



Wickramasinghe, D. (2022) Towards being critical in accounting research within LDCs. *African Accounting and Finance Journal*, 4(1), pp. 29-37.

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Deposited on: 20 July 2022

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TOWARDS BEING CRITICAL IN ACCOUNTING RESEARCH WITHIN LDCS

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Abstract

In developed countries, since the 1990s, accounting researchers have begun exploring issues in developing countries. The trajectory has now been established as a critical and interpretive project. However, in developing countries, local researchers face a perennial problem of getting this approach institutionalised as quantitative approaches constitute ‘the methodology’ which dominate their research activities. This paper reveals this issue of lack of methodological diversity in order to promote critical and interpretive approaches to accounting research. This would inspire those local researchers to conduct more qualitative and ethnographic studies on local issues in accounting and their complexities in relation to global ramifications.

INTRODUCTION

Accounting research in developing countries has taken a critical perspective with an agenda developed in the UK since the 1990s (Hoque, 1994; Uddin and Hopper, 2003; Wickramasinghe et al, 2004; Wickramasinghe and Hopper, 2005; Hopper et al, 2009). Initially, this developed at the University of Manchester and then expanded its enthusiasm to some other British universities, including the University of Essex. PhD students coming from less developed countries (LDCs) had been motivated by the desire to engage in development issues in their home countries coupled with the enthusiasm emerged towards an agenda of critical accounting research (Tinker, 1980; Cooper and Sherer, 1984; Hopper et al, 1987; Chua, 1986) which promoted a pollical economy approach to accounting which investigated how accounting is implicated in the reproduction of prevailing socio-political and cultural ramifications. The PhD students in British universities extended this approach to LDCs. With the appointments of new PhDs at the universities Canada, Australia, and New Zealand, doing accounting on LDC issues is now typical.

However, despite the promotion of this approach through a small flood of publications in Accounting, Organizations and Society (AOS), Critical Perspectives on Accounting (CPA), and Accounting, Auditing, Accountability Journal (AAAJ) and its propagation through the hands of returning PhDs to LDCs, ‘social acceptance’ for those doing critical accounting research within LDCs is relatively absent and a challenge. In this short essay, I will reflect on this issue in view of motivating the readers to take this approach to accounting research and to connect them

to the global network of academia. The essay first shows the research environments prevailing in LDCs and then proceeds to reflect on the critical accounting research trajectory. It extends the reflection to the state of such research in LDCs which then finds a 'way forward' to ask three relevant research questions.

LDCS' RESEARCH ENVIRONMENT

Vibrant research environments for doing such critical accounting studies in LDCs are yet to be established. The delay is owing to the mushrooming of faculty-based annual conferences and journals where most of their academics (except some exceptional researchers) in the social sciences and management (including accounting) are presenting and publishing. This is not the case in the UK and many other Western countries – we don't have university-based conferences and journals. Instead, here in the West, we present at internationally established conferences where authorities of respective fields of research are attending and publish in internationally reputed, well-ranked journals. We spend years (on average, 2 to 4 years) to get a quality paper published in such a journal. Conference presentation is only a beginning in this journey. We don't count conference proceedings as publications.

My random investigation of the papers being published in faculty-based journals in LDCs have several fundamental issues which qualify them not to be international and critical enough. First, the research questions they address are not academic enough as most think research questions arise from practical problems which require immediate solutions. Of course, as researchers, we need to guide practice and policymaking but before doing this, we must do the research on that problem by asking an unexplored academic question which can enlighten our understanding of what is going on and why things are happening in a particular manner. For this, as social scientists, we may use a suitable social theory to make sense of the story around the question being posed. In local publications, I cannot see studies with the right academic questions. Instead, in a so-called 'problem statement', they formulate some 'practical' problems in a particular situation.

Second, most of these publications do not refer to a contemporary academic debate or to a vibrant research theme appearing in authoritative, international journals. Research is inherently international. A local story must be an interesting one to be read by an academic from another country. To make it interesting, it is important to link the local story to such a broader research debate/theme. In the literature review section of the paper, we make this link through navigating a debate/theme to find a gap in which our research questions are located. In this way, we may contribute to that debate/theme. Unfortunately, this is not happening in these faculty-based journal publications. As a result, they are not genuinely international.

