

# CONTENTS

CONTENTS .....	iii
PREFACE .....	x
About the Editor .....	xi
Notes on the Contributors .....	xii
Reviewers of the book .....	xix
<b>1 INTRODUCTION <i>Zahirul Hoque</i>.....</b>	<b>1</b>
1. Introduction.....	1
2. Positivistic Perspectives.....	1
3. Naturalistic Research Approach.....	2
4. Institutional and Contextual Perspectives .....	3
5. Critical Perspectives .....	3
6. Research Strategies and Data Analysis.....	4
7. Ethical Issues .....	4
8. Publishing Research Work .....	4
References .....	4
<b>PART I POSITIVISTIC PERSPECTIVES</b>	
<b>2 RATIONAL CHOICE THEORY <i>Jodie Moll and Zahirul Hoque</i> .....</b>	<b>7</b>
1. Introduction.....	7
2. The Rational Decision Making Process .....	7
3. Bounded Rationality .....	9
4. Extending the Theory to Modern Organisations .....	10
5. Management Accounting and RCT.....	12
6. Utilising RCT in Accounting Research.....	13
7. Concluding Remarks.....	14
References .....	15
<b>3 THE HUMAN RELATIONS THEORY <i>Zahirul Hoque</i> .....</b>	<b>19</b>
1. Introduction.....	19
2. The Meaning of Human Relations .....	19
3. Human Relations Movement.....	20
4. Human Relations and Organisational Behaviour .....	26
5. Accounting and Human Behaviour .....	29
6. Human Relations Factors and Psychology-Based Budgeting Research.....	29
7. Conclusion.....	31
References .....	32
<b>4 THEORISING AND TESTING FIT IN CONTINGENCY RESEARCH ON MANAGEMENT CONTROL SYSTEMS <i>Robert Chenhall and Christopher Chapman</i> .....</b>	<b>35</b>
1. Introduction.....	35
2. Selection Fit .....	38
<b>METHODOLOGICAL ISSUES IN ACCOUNTING RESEARCH</b>	<b>iii</b>

## CONTENTS

3.	Interaction Fit.....	39
4.	Systems Fit.....	48
5.	Concluding Comments.....	50
	References .....	52
<b>5</b>	<b>AGENCY THEORY AND ACCOUNTING RESEARCH: AN OVERVIEW OF SOME CONCEPTUAL AND EMPIRICAL ISSUES</b> <i>Nava Subramaniam</i> .....	<b>55</b>
1.	Introduction.....	55
2.	Agency Theory Overview .....	57
3.	Strategies to Mitigate Agency Problems .....	61
4.	Comparison of Research Branches.....	64
5.	Directions for Future Research .....	75
6.	Conclusions .....	77
	References .....	77
<b>6</b>	<b>TRANSACTION COST ECONOMICS GOVERNANCE AND CONTROL DECISIONS</b> <i>Julian Jones</i> .....	<b>83</b>
1.	Introduction.....	83
2.	Transaction Cost Predictions .....	86
3.	Transaction Cost Principles in Management Accounting Research.....	89
4.	Conclusion.....	98
	References .....	100
<b>7</b>	<b>STRATEGIC CHOICE AND MANAGEMENT CONTROL SYSTEMS: A REVIEW OF THEORIES AND CHALLENGES FOR DEVELOPMENT</b> <i>Bill Nixon</i> .....	<b>105</b>
1.	Introduction.....	105
2.	Perspectives of Strategy .....	106
3.	The Strategy-Control Interface .....	111
4.	Some Challenges for MCS Development .....	114
5.	Conclusion.....	118
	References .....	119

## PART II NATURALISTIC RESEARCH APPROACH

<b>8</b>	<b>GROUNDED THEORY: A THEORY DISCOVERY METHOD FOR ACCOUNTING RESEARCH</b> <i>Joanne Lee, Hector Perara and AsheqRahman</i> ...	<b>129</b>
1.	Introduction.....	130
2.	Towards a Naturalistic Approach to Research.....	131
3.	Grounded Theory Method .....	135
4.	Procedures and Techniques of the Grounded Theory Method.....	136
5.	The Resulting Theory .....	141
6.	Evaluative Criteria.....	142
7.	Pitfalls of the Approach .....	143
8.	Divergence of Grounded Theory Method.....	144
9.	Application of Grounded Theory .....	146
iv	METHODOLOGICAL ISSUES IN ACCOUNTING RESEARCH	

