



# Qualitative management accounting research: rationale, pitfalls and potential

## A comment on Vaivio (2008)

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### Abstract

**Purpose** – This paper’s purpose is to provide a commentary on “Qualitative management accounting research: rationale, pitfalls and potential,” a paper by Juhani Vaivio.

**Design/methodology/approach** – The approach is to draw on alternative research paradigms to expand the definition and discussion of qualitative research in management accounting.

**Findings** – The paper endorses many of the prescriptions in Vaivio but expands the definition and discussion of qualitative research in management accounting to recognize the blurred boundaries with field research more generally, and to be more inclusive of qualitative field research from a positivist/functionalist perspective. Similarly, the need for qualitative research to challenge textbook, economics and consulting representations of management accounting is acknowledged, but the range of catalysts is expanded to highlight the potential for qualitative research building on both qualitative and quantitative extant research. This paper also seeks to broaden the discussion of legitimate study design characteristics and data collection methods, and to stress the importance of matching research design with research question.

**Originality/value** – The paper stresses the value of pluralism and inclusiveness in both methodological and method choices.

**Keywords** Qualitative research, Management accounting

**Paper type** Viewpoint

This comment examines the perspective on qualitative research in management accounting conveyed in Vaivio (2008). Any paper claiming to address the rationale, pitfalls and potential of a substantial body of research in management accounting is a highly ambitious endeavour. Vaivio provides insight based on experience and reflection. These insights offer significant guidance for less-experienced researchers embarking on qualitative research. However, Vaivio does bring a particular epistemology to the qualitative research domain, and this epistemology is implicit throughout the paper. As a qualitative researcher from a different epistemological stance, I found much to agree with but also many areas where the discussion could be expanded to accommodate a broader range of fields and methods of inquiry. It is important to stretch the boundaries of the discussion to be more accommodating of the wealth of good qualitative research in management accounting that arises from a range of epistemological perspectives. The rationale, pitfalls and potential of research endeavours are fundamental considerations for inexperienced researchers. Balance and inclusiveness are critical in ensuring that researchers are not deterred from addressing interesting and challenging questions.



Vaivio defines qualitative research as relating to the:

[...] entire interpretive research tradition in accounting, especially case-based research that relies on rich empirical material collected from a single target organization or a handful of case organizations [...]. It uses multiple sources of evidence [...] as well as forms of participant observation within the research site.

While consistent with the way qualitative research is defined elsewhere (Ahrens and Chapman, 2007) such a definition in itself reflects preferences for the application of particular methods of inquiry. Elsewhere in the literature, the boundaries of terms such as qualitative research/field study and case study research are blurred and definitions refer to any form of research inquiry in which the primary data are qualitative in nature. Definitions of qualitative and field research in accounting are also generally elaborated to require that the research connects with the real world in which accounting is practiced (Ferreira and Merchant, 1992; Atkinson and Shaffir, 1998). This broader definition avoids pre-specifying requirements around the epistemological foundations of the research endeavour (not necessarily interpretive), the number of focal “cases” or sites, the form of data collection (interviews versus participant observation) and the sources of evidence used. Not all qualitative researchers are able to obtain sufficient access to organizations to engage in participant observation. Nor are they always able to collect multiple sources of data that are relevant to their question of interest. Such “failures” do not compromise the value of well-executed, interview-based qualitative research.

Vaivio begins by asking the question: “Why do we need qualitative research on management accounting?” He answers this question with reference to the limitations imposed by the textbook, economics and consultancy views of management accounting. He explores how each of these “views” of management accounting represent tidy, sterile, simplified and idealized representations of the actual practice of management accounting and calls for qualitative research to “problematize” these views. Vaivio provides a provocative analysis of the textbook, economics and consultancy representations of management accounting. He is justifiably cynical about the unhelpfully sterile representations of management accounting practice and its organizational context. Those of us who undertake field research learn quickly how little organizational reality conforms to the highly planned, structured, rational and optimized representations of textbooks and economic frameworks. We frequently see (or should expect to see) elements of both textbook management accounting and economics in action in organizations. However, we can invariably learn more about the context of these practices by engaging with the field, and our students, colleagues and practitioners potentially benefit from our efforts to document the way organizational reality interacts with the idealized prescriptions of accounting textbooks and economics. Vaivio suggests that we discard the economic representations of the organizational context of accounting. Economics remains a key foundation discipline of accounting. It is perhaps more helpful to credit qualitative research with contextualizing rather than discarding economic representations of organizations. It is also not true that qualitative studies can take all the credit for contextualizing management accounting. Many high-quality survey-based studies in contingency theory have contributed greatly to our contextual understanding of management accounting.

