University of Mannheim: Germany’s First Collaborative Research Center/Transregio Focusing on Business Administration

Accounting, taxation and corporate transparency – these are the core topics of the first Collaborative Research Center/Transregio (TRR) with an exclusive focus on Business Administration. Collaborating partners are, amongst others, the University of Mannheim, Paderborn University as the host university and the Humboldt-Universität zu Berlin. The project is funded by the German Research Foundation (DFG) with 12 million euros; the funding has initially been granted for four years.

With the Accounting for Transparency project, the DFG has, for the first time, approved a Collaborative Research Center with a business focus. Under the auspices of Paderborn University, TRR 266 looks at how accounting and taxation affect the transparency of companies and what impact a transparent self-representation of companies has on society. Are conventional instruments of accounting such as annual, quarterly and ad-hoc reports still up-to-date and can they adequately fulfill their information purpose? Are the means currently used to inform employees, investors and other stakeholders about a company’s true state still sufficient? The researchers at TRR 266 address these questions by analyzing in detail how regulations and corporate transparency affect our economy and society.

“I congratulate Professor Simons and his team on this great success. I am particularly delighted that the new Collaborative Research Center emphasizes the social relevance of business research and further strengthens the excellent reputation of the Business School of the University of Mannheim,” says Prof. Thomas Puhl, President of the University of Mannheim, following the announcement made by the DFG.

“With our research on corporate transparency, we have clearly put the finger on the pulse of society,” explains Dirk Simons, Professor of Business Administration. He coordinates the researchers’ activities and contributions at the University of Mannheim. “This topic has played a major role in public debate even before the global financial crisis. In Germany in particular, there is a lack of public confidence in the private sector.”

Apart from corporate reporting, the new CRC/Transregio also focuses on the transparency of tax systems. The teams, many of which are made up of researchers from different locations, will analyze tax complexity and compare different accounting systems worldwide. Their
research activities will be aimed at understanding how regulation affects transparency. In this context, a survey panel will be set up as part of the large Mannheim German Business Panel subproject to be able to systematically assess the attitude of companies towards financial reporting, tax legislation and other regulations.

In another subproject, Mannheim economists Katharina Nicolay and Johannes Voget will investigate the interplay between voluntary and mandatory disclosure of tax information. Under what circumstances do companies opt for fiscal transparency and what are the effects? Professor Stefan Reichelstein, holder of the Endowed Professorship of Business Administration, dedicates himself to questions of internal transparency and investigates the characteristics of information that enables companies, regulators and investors to make efficient investment decisions.

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