Red queen takes white knight: the commercialisation of accounting education in Australia

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Abstract
Purpose - This paper investigates the consequences of the commercialisation of Australian universities. It also provides a theoretical framework which focuses this action. Design / methodology - The Red Queen scenario posits that organisations that are more active than their rivals (they run faster) improve their competitive positions and increase their performance. However, organisations that are more sluggish (they run slower) experience negative performance consequences. This paper examines this process using the new institutional theory against the backdrop of the quest for increased international student numbers, higher international ranking and international accreditation. Findings - Using data from the 2011 Excellence in Research for Australia project the findings support the Hypothesis that those universities that "run faster" - that is achieve international accreditation and high international rankings - perform better than universities that "run slower" - that is do not achieve international accreditation and high international rankings. These findings were viewed through an institutional theory lens focusing on aspects of competition using the Red Queen scenario. Practical implications - While much has been written about the commercialisation of education in Australia, in particular accounting education, little is known about the consequences. This study casts doubts on the articulated desire of a "better" higher education institution and warns that its pursuit could result in a two-tiered system. Originality- /- value - This paper explores some of the consequences arising from changes in ideology in universities and the introduction of a commercial philosophy. In particular the influence research output has when measured in terms of published papers and research grants won.

Keywords
Red, queen, takes, white, knight, commercialisation, accounting, education, Australia

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Red Queen takes White Knight:
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Key words: higher education, accounting education, commercialisation, unintended consequences, institutional theory

Paper classification: conceptual paper
Red Queen takes White Knight\textsuperscript{1}: The Commercialisation of Accounting Education in Australia

“Well in our country” said Alice, still panting a little, “You’d generally get to somewhere else – if you ran very fast for a long time, as we’ve been doing”. “A slow sort of country!” said the [Red] Queen. “Now here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!”

Lewis Carroll [nd]

1. Introduction

The impact of commercialisation on higher education, in particular accounting is wide ranging — from the perceived quality of accounting programs to the status of the accounting discipline within the university; from issues of immigration to the national economy; and from revenue generating “cash cows” to providers of a social ethos and quality of life (Ryan, 2010). This paper focuses on the tensions and pressures on academics to research and publish and the consequences, both intended and unintended, that result from this one aspect of commercialisation.

Australian universities were seduced by government reforms in the late 1980s to adopt a more business like profile by promises of greater resources and increased flexibility in return for greater productivity, changed governance structures and redefined funding base (Dawkins, 1988). This restructuring of the Australian higher education sector as a quasi-market with expanding zones of commercial activity (Marginson, 1997a; 1997b) saw higher education as contributing to Australia’s economic recovery by responding to “an international demand for competitively priced, high quality courses in Australian higher education institutions” (Dawkins, 1988; 19). This progression, from treating higher education as a way to increase the store of knowledge to developing it into a corporate giant of the commercial world was partly ideology and partly practical. According to Meek (1995), market competition, as opposed to centralised state control, is better able to produce innovative, adaptive and responsive higher education institutions.

\textsuperscript{1} The Red Queen or the Red Queen syndrome is a metaphor for firms which are prompted to search, undertake new actions and learn in an effort to improve performance (see Derfus, Maggitti, Grimm and Smith, 2008), the White Knight is the metaphor for the altruistic academic of the pre Dawkins era (see Dollery, Murray and Crase, 2006).
Underpinning the federal government’s change of direction from a state-control model to a state-supervising model (van Vught, 1994) was the ideology of economic rationalism and privatisation (Levy, 1991).

2. Literature Review

The commercialisation of universities

From a practical perspective the transition to commercialisation was driven by a desire to improve performance, flexibility and productivity nation wide and provide incentives for universities to lift their performance (Productivity Commission, 1996). This view reinforces that of Hilmer (1993): that enhanced competition is an unambiguous good. Commenting on competition in Australian higher education a decade ago Marginson (1997a. p5) observes:

During the last decade in Australia, one of the purposes of government-driven reforms in sectors such as education has been to install or enhance relations of competition. Competition is seen at one and the same time both as an end that must always be striven for, and an ever-existing natural state of affairs.

