Supervisor, pre-1992]

I think the students also nowadays have much more financial pressure than they used to and ...so they're pretty desperate to finish as well in time. [Supervisor, pre-1992]

The statistic that's monitored is submission, not passing. So I've seen a number of premature submissions. [Supervisor, pre-1992]

Table 5.5 PhD programmes of today

Panel A: The views of PhD supervisors from pre-1992 institutions (n=159)								
To what extent do you agree with the following in relation to PhD programmes of today?	Response category ¹ Percentage of respondents						Average score	Consensus ²
	1	2	3	4	5	DK		
There is more focus on speedy completion	1%	4%	14%	49%	25%	6%	3.73	Medium
There is more focus on competency in research methods	1%	10%	18%	46%	10%	14%	3.12	Low
There is less focus on making an important original contribution	6%	28%	19%	28%	10%	8%	2.82	Medium
The standard required for the award of PhD has declined	4%	21%	22%	27%	9%	17%	2.64	High
There is more focus on transferable skills	4%	16%	39%	21%	4%	16%	2.59	Medium
The process today is less satisfying for students	3%	23%	25%	17%	4%	28%	2.11	High

Panel B: The views of PhD supervisors from post-1992 institutions (n=80)								
To what extent do you agree with the following in relation to PhD programmes of today?	Response category ¹ Percentage of respondents						Average score	Consensus ²
	1	2	3	4	5	DK		
There is less focus on making an important original contribution	0%	8%	15%	49%	14%	15%	3.24	High
There is more focus on competency in research methods	0%	8%	14%	56%	4%	19%	3.00	High
The standard required for the award of PhD has declined	0%	18%	31%	26%	5%	20%	2.59	High
There is more focus on speedy completion	1%	23%	28%	23%	6%	20%	2.50	High
There is more focus on transferable skills	9%	29%	16%	26%	4%	16%	2.39	Medium
The process today is less satisfying for students	3%	22%	30%	15%	0%	30%	1.97	Medium

Notes:

1. Response categories are: 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree; DK=Don't know.
2. Consensus is based on standard deviation (sd) of responses classified as follows: sd less than or equal to 1.00 = high; sd greater than 1.00 and less than or equal to 1.50 = medium; sd greater than 1.50 = low.

Time pressure, combined with the quality of PhD candidates, appears to be placing supervisors under unwanted duress:

Trying to get them to complete within the time periods is really difficult and quite stressful. [Supervisor, pre-1992]

You're often really in a very big moral dilemma – do you intervene and give them a bit of a hand? Before the four year rule, you would have just said, 'sorry, it's not good enough – go away and do some more editing'. [Supervisor, pre-1992]

The majority of supervisors in post-1992 institutions (63%) agreed or strongly agreed that today, 'there is less focus on making an important original contribution'. Whereas this proportion was significantly less across supervisors in pre-1992 institutions (18%), it was raised as a concern at interview:

The originality part of the PhD is less. The making a contribution issue is less. [Supervisor, pre-1992]

Approximately 36% of supervisors in pre-1992 institutions and 31% in post-1992 institutions agreed or strongly agreed that 'the standard required for the award of PhD has declined'. Several interviewees expressed concerns about quality:

I have had cause for concern at other institutions. I have occasionally heard of other institutions (PhD students who have occasionally brought me theses from other institutions) where I think either the quantity or quality of work is not what I would have regarded as adequate. [Supervisor, post-1992]

However, it was suggested that quality was not an issue across all institutions. Survey responses indicated that a significant proportion of supervisors did not know whether standards had declined or not. This could be because many supervisors are not exposed to the standards applied across the full spectrum of institutions. As one interviewee put it:

It's a bit self-selecting, because there are certain institutions, I know, I would not be asked to externally examine at. [Supervisor, pre-1992]

Only a relatively small percentage of supervisors agreed or strongly agreed that 'the process today is less satisfying for students' (21% in pre-1992 institutions and 15% in post-1992 institutions). However, at interview, a change in the PhD process over time was frequently acknowledged. Further, this change was not always perceived to be for the better:

Twenty years ago, in those times being a PhD student was very much a process of sitting next to Nanny or Nora and learning the research craft by contact with the supervisor. [Supervisor, post-1992]

I like students to develop their own topic, and that takes time. I still think it's valuable, but with the pressures to complete, within however long, and to be reliable, it makes it more difficult. [Supervisor, pre-1992]

