



Paradigms, theory and management accounting practice: A comment on Parker (forthcoming) “Qualitative management accounting research: Assessing deliverables and relevance”

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ABSTRACT

Parker (forthcoming) provides a valuable discussion of the state of, and prospects for, qualitative research in management accounting. This comment amplifies three issues raised in Parker's (forthcoming) review: the multi-paradigmatic nature of qualitative research and the potential that this offers for the expanded use of qualitative methods in accounting research; the role of theory in qualitative management accounting research and the need for such research to contribute to the literatures from which it draws rather than simply being a consumer of theory; and the potential for qualitative management accounting research to inform management accounting policy and practice when research gains rigor through paradigmatic bracketing.

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1. Introduction

Parker (forthcoming) assesses the contribution of 40 years of qualitative management accounting research and suggests a trajectory for its development. In general, Parker is optimistic about the state of qualitative management accounting research and its prospects but calls for continuing effort to “remind us of who we are, what we do and why we do it.” While he argues that “[t]he time for defensiveness... is long gone,” he cautions that qualitative management accounting research must emphasize its “distinctive features” in order to “move beyond apologia and effectively take our place in the sun.” His paper contributes to this process by highlighting certain features of qualitative management accounting research that he believes sets it apart from “the dominant positivist quantitative accounting research literature.” He identifies qualitative management accounting research's ontology and epistemology – notably a commitment to social constructivism and an “engagement with actors and their worlds at close quarters” – “invocation of multi-theoretic explorations” and potential to “develop concepts, principles, patterns and theories that offer wider resonance and applicability” to practice as key distinctions.

Overall, I would agree with Parker's (forthcoming) assessment of the qualitative management accounting literature – it has developed a rich multi-theoretic perspective on management accounting and provides insights into the details of practice that were missing from the literature. My comment is designed to unpack some of Parker's polemic to suggest further strategies for moving the qualitative management accounting research agenda forward. In particular, I will argue, first, that there is more philosophical variation in qualitative management accounting research than Parker suggests and this variation needs to be recognized as a source of strength for the literature and as limiting the likely impact of some of Parker's concerns. Second, while agreeing with Parker on the value of multi-theoretical approaches, I believe we need to contribute to the literatures from which we draw theory and not just be consumers of theory from other literatures. We also need to

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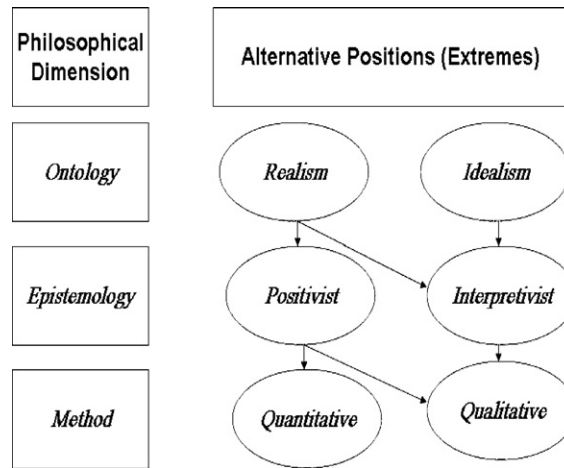


Fig. 1. The philosophical underpinnings of qualitative research.¹

engage in a debate regarding what constitutes cumulative knowledge in qualitative management accounting research, or whether such a concern is valid within this literature, in order to better understand how this literature contributes to theory development. Finally, I provide a framework for locating management accounting practice within traditional academic management accounting paradigms that provides a theoretical justification and amplification of Parker's suggestion that "qualitative researchers can make a contribution to thought leadership at the more profound levels to which their tradition is best suited."

