

# Using Qualitative Research in Accounting and Management Studies: Not a New Agenda

Hasan Basri

Syiah Kuala University, Banda Aceh, Indonesia

Today, many researchers publish their qualitative works in top accounting and management journals. The contribution of this approach in accounting and management studies continues to gather momentum. Policymakers in both public and private sectors have been increasingly recognizing the importance and value of this method, since it offers detail and rich analysis of accounting and management practices in an organization. Various current literatures indicate that the interest in qualitative approach in the field of accounting and management seems to grow. However, there are still many researchers in these fields reluctant or even reject to implement this method arguing that qualitative approach is not scientific and the results are also not scientific. Therefore, the purpose of this paper is to discuss the issue of using qualitative method in accounting and management studies. The paper is started by looking at the conceptualization of qualitative research. After that, a paradoxical view of qualitative and quantitative methods is discussed. This is followed by discussions of using qualitative research method in accounting and management studies, particularly the use of interpretive case study and grounded theory will be reviewed and discussed in this paper.

*Keywords:* qualitative research, management and accounting studies, interpretive case study, grounded theory

For some researchers, qualitative research is considered as the second class research (Bluhm, Harman, Lee, & Mitchell, 2010). As a consequence, they are reluctant to employ this qualitative method in conducting their researches, even some universities and business schools also often oppose the qualitative approach, and usually consider it not enough for research purpose. There is a belief that social science is considered not much different from natural science and it can be studied in the same way as physical object (Kottler & Minichiello, 2010).

Besides, many business schools today are preoccupied with the mechanics of statistical techniques, believing that these techniques offer a highway to the advancement of knowledge and science (Gummesson, 2000). The faculty members are also often unfamiliar with qualitative approach and the opportunities offered by qualitative method and case study research.

However, various current literatures indicate that contemporary interdisciplinary research in accounting and management has been increasingly employing qualitative research methodologies (Parker, 2003). In addition, more and more researchers publish their qualitative works in top accounting and management journals (Parker, 2003; Gummesson, 2000). It must be acknowledged that the quantitative method is still the most widely used approach in conducting any research in the field of accounting and management, as well as the

---

**Corresponding author:** Hasan Basri, Ph.D., Head, Department of Master Sciences in Accountancy, Graduate School, Syiah Kuala University; research fields: case study and qualitative research. E-mail: P\_haasan@unsyiah.ac.id.

majority of accounting and management researchers remain unacquainted with or resistant to such methodologies. The information presented in the paper is not new in the sense that the author attempts to highlight new issues about research methodology, but the issue of different views among researchers regarding the most appropriate approach to conduct academic research still continues until now, particularly, a minor view to qualitative work. As such, the objective of this paper is to discuss the issue of using qualitative method in the field of accounting and management. The paper starts by looking at the conceptualization of qualitative research, and it is followed by a paradoxical discussion between qualitative and quantitative methods. Discussions of using qualitative research in accounting studies, particularly the use of interpretive case study and grounded theory will be reviewed in this paper. Finally, the paper provides the conclusion and recommendation.

### **The Conceptualization of Qualitative Research**

Many definitions of qualitative research have been proposed in the literature. Muela-Meza (2006, p. 6) states that:

Qualitative research is a process of inquiry that draws data from the context in which events occur in an attempt to describe these occurrences, as a means of determining the process in which events are embedded and the perspectives of those participating in the events, using induction to derive possible explanations based on observed phenomena.

This definition acknowledges the contextual nature of inquiry. It has been described as watching people in their own territory, interacting with them in their own language and on their own terms, and attempting to understand the complexity, while analysing and interpreting data from various sources.

Hoepfl (1997, p. 48) broadly defined qualitative research as “any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification... the qualitative inquiry accepts the complex and dynamic quality of the social world”. The same definition was also given by Ali and Yusof (2011) who said that “any investigation which does not make use of statistical procedures is called ‘qualitative’ nowadays”. This definition shows that the qualitative analysis results are a different type of knowledge from that of a quantitative inquiry.

Almost similar view is also expressed by Kick and Miller (1968) in which qualitative research is defined as “an approach to study social research that involves watching people in their own territories and interacting with them in their own language and term” (Tailor, 2010, p. 62).