Reflections and future predictions

During interviews, supervisors were asked to reflect on academic life and changes over time, with the aim of synthesising current problems and predicting the implications for a future generation of accounting academics. At the outset, it was made clear by interviewees that accounting in the UK was a relatively new academic discipline, developing to the current generation from virtually nowhere over the last few decades:

Forty years ago, in those days, there was a great shortage of academics in accounting anyway, so there wasn't a wonderful golden age. You could count them on the fingers of your two hands actually, the number of really outstanding academics there were in those days, and they had very little support. [Supervisor, pre-1992]

Several supervisors identified that the freedom and flexibility which had attracted them to academia in earlier decades had now gone:

It was the freedom. Academic freedom was a wonderful lure in those days to do what you liked, and I don't think that exists now. Everybody's so miserable and everything has got this sort of incredible management structure. [Supervisor, pre-1992]

Demonisation of universities starting with the Thatcher government, and the successive governments, has caused working in a university to be regarded as a less socially attractive job. [Supervisor, pre-1992]

Such was the strength of feeling across several interviewees that, given their time over again, some would not even contemplate becoming an accounting academic, nor would they consider recommending others to do so. Many felt that the attractions had diminished and only a handful expressed no reservations:

I would not recommend to my children, to become a university academic, because if you're going to be exploited left, right, and centre, and deal with duplicitous managements, you might just as well be in business. Business always specialised in that, but at least you got paid a bit better. [Supervisor, pre-1992]

For two reasons [I wouldn't recommend an academic career]. One is purely financial, the money is not very good, at least not until you become a reasonably well established professor which not everyone can aspire to. The second is it is a different world. The big attraction in academic life to me was autonomy but now the lives of academics are more and more prescribed by the university central administrations and a raft of depressing documents relating to strategies and procedures and so on. [Supervisor, post-1992]

I think I would [still choose an academic career] but I don't think it's quite as attractive, with the extra bureaucracy and all sorts of other pressures. [Supervisor, pre-1992 institution]

I've always liked research, I still like that, and I like the flexibility – the fact I don't like to be in the office all the time and I really, really like to travel. [Supervisor, pre-1992 institution]

An unattractive academic lifestyle in the current climate could be cause for concern in terms of attracting a future generation. However, there also seems to be the potential to lose members of the current generation to academic institutions outside the UK:

I think if the situation gets so severe in the UK, in terms of trying to find funding, trying to get time to spend on your research, then there's always the option of going to Australia. The salaries are higher than here, there is a much more balanced view in Australia, I think. [Supervisor, pre-1992]

Increasingly you're talking about an international market, you regularly get head hunters enquiring about Australia, New Zealand, Canada and also now European business schools are increasingly teaching in English, and would be more than happy to attract international academics. So it's a very tough international market. [Supervisor, pre-1992]

Creating a future generation of accounting academics in the UK relies heavily on recruiting those completing PhD programmes into UK institutions. The potential, in terms of volume of students enrolled on PhD programmes, appears to have improved over time:

There's lots of opportunities and departments now, where you can do PhDs. In that sense, I think that's been an improvement. [Supervisor, pre-1992]

There was some suggestion that the volume of PhD students coming from overseas might be affected by opportunities opening up in other European countries:

I think in most cases we've got this massive advantage of being English and speaking English, which is the international language of research. I know students and people in [other European countries] who are doing their PhD in English, that's I think where we might be starting to lose out. [Supervisor, pre-1992]

A potential problem for the future in that we charge our PhD students and we have scholarships to help them, but some of the European countries pay their PhD students, they do some teaching and they are a member of faculty, and so they're getting quite a good position. [Supervisor, pre-1992]

However, attracting PhD students to the UK does not seem to be a major problem at the current time. The important issue, which was widely appreciated across interviewees, is that only a minor proportion of PhD students in the UK would be/could be potential candidates for UK academia:

There's not going to be anybody [out of nine PhD students] wanting to work in a UK university. [Supervisor, post-1992]

Additional problems were identified above and beyond the number of recently graduated PhDs staying in the UK. There was a high level of consensus across interviewees that PhD programmes were not producing accounting academics who were fit for purpose in terms of teaching:

Have they [people coming out of PhD programmes] been, for example, introduced into teaching, such that it is not a horrible shock to be told that you're teaching second year financial reporting? No, I don't think in that sense we're producing people fit for purpose. There

isn't the gentle induction to teaching that there was. [Supervisor, pre-1992]