2. On the diversity of qualitative research in management accounting

Parker (forthcoming) anchors his discussion of qualitative research in management accounting by asserting a link between qualitative research and a social constructionist view of reality. For example, he states that "[f]or the qualitative management accounting researcher, 'reality' is created by organizational actors' interaction with each other and their contextual environment." For him, qualitative research "...stresses the understanding and critique of process and context, recognizing uniqueness and difference." He contrasts his view of qualitative management accounting research with "the positivist research agenda... (that) focuses on constructing generalizable, predictive laws of behaviour." Parker (forthcoming) recognizes that the unique features of qualitative management accounting research "...require researchers to recognize and continually reflect upon their role, their ontological and epistemological assumptions, and relations with actors." But, while Parker (forthcoming) does recognize in passing the diverse philosophical underpinnings of qualitative research, these distinctions are not developed systematically in the paper. It is worthwhile to work through these distinctions to understand where qualitative methods fit in the research process. It is important, in particular, to recognize that qualitative methods are just that – methods. These methods are consistent with a number of philosophical positions (see Fig. 1) and it is troubling to see qualitative methods (or quantitative methods for that matter) referred to as a paradigm as if they were based on a homogeneous set of assumptions. This rhetoric fuels a division between qualitative and quantitative research in accounting which is neither empirically valid nor productive of greater acceptance of the use of multiple methods in management accounting research.

From an ontological point-of-view, research may be undertaken from (to take extreme positions) an idealist or realist view of reality. This distinction captures the debate about whether reality is constructed based on the concepts the mind brings to the process of observation or whether reality exists independently of the observer. We must also choose a philosophical basis to determine what we "know" about reality and what criteria we will use to determine the validity of claims to knowledge. Epistemologically, this choice (again to take extreme positions) is between positivism and interpretivism. Positivism asserts that valid knowledge must be based on tests of propositions deduced from general theories and that valid knowledge is that which has survived empirical testing. Interpretivism, alternatively, suggests that knowledge is derived from the meaning of events and not the events themselves and so emphasizes the act of interpretation as the key means of justifying knowledge claims. An idealist view of reality is conventionally paired with an interpretivist epistemology but realist ontology can be combined with either a positivist epistemology or an interpretivist epistemology. For example, traditional case study research assumes the existence of a reality independent of the observer but acknowledges the complexity of reality and the idiosyncrasy of any individual case thus focusing on building idiographic knowledge rather than the nomothetic

¹ Please note, this exhibit is designed to highlight the multiple philosophic paths to the use of qualitative methods, it is not meant to suggest that quantitative methods (e.g. surveys) cannot be used with an interpretivist epistemology to access structures of meaning in communities.

Table 1
Types of qualitative management accounting research.

Type	Ontology	Epistemology	Method	Example
(1)	Idealist	Interpretivist	Qualitative	Ahrens (1997)
(2)	Realist	Interpretivist	Qualitative	Mouritsen and Thrane (2006)
(3)	Realist	Positivist	Qualitative	Richardson and Kilfoyle (2009)

knowledge associated with positivism. Finally, research from either a positivist or interpretivist epistemology may draw on qualitative methods. One could imagine, for example, a zoologist and an anthropologist both using direct observation to study their subjects (animals and humans respectively) but each approaching their study with very different assumptions about the reality/behaviours they are observing (e.g. instinct versus free will). It is impossible to infer a researcher's ontology and epistemology based solely on observation of their method of data collection (particularly where qualitative methods are used). Similarly, Bryman (1984) notes the weak mapping between quantitative and qualitative methods and specific epistemologies among classic sociology studies.

The chain of philosophical possibilities described above and diagrammed in Fig. 1 means that it is possible to conduct qualitative management accounting research from (at least) three distinct philosophical stances (see Table 1).²

The type of research emphasized by Parker (forthcoming) is the “naturalistic” enquiry advocated by Tomkins and Groves (1983) and exemplified by the ethnographic work of Ahrens (1997). This type of research focuses on the social construction of reality reflected in and constituted by management accounting practice. An alternative approach to qualitative research takes for granted the existence of a researcher invariant reality but chooses to adopt an interpretivist epistemology to allow theoretical structures to be induced from observations (e.g. Ansari, 1987). Mouritsen and Thrane (2006) use this approach to suggest theoretical mechanisms observed in the exercise of control in networked organizations. Finally, qualitative research may be undertaken with realist and positivist assumptions such as in Richardson and Kilfoyle (2009). This paper is concerned with the transaction cost economics based prediction of changes in the use of accounting as transactions migrate from markets into network structures. Each of these three papers uses qualitative methods but based on distinct ontological and epistemological assumptions.