I would also agree with Vaivio that qualitative research has a significant role in critically examining the normative prescriptions and rhetoric that is encapsulated in the consultancy view of accounting. I suspect many of us have met with high levels of frustration when trying to apply consultancy prescriptions in real organizations. Such attempts expose the rhetorical vacuousness of much of the literature which is sourced from consultancy. The impact of the “consultancy view” of management accounting has been very significant in the past two decades. The need for researchers to expose this rhetoric to rigorous critical analysis is pressing, and qualitative research has an absolutely key role in this.

Thus, I find little to disagree with in Vaivio’s discussion of these restricted views of accounting. However, I believe I can elaborate on Vaivio’s concerns in two respects. First, in addressing the textbook, economics and consultancy view of accounting, Vaivio clearly seeks to “problematize” accounting. While the use of interpretive social theory to problematize the practice of accounting is a key contribution of qualitative research, it is by no means the only potential contribution of qualitative research in these areas. In fact, it could be demoralizing for researchers to believe that the best they can achieve by going into the field is to problematize the practice of accounting. Vaivio gives us a good sense of the idiosyncrasy of real firms and the extent to which actual practice is always distant from stylized and idealized representations. However, documenting idiosyncratic behaviour, even interesting idiosyncratic organizational behaviour, is not always rewarding, and not always accepted in the literature. Researchers need a great deal of guidance in linking idiosyncratic organizational behaviour with theory, and in exploiting the combination of indiosyncrasy and theory to clarify the conceptual learning from a field experience in ways that are tractable to other researchers.

More important though, not all field research seeks to problematize practice. Key contextual attributes of organizations that influence management accounting practice are not necessarily problematic or idiosyncratic. Vaivio is dismissive of textbook view of management accounting as a practical and functional technology. In reality management accounting is a practical and functional tool, not just a political one. Many functional applications of management accounting are complex and warrant field study exploration. For example, opportunities to observe new organizational forms, novel supply chain arrangements, attributes of organizational culture, and the implementation of management accounting and control systems across a range of organizational contexts and settings potentially provides rich understanding of many attributes of management accounting practice. The use of theories from organizational sociology, psychology and economics, in combination with patterns in organizational practice can constantly build upon and enrich the theoretical basis from which, ultimately, textbook and consultancy prescriptions materialize. Qualitative research has a clear role within the epistemology of positivist research and can be utilized to great effect from a positivist perspective to generate rich and interesting accounts of management accounting as a functionalist technology. Examples of qualitative studies conducted from a positivist/functionalist perspective include Simons (1990), Merchant (1989), Bruns and McKinnon (1993), Abernethy and Lillis (1995), Anderson (1995), Lillis (2002), Davila (2000) and Malina and Selto (2001). I would refer researchers interested in the methodological foundations of qualitative research in management accounting to the fascinating debate between Scapens (1990, 1992) and Llewellyn (1992) in the *British Accounting Review*.

My second concern is that the textbook, economics and consultancy views of accounting are not the only, nor necessarily the primary, catalysts for qualitative research. Much qualitative research springs from intriguing questions that arise during the execution or reporting of research studies that use either qualitative or quantitative methods – the anomalies, conflicting findings, dilemmas or new settings that provide the source of so much qualitative research. Other studies arise from serendipitous conversations about interesting practices or novel organizational arrangements that provide opportunities to enhance our understanding of management accounting practice by seeing it through new lens or in new applications.