Several authors have identified what they consider to be the prominent characteristics of qualitative research. Hoepfl (1997, p. 49) describes the characteristics of qualitative research as follows:

- (1) Qualitative research uses the natural setting as the source of data. The researcher attempts to observe, describe, and interpret settings as they are, maintain what Patton calls “empathic neutrality”;
- (2) The researcher acts as the “human instrument” of data collection;
- (3) Qualitative researchers predominantly use inductive data analysis;
- (4) Qualitative research reports are descriptive, incorporating expressive language, and “presence of voice in the text”;
- (5) Qualitative research has an interpretive character, aimed at discovering the meaning events have for the individuals who experience them and the interpretations of those meanings by the researcher;
- (6) Qualitative researches pay attention to the idiosyncratic as well as the pervasive, seeking the uniqueness of each case;

(7) Qualitative research has an emergent (as opposed to predetermine) design, and researchers focus on this emerging process as well as the outcomes or product of research;

(8) Qualitative research is judged using special criteria for trustworthiness.

There are many types of qualitative research methods practiced by researchers in conducting academic research. This can be in the form of case study, grounded theory, ethnography, phenomenology, focus group, just to name a few (Trumbull & Watson, 2010). This kind of research method tries to obtain an in-depth understanding of phenomena, recognizing that an existential objective reality cannot be captured. Instead, the qualitative researcher recognizes and investigates a world of intangible relationships, meanings, understandings, and interpretations that are complex, multidimensional, and cannot exist independently of actors and researchers (Parker, 2003). This is multi-method in focus, involving an interpretive and naturalistic approach to its subject matter (Kasinath, 2013). It is argued that the emphasis of qualitative research is on process and meaning. It employs multiple methods in pursuit of complexity, depth, richness, and rigor.

Data collection techniques used in this kind of study can be in the form of in-depth and focus group interview and participant observation. Besides that, samples are not meant to represent large populations, but small and purposeful samples of articulate respondents are used because they can provide essential information, not because they are representatives of a large group (Sale, Lohfeld, & Brazil, 2002). Besides that, this approach acknowledges the reflexive research design, accepts researcher bias, the non-standardized data collection, and analysis tools which have been the most troublesome to the positivistic traditionalists or quantitative researchers.

### **A Paradoxical View Between Qualitative and Quantitative Research**

It is argued that the underlying assumptions of qualitative and quantitative approaches have created differences which extend beyond philosophical and methodological debated among researchers. Each paradigm has been claimed as the “best” method, if not the only method, for doing research by their proponents. Welch (2010, p. 186) says that “for more than a century, the advocates of qualitative and quantitative research paradigms have engaged in ardent dispute”. Therefore, it is not surprising if there are some arguments for and against using this certain paradigm.

The qualitative method is a research approach which is based on interpretivism and constructivism (Sale, Lohfeld, & Brazil, 2002; Parker, 2003). It is originally emerged as a strong reaction against the prevailing view during the early part of the 20th century, both Europe and North America people could and should be studied in the same way as physical object (Kottler & Minichiello, 2010). Its objective is to develop theory with inductive investigation. The study frequently starts with the collection of specific data, and leads to more general understanding of the topic (Sale et al., 2002; Trumbull & Watson, 2010). Qualitative researchers aim to study the social world as nearly as possible to its natural state and be in close personal contact with the natural setting so that they can observe, describe, and interpret what happens in that setting, how it happens, in what contexts, and what meanings are imputed by participants (Parker, 2003). The questions asked in this type of research usually begin with words like how, why, or what. The qualitative researcher tries to obtain an in-depth understanding of phenomena, recognizing that an existential objective reality cannot be captured (Parker, 2003).

Interestingly, the issues of not objectivity have been the most troublesome to quantitative researchers. They claim that qualitative research cannot produce valid and reliable findings which are value free. Qualitative

research has also become the subject of criticism for a variety of reasons in the field of accounting and management as other disciplinary fields such as:

- (1) That it is akin to “soft science” or journalism;
- (2) That it is simply “humanism” in disguise;
- (3) That it is “unscientific” and “subjective”;
- (4) That it breaks the “value free” assumptions of scientific research;
- (5) That it cannot produce verifiable truth statements;
- (6) That it cannot produce statistically generalisable findings;
- (7) That it lacks rigor (Parker, 2003, p. 16).