There's no way that the people who are doing a PhD with me could teach the first year accounting and survive. [Supervisor, pre-1992]

Further, the purpose of researching in areas so far removed from teaching and of interest/assistance to the profession was also questioned:

Standard setting bodies, they certainly do their best, and they're facing really difficult problems and could do with a bit of help in those problems and they don't get much from academics. [Supervisor, pre-1992]

The survival of accounting academia in terms of a future generation appears to be a question on the lips of many. Several predict a vastly different landscape with a demarcation between teaching and research:

You're then going to have a set of universities where accounting is a teaching-only activity. And then you're going to have a relatively smaller number of places, and a lot smaller than now, where accounting can be regarded as genuinely an academic research-based activity. [Supervisor, pre-1992]

It's going to be the elite universities and the teaching factories in just a few years' time. [Open-ended question response from survey respondent, pre-1992]

For some, it has gone beyond a changed landscape. A viable future generation is not a realistic expectation as accounting academics have become a dying breed!

It is not a very old discipline, it could die very quickly, it is only one generation. And it might die with that generation, if not the next. [Supervisor, pre-1992]

I have serious concerns about the lack of people coming through, and I think that's going to be increasingly problematic...and there's going to be a lot of us retiring. [Supervisor, pre-1992]

6. RESULTS: PROFESSIONAL ACCOUNTING BODIES AND ASB

Introduction

This short chapter reports on the key findings from five interviews with representatives of three of the UK's professional accounting bodies (ICAS, ICAEW and ACCA) and the ASB. The questions focussed on the desired characteristics of students entering the profession (some of whom have relevant accounting degrees and so are taught by accounting academics) and the research outputs of accounting academics.

The need for professionally-qualified academics

Representatives from the accounting profession were keen to acknowledge the necessity of professionally-qualified academics:

There's a desirable level of familiarity with understanding what it means to come through a professional accountancy qualification.

[Robert Hodgkinson, ICAEW]

I think, if you're intending students to go into the profession, it's [having professionally-qualified academics] essential, because it gives a real life experience, which can be used to relate to students and prepare them better. I think it's very difficult for someone who has come from outside the profession, with a PhD, to do this. [Mark Protherough, ICAEW]

Well, I wouldn't want entire medical schools full of people who've never gone and touched some patients! We're very interested in the quality of the accounting degrees coming through, because obviously we want to give exemptions to them, to recognise the power of learning, but we also want to see the student performing later in the programme. [Clare Minchington, ACCA]

These representatives were, however, aware of struggles across institutions faced with a lack of professionally-qualified academics:

I know of one university where they voluntarily gave up two exemptions, two credits from the audit and tax papers, because they had no qualified chartered accountants, nobody who was competent enough to teach. Others have taken steps of awarding teaching fellowships and they teach, they're qualified professional accountants, they don't do research. [Mark Protherough, ICAEW]

However, it was highlighted that university accounting education was becoming progressively less relevant to the profession, given the increased entry from candidates with non-relevant degrees:

I think, a selfish answer, as we get about 15% of our graduates coming in with relevant degrees, it [lack of professionally-qualified academics] shouldn't impact on our intake and the quality of our qualification and qualified members going forward. [Mark Protherough, ICAEW]

The Professional Oversight Board publishes annually *Key Facts and Trends in the Accountancy Profession*. The most recent report available indicates that the percentage of worldwide students holding a relevant degree varies dramatically across the six UK bodies. The figures for the ACCA, CIMA, CIPFA, ICAEW, ICAS and the Association of International Accounts (AIA) are 44%, 19%, 13%, 19%, 38% and 47%, respectively (POB, 2011).