A great deal of qualitative research springs from dissatisfaction with the perceived sterility of the empirical insights from broad-based survey research or highly stylized laboratory studies. Qualitative researchers frequently read survey-based research results and see significance only in a statistical sense. We immediately want to explore the how and why questions that lie behind the “what” or “how many” questions addressed in cross-sectional surveys. Vaivio hints at this in his commentary on the emptiness of much general theory that is supported across large populations of organizations. When we read laboratory study results we immediately want to introduce realism and complexity and observe what happens. These are completely valid catalysts for qualitative research. Researchers should never be deterred from pursuing interesting questions that arise from extant research or practice from either a positivist or interpretive perspective.

Within the positivist/functionalist domain of extant research we can open up many opportunities that move away from the notion of problematizing practice. Qualitative research can be used to build our understanding of the “how” and “why” of management accounting practice, how these practices respond to real organizational settings and to explore the logic that drives the evolution and adaptation of practice. We can build better understanding of the empirical dimensions of commonly studied constructs, we can provide insight into the logic behind reported correlations and we can potentially identify key omitted variables that help us to understand both statistically significant and insignificant results in quantitative studies. In his section on qualitative research and theory development, Vaivio seems primarily focused on this type of work, and in the last section on future potential he sees the catalysts for research in extant survey and case research but these ideas are less evident in the emphasis on problematization in the front of the paper. Vaivio acknowledges in his conclusion that “despite their contextual nature and historical specificity management accounting practices do exhibit regularity and predictability across different contexts.” Thus, management accounting in practice is not all to be problematized. However, Vaivio offers little advice relating to the potential of qualitative research in management accounting that is not within this problematized domain. It is arguable that research that focuses on contextual understanding of common practices and techniques probably has more traction in bridging the research and practice gap than research that documents and interprets idiosyncratic practices.

Vaivio devotes the second half of his paper to the development of guiding principles for actually doing qualitative research. Here, I find many more points on which to make the discussion more inclusive. While I do not disagree with the virtue of Vaivio’s principles in particular circumstances, I think it is problematic to be prescriptive in tightly defining methods of qualitative inquiry. In a sense, I want to problematize

Vaivio's view of the qualitative research process, as I see many ways in which it fails to capture ways of doing qualitative research that are highly effective and appropriate in addressing a range of legitimate research questions.

Vaivio articulates well the risks associated with qualitative research endeavours. These risks are very real in any qualitative study and it is incumbent on qualitative researchers to draw on their training to adopt effective risk avoidance strategies. Elsewhere referred to as "doing their damndest" (Abernethy *et al.*, 1999), qualitative researchers rarely come to grief if they pay sufficient attention to knowing the literature and theory in which their study is embedded, choose their research site carefully, devote time to the development of research instruments, seek advice and validation of research instruments and processes from peers, and most importantly, adopt rigorous methods in the collection and analysis of qualitative data. My issues with Vaivio's prescriptions relate to the legitimization of certain methods of doing qualitative research and, by omission, the dismissal of alternative methods. Also at issue here is the absence of discussion of the critical link between research question and study design.

Vaivio comments on the depth/breadth tradeoff associated with the choice between single and multiple cases. While his original definition favours single case studies, he does, in this section balance the relative contribution of single and multiple cases. I find the suggestion that multiple case studies draw more on established theories, research instruments and protocols than single case studies mystifying. Here, the critical decision should be focused on resolving the breadth versus depth issue in the context of the research question. Does the question demand evidence that can only be established by comparing settings with and without particular attributes? That is, is it a question exploring whether particular management accounting practices depend on the presence of certain context characteristics? Or does the question demand the documentation and interpretation of a novel practice present in a single organization? Is the practice to be observed deeply embedded and will it take time and extensive investigation to understand? If so, then depth of analysis outweighs the need for breadth. Where research questions relate to practices that are more readily accessible, then deep immersion in a single organization is not warranted, and the value of detecting patterns across organizations may lead to the more effective choice of multiple case studies (Lillis and Mundy, 2005). For example, the structural and performance measurement adaptations that enable implementation of manufacturing flexibility (Abernethy and Lillis, 1995) is a multiple case qualitative study where the design choice is warranted both in terms of the need for comparative analysis of cases with different levels of flexibility, and the ability to access the data of interest without deep immersion in individual organizations.

