

The psychology of accounting

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Lynn Hannan has been at Tulane University since 2013. (Photo by Paula Burch-Celentano)

Accounting isn't just crunching numbers and punching a calculator.

For [Lynn Hannan](#), a professor at the [A. B. Freeman School of Business](#) at Tulane University, accounting should also involve psychology, sociology and economics. Her research into how theories from those disciplines impact people's judgment is aimed at helping companies design accounting systems that encourage employees to make high-quality decisions.

“I am more passionate than ever about my research,” Hannan said. “Creating and disseminating knowledge, that's what brings me joy.”

Hannan is also enjoying her first semester in her new role as the inaugural [Ernst & Young Professor in Accounting](#) at Tulane, an investiture that was announced in the fall.

Hannan came to Tulane University in 2013 with more than a decade of teaching and research experience. In 2006, while she was at Georgia State University, the American Accounting Association awarded Hannan its highest honor in academic accounting, the Notable Contributions to Accounting Literature Award, for her research in managerial accounting.

“The energy here is just amazing,” she said of Tulane. “I've gotten to know people who are doing similar types of research in marketing and management.”

During her experience at Westinghouse Electric Corp.'s financial services subsidiary, Hannan noticed that the way transactions are accounted for caused smart people to make decisions that ultimately were bad for the company.

After earning her PhD in 2000 from the University of Pittsburgh, Hannan dove into her research.

“I was interested in how we can improve accounting to help people make better decisions,” she said, focusing on psychology of the employees and incentive systems.

Hannan will continue her research as she explores New Orleans.

“My only challenge,” she joked, “is trying not to gain weight.”

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