



Effect of Accounting Research on Accounting Professional Practices in a Knowledge Based Economy

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Abstract

The study investigated effect of accounting researches on accounting professional practices in a knowledge-based economy. The area of study is Imo state and the objectives of the study were to evaluate effect of accounting research on: auditing practices, tax policies and planning strategies and accounting education and professional development. The study used field survey using structured google format questionnaire to collect data from 178 respondents. Descriptive statistics with respect to percentages were used to answer research questions while Person Correlation statistics was used to test the null hypotheses at 0.05 level of significance. Data were analyzed with SPSS statistical technique. Results revealed that accounting researches have significant effect on auditing practices, tax policies and planning, accounting education and professional development. The study recommends among others that professional accountants should continuously embrace accounting research for continuous update of their professional practices.

Keywords: Accounting, Research, Knowledge auditing development

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Background to the Study

The advancement of the frontiers of knowledge in accounting generally is one of the core mandates of the professional bodies of accountants in Nigeria. The implication of this mandate is that professional accounting practice is expected to be a product of accounting research just as we have in medical sciences as medical practice is a direct function of medical research (Iyada 2022). Accounting professional bodies are at rivalry and have little linkage with existing research findings and innovations in accounting. What is required is dynamic development of curriculum, and good synergy of research and practice in Accounting (Aruwa 2015). "International Federation of Accountant", by "International Accounting Education Standards Board" issued "International Education Standard 7- Continuing Professional Development" reviewed periodically. Its primary purpose is to implement the continuing professional development necessary for professional accountants to maintain their skills at a professional level and to provide high quality services to client's employers or other interested parties (Alina 2022).

Accounting research is conducted by both academic researchers and practicing accountants in all areas of accounting field. In Auditing research, it examines auditing standards practices and judgments. Literature suggests that professionalism is decreasing due to the current audit market and the predominance of commercial goals (Itsaso and Marcela 2017). Taxation research is very vital in tax policy and planning strategies. Researches the area assist tax professional in development of effective tax planning and compliance strategies while leveraging on tax modeling, scenario planning and sensitivity analysis. The research areas include investigations on tax policies, administration, tax evasion and other aspects of taxation. This keeps the taxation accountant updated with innovative trend in professional practice. The nexus between accounting research, accounting education, and professional development is crucial for the advancement of accounting profession. In the accounting profession, continuous professional development and lifelong learning are essential if we consider the increasing advanced demands of internal and external users of financial and accounting information (Alina 2022). Accounting education helps in preparing students for professional certifications (e.g., CPA, CMA), developing skills and competencies for industry needs, fostering lifelong learning and continuous professional development and shaping future accounting professionals and leaders. Researches contribute to academic planning and also informs teaching curricula in universities, thus affecting the range of issues for future development of professional in all academic field. Accounting research specifically informs and improves accounting education which in turn prepares students for professional development and lifelong learning, ultimately contributing to advancement of the accounting profession. The advancement of knowledge in accounting generally is one of the core mandates of the professional bodies of accountants in Nigeria.

Statement of the Problems

The importance of research in accounting field lies in reviewing the developments that the accounting profession has undergone and identifying how to face contemporary challenges to the accounting profession through education, training, and leveraging on outcome of research findings. However, accounting professionals are faced with numerous challenges

which are inherently premised in gap in professionalism and the educational system failure in addressing skill gaps and competencies required by employers through proper accounting education. Auditors face challenges relating to managing reputational risk and professional liability, balancing audit quality and efficiency and dealing with complex and evolving accounting standards which has affected their professional practices. Tax accountants have also inherent challenges which ranges from complexity of tax laws and regulations, non-update to frequent changes to tax legislation and policies, inconsistency in managing tax risk and gap in developing tax policies which is within the current industry developments and trends. Taxpayers are inherently disposed to reducing their tax liability either through tax evasion or tax avoidance, this may give rise to incorrect filling of tax returns and loss of revenue to the government (Adesina and Uyioghosa 2016). This posit that accounting research has not been efficiently utilized to address these inherent challenges associated with professional development and practices. The current study contributes to existing researches to address the challenges.

Objective of the Study

The general objective is to evaluate the effect of accounting research on accounting professional practices. Specifically, the study will evaluate:

- i. The effect of accounting researches on auditing practices
- ii. The effect of accounting researches on planning strategies and planning strategies
- iii. The effect of accounting researches on accounting education and professional development.

Research Questions

- i. To what extent does accounting research affect auditing practices and procedures
- ii. What is the effect of accounting researches on tax policies and planning strategies
- iii. To what extent does accounting researches affect accounting education and professional development.