For accounting academics this meant the introduction of full fee-paying postgraduate programs, followed by full fee-paying undergraduate programs, followed by commercialized research output and the production of a “better” institution (Newman and Guthrie, 2002; Parker, 2002). The result of this commercialisation has seen higher education (in particular accounting education) become Australia’s sixth-largest export industry after iron ore, coal, gold, petroleum products and tourism (Birrell and Smith, 2010) with the sector being the biggest provider of international tertiary education in the world (Parker and Guthrie, 2010). This represents to higher education fees of $3.1 billion from 181,959 students and an additional $5.2 billion to the nation from the sale of goods and services (Birrell and Smith, 2010).

Intended and unintended consequences

The many aspects of implementing change in both educational and accounting environments have been addressed by various authors (Abernethy and Chua, 1996; Covaleski and Dirsmith, 1991; Hopwood, 1990). In the context of commercialisation of
higher education, where the sector was faced with broad external contextual influences including social, political and economic factors it became a case of “every man (or institution) for himself”. This resulted in a variety of strategies being formed to deal with what was seen as a new freedom. However, it was the desire for international accreditation, with its rigorous nature, qualifications of academic staff and quality measured by research output (Lightbody, 2010a; Lightbody, 2010b) that provided a structure for universities and the intended and unintended consequences.

Kayrooz, Kinnear and Preston, (2001) identified a range of consequences flowing from commercialisation that may influence the major supports of academic freedom — individual, collegial and institutional — and how the relationships between university and society have been changed by commercialisation. This is presented in Table 1.

[Insert Table 1]

This table suggests that at the individual dimension 83 per cent reported they had not been prevented from publishing contentious results while 49 per cent reported that they had experienced a reluctance to criticise institutions that provided large research grants. At the collegial dimension 85 per cent of respondents (34 percent and 51 per cent) had experienced an increase in competition between colleagues, while at the institutional dimension 98 per cent experienced an emphasis on funded over unfunded research. Eighty eight per cent had a experienced a greater value placed on full fee-paying courses while 91 per cent had experienced a greater value placed on courses that attract high student enrolments. Also depicted in the table are benefits arising from commercialisation: 67 per cent of respondents felt that commercialisation had lead to cross-fertilisation of ideas and 48 per cent felt that the quality of their research had been enhanced.

These authors also report on change related to increasing commercialisation according to institutional type. This is shown in Table 2. As depicted the Group of 8 universities and the former CAEs reported that commercialisation impacted to a major extent, while the new universities reported change to a minor extent. This, according to Marginson and
Considine (2000) is not surprising as the Unitech component of the new universities already had commercialisation as an established part of their culture.

Kayrooz et al., (2001) reported other positive and negative responses, for example a very positive effect was addressed by one academic;

… I believe that my research profile and outcomes are much stronger than they would otherwise be because of the pressures upon me to produce research that is relevant for the industries … to which my research contributes (Kayrooz et al., 2001; 39).

From a negative perspective Kayrooz et al., (2001) identified issues ranging from increased workloads to altered management structures to the undermining of teaching standards. This is emphasised by the following quote (Kayrooz et al., 2001; 38).

I am disillusioned by the fact that the university is more interested in attracting full-fee paying students but unwilling to invest on upgrading the necessary infrastructure (such as hiring more competent staff members and providing better computer facilities) for these students.

This review suggests a variety of consequences arising from the commercialisation of the Australian higher education sector, and in particular accounting, that are beyond the scope of this paper. This focus of this paper is on one aspect of commercialisation — the consequence of the considerable weight now placed on academic publications (and the attending need for large research grants) that is now an integral part of the permanency and promotion process. As observed by Parker and Guthrie (2005, 7) research output is now “measured in terms of the numbers game — number of papers published in “top-rated” journals and number and monetary value of research grants won”.