Parker's (forthcoming) simplification of the debates about the relationship between methods and ontological/epistemological positions is a useful polemic device to highlight what the qualitative management accounting literature can add/has added to the “mainstream,” i.e. primarily positivist and quantitative, management accounting literature. My concern however is three-fold. First, there is a danger of sharpening a divide and debate between methods which may be better resolved by introducing shades of grey rather than forcing confrontations of extreme positions. The use of quantitative and qualitative methods is appropriate under different circumstances and they should be used consistently with a researcher's philosophical commitments but it is not simply a choice between one method and another. Researchers should be empowered to use whatever method or combination of methods that enables them to engage with a phenomenon and generate credible knowledge. This may have as much to do with how methods are used and the consistency between method choice/use and broader philosophical commitments in a particular study rather than the stark choice of whether or not to quantify the phenomenon under study.

Second, the distinctions being made between qualitative and quantitative methods are presented by Parker (forthcoming) as normative rather than empirical. One gets the impression that the use of qualitative methods requires the adoption of a social constructivist philosophy. If part of Parker's agenda is to encourage the greater use and acceptance of qualitative methods, this may not be the most effective strategy. It may be easier to convince positivist researchers about the value of qualitative methods within their own paradigm than to convince them to change their paradigm. The point needs to be made that realist and positivist researchers can usefully engage with qualitative methods. In economics, for example, the awarding of Noble Prizes to Ronald Coase, Douglas North and Oliver Williamson clearly demonstrates that careful qualitative analysis can contribute to mainstream economics. In particular, Ronald Coase's and Douglas North's use of historical analysis to develop theories of rational institutional choice provide an opportunity to demonstrate the payoff of qualitative analysis in economics and economics-based accounting research. More generally, the importance of understanding context and institutional detail is not a matter of method and applies to all research regardless of philosophical commitments (although the way that such details may enter theory and research design will undoubtedly vary).

Finally, it is important to recognize the diversity of types of qualitative management accounting research particularly when discussing mixed methods research. Parker's (forthcoming) view of qualitative research makes him leery of mixed methods research. This is perfectly reasonable with regard to ethnographic management accounting research; attempting to quantify phenomenon would violate the core ontological and epistemological principles on which ethnographic work is based (cf. Blumer, 1956³). The concern is less real however where qualitative work is done within other philosophical traditions (such as type (2) and type (3) in Table 1). In particular, work based on realist ontology and positivist epistemology

² For other typologies of qualitative management accounting research see Scapens (1990) and Lukka (2005).

³ Even here the concern is with the reduction of reality to “variables” to be measured and not with the use of quantitative methods per se. Even an ethnographer might be interested in, for example, the size of a social group or the frequency of certain behaviours and other quantitative aspects of the site under study.

could be enriched by combining qualitative and quantitative methods without creating philosophical contradictions. If we discuss mixed methods research without enquiring into the variations in ontology and epistemology of the researcher, we risk missing opportunities and reaching conclusions based on extreme contrasts that may not arise in specific circumstances.

3. Theory in qualitative management accounting research

One of the interesting attributes of qualitative management accounting research is the multiple ways in which it uses and is connected to theory. As Parker (forthcoming) notes: “. . . theory and theoretical insights can either inform empirical data collection and analysis, or emerge from that very process of qualitative data analysis.” In some cases, the purpose of the research is to develop theory. Typically, following grounded theory prescriptions, the aim is to develop substantive theory, i.e. a theory that explains a phenomenon within a particular context with no claim to being a formal, or context free, theory. In more positivistic qualitative work, the purpose is more likely to be theory testing or theory “elaboration” (Vaughan, 1992). This approach is seen in Townley et al. (2003) and Richardson and Kilfoyle (2009) where longitudinal studies of government departments and a UN agency, respectively, were used to expand existing theoretical perspectives on the use of accounting.