10. Summary and Conclusion.....	151
References .....	154

### PART III INSTITUTIONAL AND CONTEXTUAL PERSPECTIVES

<b>9 LEGITIMACY THEORY</b> <i>Craig Deegan</i> .....	<b>161</b>
1. Introduction and Overview .....	161
2. What is Organisational Legitimacy? .....	162
3. What Sort of a Theory is Legitimacy Theory? .....	166
4. The Relevance of the Notion of a ‘Social Contract’ .....	169
5. Who Confers Legitimacy, and Do All Entities Need It?.....	171
6. If Legitimacy is Threatened, What Strategies Might an organisation Adopt? . .....	172
7. Empirical Tests of Legitimacy Theory .....	175
8. Concluding Comments.....	178
References .....	179
<b>10 INSTITUTIONAL THEORY</b> <i>Jodie Moll, John Burns and Maria Major</i> .....	<b>183</b>
1. Introduction.....	183
2. Variants of Institutional Theory .....	184
3. Institutional Research in Accounting.....	188
4. A Future Research Agenda for Understanding Accounting as an Institutional Practice.....	196
5. Concluding Remarks.....	198
References .....	199
<b>11 STAKEHOLDER THEORY</b> <i>Manzurul Alam</i> .....	<b>207</b>
1. Introduction.....	207
2. Basis of Stakeholder Theory .....	208
3. Stakeholder Theories of the Firm .....	210
5. Stakeholder Accountability .....	213
6. Accounting under Stakeholder Perspectives.....	214
7. Performance Reporting from Stakeholder Perspectives .....	215
8. Organisational Governance from Stakeholder Perspectives .....	217
9. Conclusion.....	218
References .....	219
<b>12 INTERPRETING MANAGEMENT ACCOUNTING SYSTEMS WITHIN PROCESSES OF ORGANISATIONAL CHANGE</b> <i>Cristiano Busco</i> .....	<b>223</b>
1. Introduction.....	223
2. Exploring Management Accounting Change in its Organisational Context.... .....	225
3. Insights From ‘Alternative’ Management Accounting Research.....	227
4. Interpreting Management Accounting Change: An Institutional Model ...	234
5. Final remarks.....	239
References .....	240

## PART IV CRITICAL PERSPECTIVES

<b>13</b>	<b>CRITICAL THEORY</b>	<i>Robin Roslender</i>	<b>247</b>
1.	Introduction.....		247
2.	The Critical Theory Tradition .....		248
3.	Habermas on Knowledge and Interests .....		251
4.	The Critical Turn in Accounting Research.....		253
5.	Installing a Critical Theory Perspective.....		254
6.	Recapturing the Emancipatory Intent .....		260
7.	In Summary: Seven things you need to know about Critical Theory .....		264
8.	Postscript: Suggestions for Future Research.....		266
	References .....		267
<b>14</b>	<b>THE LABOUR PROCESS</b>	<i>Jesse Dillard</i>	<b>271</b>
1.	Introduction.....		271
2.	The Labor Process.....		272
3.	Current Critique .....		275
4.	Applications in the Accounting Literature .....		277
5.	Future Research Considerations.....		282
6.	Closing Comments .....		283
	References .....		285
<b>15</b>	<b>GANDHIAN-VEDIC PARADIGM: THEORISING SUSTAINABLE DEVELOPMENT</b>	<i>Kala Saravanamuthu</i>	<b>291</b>
1.	Introduction.....		291
2.	Theory of Swaraj and Satyagraha: The Advaitic Vedic Connection.....		301
3.	Gandhian-Vedic Responsibility Illustrated.....		312
4.	The Gandhian-Vedic Paradigm: Tools for engaging with the Sustainability Discourse.....		314
5.	Gandhian-Vedic Accountability: The Square of Sustainable Development		318
6.	Conclusion.....		332
	Glossary of Sanskrit terms commonly used in this chapter.....		332
	References .....		333
<b>16</b>	<b>POWER AND ACCOUNTING: A GUIDE TO CRITICAL RESEARCH</b>	<i>Danture Wickramansinghe</i>	<b>339</b>
1.	Introduction.....		339
2.	What is Power? .....		340
3.	Frameworks of Power .....		341
4.	Power and Accounting .....		345
5.	Way Forward .....		354
	References .....		356

## PART V RESEARCH STRATEGIES AND DATA ANALYSIS

<b>17 CASE STUDIES AND ACTION RESEARCH</b>	<i>Zahirul Hoque, Carol Adams and Patty McNicholas</i>	<b>361</b>
1.	Introduction.....	361
2.	The Case Study Approach.....	362
4.	Components of a Case Study .....	364
5.	Criticisms of Case Study Approaches .....	365
6.	Action Research .....	365
7.	Features of Action Research.....	366
8.	Criticisms of Action Research.....	368
9.	Conclusion.....	369
	References .....	369
<b>18 THE QUALITATIVE RESEARCH TRADITION</b>	<i>Jodie Moll, Maria Major and Zahirul Hoque</i>	<b>375</b>
1.	Introduction.....	375
2.	The Qualitative Landscape.....	376
3.	Closing the Gap between Practice and the Textbooks .....	378
4.	Making the Link between your Philosophical Assumptions and Determining the Appropriate Research Method(s) .....	379
5.	Research Methods Providing Qualitative Evidence .....	382
6.	The Field Research Process .....	384
7.	Summary .....	394
	References .....	394
<b>19 PROTOCOL ANALYSIS</b>	<i>David Campbell</i>	<b>399</b>
1.	Introduction.....	399
2.	Epistemological Context.....	401
3.	Protocol Analysis in Accounting Research: Issues Explored .....	403
4.	Protocol Analysis in Accounting Research: Method Issues and Limitations... .....	405
5.	Further Research.....	407
	References .....	408
<b>20 FINANCIAL RATIOS IN QUANTITATIVE DATA ANALYSIS: A PRACTICAL GUIDE</b>	<i>Susanne Trimbath</i>	<b>411</b>
1.	Introduction.....	411
2.	Accessing Financial Statement Data .....	412
3.	Selecting Firms.....	413
4.	Time-Series Versus Static Analysis .....	414
5.	Selecting Profitability Measures .....	415
6.	Pitfalls in Financial Ratios .....	415
7.	Rising ROE with Falling Income .....	416
8.	Disasters with Negative Equity and Negative Earnings.....	417
9.	Deceptions in Significance.....	418
	METHODOLOGICAL ISSUES IN ACCOUNTING RESEARCH	vii