Research Hypotheses

- Ho₁ There is insignificant effect of accounting researches on auditing practices and procedures
- Ho₂ There is insignificant effect of accounting researches on tax policies and planning strategies
- Ho₃ There is insignificant effect of accounting researches on accounting education and professional development.

Conceptual Framework

Professional Accounting Practices and Academic Researches

Accounting research refers to systematic and rigorous investigation of various aspects of accounting which include financial reporting, auditing, taxation, management accounting, and financial management. The findings of Inyada, (2022) revealed that accounting research has positive influence on financial accounting and reporting practice in Nigeria. The advancement of accounting research has led to the advancement of financial reporting

practice in Nigeria. Secondly, accounting research has led to introduction of better procedures and more enhanced strategies in audit practice in Nigeria. Furthermore, accounting research has led to the formulation of more robust tax policies and as such provided the basis for an effective tax planning system (Inyada 2022). The goal of accounting research is to advance knowledge and understanding of accounting principles, practices, and regulations, and to address practical problems and issues faced by accountants, policymakers, and other stakeholders. Information obtained from accounting research helps firms in making integral decisions as well as successful developmental plans. Such researches help in preparing, evaluating, implementing, and following up plans made by firms. An auditor's professional duty involves obtaining sufficient appropriate evidence to corroborate management's explanations or representations concerning important matters, such as through third party confirmation, examination of documentation from independent sources, modifying planned audit procedures to obtain more reliable evidence regarding relevant assertions. AEU.com (2023) identified the main types of accounting research to include:

Positive and Normative Accounting Research: Positive research in accounting started from 1960 and this research shows the effect of financial statement on stock prices. Different hypothesis was used and created co-relation between performance through accounting and share prices in stock market. While normative accounting is that accounting research that prescribes how a process of accounting should be done (AEU.com 2023).

Quantitative and Qualitative Accounting Research: This is that accounting research which is based on quantitative data. It involves collection data and targeted to improve the quality of accounting and its education (AEU.com 2023).

Descriptive and Analytical Accounting Research: Descriptive accounting research shows report of historical data of accounting report checks the trend of different items of accounting reports. Analytical accounting research is more advanced than descriptive accounting research. In analytical accounting, scholar analyze each item not just on historical base but after developing new formulas (AEU.com 2023).

Applied and Fundamental Accounting Research: Applied accounting research is applied on immediate solution of accounting problem. Fundamental accounting research is basic research formulates accounting knowledge in organized manner (AEU.com 2023).

Accounting research helps in understanding our past and present in terms of historical and contemporary studies respectively so that we can apply accounting knowledge and practice in creating sustainable future (Garry and Ata 2022). There are emerging concerns on how accounting research should evolve itself to satisfy the needs for professional development and of the society. It is a very fundamental question for accounting educators to pursue and assess the extent of accounting research conducted and its contributions to professional practice. In practice, accountants perform accounting research that helps them learn more about how a company operates and where its money goes.

Accounting Research and Knowledge Development

By advancing knowledge and understanding of accounting principles and practices, accounting research contributes to the development of more efficient and effective innovative way accounting practitioners can ultimately serve the interests of investors, creditors, and other stakeholders (Jenan, Ade 2021). Accounting research is required when environmental factors such as economy, social, legal, and political situations changes. The continuous development in the business sector has led to emergence of new topics that require follow-up of accounting thought for responding to global economic changes in work environment, which requires development of accounting education in line with these developments through creation of changes in accounting curricula programs and learning methods, and an emphasis on integration between accounting education acquired field experience and the requirements of the labor market. To keep up with the change, various researches are conducted which cover various aspects of accountancy (Jenan, Ade 2021). Accounting researches contributes to economic development by providing required integrated accounting information which is reliable and credible. The researches enhance assessment of current accounting practices, development of new practices and development of university curriculum.

Empirical Review

Inyada, (2022) investigated on effect of accounting research on professional accounting practices in Nigeria. Both primary and secondary sources of data collection were employed. The findings revealed the following: accounting research has positive influence on financial accounting and reporting practice in Nigeria, accounting research has led to introduction of better procedures and more enhanced strategies in audit practice in Nigeria. Furthermore, accounting research has led to the formulation of more robust tax policies and as such provided the basis for an effective tax planning system. The study among others recommends that the financial reporting council of Nigeria as an agency of government and corporate establishment should ensure that there are more commitments to research activities by establishing research directorates or departments of organization under their purview to pave way for better methods of financial reporting.