3. Theory Development

The quotation at the beginning of this paper, or selected parts of it, has been used in the management and marketing literature to describe or explain performance differences among competing firms. The general thrust is that an organisation’s competitive action to
increase performance also increases rival actions and rival action speed, which in turn, negatively affects the firm’s performance. Therefore, each organisation is forced by the others in the same industry to participate in continuous actions and developments, which result in all organisations in that group running as fast as they can just to stand still relative to their competitors (Nelson and Winter, 1982; Derfus, Maggitti, Grimm and Smith, 2008). The Red Queen syndrome has been used by many theorists to explain behaviour in a variety of organisational settings, from biology to military arms races (Baumol, 2004; Dawkins and Krebs, 1979).


An organization facing competition is likely to engage in a search for ways to improve performance. When successful, this search results in learning that is likely to increase the organization’s competitive strength, which in turn triggers learning in its rivals – consequently making them stronger competitors and so again triggering learning in the first organization.

This scenario was tested by Defus et al., (2008) who found that firms that are more active (running faster) than their rivals improve their competitive positions (Ferrier, Smith and Grimm, 1999) and increase their performance (Young, Smith and Grimm, 1996), while firms that are more sluggish than their rivals experience negative performance consequences (Miller and Chen, 1994). This suggests some benefits for first movers and losses for subsequent movers. This supports the findings of Barnett and Sorenson, (2002), who argue that competition triggers organisational learning, which in turn intensifies competition which again triggers an adaptive response.

Applying this concept in a university context, the Red Queen can be seen as a contest in which each university’s performance depends on the university matching or exceeding the actions of its rivals.

It has been argued that the commercialised higher education sector is part of the “widespread embracing of new public management” (Parker, 2010) and thus reflects the drive for efficiency, effectiveness and a neo-market system. Therefore, according to Brignall and Modell (2000) it is a suitable environment to examine using institutional theory. Some theorists have used the Red Queen as a metaphor to describe biological
evolution (van Valen, 1973), while others have used it to describe competitive evolution (Barnett and McKendrick, 2004).

Yet, others suggest that the components of the Red Queen syndrome are based on more observable phenomena. Derfus et al., (2008, p. 62) suggest that “firms are prompted to search, undertake new actions, and learn in an effort to improve performance”, while Barnett and McKendrick (2004) believe that when performance falls below aspirations, managers will search, act and learn until performance reaches expectations — in other words organisations will mimic other organisations with superior performance. Barnett and McKendrich (2004) extend this notion by arguing that gains made by one organisation must come at the expense of another, thus intensifying completion; while Barnett and Hansen (1996) claim that a decline in performance promotes the organisations to engage in similar search, action and learning processes.

Also present in the discussion is organisational legitimacy, a condition that reflects cultural alignment, normative support, or consonance with relevant rules or laws. Scott (1995) argues that the public is predisposed to accept structures that present a higher level of accountability as legitimate — those seen as congruent with societal values and actions. Such characteristics increase the probability of the organisations’ survival where the emphasis is on the conformity to rules, status and reputation (Baum and Oliver, 1992; Podolny, 1993; Fombrum, 1996; Phillips and Zuckerman, 2001), a view consistent with the seminal work of Meyer and Rowan (1977), who argue that institutional isomorphism promotes the success and survival of organisations.

From a conceptual perspective, universities pursuing increased commercialisation through improved research, international rankings\(^1\) and international accreditation\(^2\) exhibit isomorphic behaviour according to the description of Meyer and Rowan (1977, pp. 348–349), in that:

\(^1\) The most notable university ranking lists are: the Shanghai Jiao Tong University Academic ranking of world universities; the Times Higher Education World University Rankings 2010–2011; the QS World Universities Rankings; the Newsweek Top 100 Global Universities; the Webometrics Ranking Web of World Universities; and the G-factor International University Ranking.

\(^2\) Three major international accreditation organisations are: the Association to Advance Collegiate Schools of Business (AACSB), International Assembly for Collegiate Business Education (IACBE), and the European Quality Improvement System (EQUIS).
They (a) incorporate elements which are legitimated externally, rather than in terms of efficiency; (b) they employ external or ceremonial assessment criteria to define the value of structural elements; and (c) dependence on externally fixed institutions reduces turbulence and maintains stability.

