



Qualitative research in accounting: the North American perspective

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Abstract

Purpose – The purpose of this Special Issue of *Qualitative Research in Accounting & Management* is to focus on qualitative research in accounting from a North American perspective. The goal is to highlight the possibility of greater contributions to qualitative research in accounting from researchers based in North America and to highlight some significant contributions produced by authors in North American universities in the qualitative domain.

Design/methodology/approach – The paper is conceptual in nature.

Findings – This sample of North American qualitative research in accounting provides an example of some of the different types of qualitative work being done. In most respects the articles are similar to qualitative research being done in other parts of the world. Perhaps the key difference is that the research has been undertaken for the most part by senior researchers who have been able to take some risks with a research paradigm that may not be widely accepted at their universities or they may be fortunate to be located at universities which value such research.

Originality/value – The paper broadens the view of qualitative research to North America where it appears that qualitative research has been relatively undervalued in recent years.

Keywords Qualitative research, Research paradigms, Accounting research

Paper type Conceptual paper

Introduction

While the dominant research methodologies employed by most North American accounting researchers over the past several decades have been primarily mainstream and positivist (Van der Meer-Kooistra and Vosselman, 2012), this was not always the case[1]. The fragmentation of accounting research into paradigmatic sub-disciplines is of relatively recent origin. Prior to the 1970s, there were few divisions in the accounting research discipline. Accounting researchers were expected to be conversant with all of the major issues in the different parts of the discipline. A doctoral student pursuing a PhD in an American university in the 1970s would have been expected to be widely informed about business administration and to have achieved competency in each of the major areas of accounting. In addition, the doctoral student would have been expected to have completed graduate-level studies in two minor fields related to business administration. Finally, there would have been a comprehensive examination focusing on accounting theory (i.e. the theory of income measurement). Completion of the



comprehensive examination would allow the doctoral student to be “advanced to candidacy”, which would lead to the writing of a doctoral dissertation that was expected to be completed in about one year. The choice of the dissertation topic was relatively open, but the topic was often related to the interests of the chairperson of the dissertation committee.

By the end of the 1980s, there had been a major transformation in the accounting research discipline in the USA. There was a rejection of the normative framework, resulting in an abandonment of that approach and, thereby, of a great deal of qualitative research. Accounting research entered a new period, characterized by “positivist” research. The first indication of this transformation was revealed by the growing rigidity in doctoral programs and a tendency for there to be little connection between accounting research and accounting practice. Many doctoral students had not completed first or second degrees in business administration, nor had they worked in business or professional accounting. The second trend in doctoral education was that doctoral students were required to complete their minor fields in finance, economics or statistics, or in some cases, psychology. Collateral fields such as sociology or history were excluded. The doctoral dissertation was normally an extension of the work of the dissertation chairperson. The third trend was the emergence of sub-disciplines such as financial, managerial, auditing, taxation, governmental and information systems. Doctoral students were discouraged from pursuing interests in different areas; the student was expected to confine his or her research to one specific area. Finally, there was a proliferation of journals. Prior to 1970, there were few accounting research journals; by the end of the 1980s, there were dozens. Each of these trends led to the recognition that the accounting research enterprise was not unified, and that the different parts of the discipline were relatively unable to communicate with one another.

In addition to the changes taking place in doctoral education, by the end of the 1980s, US-based accounting researchers were expected to identify themselves as a particular type of researcher, that is, capital markets, behavioral, managerial, auditing, taxation, etc. It was assumed that the researcher would teach and do research in the same sub-discipline, and that they would attempt to publish in “high-quality” journals. These types of journals increasingly focused on “empirical” research, that is, research following the scientific model, in which one or more hypotheses were proposed, numerical data were collected and statistical analyses were performed to test the hypotheses. This focus on empirical research has often been called “positivist”, and in this paper, I will refer to this type of research as positivist research. It should be noted, however, that this type of research is called positivist primarily because the underlying philosophical perspective is that the research enterprise should focus on measurable data (i.e. “empirical”).