Fraser, Sheehy (2020) investigated on the relevance of academic accounting research on practice and the profession, specifically the study investigated on the practical usefulness of academic accounting research produced in university business schools. Due to accounting being an applied social science, many stakeholders question the relevance and value of research published in accounting journals to the accounting profession, practitioners and society in general. The study therefore highlighted the various areas of criticism and discusses factors which underline the issue. The findings revealed that in accounting, there were major differences in the sourcing of information and significant differences between the applied fields with respect to the utilization and the need for academic material. The findings lead to the conclusion that academic accounting researchers are now nearly totally divorced from the real-world profession of accounting. The current study contributes to the existing researches by investigating on effect of accounting research on accounting professional practices in a knowledge-based economy.

Methodology

Survey research design was used, it aimed at finding out respondent's opinion on the research questionnaire. The area of study is Imo state, the study concentrated on professional accountants and accounting lecturers in Imo State. The study employed field survey for the collection of primary data using a structured questionnaire prepared in goggle format. This was sent to the targeted 200 respondents comprising 50 accounting lectures from tertiary institutions in Imo state and 150 professional accountants purposely selected to answer and submit at the convenience of their offices or homes using their android phone or laptop. The questionnaire which comprised eighteen item questions was designed in five-point likert scale of very high extent (VHE), high extent (HE), low extent (LE), very low extent (VLE) and undecided (U) and were distributed to the sampled population of 200, questionnaires duly answered and returned was 178. To ensure content reliability Cronbach's Alpha reliability test was employed and reliability coefficients of the responses were analyzed using Cronbach alpha to ascertain the reliability coefficient. The subsections of the reliability of the instrument are as follows: table 1 = 0.836, table 2 = 0.946, Table 3=0.94. This showed that the instrument was reliable and suitable for the study. Data collected by the researcher for the study were presented in tables, the descriptive statistic of percentages were used in analyzing research questions while Pearson Correlation Method was adopted to test the three hypotheses that guided the research. The software package used for data analysis is Statistical Package for Social Sciences (SPSS).

Research Question One

To what extent does accounting research affect auditing practices?

Table 1: Respondents Responses to Research Question One

S/N	Item questions of the questionnaire	VHE	HE	LE	VLE	U	Total
1	Research on auditing and assurance services informs auditors about best practices, new techniques, and tools, enabling them to conduct more effective and efficient audits.	100 56.17	40 22.47	30 16.85	8 4.49	0 0	178 100%
2	Research on risk management and internal controls helps auditors to identify and assess risks, design appropriate audit procedures, and provide valuable insights to clients.	110 61.79	30 16.85	30 16.85	7 3.93	1 0.58	178 100%
3	Research on financial reporting and disclosure issues, such as accounting standards and regulations, helps auditors stay up-to-date on the latest requirements and best practices.	90 50.56	60 33.70	20 11.23	5 2.80	3 1.68	178 100%
4	Research provides auditors with evidence-based insights to support their decisions, judgments, and recommendations to clients	80 44.94	70 39.32	15 8.42	10 5.61	3 1.68	178 100%
5	Research influences the development of auditing standards, regulations, and policies, shaping the auditing profession's future direction.	120 67.41	40 22.47	10 5.61	6 3.37	2 1.12	178 100%
6	By staying informed about accounting research, auditors can enhance their professional judgment, skills, and services, ultimately contributing to the credibility and value of the auditing profession.	95 53.37	65 36.51	5 2.81	3 1.68	10 5.88	178 100%

Analysis of research question one in table 1 reveals that greater percentage of the respondents, responded positively that accounting research affect auditing practices and procedures while minority is of contrary view. This posits that accounting researches informs auditors about best practices in application of new techniques and tools, more conduct more effective and efficient audits procedures, enhance their professional judgment skills, and services and ultimately contributing to the credibility and value of the auditing profession to a high extent.

H0₁. Accounting research does not have significant effect on auditing practices and procedures

Table 2: Correlation Relationship between Accounting Research and Auditing practices

Variables	N	R (Correlation coefficient)	r (P-value)	Remark
Accounting Research	178	0.84	0.000	Reject H ₀
Audit practice and procedure	178			

Presented in table 2 above is the correlation relationship between accounting research and auditing practices. Analysis showed that the correlation probability value is 0.000 and is significant because it is less than 0.05. Results therefor led to the rejection of the null hypothesis one. It is therefore concluded that accounting research significantly affects audit practice. Results also showed that the correlation coefficient is 0.840 which showed that the extent of relationship between accounting research and auditing practices is positive and highly correlated at 84%. The finding is in consonants with Inyada (2022) who found that accounting research has led to introduction of better procedures and more enhanced strategies in audit practice in Nigeria.