A similar argument can be mounted with respect to the Red Queen syndrome, where the literature identifies two major ingredients of institutional theory: competitive and organisational isomorphism. Competitive isomorphism occurs where the organisation learns appropriate responses and adjusts its behaviour accordingly in the direction of increased competition (Hannan and Freeman, 1977). Organisational isomorphism represents a change agent, and is described by DiMaggio and Powell (1983) in terms of three mechanisms: coercive isomorphism, mimetic isomorphism and normative isomorphism.

Our literature review for the Red Queen syndrome and the commercialization of universities identified several new institutional framework characteristics. Also, several institutional theories have been prominent in extending the study of change in the accounting environment (Burns and Scapens, 2000; Ribeiro and Scapens, 2006), management-focused organisations in general (Burns and Baldvinsdottir, 2005), marketing and management (Peng, Wang and Jiang, 2008), the concept of organisational institutionalism (Deephouse and Suchman, 2008) and power relationships in institutions and organisations (Lawrence, 2008). Given these scholarly directions we may examine the Red Queen syndrome as it applies to the commercialisation of Australian universities through an institutional theory lens.

Present in the literature review is the desire to legitimate the organisation. This, it is argued, is obtained by adopting formal structures and procedures or by complying with particular regulations and requirements, in order to gain resources (students), upon which the survival of the organisation depends — or at least create a perception of stability and continuity (Edelman, 1992; Burns and Baldvinsdottir, 2005). This view supports the work of Burns and Scapens (2000) who argue that the value of an institutional framework is in its ability to investigate the importance of organisational routines, inherent stability and continuity of organisational life. Thus, we suggest, that international rankings and accreditation are mechanisms to achieve legitimacy from the perspective of international
students. Further, legitimacy is important, because as well as providing universities with strategic advantages to obtain resources, it provides additional strategic flexibility with respect to inter-organisational competition (Ashforth and Gibbs, 1990; Oliver, 1991; Baum and Oliver, 1991).

The above supports the view that institutional theory provides an appropriate lens to examine change in universities — specifically the consequences, brought about through the commercialisation of academic programs — and particularly in business and accounting programs.

This discussion provides the background for the Hypothesis:

**Hypothesis:**

Universities that “run faster” — that is achieve international accreditation and high international rankings — perform better than universities that “run slower” — that is do not achieve international accreditation and high international rankings.

**4. Discussion**

This paper articulates changes resulting from the commercialisation of higher education in Australia, particularly in accounting schools, which could affect the academic accounting community. The idea of a crisis within the Australian academic profession is not new. Marginson (2000, p. 23) predicted it in 2000, when he claimed that it was “uncertain what the future of academic work and academic professionalism will be”. He based this projection on four overlapping dimensions: 1) globalisation and the problem of strategic response, 2) the decline of governmental commitment to, and funding of, higher education, 3) the crisis of values and university identity in an era of corporate reform and 4) tendencies to deconstruct the academic professionalism itself.

One such concern is the motivation behind “running flat out” to achieve greater commercialisation. As one senior academic from an Australian university that has achieved high international rankings and international accreditation said to one of the authors:
We are without doubt one of the best business schools in Australia, and have been seen as such long before we sought a high international ranking or international accreditation. The reason for obtaining accreditation was simple. We could afford it, and it keeps the other players out. This is the new binary system (Personal communication, April 11, 2010)

The purpose of “running faster” is to demonstrate to potential students and the competition that your university is a better, and therefore a more attractive, institution. Over the past few years, some of the driving forces in Australia have included the desire to be within the top two per cent of internationally ranked universities, to demonstrate international excellence in research and to obtain an appropriate international accreditation. These achievements are considered to be a “mark of excellence” for business programs by: 1) providing an assurance of superior management of resources to achieve a vibrant and relevant mission, 2) advancing business and management knowledge through faculty scholarship, 3) providing high-calibre teaching of quality and current curricula and 4) cultivating meaningful interactions between students and qualified faculty.