Policy-relevance of accounting research

On the research side, the profession perceives that accounting academics are falling far short in terms of policy-relevance:

Very few academics, if you said to them 'what are the pros and cons of various ways of, let us say, accounting for tax?' would really regard that as a legitimate question to ask them. It's all to do with the governance of academia, which seems to me to be moving away from what I would describe as a proper scholarly interest. [Andrew Lennard, ASB]

My particular beef is the low level of accounting education [research] and the esteem it's granted, because I think, it's so important. What can be more important than researching in the best ways that you could teach accountancy? [Mark Protherough, ICAEW]

The perception of an increase in the long-standing divergence between the accounting profession and academia (Baxter, 1988) appears to be a real cause for concern:

I do see a danger of an increasing split between what is taught and what is researched. The risk is that the research becomes further and further removed from the practice or the practice becomes further and further removed from the research and the danger...a gap developing...not any good for the profession, for academic research, or for the teaching of accountancy. Research should support the profession. [Mark Protherough, ICAEW]

On the continent, something we should be jealous of, they seem to have much more permeable barriers between academia and practice than we do here. [Andrew Lennard, ASB]

In America, exchange goes on continually between university academics and the large accounting firms, there's great interplay, which of course we don't have at all in the UK. [Clare Minchington, ACCA]

Contemplating the future

Representatives from the profession, given the potential future extinction of accounting academics, are understandably concerned:

From the point of view of the development of the body of knowledge that constitutes the profession, having an academic accounting community has to be hugely important. Otherwise we're just in a trade. [Robert Hodgkinson, ICAEW]

We really do appreciate it when academics get involved in our activities. That's probably mainly because the academic community does come with an aura of objectivity and independence. [Robert Hodgkinson, ICAEW]

I see the academic community as being really quite important in developing our thinking and developing the profession. Academics are really useful in pulling us out of our box and actually making us think about things and where we could go, where we should go. [David Wood, ICAS]

I think it is all to do with the recognition of accounting as a profession, the recognition of it having a discrete body of knowledge. I think if it [accounting] was to disappear from the universities, I think we could still carry on, but I think it would be quite difficult. I think it would take away this idea of a distinct body of knowledge. [Clare Minchington, ACCA]

Attracting British PhD students with closer links to practice was suggested as one potential corrective course of action:

PhD students embedded in organisations. That, to my mind, becomes an incredibly attractive thing because they're getting exposure to organisations, which will then help them in their employability, and organisations are getting a very bright person, to do a piece of work....and maybe then it attracts UK students to do that. [Clare Minchington, ACCA]

7. SUMMARY AND CONCLUSIONS

This study has compiled databases and undertaken questionnaire surveys of three groups: current PhD students, recently graduated PhD students and supervisors across pre-1992 and post-1992 institutions. One hundred and seventy-six respondents completed the current PhD student survey, with variations being completed by 73 recently graduated students and 299 academic staff. Across the three groups, the 548 responses represent a 22% response rate. Ninety-seven follow-up interviews were conducted to explore the issues further. An additional five interviews were conducted with representatives from the professional bodies (ICAS, ICAEW, and ACCA) and the ASB.

This chapter presents the main findings of the study for the three responding groups (current students, recently graduated students and PhD supervisors) in relation to each of the study aims, which were:

- to document the current state of the market for PhD studies in the UK in the accounting and finance disciplines, in terms of supply, demand, student demographics and employment destinations;
- to investigate the degree of satisfaction with current PhD supervisory processes; and
- to explore the implications for accounting education and training in the UK and for the academic accounting profession and for the public accounting profession.

The evidence base used for the final aim includes the views of organisations with an interest in the academic accounting profession regarding PhD and faculty issues. The professional accounting bodies were approached because they represent accountants in both practice and industry (and so serve as a proxy for the views of these groups). Interviews with individuals responsible for the education and training function reveal what the profession is looking for in accounting graduates educated at UK universities. Interviews with individuals responsible for the research/technical functions and with the UK accounting standard-setter reveal the views of users of the accounting research produced within UK universities.

The final section presents overall conclusions and makes recommendations.

Main findings of study

Current market for PhD studies in the UK (research aim 1)

From the demographic information collected via questionnaire surveys and the observations made at interview, the proportion of current PhD students of British nationality is found to be very low (approximately 20%). This is much lower than the proportion of US citizens studying for a PhD in the US (50%) (AAA/AAPLG, 2005; Plumlee *et al.*, 2006). British students appear to be discouraged from undertaking a PhD, mainly as a result of lower levels of financial reward associated with an academic career in comparison to the profession/industry. Other significant disincentives include the lack of adequate funding opportunities and a perception that, outside the academic environment, the PhD is less valued in the UK compared to other countries.

The vast majority of PhD students are coming from outside Europe, with a significant proportion coming from Asia (33% of current students). However, it was suggested that the trend of students coming from Asia may start to reverse due to a relaxation in the entry requirements applied by US institutions (a key competitor nation for PhDs). The UK is attractive in terms of the English language and the perceived high quality of PhD programmes, both attractions shared with the US. The UK retains a comparative advantage, however, due to its proximity to Europe.