Third, most of these local articles predominantly rely on one methodology which I always call 'the methodology'. It is the hypothetico-deductive, scientific methodology which aims to test hypotheses using quantitative methods. Instead, in the West, researchers promote alternatives as well. They can be ethnographic studies or historical and archival studies with

interdisciplinary approaches as I mentioned above. Accordingly, as a camp of researchers in the world, we take historical, sociological, and anthropological approaches and conduct qualitative case studies (mostly ethnographic) to understand what is going on and why things happen in the way we see them. We try to see accounting as a social and institutional practice beyond its technical imperatives. In contrast, most universities in LDCs tend to (unfairly) urge undergraduate and postgraduate students to uncritically follow 'the methodology' giving little academic freedom to think beyond orthodoxies. As I have read 1000s of research proposals, this is the case in many developing countries including in the Middle East. This lack of methodological diversity in research is another feature of 'under-development'.

Fourth, most articles are prescriptive. While the articles being published in top-ranked international journals extend the current understanding of a particular research debate/themes, most social science researchers in LDCs think that research is to 'quickly solve' a practical problem so that they have 'recommendations' at the end of most articles. I have seen that, at conferences in LDCs, presenters are asked a typical question: what are your recommendations? Recommendations can be offered by consultancy/policy reports. In a social science academic article (including accounting), we offer a 'conclusion' arguing how current understanding of a phenomenon (in a debate/theme) can be extended and how future research should be carried out based on such conclusions and arguments. After conclusions, there may be a short paragraph for policy implications. Beyond such publications, and with a view to make their research more impactful, researchers may translate their research publications into accessible outcomes such as policy briefs, practitioner articles, newspaper coverages, exhibitions, films, and so forth. But we cannot do these if there is no real academic study to draw on.

Consequently, young academics tend to publish in these journals to gain confirmation in their posts and to ascend the academic ladder, thinking it is the way things should happen. Moreover, university teaching in the social sciences is not research informed because this kind of research has little impact on the development of research-informed teaching. Social science and management faculties 'sustain' through such local publications and research-less teaching. So, they are adversely ranked according to global university ranking regimes (of course there are other factors being considered in university rankings).

In accounting research, one of the issues is a lack of methodological diversity. On the one hand, researchers believe that research must be conducted only through quantitative methods. On the other hand, most believe that accounting is a set of technical and procedural practices and the researchers' task is to offer suitable 'recommendations' for the improvements of those practices. Even when researchers focus on a genuine intellectual puzzle, most believe that there are no alternatives to 'the methodology' which aims to test hypotheses using statistical analysis.

BEING CRITICAL

Beyond its technical and procedural perspective, accounting can be considered as a normal social science (Volmer, 2009). It is a social and institutional practice interacting with people and their society and culture. It evolves in response to the changes occurring in society, culture, politics, and history and through how people operationalise mundane practices of accounting, be it budgeting, controls, governance, and forms of accountability. As a social science, while accounting is seen as a product of the social (people, society, culture, politics, and history), the social is seen to be influenced by, and reconstituted through, accounting. In this sense, accounting is not a neutral practice that is only confined to its technical and procedural imperatives.

Critical researchers study accounting in relation to the social. They examine how a socio-cultural, and historico-political context interacts with accounting. They find that accounting is a product of a wider political economy and the changes being made to accounting practices would be conditioned or even prevented by those contextual ramifications. For example, taking a Marxist perspective, Hopper et al (1987) argued that accounting is constitutive of the manner in which the labour process is organised and maintained. They illustrated that accounting favours these processes allowing capitalism to sustain through the alienation of people from their own soul, through the subsumption of their lives in a system of capitalist mode of production, and through the institutionalisation of the continuous accumulation of capital. These arguments were supported by a camp of researchers who aimed to study accounting from labour's standpoint (For a review, see Bryer, 2006).

Beyond this critical extremity, and in view of understanding the 'social' in accounting, other researchers tend to study 'what is going on' in relation to a variety of issues (e.g., Hoskin and Macve, 1986; Preston et al, 1992; Oakes et al, 1998). For example, Hoskin and Macve (1986) took a historical perspective to rely on the ideas of the famous French philosopher, Michel Foucault. They argued that accounting history can be traced beyond the invention of double-entry book-keeping as the schools in the medieval period disciplined students through writing and examinations which led to the development of book-keeping for accounting purposes. They illustrated that it was the knowledge-power relationship which operated on the body of the students in schools in order to exercise the power of that knowledge. This became a new regime of governance through which a form of "objective" evaluation was institutionalised for managing total populations. For example, individuals in different categories of populations became "calculable" subjects within the US industries such as railroads since the 19th century. Such practices were also extended to a system of accountability to be seen in "reciprocal hierarchical observation" and "normalising judgement". Such a type of theorisation was well established in critical accounting research permeating a flood of research publications (for a review, see Armstrong, 1994).