By itself, this may not have created organisational change at the faculty or school level within Australian universities, or within the academic accounting community if individual forces had provided a clear definition “quality” for accounting academics. Marginson (2000, p. 30), points out that, in Australia, “government has actively fostered new systems and new indicators of performance in which an economic bottom line, narrowly defined, has become decisive”. However, the combined force of these changes provides a series of both intended and unintended consequences.

*Intended consequences – the “Loop of Success”*

One of the intended consequences of commercialisation, achieved through international accreditation and international ratings, is the pursuit of excellence in academic research publications. As suggested in Figure 1 there are a number of functions resulting from international accreditation that influence the attainment of this goal. If an “elite” institution is to continually maintain/improve its position as such, it must be able to attract quality, full-fee paying students (who are perhaps willing to pay a premium)
which provide funding to attract quality researchers. The additional revenue allows the institution to reduce the face-to-face teaching loads of the research academics and provide an environment for the creation of a “critical mass” of quality academic researchers. This ensures greater research time, either individually or as a member of a research team, to concentrate on A+ and A publications. The enhanced reputation of these “elite” quality researchers attracts them to editorial positions on A+ and A ranked journals thus reinforcing the level of quality output. This is the “Loop of Success”.

[Insert Figure 1]

Tables 3, 4 and 5 provide some evidence of the success of this strategy. The tables were constructed using the Excellence in Research for Australia (ERA) initiative focused on field ratings for Accounting, Auditing and Accountability (ARC, 2011). The universities were grouped as 1) the Group of 8, essentially ‘sandstone’ institutions established prior to 1949, 2) ‘new’ universities established during the 1960s and 1970s as a response to population growth together with Unitech universities (the larger institutes of technology) and 3) universities that emerged from former colleges of advanced education either by forced or voluntary amalgamations following the Federal Government reforms of the 1980s.

Table 3 shows rating levels of universities by grouping, while Table 4 considers universities by rating level and by accredited status and Table 5 reports accredited status by grouping. In all examples universities with international accreditation (ran faster) are rated at levels 5 and 4 and are predominately the Group of 8. Universities that fared worst (ran slower), rated at level 1 or were not assessed, are from the former CAE grouping. The average, Australia wide, was 2.5.

[Insert Table 3, Table 4 and Table 5]

These results support the Hypnotise that universities that “run faster” — that is achieve international accreditation and high international rankings — perform better than
universities that “run slower — that is do not achieve international accreditation and high international rankings.

Unintended consequences – the “Loop of Doom”

As Figure 2 suggests, an ever-increasing number of functions that used to rate our universities. These include international ranking and international accreditation to support academic excellence together with publications in highly ranked academic journals. This is then used to define excellence, or determine what research is worthy in terms of those journals’ requirements, focus and methods, or as predicted by Parker and Guthrie (2005, p. 7) will “determine academics’ personal destiny in a corporatised university world”. These processes form both internationally constructed and internally generated forces which guide facilities and schools striving to become elite.

[Insert Figure 2]

Such forces constitute Stage 1 of what McNair and Richards (2008) describe as the “loop of doom” for some accounting academics. While holding faculties and their schools to a set of succinctly defined standards as a way of providing differentiation may seem healthy, the unforeseen consequences of running faster suggest otherwise.

For example, the pursuit and maintenance of international rankings and international accreditation is expensive, just as it is for a university, faculty or school to raise its standing in the Australian Good Universities Guide. The cost of maintaining a faculty that meets the elite’s definition of research quality is also costly — research faculties that can produce this type of research publication do not come cheaply. Schools simultaneously face hefty salaries for the research elite now that salary caps have been dispensed with, while also being expected to minimise or streamline the teaching duties of these individuals (Parker and Guthrie, 2005). A totally non-teaching load for one or more years is not uncommon.

