
Getting insight into management accounting and control systems: a framework for survey-based research design for emerging markets context

Pavel Lebedeva*

*IEDC Bled School of Management, Presernova cesta 33, Bled 4260, Slovenia

Abstract

In this paper I discuss the opportunities and weaknesses of survey-based research in management accounting and outline a framework for conducting a survey-based study adapting the current conversations to emerging markets context. Survey research in management accounting has long been considered pre-eminent, but lately has been actively criticized for a number of limitations (Young, 1996). Doing research in emerging markets context is additionally complicated by the lack of transparency and inherent negative attitude to share information (Puffer & McCarthy, 2011). However, if researchers consider the weak points at a design stage, a survey method can be an effective means for initial exploration of the subject allowing to gain pre-understanding especially in the environment, where management accounting is still in a search of its identity, as, for example, is in a case of Russia (Lebedev, 2014). It may help focusing the research question and direct the research into a more interpretative methodology.

Introduction

Rigorous research methodology is an essential prerequisite of justified and grounded research findings. Access, preunderstanding and understanding, and achieving quality are mentioned as main challenges to management accounting research (Gummesson, 2000). The situation in the emerging markets has yet been complicated by
another challenge – inherent lack of corporate transparency, which is the major obstacle to conducting primary research. As exemplified by Russia, it has been tradition of secrecy and low trust of outsiders, cultural characteristics that have made it difficult to gain access to reliable firm-specific information and credible official government data (Puffer, 2011).

Management accounting in emerging markets context is still searching for its identity (Lebedev, 2014). This opens many possibilities for research. Among fruitful directions may be detailed investigations of the roles of particular stakeholders, along with an in-depth examination of what constitutes national concepts of management accounting and how they still differ from the common global approach.

Survey methods in management accounting for decades were considered as the pre-eminent research method in use (Young, 1996). However, there is an increasing critique observed regarding this approach. More calls are emerging for employing qualitative and inductive research methods as the translation of strategies into management control systems is essentially driven by managerial perceptions, therefore interpretative methodology would be an appropriate approach for the study (Otley & Berry, 1994), what makes survey methods less effective means of data collection.

However, it may be argued that, if a researcher considers the weak points at a design stage, a survey method can be an effective means for initial exploration of the subject. It will present an opportunity to focus the research question and open up a further discussion, serving as a vehicle in obtaining both preunderstanding and understanding and thus as a first stage in “tailoring” the research project and focusing it into more qualitative interpretative direction.

The paper does not address in details the research question per se (“How management accounting and control systems are designed and what are their core elements?”), but rather provides an outlined framework of the research design. Overall approach to answering this question includes conducting survey at the first stage, followed by interviews with selected companies at the second stage, conducting a case-study research at the third stage. In this paper I address only the design of the survey stage, as the design of the interview stage will be significantly influenced and determined by the obtained results and therefore will be carried out as a separate task.

1. Survey research in management accounting and control: a note on opportunities and limitations

Survey research in management accounting has long been considered pre-eminent, but lately has been actively criticized for a number of limitations along with a growing interest in alternative forms of research (Young, 1996). However, the proper design of survey studies can address this issue and minimize the limitations, while optimizing the external validity benefits of outcomes (Brownell, 1995). “Well-designed” importantly assumes that the survey is conducted with a specific research objective in mind (der Stede, Young, & Chen, 2006). Thus having a clear research strategy is crucial for effective use of survey as a means of data collection. Based on discussions in literature, further in this section I discuss opportunities and limitations for survey research, followed by the strategies to mitigate risks and increase quality of survey research outcomes.

1.1. How survey research can effectively contribute to the management accounting and control research

There are two main goals of usage of surveys in management accounting research - for theory testing, and for descriptive purposes (der Stede et al., 2006). The purpose of survey research used for explanation is to test theory that states the expected causal relationships among a set of variables, while descriptive studies are designed to discover characteristics of a given population, not to test theory (Pinsonneault & Kraemer, 1993; Sapsford, 2006). Thus having a clear research strategy is crucial for effective use of survey as a means of data collection. Based on discussions in literature, further in this section I discuss opportunities and limitations for survey research, followed by the strategies to mitigate risks and increase quality of survey research outcomes.

1.1. How survey research can effectively contribute to the management accounting and control research

There are two main goals of usage of surveys in management accounting research - for theory testing, and for descriptive purposes (der Stede et al., 2006). The purpose of survey research used for explanation is to test theory that states the expected causal relationships among a set of variables, while descriptive studies are designed to discover characteristics of a given population, not to test theory (Pinsonneault & Kraemer, 1993; Sapsford, 2006).