In pre-1992 institutions, the vast majority of students are enrolled full-time (87%), with part-time study being more common in post-1992 institutions (only 65% full-time). Part-time student numbers include existing members of academic staff who are employed full-time whilst enrolled on PhD programmes part-time. Some of these existing staff had been employed for a significant period of time before the importance of holding a PhD motivated them to register for one.

Just over one-third (35%) of current students in pre-1992 institutions were financed by university/departmental scholarships, some of which have significant teaching/administrative duties attached. In these cases, the funding opportunity became the driving force in the choice of institution. Private funding or self-sponsorship was the most common source in post-1992 institutions (34%). Employer or overseas government sources were also common and were generally linked to a requirement for the student to return home after the PhD was completed. UK government Research Council studentships (ESRC) were of marginal importance (3%). The most common entry qualification for current PhD students was a taught masters programme at a UK institution (just over 50%). This was often undertaken at the same institution as the PhD programme. It was clear from the interview evidence that UK institutions sought to hold on to their 'best' masters students by offering scholarships.

In pre-1992 institutions, only 23% of current PhD students are members of a professional accounting body. The proportion was markedly higher (38%) in post-1992 institutions. The corresponding figures for recently graduated students are 13% and 29%, respectively, while those for supervisors are 39% and 66%, respectively. Looking to the future, a continuation in the documented decline in the proportion of professionally qualified academics (Brown *et al.*, 2007) can be predicted.

From the questionnaire survey of current students, a more or less even split between finance and accounting topics was apparent. However, from the questionnaire survey of recently graduated students, finance appears more popular than accounting. Only a very small proportion of current students appear to be researching in management accounting, a phenomenon that was attributed, at least in part, to the lack of databases.

PhD motivation was dominated by scholarship factors. Personal growth and development; interest in pursuing research in subject; desire to learn more; and intellectual challenge were the most important factors in the decision to pursue a PhD by current students across both pre-1992 and post-1992 institutions. The vast majority of current PhD students intended to pursue an academic career (64%), which they perceived as a better work-life balance compared to the profession, with flexibility to raise a family, regardless of the lower financial rewards. However, only 34% of responding current students in pre-1992 institutions were intending to apply for an academic position in the UK, with the proportion being even lower across post-1992 institutions (23%). Approximately one-third of current students across both pre-1992 and post-1992 institutions intended to return to non-UK countries to work in academia, many of them obligated to do so by way of their funding. From interview evidence with supervisors, it was clear that many believed that this would be inadequate to renew and sustain the academic community. A particular concern was the current retirement bulge (the recent retiral of many senior professors and the numbers about to retire in the very near future). An analysis of staff change detail in the British Accounting Review Research Register 2010 reveals that there were 75 retrials in the two-year period 2008-2009, six deaths in service, 12 departures to overseas institutions and 12 departures to industry. However, no statistics are available with which to establish precisely the likely future shortage in numbers. This is due, in part, to the lack of public disclosure of age data as well as the removal of a specified retirement age in the UK. It may be noted, however, that of the 298 responding supervisors, almost 48% were aged 50 or over. Additionally, the level of demand is uncertain (although casual observation is one of mushrooming student numbers on masters programmes in the disciplines) as is the level of new staff entering UK institutions. However the qualitative interview evidence presented in this report signals a widespread belief that a shortage both exists currently and will continue in the future. For several years, we have witnessed an extremely thin academic labour market in the accounting discipline in particular, characterised by aggressive poaching, unfilled posts, high staff turnover and high salary increases (as

a consequence of retention policies such as the payment of a market supplement). To partially fill the gap, there is widespread employment of staff from other universities on an additional part-time basis and the part-time (re)employment of retired staff.

This report generally does not distinguish between the accounting and finance disciplines. It may be, however, that the potential problem is less acute in finance, where teaching and research are arguably less polarised. Further research could usefully explore such issues.

Satisfaction with current PhD supervisory processes (research aim 2)

The availability, assistance and encouragement of supervisors received generally very high levels of satisfaction from current PhD students across both pre-1992 and post-1992 institutions. However, some overseas students appear to be looking for additional emotional and practical support beyond their academic research, which was not always met, perhaps because it was not considered by supervisors to be within their remit.