10.	Sample Bias .....	419
11.	Other Problems with Negative Equity .....	420
12.	Academic Usage of Equity .....	421
13.	Conclusion.....	422
	References .....	424
<b>21</b>	<b>CONDUCTING SURVEY RESEARCH IN MANAGEMENT ACCOUNTING</b>	
	<i>Jamal A. Nazari, Theresa J.B. Kline and Irene M. Herremans .....</i>	<b>427</b>
1.	Introduction .....	427
2.	Boundary Conditions for Designing Questions for Mail Surveys.....	428
3.	Section 1: Methodological Procedures.....	429
4.	Section 2: Empirical Evaluation of Accounting Survey Research.....	437
5.	Conclusions, Problems and Recommendations .....	451
	References .....	453
<b>22</b>	<b>RELIABILITY AND VALIDITY IN FIELD STUDY RESEARCH</b>	
	<i>Anne M. Lillis .....</i>	<b>461</b>
1.	Introduction.....	461
2.	Defining Case Study/Field Research.....	462
3.	Validity in Field Research .....	463
4.	Reliability in Field Research.....	469
5.	Conclusion.....	473
	References .....	474
<b>23</b>	<b>TRIANGULATION APPROACHES TO ACCOUNTING RESEARCH</b>	
	<i>Trevor Hopper and Zahirul Hoque.....</i>	<b>477</b>
1.	Introduction.....	477
2.	Meaning of Triangulation.....	478
3.	Forms of Triangulations .....	478
4.	Limitations of Triangulation Approaches.....	483
5.	Conclusions .....	483
	References .....	483
<b>PART VI ETHICAL ISSUES</b>		
<b>24</b>	<b>DEALING WITH HUMAN ETHICAL ISSUES IN RESEARCH: SOME ADVICE</b>	
	<i>Zahirul Hoque .....</i>	<b>487</b>
1.	Introduction.....	487
2.	Basic Ethical Principles .....	488
3.	Ethical Requirements in Human Subjects Research .....	489
4.	Application for Human Ethics Approval – Some Tips.....	491
5.	Some Examples .....	493
6.	Conclusion.....	494
	Appendix 1: PLAIN LANGUAGE STATEMENT .....	495
	Appendix 2: CONSENT FORM – For Organisations.....	496
	References and Further Suggested Reading.....	497
viii	<b>METHODOLOGICAL ISSUES IN ACCOUNTING RESEARCH</b>	

<b>25</b>	<b>METHODOLOGICAL ISSUES REGARDING RESEARCH ON ACCOUNTING ETHICS</b>	<b><i>C. Richard Baker</i></b>	<b>499</b>
1.	Introduction.....		499
2.	Traditional History and the Public Accounting Profession.....		501
3.	New History and Critique of the Public Accounting Profession.....		501
4.	Social Science Approaches to Research on Accounting Ethics.....		502
5.	The Theory of Moral Development and Research on Accounting Ethics...		507
6.	Conclusion.....		510
	References .....		510
<b>PART VII PUBLISHING RESEARCH</b>			
<b>26</b>	<b>PUBLISHING IN ACADEMIC ACCOUNTING: PRACTICAL ADVICE AND HEALTHY ICONOCLASM</b>	<b><i>Timothy J. Fogarty</i></b>	<b>515</b>
1.	Introduction.....		515
2.	Contexts of Scholarship .....		516
3.	Personal Assumptions .....		517
4.	Project Conceptualisation.....		517
5.	Data .....		519
6.	Theory .....		521
7.	Analysis .....		522
8.	Writing .....		524
9.	Pulling the Trigger: Journal Submission .....		526
10.	Revise and Resubmit.....		528
11.	Moving on .....		530
12.	A Note on Co-authors.....		532
13.	Managing the Portfolio .....		533
14.	Conclusion.....		533
	References .....		534
	<b>INDEX.....</b>		<b>535</b>