Malmi & Brown (Malmi & Brown, 2008) point out on three main challenges in studying management control systems: a difficulty of clearly defining the concepts of management control systems, determination of the scope of management control system packages (what is included, what is not, and why), and the potential scope of the research projects. Contextual issues should also be considered by a researcher – with regards to the context chosen Puffer & McCarthy suggest applying Tsui’s framework to Russian management research. The framework classifies international business research as context specific, context bound and context free (cited by Puffer & McCarthy, 2011). According to Puffer & McCarthy “a large percentage of articles involving Russian business and management have been context specific, in that findings are known to apply within Russia” (2011).
It may be especially useful to employ survey research as a descriptive means in the context of emerging markets, where management accounting is still in a search of its identity, as, for example, is in a case of Russia, where further studies of what constitutes a concept of management accounting and control are especially welcomed (Lebedev, 2014). It may help to get a deeper insight into current understanding of management accounting and control within a context and inform further usage of interpretative methodology and case-based studies, for which the framework will be shaped by the findings of the earlier survey-based stage of the research project.

1.2. Limitations of survey research

A main weakness of survey studies in management accounting and control is considered a failure on the part of many of them to adhere to the fundamental principles of survey design and administration (Mangione, 1995 as cited in der Stede et al., 2006).

Young’s (1996) analysis of mail survey studies published in major journals over the period 1985–94 identifies an extensive number of common difficulties, impairing the image of survey research as a good research as cited in Smith (2003, p. 118), including:

- low target populations (average only 207);
- low numbers of respondents (average only 146);
- few studies using follow-up procedures to increase the sample size;
- absence of analysis of non-response bias;
- absence of studies using both subjective and objective measures of performance;
- absence of the use of sampling procedures;
- failure to collect both factual and psychological data within the same study, making it impossible to link practices with behavioural variables.

1.3. Improvement opportunities for survey research

Based on Young’s (1996) list of improvement opportunities which need to be addressed while conducting a survey research project and my own findings, in Table 1 below, I offer some important points to consider adapting the research project to the context of emerging markets.

<table>
<thead>
<tr>
<th>Focus of attention</th>
<th>Considerations for research in the context of emerging markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>The necessity of having research programmes to establish a framework for research</td>
<td>Formal planning / business case development for a research project</td>
</tr>
<tr>
<td>Improvement of sampling methods to allow more powerful theory testing</td>
<td>A professional body / association or similar good-standing reputable organization should be employed as a project sponsor</td>
</tr>
<tr>
<td>Use of Dillman-type methods to achieve larger sample sizes</td>
<td>Several reminders could be efficiently employed due to the involvement of an influential stakeholder / project sponsor</td>
</tr>
<tr>
<td>Addressing the issue of non-response bias</td>
<td>Involvement of a sponsor of the project, personal contacts to respondents, effective planning of the project</td>
</tr>
<tr>
<td>Moving away from outmoded survey instruments</td>
<td>Instruments should be developed or adapted to take into account the specifics of the context and time – special attention should be paid to the issues of reliability and construct validity</td>
</tr>
<tr>
<td>Development of surveys on the basis of improved organizational knowledge</td>
<td>To increase relevance the “organizational” language should be used and specifics of the current understanding of management accounting nation-wide should be taken into account</td>
</tr>
<tr>
<td>Moving away from subjective self-reported measures to more objective evaluations</td>
<td>Importance of the collaborative efforts while conducting the research</td>
</tr>
</tbody>
</table>
As follows from the Table 1, there are three crucial points, which ensure the success of a survey-based research project in the emerging markets context.

Firstly, it is an application of sound project management tools at all stages – from planning to closure of the project. In the environment, where low priority could be potentially given to the actions associated with research and where business culture generally rarely supports research efforts, application of project management methodology could ensure that the sufficient attention is given to the all important issues.

Secondly, it is important to consider social nature of the research project. Collaborative efforts with active involvement of an external sponsor of (e.g. professional organization, magazine or corporation to name a few possibilities), personal contacts to respondents facilitate involvement and buy-in, increasing the response rates and the quality of responses.

Last, but not least, research tools employed should consider context and time, as there are no one-fits-all relevant options. Researchers should be able to speak “organizational language”, which is an important contextual metric, as well as to be fully aware of the existing in the respective research context understanding of the phenomenon, in our case – of management accounting and control systems.

2. Framework

In the table 2 I offer a framework outline and questions to address based on the discussion in literature on approaches to survey research (der Stede et al., 2006; Huff, 2008; M Smith, 2003; Young, 1996) and my own suggestions.