Pursuing a reputation for excellence in the academic community is expensive regardless of the methods used by a faculty to achieve this goal. If only one or two institutions pursued international rankings or international accreditation, this would create
a small group of expensive but elite business schools that might supply sufficient benefit to society to sustain them (Ryan, 2010). However, when every business schools enters the ratings game, costs escalate systemically while quality becomes diluted. The Red Queen has arrived. Faculties need to expand their continuing development in order to maintain their relative place with faculties in competitive universities. In the end, as suggested by Parker and Guthrie (2010, p. 6) “business schools have lived by the market, they may also wither by it. Uncontained growth is as dangerous as market risk”.

Several forces — international ranking, international accreditation, faculty ranking practices, and the development of an often self-appointed elite cadre of accounting academics acting as gate-keepers for highly ranked journals — have created the setting for the second stage in the “loop of doom”. Measurements are an essential element of any system of control — no less the case when the control being sought is over the quality of a discipline. While any number of measures could be explored, Figure 3 emphasises three specific forces: 1) the qualifications required of staff by international accrediting bodies, 2) the creation of a limited list of A+ and A level journals by the elite, and 3) the emphasis on keeping student teacher ratios low on average as a measure of educational quality. Each of these metrics reinforces the others, resulting in the ascendancy of “scholarly research” over teaching in accounting programs.

[Insert Figure 3]

In Australia prior to the mid 1950s accounting was taught predominately in trade schools (technical colleges). From the mid 1960s, when the accounting bodies required a university education as a minimum requirement for membership (Blondell, 2011) to the mid 1980s it was taught in vocationally oriented colleges of advanced education (CAE). From the mid 1980s on, following the governments reclassifying CAEs as universities, accounting became fully integrated into the university sector. During this period accounting was taught by academics with at best a Masters degree and membership of a professional accounting body, and supported by a large number of part-time professionally qualified staff.
While this lack of an advanced academic qualification (seen generally as a research PhD) had gradually disappeared many accounting academic staff are still employed only to teach, and have never been required to research, specifically those from the former CAE sector. When combined with a second major factor, namely publication in a very small set of A+ and A-level journals as the basis for permanency or promotion in an increasing number of faculties, the squeeze on the practitioner as a teacher increases. The concept of an A+ or A level journal is insidious – it is a journal that is judged to the most difficult in which to get published, which is then translated to being the most demanding or scholarly in a field (McNair and Richards, 2008).

Peer review is the backbone of academic publishing. For a journal to earn an A+ or A rating peers must enforce very high standards on their colleagues: research must pass a rigorous test of logic and method. Yet these standards are not immutable laws of nature. They are established by those who have successfully published in the same journals. In the case of the A+ and A list journals, these standards are established by the ruling party — the elite of the field. With few exceptions, the result is an increasingly irrelevant but technically sound study of a topic that seldom matters to practitioners.

Journal rankings are a prized outcome of the development of academic disciplines from the perspective of the ratings-driven university. In their constant seeking of objective means to define permanency and promotion requirements and evaluate faculty, universities have accepted, as a given, that the A+ and A journal designations have been properly awarded. Thus, to prove that their faculty is excellent, these same universities have substituted previous definitions of scholarly effort with a simplistically defined measurement: the A+ and A list. Unsurprising the number of faculties that have adopted a requirement that staff successfully publish at least one article in an A+ or A level journal in order to qualify for permanency or promotion has increased. Are we running flat out getting nowhere?

Reinforcing the publication in A+ and A class journals is a second quality measure: the faculty’s average student-teacher ratio. While this “average” has never been clearly defined a class of fewer than 20 seems academically desirable. However, anyone visiting a university campus is more likely to enter a tutorial of thirty to fifty students, or a lecture of several hundred students sitting in the equivalent of an opera house peering
down at the professor below, if indeed it is a professor and not a junior member of staff. How can this occur, if the faculty has achieved the highest level of quality? By having the research for A+ and A list journals done by staff who do little or no teaching, and the teaching done by staff at lecturing or associate lecturer level (Lightbody, 2010a; 2010b), and by maintaining a burgeoning underclass of part-time faculty members — who take between 67.8 per cent (Jensen and Morgan, 2009) and 80 per cent (Matchett, 2008) of the undergraduate load.