In contrast to developments taking place in the USA during the 1970s and 1980s, there was a different paradigm developing in doctoral education in countries outside the USA[2]. In the UK, for example, the typical doctoral student entered a doctoral program after completing a research master’s degree. While it might have been helpful if the student had completed a first degree in accounting, a research master’s degree did not require prior education in accounting. There was no expectation that the doctoral student would be professionally qualified or that he or she would have worked in public accounting or business. The research master’s degree was based on extensive reading of articles published in academic journals. The degree was completed through the writing

of a research dissertation which required a lengthy literature review as well as an “empirical” component, typically based on interviews. Upon entering a doctoral program, a UK doctoral student would be assigned to an advisor. The advisor and the student would then agree on a list of articles and books that the student would read, summarize and discuss. No course work was required. Over a period of about four years, the student would formulate and write a relatively long doctoral thesis. Similar to the dissertation completed for the master’s degree, the doctoral thesis would involve an extensive literature review along with a detailed set of interviews, which would constitute the “empirical” component of the dissertation. The literature review and the interview data would be interpreted through a theoretical framework derived from an established theorist such as Giddens, Foucault, Habermas, Marx, Derrida, etc. The young scholar would then become identified as knowledgeable with respect to one of these well-established theorists, and he or she would often seek to collaborate with scholars having a similar outlook.

Thus, by the end of the 1980s, there was a distinct cleavage in the accounting research discipline, not only into sub-disciplines in the USA, but also into paradigmatically separate fields, such as positivist, interpretive and critical accounting research (Chua, 1986; Van der Meer-Kooistra and Vosselman, 2010). For the most part, these three fields have had little interaction, with scholars in one field barely acknowledging the existence of scholars in the other field. In particular, the positivist field, which by the 2000s encompassed virtually all American accounting research, as well as large parts of Canadian, Australian and some Asian and European countries such as Hong Kong, Singapore, Korea and the Netherlands, had come to define quality accounting research to include only articles appearing in only a few “top” journals.

In response to the growing domination of accounting research by the positivist paradigm, certain scholars began searching for alternative paradigms. The initial and perhaps the most prominent example of this search for alternative paradigms was started by Anthony Hopwood who founded *Accounting, Organizations and Society* (AOS) in 1976. AOS has published a wide spectrum of positivist, interpretative and critical research, and it is included among the top tier journals in most league tables. However, while many positivist researchers focus their research toward one of the top tier positivist journals, most interpretive and critical accounting researchers would be quite happy to have their work appear in AOS. Consequently, AOS emerged as an important outlet for interpretive and critical research in accounting. This has led to a conundrum in which accounting researchers seek to publish in journals which allow their work to be well recognized, and yet the cleavage in the discipline leaves them frustrated because interpretive and critical work is not accepted in the top tier positivist journals. While the number of English language accounting research journals now exceeds 150, which would appear to provide sufficient outlets for publication, league tables and ranking schemes in many countries have reduced the number of acceptable journals to a few at the “top”, with several categories of second and third tier journals following along behind. This has produced a quandary for accounting researchers around the world. How can I get my work published in one of the “top” journals?

Fortunately, we are now seeing the advent of high-quality interpretive and critical journals in which accounting researchers may seek to publish their work. This is the case with *Qualitative Research in Accounting & Management*. This Special Issue seeks to demonstrate to accounting researchers in North America that their qualitative work

is welcome, and to illustrate to the larger accounting research community that qualitative accounting research is alive and well in North America. There are five papers in the Special Issue. The following sections will present a brief introduction and commentary on these papers.

A qualitative research study of US tax professionals

The first paper in the Special Issue is co-authored by [Fogarty and Jones \(2014\)](#). Tim Fogarty has been one of the most prolific qualitative accounting researchers based in North America. He has been a Full Professor at Case Western Reserve University in Cleveland, Ohio, for many years. He has had numerous publications in AOS, and he is on the Editorial Board of *Qualitative Research in Accounting & Management*. The paper by Fogarty and Jones uses qualitative methodologies to study American tax practitioners.

Tax professionals in the USA have always found themselves in a uniquely ambiguous position. Unlike auditors, the espousal of service to the public interest is not constantly articulated. Unlike management consultants, the devotion that practitioner can have to their clients' interest cannot be unconstrained. Tax practitioners are expected to help clients minimize their tax liabilities, while simultaneously assisting the government collect its fair share of tax revenue. Using semi-structured interviews, the paper by [Fogarty and Jones \(2014\)](#) examines the nuance of this navigation. Practitioners struggle to serve two masters, albeit imperfectly. The qualitative nature of relationships looms as a disproportionality important factor, often neglected in normative accounts and empirical evaluations. The paper attempts to show that tax practice is a contested terrain. Clients are "rocks" insofar as they take the prospects of overpaying their taxes (as they see it) very poorly. On the other hand, practitioners face the very "hard place" of penalties and reputation loss that can be imposed by the government for insufficient independence. The paper calls into question the centrality of tax research into the day-to-day life of the tax professional in the USA. Even with modern information search and retrieval technology, tax research struggles to survive within the logic of capitalism. The interviews conducted for this paper suggest that clients are willing to pay for what a tax practitioner knows, but are not very willing to pay for what that person might learn. How accounting firms get their staff to the point where they can survive in such a world needs to be better understood. While what we teach accounting students about tax research is technically accurate, it is so only under "laboratory conditions". Its departure from the actual world of modern practice is striking. The original contribution of the paper is that is one of few to apply qualitative research to the tax practitioner setting.