Problems with supervisor availability were, however, not uncommon amongst those interviewed. This was particularly acute at institutions which placed pressure on academic staff to supervise increasing numbers. In students' minds, this raised the question of value-for-money, especially for privately-funded students. Several additional adverse consequences of such pressure to meet target numbers were identified by supervisors, including supervisors taking students outside their areas of expertise and supervisors taking students of inadequate quality. The apparent fixation on PhD student numbers as a performance indicator was seriously challenged by academic staff. It was deemed to be 'cruel and irresponsible' behaviour on behalf of university management; moreover the activity was not viewed as cost-effective. However, increased numbers were seen to have contributed to developing PhD student communities which, in turn, were viewed by several recently graduated PhD students as having enriched their experience.

Additional supervisory problems were identified as arising from the increased movement of academic staff, both permanently to work in other institutions, and on a temporary basis whilst on research leave. Significant pressure to complete within three or four years appears to stem from both university performance indicators and funding restrictions. Supervisors felt that they were being placed under unwanted pressure on several fronts: the pressure to take on several PhD students to meet institutional KPIs (sometimes students whose research interests were not a close match with those of the supervisor); pressure to ensure that the students completed on time (also to meet institutional KPIs) and (closely related) the ethical dilemma of perhaps giving the student 'a bit of a hand' to ensure both timely completion and success at the requisite quality threshold.

Policy implications (research aim 3)

Accounting in the UK is a relatively new academic discipline; the current generation has developed from a zero base over the last few decades. In contrast to the PhD student samples, a large majority of those responding to the supervisor survey were British across both pre-1992 and post-1992 institutions (71% and 84%, respectively). The proportion of academic staff from countries outside Europe (including Britain) was relatively low (approximately 10%). Just under one fifth of academic staff employed in pre-1992 institutions were from other European countries, the percentage is lower (8%) for post-1992 institutions.

A substantial proportion of current academic staff moved from the profession several decades earlier without a PhD qualification. Regardless of the pre-requisite to hold a PhD creating a barrier to entry today, many current faculty doubted that they would make the same career choice today anyway. Nor would they consider recommending others to become an accounting academic. It was considered that the freedom and flexibility which made an academic career attractive in earlier decades has now gone. Lack of career prospects for new lecturers, lack of prestige associated with academia, and severe lack of financial rewards compared to the profession provide additional deterrents. Dissatisfaction across the current generation is widespread. The potential to lose members of the current generation to academic institutions outside the UK is also evident.

However, the need for professionally-qualified accounting academics in terms of teaching, research, and other service provision to students was strongly advocated amongst PhD students, academic staff and representatives from the profession. In spite of this, professionally qualified academics are both directly and indirectly discouraged across the majority of institutions in the current climate. Members of the profession who manage to attain university appointments face difficulties in studying for a PhD and becoming research-active whilst in post. Furthermore, research-active academics coming through the PhD route are discouraged from becoming professionally qualified.

It is claimed that academia is central to professions, in terms of educating entrants to the profession and informing the profession through research relevant to practice and policy-making (MacDonald, 1995). Amongst accounting and finance academics, however, there was scepticism as to the value placed on the academic function by the profession:

I don't think the profession has ever been committed to the idea of liberal education and the importance of university education. They'd rather get people in the office and show them how to do an audit and make a bit of money. [Supervisor, pre-1992]

The profession doesn't really care about universities, but they don't interfere, and they get their legitimacy from accounting being a subject taught in universities. On the other hand, the accounting academics are pretty remote from the profession and are apt to do what they want to do, whether or not it's of any relevance to practice and so on. It's a rather cynical view, but I don't really think the profession is that interested, unless there's a quick buck in it.
[Supervisor, pre-1992]

Creating a future generation of accounting and finance academics in the UK relies heavily on recruiting those completing UK PhD programmes into UK institutions. The potential, in terms of the number of students enrolled on PhD programmes, is currently there. However, only a minor proportion would be/could be potential candidates for UK academia, as they are either required to (or they chose to) return to their home country. In addition, the ability of PhD programmes to produce accounting academics who are fit for purpose in terms of teaching is seriously questioned. The purpose of researching in areas so far removed from teaching and of interest/assistance to the profession is also cause for concern and contributes to the general lack of engagement among the constituent professional groups. The survival of accounting academia in terms of a future generation appears to be a question on the lips of many. Several predict a vastly different landscape with a clear demarcation between teaching and research institutions. For some, it has gone beyond a changed landscape, a future generation is not a realistic expectation, and accounting academics are predicted as a dying breed!