Following the logic of Figure 3, increasingly stringent requirements make it difficult to achieve permanency at universities that have received a high international ranking and international accreditation. Failing in their first attempt, the optimistic and the obstinate staff move on, drifting lower and lower in the academic community until they come to rest at an institution where what they do is deemed to be “good enough”. As they drop in the community, these staff increasingly becomes less the scholar and more the teacher.

5. Conclusions
In this exploration of the Red Queen syndrome and the race for international rankings and international accreditation we touched on many issues that could explain the how “running at least twice as fast” keeps us in the same place. First, that the historic and fundamental objectives of international ranking and international accreditation have been usurped for the commercial imperative of marketing.

Many universities that have achieved high international rankings and international accreditation did so to differentiate themselves from their competitors in the field of education commercialism. While some that obtained international rankings and international accreditation maintained that the purpose was quality and continuous improvement, only the elite institutions that could afford it applied—the very institutions that least needed the ostensible “mark of excellence”. The Red Queen syndrome suggests that universities that are more active than their rivals (run faster), improve their competitive positions and increase their status in the market place; while universities that are more sluggish than their rivals (run slower) experience negative market consequences. Within the Australian university system the Red Queen syndrome supports
the notion of a quasi-market with expanding zones of commercial activity that can be further exploited by obtaining international rankings and international accreditation.

The second issue explored was the phenomenon of consequences that may flow as a result of potential conflict between international rankings and institutional accreditation ideals and educational and professional accounting philosophies. We suggested that issues of participation/independence, may conflict with accreditation by professional accounting bodies; and the requirements for control/autonomy and diversity versus content could be influence by controlling organisations and over-zealous administrations.

We introduced a hypothetical discussion on the possible outcomes flowing from international rankings and international accreditation and other quality measures, including the impact on research output. The results support our hypothesis that those universities which “run faster” perform better than those which “run slower”. We also suggested that institutional theory, described in this paper in terms of the Red Quean syndrome, could provide a suitable lens to view this phenomenon, in the context of organisational change linked to a desire to improve the perception of organisational legitimacy.

This study casts doubts on the belief that institutional rankings and international accreditation will produce a “better” institution. In reality, if all universities obtain this status, then overall, nothing will have changed. Perhaps the only visible outcome in Australia would be the re-establishment of an academic binary system, but this time based on international accreditation.
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Personal communication. (2010) Senior academic from an Australian university that has achieved high international rankings and international accreditation, April 11.


Figure 1

The “Loop of Success”

International accreditation is founded to protect and support the “criteria” for academic excellence in business.

Self-appointed accounting “elite” define “excellence” for accounting research in terms of journal requirements, focus and method.

Various ratings (international and internal) and ranking systems arise that place further criteria on faculties striving to become “elite”.

To pursue excellence in academic research publications.

To retain and improve their position as an “elite” university.

To attract a greater number of “quality” fee-paying students.

To attract a greater number of “quality” academic researchers.

To dominate as “gate-keepers” of the discipline through positions on editorial boards of A* and A publications.

To allow more researchers to concentrate, individually or in groups, on A* and A publications.

To create a “critical mass” of quality researchers by means of a larger pool of research-oriented academics.
Figure 2

Stage 1 of the “Loop of Doom”

International accreditation is founded to protect and support the “criteria” for academic excellence in business

Self-appointed accounting “elite” define “excellence” for accounting research in terms of journal requirements, focus and method

Various ratings (international and internal) and ranking systems arise that place further criteria on faculties striving to become “elite”

To create a controllable measure of quality

To “prove” that business programs are academic disciplines, not trade schools

To gain prestige within the university and in society at large

Schools seek out international accreditation and international rankings

To gain power, influence and resources for business programs

To increase tuition fees as well as endowments, grants and contributions

To attract more “high-quality” students

(Adapted from McNair and Richards, 2008)
Figure 3

Stage 2 of the “Loop of Doom”

International accreditation and international rankings define staff profile

Research in “A” journals, narrowly defined, begins to be the key metric used to set the bar in the tenure process in an increasing number of schools

Schools adopt “student-teacher” ratios and number of scholarly publications by faculty as key measures of program quality