Parker (2003) argues that all of these criticisms fundamentally spring from a lack of familiarity with and awareness of the methodological philosophies and principles that inform the methods employed.

On the other hand, the quantitative method is aimed to test theory deductively. This approach is based on positivism since the ontological position of quantitative paradigm is only one truth, an objective reality that exists independent of human perception. Epistemologically, the researchers and investigated are independent entities. Quantitative researchers are trained to believe that they are neutral value free agents, independent of their research subjects and research data (Parker, 2003, p. 17). Therefore, the researchers are able to study the phenomena without influencing it or being influenced by it.

According to Taylor (2010, p. 159), this method is designed to “provide objective description of phenomena and to demonstrate how phenomena can be controlled through specific treatments” and they make assumptions that findings will be based on existing law and principles. Most data are numerical and can be statistical treated. Sale et al. (2002, p. 44) say that “the objective of quantitative work is to measure and analyze causal relationships between variables within a value free frame work”. Consistently, Taylor (2010) states that “the major purpose of quantitative research is to make valid and objective descriptions on phenomena, where researcher is attempting to show how phenomena can be controlled by manipulating the variable”. In this approach, the investigator attempts to achieve objectivity by not letting his or her personal biases influence the analysis and interpretation of the data. Nevertheless, the qualitative researchers critique quantitative research as a method that cannot address the full range of problem in the behavioral sciences as well as social sciences such as in the field of accounting and management since there are no researchers that are value free. Parker (2003) notes that all researchers bring to their research objectives, research question framing, project scope definition, survey questionnaire design and interpretation of results a whole raft of values: their prior education, their disciplinary focus, their understanding of the literature relating to the topic, and the paradigm within which they have located themselves.

Table 1 provides a summary of differences between qualitative and quantitative research methods.

Table 1  
*Differences Between Quantitative and Qualitative Research Methods*

Quantitative	Qualitative
1. Representative sample, based on central limit theorem	1. Small sample, not representative and idiosyncratic
2. Literature review at the beginning of the study	2. Literature review at the end of the study
3. Data collected through instruments based upon precisely defined variable	3. Emphasize organizing, coordinating, and synthesizing large quantities of data

Table 1 continued

Quantitative	Qualitative
4. Objective control for bias replicable and reliable	4. Subjective strive for personal data and value laden
5. Deductive in nature	5. Inductive in nature
6. Test theories	6. Develop theories
7. Develop conclusion based upon data outcome oriented	7. Develop values and judgement based upon data—process oriented
8. Clarity based upon interpreting numerical data	8. Complex and rich experiences, void of most numerical data
9. Known reliability and validity	9. Unknown reliability and validity
10. Standardized measuring devices	10. Non-standard measuring devices
11. Intervention, no participant involvement	11. Participant involvement
12. Adhere to the scientific method use HO + HA to accept, reject, prove, or disprove hypotheses	12. Does not follow the scientific method step-by-step, seeks meaning or essence
13. Numerical data	13. Narrative data—words to describe the complexity
14. Controlled—laboratory setting	14. Conducted in the natural environment—90 to the co-researcher's world
15. Various instruments are used	15. Principally use observations and interviews
16. Based upon facts, causes, and relation shifts	16. Based upon understanding, meaning, and essences of the human experience
17. Short duration	17. Long duration
18. Separate, a study component parts (reductionistic)	18. Together, tries to understanding the whole
19. Descriptions based upon numerical data	19. Rich narrative descriptions
20. Subjects	20. Participants and co-researchers
21. Conducted using known measurements, techniques, and formulas	21. Measurements frequently not known researchers
22. Descriptions of human behaviour cannot always be expressed in numbers	22. Human behaviours can be accurately described in words
23. Assume stable reality (static)	23. Assume a dynamic reality
24. Verification oriented	24. Discovery oriented
25. Validate themes and relationships	25. Discover themes and relationships
26. Assume an objective reality	26. Assume that social reality is constructed by participants
27. Analyze social reality through variables	27. Make holistic observations of the total context within which social action occurs
28. Use statistical methods to analyze data	28. Use analytic induction to analyze data
29. Use statistical inferences procedures to generalize findings from a sample to a defined population	29. Generalize case findings by searching for other similarities
30. Study populations or samples that represent populations	30. Study cases

Note. Source: Tailor (2010, p. 160).

