



EMERGING RESEARCH METHODOLOGY AND TRENDS IN ACCOUNTING AND BUSINESS

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INTRODUCTION

1. Accountants want to monitor trends in key accounting ratio, trends in budget performance.
2. Accounting research is dominated by the archival/statistical “methodology”
3. Adoption of archival methodology has grown from 1960-2000
4. Methodology has tended to focus on top academic journal in accounting with high social science citation index
5. The failure of accounting academics to anticipate the recent global financial crisis → over emphasis on the archival methodology

Important issues

1. The conceptual inadequacy of the current taxonomy of research methodology.
2. The perceived narrowness of methodology in accounting research.
3. The perceived irrelevance of accounting research or doubts about the usefulness of such research to the practical accounting problems.

Empirical research

Empirical research seeks to understand and explain natural phenomena by collecting and analyzing data or facts.

In accounting literature, the term “empirical research” is sometimes narrowly conceptualized as the application of statistical/mathematical techniques to test theories, based on numerical data.

Positive Research

In the field of accounting, phrases such as ‘positive research’, ‘capital market research’ and ‘behavioral research’ are used to describe forms of research. The term “positive” or “positivism” originated from philosophy and had been used in economics since Friedman (1953).

- Capital market research draws on microeconomic models to test hypotheses about the reaction of securities markets to the release of accounting information.
- Behavioral research studies the behavior of accountants and how non-accountants are influenced accounting information.
- Another branch of positive research is agency theory research → information asymmetry, moral hazard

Framework

Framework methodology in accounting research

- ❑ Research problem. The authors propose several methods of identifying researchable problems.
- ❑ Research strategy → identify four research strategies consisting of nine domains: Empirical (Case, Field, Laboratory experiment), analytic (internal logic), archival (primary, secondary and physical) and opinion (individual and group).
- ❑ Research technique: methods of collecting and analyzing data.

Result Validity

The validity of our conclusion in the research will be judged primarily not by the data collection and analysis techniques but by **the strength of our strategy** and **the logical connection between that strategy and the data collection and analysis techniques.**

Research strategy

Research strategy in the framework is broadly characterized:

- (i) Extent of control on the independent variable: experimental and nonexperimental research;
- (ii) Relationship between the researcher and the research participants: field-based and non-field based;
- (iii) Time dimension: longitudinal or cross-sectional; and
- (iv) Form of data: qualitative or quantitative

The tendency in literature is to classify quantitative research as deductive and qualitative research as inductive.

TABLE 3
A Taxonomic Matrix For Accounting Theory Research

			Morphology Dimension (Structural Style)							
			Material			Ideal		Personal		
			<i>Empirical</i>	<i>Experimental</i>	<i>Genealogical</i>	<i>Synthetic</i>	<i>Analytical</i>	<i>Anecdotal</i>	<i>Honorific</i>	<i>Pejorative</i>
Genetic Dimension (Disciplinary Origin)	Science									
		Mensuration								
		Economics								
		Psychology								
		Sociology								
		Engineering								
		Linguistics								
	Philosophy	Mathematics								
		Metaphysics								
		Epistemology				*				
		Ethic								
	Custom	Law								
		Bookkeeping								

References : Orace Johnson (1972) "On Taxonomy and Accounting Research",
The Accounting Review, January 1972

TABLE 2: EMPIRICAL RESEARCH METHODOLOGY FRAMEWORK												
Purpose	Exploratory				Descriptive				Explanatory			
	EXPERIMENTAL		NON-EXPERIMENTAL									
Research Approach / Strategy ⁹			Longitudinal			Cross-Sectional						
	Quantitative		Qualitative				Mixed Approaches / Strategies		Quantitative Field & non-field Based			
	Laboratory Experiment	Field Experiment	Case study	Grounded theory	Ethnography	Hermeneutics					Biography	Other
							Pragmatism?		Positivism			
											Objectivism	
						Mixed Methods		Statistical Analysis				
Theoretical perspective	Epistemology		Positivism		Interpretivism					Pragmatism?		Positivism
	Ontology		Objectivism		Constructionism				Objectivism			
Research method	Data analysis		Statistical Analysis ¹⁰		Thematic analysis						Mixed Methods	
					Content analysis							
Data collection	Survey questionnaire (mail, face-to-face, web-based)											
	Interview survey (face-to-face, telephone)											
	Secondary/archival (e.g. Compustat & CRSP)											
	Test & measurement											
	Seminar / Focus group											
	Direct observation / participation											

Reference by :

Taiwo Olalere (2011)

“Critique of taxonomy”

Thank You !

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