

Understanding Accounting Research Paradigms: Towards Alternative Methodologies

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ABSTRACT

Numerous research, including accounting-based research were informed by the so called 'scientific approach'. However, many researchers have started to realise that the ontology of accounting is more analogous to the social sciences rather than the natural sciences. This paper attempts to understand the differences of the methodologies and the paradigm shift by reviewing the basic assumptions underlying the different sociological research paradigms, the construction of accounting research paradigms and the case for interpretive research approach.

Keywords: Research Paradigms, Research Methodology, Mainstream Methodology, Interpretive Methodology and Critical Methodology

Introduction

Academic research is normally underpinned by some basic meta-theoretical and philosophical assumptions directly or indirectly defined by the researcher. This article reviews the assumptions underlying the different sociological research paradigms, the construction of accounting research paradigms and the case for interpretive research approach.

Sociological Research Paradigms

Burrell and Morgan (1979) identified four sociological research paradigms based on the relationships of two principal dimensions as presented in Figure 1. The paradigms are defined as "very basic meta-theoretical assumptions, which underwrite the frame of reference, mode of theorising and modus operandi of the social theorists who operate within them" (Burrell and Morgan, 1979, p.23).

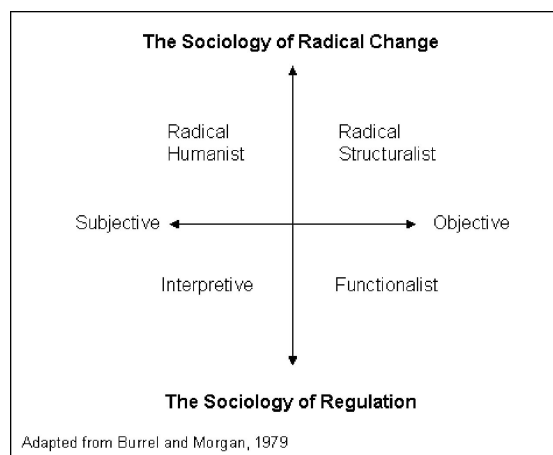


Figure 1: Burrell and Morgan's sociological framework

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The first principal dimension is the subjective-objective aspect, which is prescribed based on philosophical assumptions related to ontology, epistemology, human nature and methodology.

Ontology is concerned with the nature of 'reality', whether the reality is given "out there" or is a product of one's mind. Subjectivists, who are also known as nominalists, view the social world as the outcome of individual consciousness, whereas the objectivist approach is called realism, which emphasise that reality is external and exists independently of an individual's appreciation.

Epistemology debates the nature of knowledge. The debatable questions regard what forms it takes and how it can be acquired and passed on to other people. Subjective researchers tend to be phenomenologist, as they see knowledge of the world as being soft, subjective and intuitive, able to be obtained, through personal investigation and experience. In contrast, positivist researchers understand the social world through explanation based on predicted regularities and causal relationships among components (Burrell and Morgan, 1979).

The human nature assumption emphasises the connection between human beings and their environment. In the subjective dimension, human beings are autonomous and free-willed, and act voluntarily in creating the world, whereas, objectivists view man and his activities as being determined by the environment (Burrell and Morgan, 1979).

Finally, the methodological issues relate to the approach taken in the process of conducting research. The first three assumptions debated above influenced the researcher as regards to methodological choices. If the personal subjective quality in experiencing the world is stressed, an ideographic methodological or qualitative approach, using observation or in-depth interviews, for example, is emphasised, as it allows insights into individuals' inner world and more focus on qualitative aspects. Alternatively, if the social world is assumed as a hard, external, objective reality, as in the natural sciences, then, the nomothetic methodological or quantitative study is applicable. It utilises standard research instruments, such as questionnaires and surveys to collect quantitative type data, which are then analysed using statistical techniques to identify, explain and predict relationships and regularities among social elements (Burrell and Morgan, 1979).

The second principal dimension is the two distinctive views and interpretations of the nature of "society". One is regulation sociology, which concerns itself with maintaining the status quo, social order, consensus, social integration and cohesion, solidarity, need satisfaction and actuality bringing to unity. The other is radical change sociology, which focuses on structural conflict, modes of domination, contradiction, emancipation, deprivation, and potentiality leading to radical change (Burrell and Morgan, 1979).

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The above two dimensions create four contiguous but mutually exclusive paradigms: the functionalist, the interpretive, the radical humanist, and the radical structuralist (see Figure 1). Their commonality in one of the two dimensions distinct from the other can be traced. For example, the interpretive and functionalist, both try to explain the society as stable, in order and regulated. However, they see the world from different perspectives; the interpretive stresses the subjective aspect of the world, while the functionalist emphasises the objective features of it.

Accounting Research Paradigms

Burrell and Morgan's (1979) construction of a general sociological research framework has become a foundation for many researchers, such as Hopper and Powell (1985), Laughlin (1995) and Ryan et al.(2002), who explored alternative methodological approaches from an accounting research perspective. The main methodological approaches can be classified as mainstream, interpretive and critical.