### The Trend of Using Qualitative Approach in Accounting and Management Studies

Despite the fact that nowadays, the quantitative method is still the most widely used in conducting any researches in accounting and management studies as mentioned previously, it must be acknowledged that over a number of years, various current literatures indicate that there has been a significant amount of qualitative work produced by some well-known accounting and management researchers as well as PhD students in both business organizations and non-profit sectors (Parker, 2003). Examples include Rahim and Goddard (1998) who conducted case study on two State Religious Councils (SRC) in Malaysia, namely ASRC and BSRC to examine accounting practices in these two organizations by using an interpretive

methodology. Norhayati and Siti-Nabiha (2009) studied the performance management system in a Malaysian government linked company, and Norris (2002) carried out case study in the implementation and usage of activity based costing in the banking sector to identify factors related to implementation success (Vieira & Hoskin, 2006).

It is indicated that case study has become one of the common methods used in a qualitative inquiry in the fields of accounting and management (Mohamed, Abdul Majid, & Ahmad, 2010). In addition, the narrative of Parker (2003) also points out that these kinds of empirical studies can be found in considerable numbers in accounting and management research literatures in the past two decades. They have been particularly prominent in journals such as *Management Accounting Research*, *Accounting, Auditing and Accountability Journal (AAAJ)*, and *Accounting, Organizations and Society*. A large number of empirical field based case studies cover subject areas such as public sector accountability, social and environmental accounting, management accounting, intellectual capital valuation, management control, non-profit organization, and health system financial management. It is argued that case study or labelled as field research provides the pertinent information more elaborate than hypothesis testing, and it allows researchers to develop theoretical explanation of management and accounting practices (Parker, 2003; Mohamed et al., 2010). By studying accounting and management practices in their organizational context, it is hoped that a fuller understanding of the behaviour of the organizational members can be attained. Nabiha (2010, p. 30) asserts that “case studies provide an opportunity for researchers to retain the holistic and meaningful characteristics of real life events”. This is consistent with the narrative of Parker (2003) in which field research offers researchers opportunities for richly drawn accounts of organisational practices, deep understanding of actors and their worlds, contextual theorising from field derived research data, mapping of patterns of change over time, and studying issues that are complex and context dependent.

In addition to the case study, various literatures indicate that grounded theory has also been used in many qualitative studies and has spread to many disciplines including accounting and management studies. This is evidenced by the growing literature concerning the application of the grounded theory as a general method for qualitative investigation of social phenomena (Hansen & Kautz, 2005). Examples of the use of grounded theory in accounting and management include: the work of Goddard (2004) who used the grounded theory to study the relationship among accounting, governance, and accountability in local government in UK; Czarniawska-Joerges (1998) who examined changes in organizational control; and Czarniawska-Joerges and Jacobson (1989) who traced connection between the budget process in organizations and the cultural context in which the organization exists. Lye (1996) used the grounded theory to conduct innovative research into new phenomenon, namely, the process of change that led to the introduction of accrual-based Crown Financial Statements for public sector accounting in New Zealand (Kirk & Staden, 2001; Goddard, 2004; Rahim & Goddard, 2003).

### **Conclusions and Recommendations**

Qualitative research has been broadly defined as any kind of researches that produce findings not arrived at by means of statistical procedures or other means of quantification which is based on interpretivism and constructivism. It recognizes that an existential objective reality cannot be captured. Various current literatures indicate that the interest in qualitative approach in the field of accounting and management seems to grow. Nevertheless, it must be acknowledged that there are some arguments against the use of this approach and

many researchers still remain resistant to such methodology. The issues of subjectivity, invalidity, and unreliability findings are usually voiced and have been the most troublesome to quantitative researchers.

Therefore, there is a need for all management of business schools as well as accounting and management scholars everywhere to improve their understanding of qualitative research method and try to understand the opportunities offered by qualitative methodology in conducting research in the field of accounting and management. Since the resistance of using this method is fundamentally coming from a lack of understanding and familiarity with awareness of methodological philosophies. It is suggested for universities to teach their students both quantitative and qualitative methodologies, at least each approach to be taught by three credit hours. If it is not separated, the lecturers who have a good understanding and vast experiences in a certain methodology will only focus their teaching on this particular method, or if the subject offered for only three credit hours, then the subject should be taught by those who are expert in both methods. If the faculty members who meet these criteria are not available, then two lecturers who are good at quantitative and qualitative research methodology should be asked to teach the subject.

