

# Accounting Education: It's all about High Standards in High Places

With up to 1,800 members from 60 countries, the European Accounting Association is the second largest academic accounting organisation in the world. It has just elected its first Irish President. Dr Aileen Pierce of the UCD Quinn School of Business spoke to Sarah Mac Donald about this honour for Ireland, UCD and for herself

In the wake of the corporate frauds exposed at Enron, WorldCom, Parmalat, etc, accounting standards came under scrutiny as the business world sought to restore credibility and trust in the financial markets and in accountancy as a profession. Some observers pointed to a lack of ethics in business and accounting as partially responsible for fostering a mentality of 'greed is good no matter what the cost'.

There is a school of thought that believes education has a role to play in raising awareness of business ethics in order to combat lax standards and foster integrity. In UCD's Quinn School of Business, Dr Aileen Pierce believes, "Education is crucially important," as it plays a fundamental role in making students ask the "hard questions". The Director of the UCD Quinn School, who took up her appointment 18 months ago observes, "There is a tendency for business students to be ambitious and attracted by the potential to earn a lot of money. It is important that students question what they are doing and what the areas that they are interested in may expose them to – that they are aware of the consequences of the decisions they may make."

According to Aileen Pierce, UCD Quinn School is a place that nurtures teamwork and interaction. Accountancy is very popular with students and significantly, when the economy takes a wobble, the numbers enrolling tend to increase. It could be said to be "a kind of safe harbour".

As a lecturer who has managed to maintain one foot in the academic world and the other in the professional world, it's no surprise that one of her research projects had a professional-academic dimension and so secured her financial support from the Institute of Chartered Accountants of Scotland, which likes its projects to have a practical orientation and relevance. Her investigation of "Professionalism and the Professional Accounting Firm" was launched against the backdrop of the financial reporting scandals, and the project proved a highly relevant piece of research on ethics. Other professional/academic research includes surveys of financial reporting practice and the findings of such studies have been published by her in books such as 'Group Accounts: Principles and Practice'. Generally-speaking, "accountancy is", Dr Pierce believes, "very rigorous with high standards of accountability and commitment." Her early professional training with KPMG has left its imprint and "influenced the way I go about things as well as my outlook. Obviously the university is a totally different environment and sometimes there is almost a clash of cultures between the very cut and dried professional office approach and the university culture. It is nice to be able to mix the two."

Having taken a BComm in UCD between 1972-75, Dr Pierce qualified as a chartered accountant with KPMG in 1978, though teaching was her first love. But as job opportunities were scarce, she opted for the professional route.

In 1979 she managed to fulfil both interests when she was offered a teaching position at the RTC in Athlone. However, at the same time, UCD was

setting up its diploma in professional accounting (now Master of Accounting) and lured her back to her alma mater, where she remained until 1981, before once again returning to KPMG, this time as a training manager. That role included the opportunity to teach on the diploma in professional accounting on a part-time basis. "While I absolutely adored having the two jobs - it was the perfect mix for me in many ways - eventually a decision had to be made and on balance I decided that UCD was the better place for the long term and so I came back to UCD full-time in September 1984." She and her husband, (Professor Bernard Pierce, who is currently the Dean of the Business School at DCU) also spent two years between 1985-87 in Zambia, lecturing in accountancy at the University of Zambia.

Her own initial academic research interests were very much influenced by her professional background, specifically her interest in financial reporting. She concentrated on the development of financial reporting practice, as well as documenting and investigating the convergence towards harmonisation in Europe. Her PhD thesis at Heriot-Watt University, Edinburgh, was entitled: '*Measuring de facto harmonisation of financial reporting within and between two countries using company account data: the case of deferred tax accounting in Denmark and Ireland.*' Alongside her interest in the harmonisation of accounting practice, she has a parallel research interest in the ethics of professionalism in accounting firms and accounting practice. "Business drives economies and the truth behind accounting is a fundamental principle of financial reporting." Having concentrated on the financial reporting side she is now also interested in impression management in financial reporting, which looks at the extent to which companies may, in the worst case scenario, try to mislead or massage their performance impression.

In May 2009, Dr Aileen Pierce will become the first Irish person and the first female President of the European Accounting Association in its 32-year history. "It is clearly a big personal honour and a privilege. The EAA is an organisation with almost 1,800 members from over 60 different countries." Honours aside, this role is a very onerous one. However, no one would seem better equipped for the position than Pierce, who in person strikes you as courteous, warm and ultra efficient. There is an energy about her personally, which suggests that no task would be too much – and that will stand her in good stead at the helm of the second largest academic accounting organisation in the world.



Pierce's background in the EAA goes back to 1992, when she attended her first European conference to launch the European financial reporting book which she and two UCD colleagues had just published.

She became more immersed in the Association on account of its supportive culture and its commitment to accounting research. Towards the end of the 1990s she was selected as the country representative for Ireland and in 2003, she joined the EAA's executive committee. Her organisational skills were tested and proven by the delivery of the Association's conference at UCD in 2006. "I was the Chair of the organising committee of what was a very large conference: some 1,200 delegates, 27 parallel sessions and 12 large-scale symposia. It was an enormous logistical exercise and took two to three years of planning."

She sees her role as president as "one of influence" but it is also about "negotiating and hearing the different desires and wishes of the many people involved," and she hopes in some way to move the organisation forward. The EAA, she says, "is a great organisation which provides opportunities for young academics to develop". It also provides "a forum for researchers to test their outputs and network, while facilitating all sorts of introductions across Europe, across ages, and across institutions in a very positive, constructive and friendly way. It has always been very strong in facilitating the development of accounting as an academic discipline." There is a greater appreciation of qualitative research, she suggests, on this side of the Atlantic whereas in the US there is greater emphasis on quantitative research and market-based accounting research.

But for the coming academic year, Dr Pierce will be pushing forward some papers on a joint research project she has been involved in with a PhD student and with her colleague, Professor Niamh Brennan, relating to impression management in press releases disclosing annual results for companies in Spain and the UK. It is part of the nine-country EU-funded *Harmonia* research programme. Juggling so many high-profile roles, it is not surprising that she observes that "the level of commitment of academics has increased hugely". But, she adds, "maybe that's the difference of 30 years..."

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