The mainstream school of thought, known as functionalism in Burrell and Morgan's (1979) framework comprises research approaches, such as objectivism, social systems theory, and pluralism, as described in Hopper and Powell (1985). Laughlin (1995) categorises the positivist, realist, instrumentalist and

conventionalist approaches in the same group as functionalism. In general, all of the theories are in the functional frame of preference, which treats individuals and organisations as external reality, constrained by the environment they inhabit. Thus, mainstream researchers adopt a scientific approach and emphasise quantitative methods. Concerning the society, some of them observe inequalities of power and structure, but those disagreements are reconcilable towards a unitary goal and stability of society.

An interpretive methodology attempts to describe, understand and interpret the meanings that human actors apply to the symbols and structures within the settings in which they find themselves. Symbolic interactionism, grounded theory and ethnomethodology approaches are within this school of thought (Laughlin, 1995; Parker and Roffey, 1997). All of them have social subjectivity and disagreement with mainstream approach in common.

Critical or radical research comprises theories, such as Marxism, Structuration, German critical theory and French critical theory (Laughlin, 1995; Ryan *et al.*, 2002). In general, critical theorists regard populations as consisting of conflicting components and being subject to systems of power that lead to disparity and separation in all aspects of life. Their concern is to construct understanding of the social and economic world while criticising the status quo (Hopper and Powell, 1985). The radical structuralist and radical humanist strands (Figure 1) of Burrell and Morgan's (1979) framework are seen as dialectical aspects of the same reality. Hence, they are incorporated into a single philosophical framework straddling the subjective-objective dimension (Hopper and Powell, 1985; Ryan *et al.*, 2002).

The similarities between the interpretive and critical approaches in terms of the subjective value of the social world are acknowledged. Interpretive research focuses more on how accounting is socially created and how the perceptions attached to it preserve the status quo rather than explaining which ideological pressure is influential and which group interest is met by regulation as focused by critical researcher (Hopper and Powell, 1985). Considering the non-dichotomy of the two ends, in the views that society is potentially in conflict, with inherent structures of power and domination, but reconciled through common schemes of social meanings, or population is expected to change the current situation, while retaining some aspects of it, for a better future, Laughlin (1995) posits this stance of research in the low to medium level of change in his framework. A low level of change implies emphasis on preserving the status quo; a medium level of change position means readiness to change while preserving certain aspects of the current situation (Laughlin, 1995).

Baker and Bettner (1997) indicate that the main or primary disagreement between interpretive and critical research is the willingness of critical research to take a particular stance regarding the nature and purpose of the research and its political and societal implications, whereas interpretive research purports to take a 'neutral' stance. Furthermore, grounded theory researchers enter the natural world of the participants as novices, having to discover not only concepts and relationships but also research question (Parker and Roffey, 1997).

Research in the social sciences has been identified as having predominantly been informed by the functionalist paradigm. The strengths of the mainstream approach are recognised. However, the natural sciences methods have come to be seen as increasingly unsatisfactory as a basis for a social research. Mismatch between theory and practice occurred with the use of scientific approach given the fact that very little research has been published in the interpretive and critical styles Parker and Roffey (1997). Chua (1986) comments that:

"Mainstream accounting ... with its emphasis on hypothetico-deductivism and technical control, possesses certain strengths but has restricted the range of problems studied and the use of research methods" (Chua, 1986, p.601).

Baker and Bettner (1997) states:

"We argue that the type of research prevalent in the mainstream accounting journals, which is characterized by a positivist methodological perspective and an emphasis on quantitative methods, is incapable of addressing accounting complex ramification." (Baker and Bettner, 1997, p.293)

For example, while quantitative method enables researcher to detect variations between the elements under investigation, it does not allow for an analysis of why such differences and gap emerge. Understanding of this complex issue can be enhanced through uses of multi-method qualitative study such as focus group, interviews and observations, which enable such insights to be gained.

Researchers concur with the criticisms on using a scientific approach in social science studies and call for a more naturalistic approach. There are many different approaches to naturalistic or interpretive research (Denzin and Lincoln, 1994; Laughlin, 1995; Parker and Roffey, 1997; Creswell, 1998). Grounded theory is one of them. The interpretive and grounded theory approaches and their theoretical assumptions and research methods, are capable of addressing limitations of mainstream approach and producing frameworks that “fit and work” through development of data out of initial systematic methods; grounded theory is more likely to be a successful foundation for research and practice than theories logically deduced from a priori assumptions (Parker and Roffey, 1997).

Conclusion

Implicitly or explicitly, there is a set of philosophical beliefs or paradigms behind any accounting research. Accounting research as part of the social science is based on the assumptions of the nature of the social world. The differences between the subjective and objective views of reality and the world lead to different approaches to accounting research; mainstream, interpretive and critical. Contributions of mainstream approaches are significant, but researchers are increasingly adopting the interpretive and critical approaches to overcome the weaknesses of the mainstream. In conclusion, none of the approaches is dominant since it all depends on the researchers, the matters as well as the situations studied.

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