Research replaces teaching as the driving force for the accounting academic community

Fewer accounting academics can reach the new higher thresholds

Reducing the pool of potential academics

Teacher scholars are pushed lower and lower in the academic hierarchy

Inspirational teaching and scholarship wane, reducing the flow of innovation in the field—a loss of relevance ensues

Teaching quantity goes up as salaries go down for the “teacher-scholar”

Passion for inquiry begins to die in the face of inadequate time, resources and rewards

(Adapted from McNair and Richards, 2008)
### Table 1

**Reactions to Commercialisation**

<table>
<thead>
<tr>
<th>Aspects of Commercialisation</th>
<th>Not at all</th>
<th>To a minor extent</th>
<th>To a major extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being prevented from publishing contentious results</td>
<td>83</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Discomfort with publishing contentious research results</td>
<td>59</td>
<td>28</td>
<td>13</td>
</tr>
<tr>
<td>Reluctance to criticise institutions that provide large research grants</td>
<td>51</td>
<td>33</td>
<td>16</td>
</tr>
<tr>
<td>Inhibitions about sharing ideas with colleagues</td>
<td>62</td>
<td>29</td>
<td>9</td>
</tr>
<tr>
<td>An increasing atmosphere of competition among colleagues</td>
<td>15</td>
<td>34</td>
<td>51</td>
</tr>
<tr>
<td>Changes to research focus because of possible lack of funding</td>
<td>23</td>
<td>42</td>
<td>35</td>
</tr>
<tr>
<td>Reduced research time due to writing grant applications</td>
<td>15</td>
<td>32</td>
<td>53</td>
</tr>
<tr>
<td>Emphasis on funded research over un-funded research</td>
<td>5</td>
<td>23</td>
<td>72</td>
</tr>
<tr>
<td>Valuing of courses that attract full fee-paying students over other courses</td>
<td>12</td>
<td>38</td>
<td>50</td>
</tr>
<tr>
<td>Valuing of courses that attract high student enrolment over other courses</td>
<td>9</td>
<td>27</td>
<td>64</td>
</tr>
<tr>
<td>Cross-fertilisation of ideas through interaction with industry</td>
<td>33</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td>Enhancement of the quality of research through interaction with external funding bodies</td>
<td>52</td>
<td>34</td>
<td>14</td>
</tr>
</tbody>
</table>

*(Kayrooz et al., 2001, p. 34)*

### Table 2

**Change Related to Increasing Commercialisation by University Group**

<table>
<thead>
<tr>
<th>Per cent Change</th>
<th>Group of 8</th>
<th>‘New’ universities</th>
<th>Former CAEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>4</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>To a minor extent</td>
<td>29</td>
<td>40</td>
<td>31</td>
</tr>
<tr>
<td>To a major extent</td>
<td>55</td>
<td>33</td>
<td>52</td>
</tr>
<tr>
<td>No response</td>
<td>13</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*(Kayrooz et al., 2001, p. 29)*
### Table 3

**Rating Levels by University Group**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Group of 8</th>
<th>‘New’ universities</th>
<th>Former CAEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Level 4</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Level 3</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Level 2</td>
<td>0</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Level 1</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Not assessed</td>
<td>0</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Total Universities</td>
<td>8</td>
<td>13</td>
<td>18</td>
</tr>
</tbody>
</table>

(ARC, 2011)

### Table 4

**Rating Level by Accredited Status**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Internationally Accredited</th>
<th>Not Accredited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Level 4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Level 3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Level 2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Level 1</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Not assessed</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Total Universities</td>
<td>17</td>
<td>22</td>
</tr>
</tbody>
</table>

(ARC, 2011)

### Table 5

**Accredited Status by University Group**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Group of 8</th>
<th>‘New’ universities</th>
<th>Former CAEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internationally Accredited</td>
<td>8</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Not Accredited</td>
<td>6</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Total Universities</td>
<td>8</td>
<td>13</td>
<td>18</td>
</tr>
</tbody>
</table>

(ARC, 2011)