Turning to another French philosopher, Bruno Latour, accounting researchers found that accounting is a fabrication or inscriptions of ideas and practices being developed and enacted through human and non-human actors and their acting networks (Preston et al, 1992; Robson,

1992; Briers and Chua, 2002). For example, Preston et al (1992) found that the introduction of a system of budgeting in a UK hospital was characterised by a process of fabrication rather than a result of rational planning and control system being produced by a hierarchical order. As a fabricated practice, budgeting is result of an acting network of human and non-human actors who are involved in translating the idea of financial planning by enrolling allies and promoting interests towards enacting a system that can be commonly acceptable. Seen from this perspective, accounting, as a technology, faces a fragile and political process through which an economic logic can be enacted for management purposes. Rather than understanding accounting as a fixed and given technology to be universally implemented in any organisation, it is to be understood as a practice being enacted in action. Such studies thus point to a direction for doing critical accounting research using such theories of other disciplines such as sociology.

Another sociological influence on critical accounting research can be seen in the work of Pierre Bourdieu, another French philosopher (Oakes et al, 1998; Kurunmaki, 2004; Jayasinghe and Wickramasinghe, 2011). For example, Oakes et al (1998) investigated how a Canadian cultural heritage was transformed into an economic entity using the language of business planning as an enriched source which operated as a form of symbolic violence. The researchers examined the process of business planning to understand how this form of violence was operationalised through 'teaching' and utilizing the idea of business planning which was alien to this cultural heritage. In doing so, the managers were able to construct markets, consumers and products resulting in changing the capital into multiple forms, symbolic, cultural, political, and economic. Again, such studies advance our understanding of how accounting operates in such contexts where prevailing practices become scrutinised, challenged, and changed in the service of neoliberal capitalism. In this sense, accounting manifests a logic practice rather than a set of technical and procedural imperatives which were considered as being universal and functional (see, Hopper and Powell, 1985).

EXTENDING TO LDCS

These Western analyses of how accounting serves the capitalist (now neoliberal) mode of production were extended to LDCs to examine how their contexts interact with accounting. While the researchers in this camp saw these contexts as unique in that the persistent of capitalist mode of production is subsumed by non-capitalist modes of production (Wickramasinghe and Hopper, 2005), they reported on circumstances where accounting is reproduced differently in relation to such a subsumption. For example, Hoque (1994) found that party politics of Bangladesh which was organised in terms of patronage relations was badly affected by the attempts at privatisation of the Jute Mill of the country; Uddin and Hopper (2001) found that changes in management controls in a Bangladeshi soap manufacturing company was conditioned by the organisation of internal markets of the organisation which was also characterised by traditional social relations; and Wickramasinghe et al (2004) found that such changes made to a Sri Lankan telecommunications company were

hardened by the reappearance of the prevailing bureaucracy which was institutionalised with kinship relations.

One common epistemological (the science/way of knowing) strategy the researchers followed was that they examined accounting issues - changes and resistance; developments and failures; and rationales and rituals - in its wider contexts which I mentioned earlier. In doing so, they understand accounting as part of that the respective context rather than a set of neutral practices requiring technical and procedural refinements to address those issues. Hence, accounting cannot be studied only by studying accounting itself but by studying culture, politics, history, and economy in which accounting is complexly implicated. The mainstream research methodology which favours only the use of statistical methods for the testing of hypotheses seems ill-suited to investigate such contextual ramifications of accounting.

In response, most researchers above privilege a post-positivistic methodology based on an ontology (social reality) of relativism, historical materialism, or critical realism (see Alawattage et al, 2017). Their research sites are unique contexts of individual organisations or other forms of social units such as villages or communities. They collect the data through qualitative methods based on the traditions of ethnomethodology, anthropology, and ethnography. They are involved in people's life trajectories in their contexts to see how they were implicated in accounting, controls, governance, and accountability. Their aim is to understand the psychological reality of such implications through a bank of ideas, expressions, opinions, observations, and interpretations produced by those local people. Researchers then get themselves detached from the research site and the people therein to reflect upon those expressions and interpretations and the observations made to see how they can make sense of a social reality. To this end, they borrow a suitable social theory, mainly from sociology, political science, history, or anthropology, to make sense that social reality (for a review, see Chua, 1986; Baxter and Chua, 2003). This approach is now well established in Western research centres in critical accounting, but the same passion is yet to be infused in local universities in LDCs.