An example of critical qualitative research

The second paper in this Special Issue is written by Henri Guénin-Paracini and Yves Gendron, both at Laval University in Québec and Jérémy Morales of ESCP in Paris. After several years at the University of Alberta working with David Cooper, Yves Gendron returned to Laval University where he has established an impressive record in qualitative research in accounting with multiple publications in AOS, Accounting, Auditing & Accountability Journal (AAAJ) and Critical Perspectives on Accounting. In this paper, Gendron collaborates with two younger colleagues in carrying on the critical qualitative tradition in accounting research.

This paper seeks to understand why neoliberal governance is resilient to the crises that frequently affect all or part of the economy. The argument of the paper relies on a macro analysis of discourses surrounding the Global Financial Crisis. Drawing on Girard and Foucault, the authors argue that the resilience of neoliberalism partly ensues from the proclivity of this mode of governing to foster scapegoating in times of turmoil. As a consequence of these processes, crises often are collectively construed as resulting from frauds: the blame is focused on specific actors whose lack of morality is denounced, and this individualizing line of interpretation protects the dominant regime from systemic questioning. Particular actors, rather than the system itself, are made accountable when things go wrong. According to the authors, the consequences are evident. Today's political economy is characterized by a proclivity toward social reproduction. While substantive change is possible in theory, considerable challenges are involved in overcoming the dominance of neoliberalism in society. Although Girard's work has exerted significant influence over a number of disciplines in the social sciences, his ideas have not yet been widely used in governance and accountability-related research. The authors seek to illustrate how anthropological theorizations – such as those proposed by Girard – are valuable in providing a sense of how power develops in the economy. This paper also shows the relatively close linkages between interpretive qualitative research and critical qualitative research.

A qualitative research study of high technology

The third paper in the Special Issue was written by Dan Stone, of the University of Kentucky, Alexi Nikitkov of Brock University and Timothy Miller of Xavier University (Stone *et al.*, 2015). Dan Stone has been a well-known mainstream behavioral scholar in for many years. In this paper, he collaborates with two younger colleagues on a qualitative research study. As is the case with Fogarty and Jones (2014) and Guénin-Paracini *et al.* (2014), Stone *et al.* (2015) illustrate the strength of a collaborative effort in qualitative research between a more established colleague and younger colleagues.

Stone *et al.* (2015) adapt Simons' (1995) theory of the role of information technology in shaping and facilitating levers of control (i.e. the Levers of Control Applied to Information Technology – LOCaIT) as a framework for investigating how eBay's business strategy was accomplished through its management control system (MCS) in the first 10 years of the online auction market. The qualitative methods used in the paper rely on data from public-record interviews, teaching cases, books, SEC filings and other archival sources to longitudinally trace eBay's strategy through its MCS. The development of eBay's business strategy through the MCS necessitated a diagnostic control system (DCS) unlike any previously seen. This DCS created a close-knit online community and enabled buyers and sellers to monitor one another's performance and trustworthiness. The LOCaIT theory facilitated understanding the core aspects of the realization of eBay's strategy through its MCS. However, LOCaIT largely omits the strong linkages evident among elements of the MCS and the importance and necessity of building a core IT infrastructure to support eBay's strategy, as well as the central role of building consumer trust in the realization of this strategy. eBay's MCS is now perhaps the world's most widely imitated model for creating online trust and user interactions. In addition, eBay's MCS was "sold" as a consumer product that was instrumental in facilitating consumer trust in the online auction market. Contributions of the paper include:

- tracing the creation, growth and evolution of, perhaps, the world's largest and most widely imitated MCS, which redefined the boundaries of accounting systems monitoring; and
- testing the range, usefulness and limitations of Simons' LOCaIT theory as a lens for understanding eBay's use of IT in their MCS.