Parker (forthcoming) rightly observes that the expansion of qualitative management accounting research has been accompanied by the use of multiple theoretical perspectives allowing “a rich spectrum of theoretical lens to be applied, multiple layers of meaning to be unpacked, and incrementally additive understandings of practice to be progressively generated” (see also MacDonald and Richardson, 2002). In too many cases, however, multiple theoretical perspectives are used simply to provide a re-interpretation or narration of a case. The key contribution of the study is to show how a theoretical terminology can be used to describe accounting practice but no attempt is made to contribute back to the original theory or to examine anomalies or boundary conditions. In part this may be an intentional deconstruction of cases and text to demonstrate the indeterminacy of meaning but the “value added” of multiple theoretical descriptions without any extension of insights is debatable. One of the symptoms of this type of work is that articles and journals may become “citation sinks” (Biehl et al., 2006) that cite other literatures without ever being cited in the literature from which insights are drawn.

We need to become producers of theoretical insights for the literatures from which we have historically drawn rather than just being consumers or translators of that theory. This might entail two approaches. First, qualitative management accounting researchers should consider writing for and publishing in the literatures from which we draw using accounting as a context rather than a focus of the research reported (Michael Power’s work may be an exemplar of this approach). Second, when we do draw on theories from other disciplines to help with interpretation in management accounting research, we should explicitly probe for areas of inconsistency between the theory and our data. These may point to boundary conditions of the theory used or suggest theoretical elaborations. In general, qualitative management accounting researchers need to maintain a skeptical attitude to the theories that inform their analysis and have the confidence to engage in theory development.

A related concern is whether qualitative management accounting research can develop cumulative knowledge (as is assumed above) or whether such a concern is even valid within this stream of research. Parker (forthcoming) asserts that qualitative management accounting research is capable of “. . . incrementally additive understandings of practice to be progressively generated.” The realist/positivist criterion for cumulative knowledge is the ever closer approximation of “truth” in our theories and empirical models. In qualitative research, depending on one’s philosophical stance, it is less clear whether “truth” is an appropriate aspiration. In some philosophical perspectives “truth” is relative and so we seek confirmation that we have captured the “truth” as perceived by some relevant group; in other theoretical perspectives “truth” is unattainable because of the multiple interpretations/meanings immanent in objects and events. Perhaps it is enough for a qualitative study to contribute yet another theoretical perspective on phenomena until we achieve “saturation⁴” or perhaps the goal of an empirical qualitative management accounting study is to add depth (detail?) to our understanding of phenomena. There is no clear criterion in the qualitative management accounting literature for assessing the marginal contribution of any single article or for determining whether a stream of literature as a whole is continuing to add value (N.B. this goes beyond questions of the quality of a study per se, even the best executed study may not add value to the literature as a whole). It would be beneficial to our literature to have clear answers to these questions (or at least a vigorous debate!).

4. Paradigms and management accounting practice

Parker’s (forthcoming) assessment of the future of qualitative management accounting research is strongly influenced by his sense that such research is more closely connected to practice than other (quantitative) approaches. This opens the possibility for qualitative management accounting researchers to become directly involved in the problems of practice (cf. Richardson, 2004; Jönsson and Lukka, 2005). Parker recognizes however that this potential for qualitative management accounting research is challenged by the continuing practice/academy divide noted in management accounting (and practically ever other business discipline). Parker’s suggestion is that we focus on “the foundations . . . [qualitative researchers]. . .

⁴ The idea of “theoretical saturation” is used in grounded theory to set a limit on field work; theoretical saturation is reached when new empirical data fails to generate new theoretical insights or refinements. My use of the term here reverses field-and-ground; “saturation” in this sense is reached when the insights of new theories for a given empirical context have been exhausted.

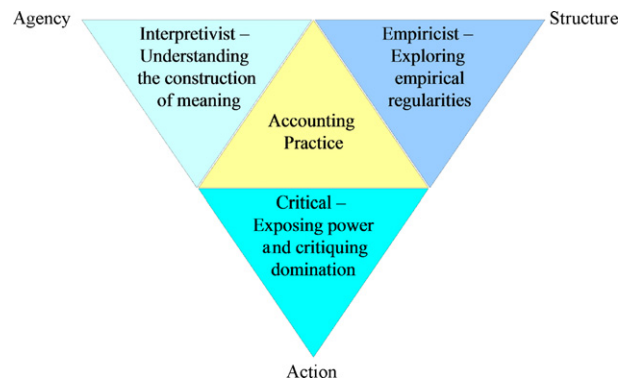


Fig. 2. Paradigms and accounting practice.⁵

build for policy change and development” through “investigating, critiquing and illuminating the deeper level organizational, accountability and contextual interface issues.” In essence, Parker is downplaying the possibility of qualitative management accounting research playing a direct role in shaping practice, suggesting instead that it gives practitioners the insights on which to synthesize their own solutions to practice problems.