If this infusion is materialised, then the attempt at moving away from 'the methodology' needs two interrelated epistemological acts to be recognised and established as highlighted above. When they become immersed with an involvement, the researchers become entrenched in the context not only for approaching and interviewing people but also for understanding their inner psychology through their free expressions and own interpretations in relation to their mundane practices. This act is more anthropological in that the researcher tries to 'talk their talk and walk their walk' to understand 'what is going on' according to them (Kalir, 2006). The detachment phase through which the researcher finds time for a self-reflection is both a physical and psychological detachment. This gives rise to a 'post fieldwork' opportunity to understand the respondents' interpretations according to wider social relations and institutions which characterise the nature of the context. This is where the

researcher mobilises a suitable theoretical perspective borrowed from another discipline and 'generalises' the findings through that process of theorisation. As a result, the story being analysed can be a story to be read by other researchers in other contexts.

In doing so, we can find a theory for accounting because accounting has no theory (Alawattage et al, 2017). Such a theory can tell us what we mean by accounting, governance and accountability which cannot be found in mainstream textbooks. When theorising accounting, we can make sense of not only how things are unfolded in relation to a context but also why such things happen in relation to respective ramifications. This is where we see 'theoretical contributions' which extend our current understanding of accounting which is often a concern to be addressed when 'revising' a research paper for a journal publication. This concern cannot be addressed well if the processes of involvement and detachment were properly executed by which we can transform anthropological fieldwork in LDCs into accounting knowledge which can be considered as an original contribution. The primary purpose of doing academic research is to achieve this.

WAY FORWARD

As we now know, LDCs are ex-colonies which are still subject to colonial and postcolonial 'invasions' in respect of the practices of accounting in these countries. Despite the arguments for the prevalence of globalisation which points to similar practices everywhere, there is an inevitable dichotomy between the global versus local (Giddens, 2003). In a sense, globalisation is only possible when dominant discourses are embedded in the West and get them disembodied for diffusing them around the globe and re-embedded in the local. This applies to the diffusion of Western discourses of accounting in LDCs. In the last three or so decades, discourses such as balanced scorecards, activity-based costing, strategy, good governance, accountability, micro-finance, and so forth were developed in the West and propagated around the world including LDCs. Given that the West still enjoys its 'imperial power', this propagation can easily materialise a modern 'empire', despite the persistence of nation states (Hard and Negri, 2000).

Consequently, LDCs are subject to accounting change. This happens in three interrelated processes (Wickramasinge et al, forthcoming). First is embracing. Being colonised by Western discourses, LDC policy makers, practitioners, and politicians embrace those discourses. Sometime, this can be a condition being imposed by transnational lending organizations; other time, this can be an institutional isomorphism which inspires the followers to embrace those discourses to avoid any psychological vulnerability. As a result, there is a 'pull' effect on the part of LDCs which popularises Western discourses of accounting in LDCs. This has a perspective on international political economy which allows us to examine how and why some discourses are dominant while others are discounted (Garner, 1996). This is an interesting and important question the LDC accounting researchers may explore.

Second is enforcing. Having embraced dominant discourses, LDCs then enforce local organisations and people to learn and implement them. There are numerous enforcing

mechanisms including regulations, educational programmes, consultancy activities, media coverages, and so forth. Within these mechanisms, the power of 'empire' is deployed, the language being used in the respective discourse is loudly pronounced, and local traditions and ideologies such as politics and religions are used. As a result, the discourse becomes a regulation to follow, a procedure to routinise, or an institution not to be questioned. In LDCs, centralised and autocratic political powers are instrumental in the materialisation of these mechanisms of enforcement. Critical accounting researchers may explore another related research question to understand how and why such mechanisms prevail.

Finally, when those dominant discourses are practised and enacted in organisations and society, the leaders and followers tend to legitimise what they have followed. Local proponents use a variety of strategies to this end. These include development of political as well as scientific arguments through media and various publications; reporting on performance (against the cost of implementation of new practices) of the projects and organisations in which those discourses were practised; and popularising the practice in question in other projects and organizations. As a result, the discourse becomes a practice and the practice becomes an institution - an unquestionable ritual. In the longer run, such accounting practices may be passive and unimportant, but it would be difficult to change due to the power of embracement, enforcement, and legitimation. Such a change can only be possible when and if another process was embarked upon with an alternative, competing discourse which could become dominant. As critical accounting researchers, we need to continuously explore the question of legitimacy of such change programmes in LDCs.

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