The paper by [Stone et al. \(2015\)](#) is mainstream in its scope and intent, but also one which employs qualitative methods. This illustrates the opportunity for researchers to develop mainstream research interests but which will still employ qualitative methods.

A qualitative study of a performance management system in the retail industry

The fourth paper in the Special Issue was written by Bruno Cohanier of the Neoma Business School in France ([Cohanier, 2014](#)). The connection with North American qualitative accounting research is that the paper is a long case study of one of the world's largest retail companies which is headquartered in the USA. The paper focuses on the use of qualitative research methods to gain a better understanding of the company's Performance Management System (PMS). The motivation for the research was to assess whether the actual PMS is congruent with the most recent thinking and research in the management accounting literature. Using open-ended interviews, the paper seeks to develop relevant hypotheses related to the dimensions of the [Strauss and Corbin \(1998\)](#) model of grounded theory in qualitative research. The Strauss and Corbin methodology was used because it provides a structured approach and analytical techniques that can build upon existing theory and literature. The qualitative data collected during the course of the research indicate that financial measures have been predominantly used by the company in its PMS, and that this reliance on financial measures may be an artifact of the industry in which the company operates. The retail industry is highly competitive, and it is very sensitive to changes in customer tastes and behavior, as well as shareholder and financial market pressures. In addition to financial measures, it was found that operational management developed certain non-financial performance measures and that this development may have been a response by operational managers to wider stakeholder pressures and external influences. However, these performance measures appear to be not fully integrated in the PMS and are, therefore, de-coupled and relatively unimportant in or entirely absent from, top-level decision-making. The research limitations are those similar to all qualitative research studies, in that a small sample size prevents generalizations to large populations. However, the insights gained from a detailed case study more than off-set the inability to make generalizations. The conclusions of this paper provide support for the concepts of isomorphism and de-coupling as found in the literature of new institutional theory. This is one of the few papers to use open ended interviews and grounded theory to study PMSs in the Retail sector.

A qualitative study in auditing

The fifth paper in the Special Issue was written by Rick Stephan Hayes of California State University and C. Richard Baker of Adelphi University ([Hayes and Baker, 2014](#)). Both are senior professors with many years of research experience, primarily in qualitative research related to auditing, fraud and ethics. This paper involves the use of

participant observation and from that perspective it is one of the few papers in all of accounting research that has used participant observation as a research method.

The prior auditing literature has examined how audit engagement challenges have been resolved through auditor/auditee negotiations. This paper extends the prior literature by examining audit engagement challenges arising during government tax compliance audits. The empirical evidence for the paper was gathered during a participant observation study conducted by the primary researcher over a period of six years while working as an auditor for the *Alcohol and Tobacco Tax and Trade Bureau* of the US Department of Treasury. The paper discusses various challenges faced by government auditors and how these challenges were resolved. The path to resolution was not always clearly marked. Resolution depended a great deal on the individual auditor's judgment, interpretation of the Code of Federal Regulations and the willingness of the auditee to change the methods and techniques they use in operating and reporting winery operations. Materiality in government tax compliance audits was found to be quite different from materiality in a normal external audit of financial statements, in that, any non-compliance was considered to be material. Resolution of many of the challenges resulted in increased payments of excise taxes or penalties by the auditee entities. In other cases, the audit agency allowed the auditees to agree to change or amend their practices to correct a violation or a lack of compliance with US federal government regulations. As such, while the difference in the role and status of the government tax compliance auditor as compared with the independent external auditor did not necessarily lead to a different set of audit procedures, the pattern of communications between the auditor and the auditee in a government tax compliance audit were quite different from an external audit of financial statements. The government tax compliance environment is often complex, but the auditor may draw on a number of sources of knowledge and communication: Code of Federal Regulations (CRFs), United States Code (USC), Generally Accepted Governmental Auditing Standards (GAGAS), national audit planning, national experts, winery management, local peers, local government supervision, legal counsel and other auditors.

The primary contribution of the paper lies in the fact that virtually no prior research in auditing has been conducted using participant observation as a research method. The use of participant observation provides new perspectives on the resolution of audit engagement challenges and auditor/auditee communication and negotiation.

Notes

1. This introduction is based on the personal experiences of the author.
2. This part of the introduction is based on the experiences of the author while teaching at a British university during a sabbatical year.

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