Conclusions and recommendations

This section sets out the main conclusions of the study, together with recommendations. It is noted that these recommendations resonate with the recently published recommendations of the Pathways Commission on Accounting Higher Education in the US (AAA/AICPA, 2012) and the views emanating from the forum on the relationship between academic accounting research and professional practice held in Australia (Evans *et al.* 2011).

Need for UK database of accounting and finance PhD students and faculty age profile

The execution of this study was made more difficult by the lack of any UK-wide database of PhD students in the accounting and finance disciplines. Central government statistics (HESA) combine accounting and finance PhDs in with numbers for 'business and administrative studies' PhDs; universities are generally unwilling to release these details under the Freedom of Information Act (2000), invoking the Data Protection Act (1998). The websites of the academic units in which accounting and finance students were located were often out-of-date and/or held incomplete information. This lack of

complete, accurate information makes it very difficult to monitor and seek to actively manage the PhD situation. Recently, ICAS has been instrumental in seeking to develop a database covering Scotland, but even here data is recognised to be incomplete. The representative body of the accounting and finance academic community (the British Accounting and Finance Association) has for many years compiled a register of accounting and finance staff at all higher education institutions in the UK and Ireland (British Accounting Review Research Register, various years). We recommend that this would, therefore be an appropriate body to extend this activity to additionally cover PhD students and their thesis topics. We also suggest that the age profile and/or retirement intentions of staff be documented to facilitate the projection of staff numbers.

Funding issues

The demographics of current and recently graduated PhD students, compared to established academic staff, show clearly that the academic staff profile is changing radically. In particular, there are very few British PhD students and only a small minority have a professional qualification. So, while the number of PhD students is growing, the perception is that the proportion that is likely to stay is not sufficient to sustain faculty numbers, especially in accounting. Key disincentives relate to the low level of funding available for PhD studies and the low salary levels for lecturers. Unfortunately, it is very difficult to quantify the magnitude of the shortage. For the reasons given above, retirals are difficult to project. Moreover, the level of demand for staff is affected by many complex and interdependent exogenous factors. Certainly the academic labour market at present is widely acknowledged to be extremely thin, relative to other business disciplines, with institutions competing aggressively to recruit and retain existing staff.

In the US, the PhD shortage has been addressed (at least in part) by the establishment of an Accounting Doctoral Scholars Programme, which is currently in its third year (<http://www.aicpa.org/interestareas/accountingeducation/resources/downloadabledocuments/ads.pdf>). Sponsors include 70 accounting firms, 46 state CPA societies and five other sponsors who have committed \$17 million. Candidates must: have a minimum of three years' experience in audit or tax with an accounting firm; be US citizens or permanent residents; and be committed to an academic career at an accredited US university. Each year, up to 30 candidates are selected and awarded an annual stipend of \$30,000 for up to four years. Thus, this programme makes a career change from the accounting profession into academe possible in the most acute shortage areas. In the UK, by contrast, there is minimal such sponsorship. A charitable trust of the ICAEW seeks to support academic accounting recruitment by means of one bursary of £18,000 per annum to support an ICAEW member to study for a PhD in accountancy. Matching support from the host institution is encouraged. The first bursary ran successfully from 2008 and the trust is seeking a new candidate in 2012.

Clearly more such support is needed. We recommend that key interested parties in the UK sponsor a range of measures, including PhD scholarships and top-up funding for university accounting and finance staff. These scholarships should be targeted in several directions. For example, scholarships to encourage UK undergraduate accounting students to continue on to a PhD, scholarships to encourage professionally-qualified accountants to make a career change into accounting academe and scholarships to encourage part-time PhD study by existing lecturers employed and paid by an academic institution. Top-up funding would encourage existing professionally-qualified academic staff to stay in the university sector (a scheme of this nature was operated for some years by the ICAEW – the ICAEW Academic Fellowship scheme – in the 1990s). More higher education institutions should seek to address the pay differential between academe and profession by means of a market supplement to the national pay scales that are applied to those not at professorial level, and to any institutional salary guidelines used for those at a professorial level. Another means to equalise salaries would be to encourage joint appointments in academe and also in the profession or in industry. The practitioner-professor is quite common in some countries (e.g. the Netherlands) and this would also serve to align research more directly with practice.