### References

- Ali, A. M. D., & Yusof, H. (2011). Quality and qualitative studies: The case of validity, reliability, and generalizability. *Issues in Social and Environmental Accounting*, 5(1/2), 25-26.
- Bluhm, D. J., Harman, W., Lee, T. W., & Mitchell, T. R. (2010). Quantitative research in management: A decade of progress. *Journal of Management Studies*, 48(8), 1866-1891.
- Goddard, A. (2004). Budgetary practices and accountability habitus. *Accounting, Auditing and Accountability Journal*, 17(4), 543-577.
- Gummesson, E. (2000). *Qualitative methods in management research* (2nd ed.). USA: Sage Publication, Inc.
- Hansen, B. H., & Kautz, K. (2005). Grounded theory applied-studying information systems development methodologies in practice. Proceedings from the 38th Hawaiian International Conference on System Science.
- Hoepfl, M. C. (1997). Choosing qualitative research: A premier for technology education researches. *Journal of Technology Education*, 9(1), 47-63.
- Kasinath, H. M. (2013). Understanding and using qualitative methods in performance measurement. *Journal of Educational Studies, Trend and Practices*, 3(1), 46-57.
- Kirk, N., & Staden, C. V. (2001). The use of grounded theory in accounting research. *Mediatory Accountancy Research*, 9, 175-197.
- Kottler, J. A., & Minichiello, V. (2010). *An overview of the qualitative journey*. Los Angeles: SAGE Publications, Inc.
- Merriam, S. B. (1998). *Qualitative research and case study application in education*. San Fransisco: Jossey-Bass Publishers.
- Mohamed, Z. M., Abdul Majid, A. H., & Ahmad, N. (2010). *Tapping new possibility in accounting research, in qualitative research in accounting, Malaysian case*. Penerbit Universiti Kebangsaan Malaysia, Kuala Lumpur, Malaysia.
- Muela-Meza, Z. M. (2006). *An introduction to applicability of qualitative research methodologies to the field of library and information science*. Retrieved from <http://eprints.rclis.org/archive/00006732/>
- Nabiha, S. A. K. (2010). Reflections on practice: An interpretive case study research. In Z. M. Mohamed, A. H. A. Majid, and N. Ahmad (Eds.), *Qualitative research in accounting Malaysian cases book*. University Kebangsaan Malaysia.
- Norhayati, M. A., & Siti-Nabiha, A. K. (2009). A case study of the performance management system in a Malaysian government linked company. *Journal of Accounting & Organizational Change*, 5(2), 243-276.
- Parker, L. D. (2003). Qualitative research in accounting and management: The emerging agenda. *Journal of Accounting and Finance*, 2, 15-39.
- Rahim, A., & Goddard, A. (1998). An interpretive inquiry of accounting practices in religious organizations. *Financial Accountability and Management*, 14(3), 183-201.
- Rahim, A., & Goddard, A. (2003). *Accountability verstehen: A study of accounting in state religious councils in Malaysia*. Discussion Paper in Accounting and Finance. International Islamic University Malaysia.

- Sale, M. J., Lohfeld, L. H., & Brazil, K. (2002). Revisiting the quantitative-qualitative debate: Implication for mixed-method research. *Quality and Quantity*, 36(1), 43-53.
- Taylor, G. R. (2010). Quantitative research methods. *Integrating quantitative and qualitative methods in research* (3rd ed.). USA: University Press of America, Inc.
- Trumbull, M., & Watson, K. (2010). *Qualitative research methods. Integrating quantitative and qualitative methods in research* (3rd ed., pp. 62-78). USA: University Press of America, Inc.
- Vieira, R., & Hoskin, K. (2006). *Management accounting practices and discourses visibility and role*. Retrieved from <http://www.anpad.org.br/enanpad/2006/dwn/enanpad2006-ficb-1298.pdf>
- Welch, C. (2010). Practical applications for developing research paradigms in qualitative and quantitative research. *Integrating quantitative and qualitative methods in research* (3rd ed., pp. 187-194). USA: University Press of America, Inc.