In prescribing data collection protocols, Vaivio is critical of single/dual interviews at research sites, using the pejorative term "site visits" to describe these. Again, this depends entirely on the question. Many studies have been built on single, focused interviews with appropriate organizational respondents. As discussed above, many questions do not warrant deeper study within organizations. Data from one to two hour interviews are still qualitative, and can still offer a wealth of insight into constrained and focused questions of interest. In response to Vaivio's contention that time in the field reduces the risk of threats to validity and reliability, I would draw attention to the salutary tale of deception reported in Young and Selto (1993). The reality is that

respondents can be disarmingly honest or deceptive during one-hour interviews or extended engagements. Vaivio also declares that interviewers must interview multiple respondents – “it is not enough to interview only senior management about an activity-based costing implementation, for example since people on the ‘shop-floor’ may have a totally different story to tell.” Again, this depends on the question. Shop-floor employees can probably offer few useful insights into the motivations for adoption of ABC, the determination of activity drivers and cost pools, expectations regarding the outcomes of implementation or the range of ways in which ABC data are to be used. On the other hand, a broader-based multi-level study may be needed to unravel the intended and unintended consequences of adoption. It simply depends on the question and domain of interest. Finally, in relation to data collection Vaivio prescribes triangulation of multiple data sources. I do not disagree that triangulation is highly desirable. However, it is not always possible. The demand for extensive written internal documentation such as minutes of meetings, internal memoranda, etc. while highly valuable as research data, can itself compromise access to research sites. Access can be very difficult to obtain, and there are times when the imposition on the organization needs to be kept to a minimum to secure such access. Organisations may find it more threatening to pass extensive internal documents over to a researcher than to make accurate disclosures during an interview. In addition, the fact that documents are provided to the researcher does not guarantee that they are a comprehensive reflection of the relevant documents available and that they are not presenting a sanitized view of the situation under study. My experience as a reviewer has also been that qualitative researchers frequently access multiple data sources, but on close examination much of the documentation gathered is publicly available and of marginal relevance to the research question.

Vaivio’s caution regarding the failure of qualitative studies to make the essential links to theory in the interpretation of the findings is one that I share whole heartedly. As a reviewer of qualitative studies and an adviser on qualitative dissertations, this is frequently the Achilles heel! Researchers invest in good upfront theory, collect interesting data, but then fail to make the difficult but essential “generalizations to theory” in the end. Connecting empirical observations back to the theory that motivated the study is an essential research task. It is important for qualitative researchers think very deeply about the meaning of generalizing to theory, about the connection between their study and extant theory, and about the theoretical contributions of the study. This is acknowledged to be one of the persistent weaknesses of qualitative studies, and a step that is poorly understood. Qualitative research is not about storytelling. It is still about the use of, and contributions back to, theory. There is an excellent discussion of the debates around the role of stories and theory in qualitative research in Ahrens and Dent (1998).

I have some concerns about Vaivio’s description of the “windsurfer” problem and its association with research emerging from the consultancy view. Vaivio is legitimately concerned about the use of superficial evidence that support the implementation of popular management products. However, there is excellent qualitative research that explores the boundaries of consulting solutions. Malina and Selto’s (2001) work on the balanced scorecard is an example. There are also examples of superficial data collection and uncritical analysis in qualitative studies springing from all areas. The key issue here is the obligation of the researcher to bring adequate training and rigor to

the research task, to be open-minded, have a critical eye, and not to be “driven” by prior beliefs. Qualitative research conducted with any other mindset is not only compromised in objectivity, but it also represents a serious missed opportunity.

Vaivio raises the fundamental question – does qualitative research in accounting really matter. The answer is, and has been for some decades now, a resounding “yes.” More important is the question of how we extract and communicate the richness of the field experience and its contribution to the literature. Quantitative research follows closely established protocols for data analysis and reporting. Qualitative studies lack reference to these common structures and language. They need to read widely to obtain guidance on the conduct of qualitative research, recognizing that qualitative researchers work in different paradigms. These paradigms have implications for the questions addressed, and the methods used in data collection, analysis and reporting. Qualitative researchers have long argued the virtues of methodological pluralism (as does Vaivio). It is important to acknowledge and accept pluralism within the domain of qualitative research in management accounting in order to open up all opportunities to draw on the richness of field study experience to drive the literature forward. Qualitative research needs to explore not only the social, societal and political in management accounting but also the routine and functional.

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