<table>
<thead>
<tr>
<th>Stages</th>
<th>Questions to consider</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Design and planning</strong></td>
<td></td>
</tr>
<tr>
<td>1. Purpose and Design of the Survey</td>
<td>Is there a clear statement describing the purpose of the survey (linked to a research question)?</td>
</tr>
<tr>
<td></td>
<td>Who will administer the survey? How will they be trained and monitored?</td>
</tr>
<tr>
<td></td>
<td>What are the variables in the study? / How will themes be identified?</td>
</tr>
<tr>
<td></td>
<td>Can variables be cross-referenced to research questions and items in the survey?</td>
</tr>
<tr>
<td>2. Population Definition and Sampling</td>
<td>Are population and size of population stated and justified?</td>
</tr>
<tr>
<td>2.1. Survey Population</td>
<td>Will the population be stratified and how, if so?</td>
</tr>
<tr>
<td>2.2. Sample Selection</td>
<td>What is the basis for the sample size chosen?</td>
</tr>
<tr>
<td>2.3. Sample Size</td>
<td>What procedures will be used to identify respondents?</td>
</tr>
<tr>
<td>3. Survey Questions and Other Methodological Issues</td>
<td>Is the reason for choosing survey methodology stated?</td>
</tr>
<tr>
<td>3.1. Pre-Tests</td>
<td>Are reasons for the time horizon of the survey design justified?</td>
</tr>
<tr>
<td>3.2. Response Rates</td>
<td>Have a variety of survey delivery options been considered?</td>
</tr>
<tr>
<td>3.3. Follow-up and Other Procedures to Enhance Response Rates</td>
<td>What instrument will be used in the survey?</td>
</tr>
<tr>
<td>3.4. Non-Response Bias</td>
<td>Who and how developed questions asked?</td>
</tr>
<tr>
<td>3.5. Dependent Measures</td>
<td>What are the content areas addressed? Are scales used? Who and how developed them?</td>
</tr>
<tr>
<td></td>
<td>Are there options for open-ended responses?</td>
</tr>
<tr>
<td></td>
<td>How long will it take to carry out the survey?</td>
</tr>
<tr>
<td></td>
<td>Will answers to questions asked supply insight into the theoretic questions motivating the survey?</td>
</tr>
<tr>
<td><strong>B. Pilot testing and design update</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Will the survey be pilot- or field tested?</td>
</tr>
<tr>
<td></td>
<td>How changes will be addressed?</td>
</tr>
</tbody>
</table>
C. Data collection

What procedures will be used to contact respondents?
Are procedures in place to maximize response rates?
What are the incentives for participation?
Have measures been taken to assure similar meanings in instruments translated into multiple languages?
What software will be used to collect data?

D. Data analysis

Will those who administer the survey be asked for insights?
What software will be used to analyze data?
What specific steps will be taken in the analysis to
- check for response bias?
- collapse items into scales?
- check for reliability of scales?
- run inferential statistics to answer the research questions?
- Interpret open-ended responses?
- check for intercoder reliability?
- develop a descriptive account of the findings?

E. Disclosure and Reporting

How the results will be incorporated and presented within the research agenda?
What are the implications for the future research?

This five stages framework suggests main steps to be undertaken in the course of survey-based research as well as a check list of questions to be addressed while planning and executing each of the stages. The framework is not exhaustive, rather it is an attempt to provide a basis for the research project management, planning and successful implementation, as suggested earlier. In each unique case some adjustments may be necessary. Further development of the concept may include contributions from researchers, sharing their context-based updates of the suggested framework.

Conclusions

This paper contributes to the methodology of management accounting research in emerging markets and also to the practical world, namely to consulting practices by means of suggesting an approach to investigation of the core issues of corporate functioning in emerging markets, characterized by lack of transparency and lack of data availability. The main purpose of the paper is to present an outline of framework for survey-based studies of management accounting and control systems in emerging markets, taking into account specifics of emerging markets context and thus contributing to obtaining valid and convincing research results, comparable and compatible with existing frameworks from the developed markets.

Although there are certain drawbacks and limitations of survey-based research in management accounting, it could be an effective starting point of the study if properly conducted. The key success factors are application of sound project management tools at all stages of the research project, collaborative efforts with active involvement of an external sponsor of the project and usage of adaptive to the context and time research tools and techniques and accounting for and ensuring that common “organizational” language is used in all communications. These will address the often cited weaknesses of the survey-based approach.

Suggested five stages framework with a check-list of important issues (in a form of challenging questions) to be considered provides a researcher with a starting tool for conducting a research project, however, a feedback from the
research community and contributions, practice-based, would be highly relevant and beneficial, as they will enrich the framework with insights and findings from different settings.

Acknowledgements

I thank the participants of research seminar organized by IEDC Bled School of Management and personally Dr. Ian Sutherland and Gasper Sekelj for their feedback and comments to the early draft of this paper and an anonymous reviewer for the overall improvement suggestions.

References


