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Review Article

Accounting thoughts: A concise overview for accounting students in Cambodia

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Abstract

While accounting education in Cambodia has been remarkably improved at present, the focus is more on know-how rather than know-why. To some extent, this limits students' understanding of the complex reality of accounting. This article provides a concise overview of accounting thoughts that have been examined and debated for some decades in the wider accounting literature. It aims to raise awareness of the importance of this topic among accounting students in Cambodia. It suggests that attention to accounting philosophy be needed in the current accounting education system so that accounting students, who will be the future accounting practitioners or researchers in the Cambodian accounting field, have a better understanding of the concept and importance of accounting for organizations and societies.

Keywords: Accounting thoughts; accounting philosophy; accounting education; Cambodia

Introduction

In many countries, particularly North American countries (Merchant, 2010), accounting is viewed as a technical skill that involves numerical representation and calculation. This view is underpinned by positivism, and it is regarded as the dominant philosophical approach in the accounting discipline. The reason

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for this consensus can be understood by reading accounting's history, which can be traced back to ancient civilizations (Robson, 1992). According to Robson (1992), accounting in the ancient past was about keeping records of goods traded. Therefore, numerical data was essential for understanding and predicting trade performance, and objectivity was regarded as a fundamental principle for recorders (or bookkeepers) to apply. However, as organizational arrangements and situations have become more complicated, academic scholars (e.g., Chua, 1986; Morgan, 1988) have called for alternative approaches to accounting, and the two alternative approaches are interpretivism and critical inquiry. Scholarly discussions in the literature on this topic have taken place since the 1980s (e.g., Baker & Bettner, 1997; Chua, 1986; Morgan, 1988), and they continue to date (Chua, 2019).

Nonetheless, in Cambodia, although the historical development of the accounting field is documented by some authors (e.g., Yapa et al., 2016, 2019), the issues about accounting philosophy have not been properly examined by accounting academics. As a result, accounting education tends to limit the scope to the numerical or quantitative aspects of accounting. The author's review of the accounting curricula in different accounting schools shows that the courses on accounting philosophy or accounting thoughts are not included in the curriculum. Instead, it is replaced by courses on economic thoughts or political economy. Based on the review of the accounting curricula, accounting schools tend to focus on preparing accounting students to work as accounting practitioners rather than accounting researchers who can philosophically examine accounting situations. Although they have attempted to foster a research culture within their education programs, accounting research activities by both Cambodian academics and students are still limited. The reasons behind this occurrence are numerous, some of which are limited social appreciation, limited funding, and limited academic freedom (see Heng et al., 2022).

One may argue that accounting education in Cambodia has been significantly improved at present. Based on the author's observation, for example, accounting education no longer suffers from limited study materials. Students who intend to work in the accounting field are also provided with a wide range of options. They can enroll in a formal accounting education program and earn a formal degree in accounting, or they can do self-study, take certification

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exams, and earn a professional qualification called "Accounting Technician Qualification (ATQ)" from the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA). For those who can afford the membership and tuition fees and have English language competence, they can also opt to earn internationally recognized qualifications from the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Management Accountants (CIMA). However, despite this substantial improvement, accounting education tends to give more weight to practical knowledge than philosophical knowledge. To some extent, this limits students' understanding of the meanings and roles of accounting in a wider and more complex society. This article aims to draw the attention of Cambodian accounting students to the importance of accounting philosophy. It provides a concise overview of how different philosophical assumptions shape accounting research and practice.

The orthodox approach: Positivism

Positivism is regarded as the orthodox approach in the accounting discipline. The core idea of this approach is that reality is not constructed or influenced by human beings; it is out there for human beings to uncover and test by using scientific, quantitative methods (Crotty, 1998). Underpinned by positivism, accounting researchers are expected to be objective and independent of their personal thoughts when producing their research reports, and it is believed that quantitative methods are essential for producing such reports (Chua, 1986). By employing quantitative methods, accounting researchers are further expected to provide "a theory capable of explaining the factors determining the extant accounting literature, predicting how research will change as the underlying factors change, and explaining the role of theories in the determination of accounting standards" (Watts & Zimmerman, 1979, p. 279). Likewise, in terms of accounting practice, professional accounting practitioners are expected to comply with the principle of objectivity, as required by their accounting bodies, and to have an understanding of basic mathematics to do accounting jobs.

However, despite being the dominant philosophical approach in the accounting discipline, positivism has some limitations. According to Chua (1986) and Morgan (1988), two of the limitations are as follows: First, positivist accounting researchers and practitioners tend to limit themselves to scientific, quantitative methods and thus cannot capture non-quantitative aspects of

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accounting reality. For example, while accounting practitioners can use quantitative methods to calculate and predict the financial return from the sale of products, they cannot primarily depend on such methods to capture the reasons behind a specific sale trend. Second, because positivist accounting researchers and practitioners place value on neutrality and objectivity when producing accounting information, they do not involve themselves in moral judgment about what is right or wrong. For example, they are not interested in whether resources are distributed effectively and efficiently in their organizations; what they simply do is follow the rules and produce accounting reports that inform decision-makers.