Research Question Two

What is the effect of accounting researches on tax policies and planning strategies?

Table 3: Respondents Responses to Research Question Two

S/N	Item questions of the questionnaire	VHE	HE	LE	VLE	U	Total
1	Research on taxation and accounting topics informs tax planning strategies and ensures that clients receive optimal advice	40 22.47	90 50.56	30 16.85	10 5.61	8 4.49	178 100%
2	Research skills enable tax accountants to investigate and resolve complex tax issues, providing effective solutions for clients.	90 50.56	60 33.70	10 5.61	10 5.61	8 4.49	178 100%
3	Engaging in accounting research demonstrates a commitment to ongoing professional development, enhancing the tax accountant's expertise and credibility.	130 73.03	40 22.47	4 2.24	4 2.24	0 0	178 100%
4	Research findings can be applied to improve the quality and effectiveness of tax accountant consultancy services, leading to better client outcomes	120 67.41	30 16.85	10 5.61	10 5.61	8 4.49	178 100%
5	Research helps tax accountants address emerging issues, such as the impact of technology on taxation or the application of data analytics in tax planning	70 39.32	76 42.69	20 11.23	10 5.61	2 1.12	178 100%
6	Accounting research informs tax policy development and advocacy efforts, contributing to a more equitable and efficient tax system	100 56.17	47 26.40	10 5.61	20 11.23	1 0.58	178 100

Research question two sought to access the extent to which accounting research affect tax policies and planning strategies. Analysis revealed that greater percentage of the respondents positively indicated in their responses that accounting research positively affect tax policies

and planning strategies while minority of the despondence were of contrary view. Analysis therefor reveals that research on taxation and accounting topics informs tax planning strategies and ensures that clients receive optimal advice, it informs tax accountants with updated knowledge to investigate and resolve complex tax issues, providing effective solutions for clients. Engaging in accounting research demonstrates a commitment to ongoing professional development, enhancing the tax accountant's expertise and credibility. Also, research findings can be applied to improve the quality and effectiveness of tax accountant consultancy services, leading to better client outcomes and also helps tax accountants address emerging issues in taxation practices to a high extent.

H0₂ Accounting research has no significant effect on tax policies and planning strategies

Table 4: Correlation Relationship between Accounting Research and Tax Policies and Planning Strategies

Variables	N	R(Correlation coefficient)	r (P-value)	Remark
Accounting research	178	0.804	0.000	Reject H ₀
Tax policies and planning strategies	178			

Presented in table 4 above is the correlation relationship between accounting research and tax policies and planning strategies. Analysis showed that the correlation probability value is 0.000 and is significant because it is less than 0.05. Since the probability value is less than 0.005, null hypothesis two is rejected. It is therefore concluded that accounting research significantly affects tax policies and planning strategies. Results also showed that the correlation coefficient is 0.804 which showed that the extent of relationship between accounting research and tax policies and planning strategies is positive and highly correlated at 80.4%. This is in consonance the Inyada (2022) who found that furthermore, accounting research has led to the formulation of more robust tax policies and as such provided the basis for an effective tax planning system.

Research Question Three

To what extent does accounting researches affect accounting education and professional development of accounting profession?

Table 5: Respondents Responses to Research Question Two

S/N	Item questions of the questionnaire	VHE	HE	LE	VLE	U	Total
1	Research informs the development of accounting standards, guidelines, and educational programs, helping accounting professionals to stay current with industry developments and maintain their professional competence	90 50.56	30 16.85	30 16.85	20 11.23	8 1.68	178 100%
2	Accounting researched ensuring curriculum planners on relevance and practical application of curriculum	60 33.70	90 50.56	20 11.23	8 4.49	0 0	178 100%
3	Accounting researches helps in providing insights for teaching cases and examples	150 84.26	23 12.92	1 0.58	1 0.58	3 1.68	178 100%
4	Accounting researches helps in supporting faculty development and further research areas in accounting	100 56.17	30 16.85	25 14.04	20 11.23	3 1.68	178 100%
5	Accounting researches helps to disseminating research findings to professional practice	90 50.56	30 16.85	30 20.22	20 11.23	8 4.49	178 100%
6	accounting research informs and improves accounting education, which in turn prepares students for professional development	80 44.94	57 32.02	25 14.04	15 8.42	1 0.58	178 100%

Research question three further sought to access the extent to which accounting research affect accounting education and professional development of accounting profession. Analysis revealed that greater percentage of the respondents positively indicated in their responses that accounting research positively affect. Research informs the development of accounting standards, guidelines, and educational programs, helping accounting professionals to stay current with industry developments and maintain their professional competence. Accounting researched ensuring curriculum planners on relevance and practical application of curriculum, accounting researches helps in providing insights for teaching cases and examples, it helps in supporting faculty development and further research areas in accounting, it helps to disseminating research findings to professional practice, accounting research informs and improves accounting education, which in turn prepares students for professional development to a high extent.