The traditional understanding of the importance of the profession-university link was set out at the beginning of chapter one. Professions are knowledge-based occupations and the university is viewed as the primary repository of formal knowledge. The linkage of the profession with the university sector legitimises claims to professionalism. While Annisette and Kirkham (2007) offer a more nuanced explanation of this linkage, which accounts for the distinct features of the UK setting (e.g. non-relevant degree entry), they too argue for the importance of the link to the professionalisation project. Thus, it is in the interests of the profession to sustain accounting as an academic discipline studied in the universities.

Closer practice – academe links

Representatives from the accounting professions and regulatory bodies expressed the view that links between the profession and the university staff were stronger in some mainland European countries and in the US. On the continent, it is not uncommon to hold dual roles in both spheres and in the US academic placements with regulators are an embedded feature. Most of the UK professional accountancy bodies offer grants to support academic research, sponsor/host academic (and academic/practitioner interface) conferences and events and provide support in kind. However the amount of funds available is relatively small. On the PhD front, ICAS has taken an initiative by producing an annual guide for PhD students studying in Scotland (ICAS, 2011) and hosting, for several years, a research development programme aimed at early career academics and PhD students. We recommend that interested parties prioritise

more highly (in terms of strategic priority and funding priority) the development of engagement initiatives between the profession and academe. Initiatives could include research access to accounting firms and practice-based doctorates. The success of such activities would assist in securing higher levels of funding in the future. The profession (including firms, professional bodies and accounting regulators) should reflect carefully upon the role of relevant degrees to the profession. Accounting as a profession is distinctive in that in certain jurisdictions such as the UK, a relevant degree is not a pre-requisite for entry to the profession. If it is concluded from such debate that the future success (indeed survival) of the profession requires a related academic discipline, then the profession should also support the accounting academic community through lobbying activities in relation to higher education policies (at the national or institutional level). For example, lobbying against the use of PhD numbers as a university performance indicator for academic staff and for the need for a reasonable proportion of professionally-qualified academic staff within subject units, employed either as university teachers (with no research role) or as staff on research and teaching contracts. An alternative to persuasive lobbying on the latter issue would be for the professional bodies that accredit accounting degrees to simply insist on a given percentage of professionally-qualified academic staff teaching on the programme. However, given the drift away from such staff in recent years this percentage would initially have to be set at a relatively low level to avoid a radical shock to the system.

These specific recommendations resonate with the recently published recommendations of the Pathways Commission on Accounting Higher Education in the US (AAA/AICPA, 2012) and the views emanating from the forum on the relationship between academic accounting research and professional practice held in Australia (Evans *et al.*, 2011). More generally, in line with Laughlin (2011), we recommend that the linkages between the professional spheres of practice, policy and education/research be more sharply defined and more closely aligned, to ensure the long-term survival of the professional status of accounting.

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ABOUT SATER

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Further details about SATER and the ICAS research programme can be found from the SATER and ICAS websites: scottishaccountancytrust.org.uk/research.html and icas.org.uk/research.

David Spence
Chairman of SATER
December 2012

Are accounting and finance academics a dying breed? Or will today's PhD students secure the next generation? This study attempts to answer these important questions by investigating: the current state of the market for PhD studies in the UK; the level of satisfaction with current supervisory processes; and the implications for accounting education and training in the UK, for the academic profession and for the public accounting profession.

A sustainable related academic discipline is surely vital to any profession. In accounting, the discipline educates those entrants who do choose to undertake a relevant ('accounting') degree and also advances accounting thought and knowledge through research. However, this report highlights a real concern amongst accounting and finance academics that the future is uncertain.

Based on over 500 questionnaire responses and over 100 interviews, the study finds that, whilst the number of PhD students is high, there are concerns that the numbers and quality of PhD students will not be sufficient to renew and sustain the future academic community. In terms of numbers, students of British domicile appear to be discouraged from undertaking a PhD by the relatively lower levels of financial reward compared to professional careers in business and a large proportion of PhD students from overseas return home. Quality concerns relate to: the adverse consequences of institutional pressures to focus on increasing the numbers of PhD students; whether the current PhD programmes are producing accounting academics who are fit for purpose; and the barriers to recruiting professionally qualified accountants to academia.

The report concludes with recommendations for academia, higher education institutions and the profession to consider.

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