To some authors, particularly Morgan (1988), accounting researchers and practitioners have never been neutral or objective. As human beings, they cannot be separated from their worldviews (Denzin & Lincoln, 2005) and thus cannot produce accounting information independent of their worldview. If accounting practitioners view accounting as history, for instance, they will focus on the historical transactions that occurred in organizations; meanwhile, if they view accounting as politics, they will produce accounting information that serves the needs of specific interest groups (e.g., shareholders). Such worldviews play essential roles in shaping accounting principles and practices. In the case of hospitals, for example, if accounting principles are developed by accounting practitioners who are profit-oriented, patients may need to show their ability to pay first to get medical treatment; however, if accounting principles are guided by the principles of humanity, the need to show the ability to pay is not necessary; patients can get medical treatment first and pay the bill later. Therefore, accounting researchers and practitioners are suggested to examine accounting reality from different angles and in a more open-ended way so that they can capture more aspects of the accounting reality (Morgan, 1988).

The alternative approaches

To respond to the limitations of positivism and the arguments about impossible neutrality, academic scholars have called for the adoption of two philosophical approaches to broaden the view of accounting: interpretivism and critical inquiry (Chua, 1986). The sections below outline the major implications of the two approaches.

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Interpretivism

The concept of interpretivism is often credited to the works of Alfred Schutz (1899–1959). This philosophical tradition holds that people do not have the same interpretation of reality because they are influenced by their worldviews and environments (Crotty, 1998). Through the lens of interpretivism, accounting research can be characterized by the following features. First, accounting researchers cannot predict or generalize their findings; what they can do is report their understanding of the findings. Second, accounting researchers cannot depend solely on quantitative methods to examine accounting reality; they need qualitative methods as supplements (Baker & Bettner, 1997; Morgan, 1988). Depending on the research objectives, they can apply a quantitative method, a qualitative method, or a combination of both (Crotty, 1998; Kumar, 2011). According to Maali and Jaara (2014), quantitative methods are more popular in studies about financial accounting (e.g., the study on the relationship between earning management and firm performance), while qualitative methods are more popular in studies about management accounting (e.g., the study on constraints in performance budgeting and management).

In terms of accounting practice, there are three significant implications of interpretivism. First, accounting practitioners are not objective beings. They do not represent accounting information "as is" but rather make value judgements about it (Morgan, 1988). Second, because they are part of their organizations, they need to accommodate the requests or follow the orders from their supervisors or organizations. To protect corporate image and legitimize certain organizational activities, for example, they may be asked or ordered by their supervisors or organizations to manipulate the symbolic meanings of accounting numbers or hide certain information from the public (Chua, 1986). Third, producers and readers of accounting information do not have the same interpretations of the information. For instance, some believe that profit arises only when revenue is higher than cost, but others recognize spiritualistic profit (or the hope of future benefits) (Puspitaningtyas et al., 2018). Therefore, interpretivists suggest that "[accounting practitioners] must recognize the tension that exists between the world as viewed by [them] and the world in a wider sense" (Morgan, 1988, p. 484).

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Critical inquiry

The concept of critical inquiry is often credited to the works of Karl Marx (1818–1883). It can be regarded as an extension of interpretivism (Crotty, 1998). Like interpretivism, the critical tradition holds that reality is subject to diverse interpretations. However, critical inquiry extends the focus from the understanding of reality to the underlying power that constructs that reality. Critical inquiry is a label for multiple different critical approaches, and its goal is to seek "the just society, freedom, [and] equity" (Crotty, 1998, p. 157). Applying a critical inquiry in accounting research, accounting researchers focus on the relationship between accounting and its environment, such as society, economy, and politics (Baker & Bettner, 1997; Chua, 1986; Dillard, 1991). However, due to the multi-aspect nature of critical inquiry, it is impossible to give a precise definition of critical accounting research (Chua, 1986; Gendron, 2018; Lukka, 2010). According to Dillard and Vinnari (2017, p. 89), critical inquiry can be regarded as "a unique lens through which to view accounting, humans and other living beings, organizations and society." Therefore, applying a critical approach to accounting research will open a gateway to a wide range of research areas. Some examples include dialogic accounting, accountability, corporate social responsibility, human rights, and sustainable development (Brown & Dillard, 2015; Brown & Fraser, 2006; Deegan, 2017).

In terms of accounting practice, it is argued that the accounting profession is embedded in a complex social system where social actors are guided by different logics or interests (Chua, 1986). Therefore, the implications of critical inquiry for accounting practice are quite broad. This article highlights two major implications. First, from a critical point of view, accounting information is used to serve different purposes that may contradict one another. For example, while business managers use accounting information to shape organizational policies and make more profits, the government uses accounting information (from different business organizations) to shape tax policies, influence wage bargaining, and promote corporate social responsibility. Second, accounting practitioners are not neutral but rather guided by certain interests. They work as an organized interest group to advance their socio-economic interests. For example, as part of the wider social system, the accounting profession may choose to display certain behaviors to maintain its legitimacy and importance in the eyes of the public and the state (Hopper & Xu, 2012).

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Conclusion

In conclusion, this article has demonstrated that the concept of accounting cannot be narrowly defined. It has introduced student readers to the implications of three different philosophical approaches (positivism, interpretivism, and critical inquiry) for accounting. It does not intend to argue which philosophical approach is better for the accounting discipline but rather to draw the attention of accounting students in Cambodia to the importance of accounting philosophy. It suggests that one needs to pay attention to accounting philosophy to better understand the concept and importance of accounting for organizations and societies.

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