H₀₃: Correlation Relationship between Accounting Research and Tax Education and professional Development of Accounting Profession

Table 6:

Variables	N	R (Correlation coefficient)	r (P-value)	Remark
Accounting Research	178	0.773	0.000	Reject H ₀
Education and professional development	178			

Source: SPSS 20.0

Presented in table 5 above is the correlation relationship between accounting research and education and professional development of accounting profession. Analysis showed that the correlation probability value is 0.000 and is significant because it is less than 0.05. Since the probability value is less than 0.005, null hypothesis three is rejected. It is therefore concluded that accounting research significantly affects education and professional development of accounting profession. Results also showed that the correlation coefficient is 0.773 which showed that the extent of relationship between accounting research and education and professional development of accounting profession is positive and highly correlated at 77.3%. The continuous development in the business sector has led to the emergence of new topics that require follow-up of accounting thought for Responding to global economic changes in the work environment, which requires the development of accounting education in line with these developments through the creation of changes in accounting curricula programs and learning methods, and an emphasis on integration between accounting education acquired field experience and the requirements of the labour market (Jenan Ade 2021)

Summary of the Findings

- i. Analysis of research question one from descriptive statistics revealed that greater percentage of the respondents indicated positively that accounting research affect auditing practices and procedures
- ii. The extent of relationship between accounting research and auditing practices and procedures is positive and highly correlated at 84% as revealed in Person correlation statistics
- iii. Result from test of hypothesis showed that there is significant relationship between accounting research and auditing practices and procedures at probability value of $0.000 < 0.005$
- iv. Analysis of research two revealed that majority of the respondents indicated positively that accounting research positively affect tax policies and planning strategies to a high extent
- v. The extent of relationship between accounting research and tax policies and planning strategies is positive and highly correlated at 80.4%
- vi. Result from test of hypothesis two showed that there is significant relationship between accounting research and tax policies and planning strategies
- vii. Analysis of research question three from revealed that greater percentage of the respondents indicated positively that accounting research affects education and professional development of accounting profession to a high extent.

- viii. The extent of relationship between accounting research and auditing practices and procedures is positive and highly correlated at 77.3%
- ix. Result from test of hypothesis three revealed that there is significant relationship between accounting research and education and professional development of accounting profession.

Conclusions and Recommendations

The study concludes that achieving an optimal balance between efficiency and effectiveness in accounting practices and professionalism is a product of accounting research outcomes. Accounting researches has positive and significant effect on tax policy and development of tax planning strategies, audit practices and development of audit procedures and also regarding educational and professional development of accounting profession, accounting researches has significant effect on it. The study recommends that professional accountants should continuously embrace accounting research for continuous update of their professional practices. Also, curriculum planners should leverage on outcome of accounting researches for practical development and application of accounting curriculum.

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Appendix

Person Correlations Result

		Research	Auditing	Tax	Education	
Kendall's tau_b	Research	Correlation Coefficient	1.000	.840**	.804**	.773**
		Sig. (2-tailed)	.	.000	.000	.000
		N	30	30	30	30
	Auditing	Correlation Coefficient	.840**	1.000	.663**	.679**
		Sig. (2-tailed)	.000	.	.000	.000
		N	30	30	30	30
	Tax	Correlation Coefficient	.804**	.663**	1.000	.755**
		Sig. (2-tailed)	.000	.000	.	.000
		N	30	30	30	30
	Education	Correlation Coefficient	.773**	.679**	.755**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	30	30	30	30
Spearman's rho	Research	Correlation Coefficient	1.000	.933**	.907**	.884**
		Sig. (2-tailed)	.	.000	.000	.000
		N	30	30	30	30
	Auditing	Correlation Coefficient	.933**	1.000	.854**	.850**
		Sig. (2-tailed)	.000	.	.000	.000
		N	30	30	30	30
	Tax	Correlation Coefficient	.907**	.854**	1.000	.897**
		Sig. (2-tailed)	.000	.000	.	.000
		N	30	30	30	30
	Education	Correlation Coefficient	.884**	.850**	.897**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	30	30	30	30

** . Correlation is significant at the 0.01 level (2-tailed).