This view of the relationship between practice and academic research resonates with recent debates within the art community stimulated by Sullivan’s (2005) inquiry into art practice. Sullivan (2005/2009) grapples with the relationship between academic paradigms and research in art. His dilemma is that the practice of art, i.e. the creation of works of art, is also part of the research process of academic artists. His resolution of the paradox of art practice being part of art research is, in part, to recognize that traditional research paradigms represent a bracketing⁶ of complex realities and that practice exists within the intersection of the partial views of reality provided by each paradigmatic bracketing. Sullivan (2005: 225) describes art practices as “theoretically robust, ideas based, process rich, purposeful, and strategic, and make use of adaptive methods and inventive forms whose uniqueness is best seen as connected to, yet also distinct from, traditional systems of inquiry” (see also Bolton and Stolcis, 2003: 629; Weiss and Bucuvalas., 1980: 17–19 for related discussions of the relationship between academic paradigms and practice). This relationship is diagrammed in Fig. 2 as it applies to the relationship between academic accounting research paradigms (cf. Chua, 1986) and accounting practice.

I think this is a useful way to conceptualize management accounting practice and its relationship to academic research. Two implications may be drawn from this conceptualization. First, academic research, by its very nature, will only have partial relevance to practice since all paradigmatic work gains its cohesion through bracketing some aspects of reality in order to create tractable problems for empirical analysis. We should not expect any theoretically consistent piece of academic research to be directly translatable into the techniques of practice. Second, the complexity of practice must be acknowledged. Morgan (1993), for example, has argued for some time that managing in turbulent times is about developing the ability to re-imagine businesses and business processes; to use multiple, partial views of phenomenon to build an innovative synthesis.

The aspiration for research to have direct consequences for practice may be misplaced unless, as Parker (forthcoming) suggests, management accounting research is limited to solving specific problems in practice. Research that provides a more general view of management accounting phenomena may influence practice but only indirectly through enriching the set of partial views that may be used as input by practitioners. I believe this is the role that Parker alludes to in reference to the “foundational” and “profound levels” at which good qualitative management accounting research aims. Qualitative research has the potential to communicate fundamental insights and patterns to practitioners more effectively than abstract empiricism because of its use of more accessible narrative but all forms of management accounting research offer partial, methodologically bracketed insights that practitioners must use in contexts where the brackets are removed and events are overdetermined.

5. Conclusion

Parker (forthcoming) highlights the contributions and potential of qualitative research in management accounting. He calls on management accountants to embrace their qualitative heritage and seek ways to ensure that further contributions to the academic literature and to practice are realized. While I am sympathetic to the overall view of the management accounting literature that Parker provides, I have suggested three areas of difference on which further debate is warranted: (1) the mapping between the use of qualitative methods and various philosophical positions needs to be elaborated to

⁵ Modified from Sullivan, 2005.

⁶ “Bracketing” refers to ignoring or holding some aspects of a phenomena constant in order to provide focus to research (cf. Gearing, 2004). This may be accomplished theoretically by consigning some influences to the error term or invoking a ceteris Paribas clause; or methodologically by excluding certain influences through the design of a sample or through the use of control variables.

encourage greater use of qualitative methods in the “mainstream” literature and to ensure that “mixed methods” are used consistently with the philosophical commitments underlying any research project; (2) more debate is needed about the use of theory in qualitative studies, the contribution of such studies to theory, ways to avoid superficial uses of theory as simply novel descriptive vocabularies, and the role of cumulative knowledge in qualitative research and (3) the relationship between practice and academic research in the social sciences generally needs to be reconceptualized to understand the appropriate limitations on academic theorizing compared with the needs of practice and the ways in which academic theories may be/are used by policy makers and practitioners to creatively synthesize multiple paradigmatic views into pragmatic responses.

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