

# 2

## Formulating a Research Project

*Mercy Denedo, Andrew MacLaren and Emma Hill*

Much of the research conducted within accounting and finance is concerned with seeking answers to broader questions such as “What are we for?”, “What problem do we aim to address?” and “How can we address these problems through researchable and pedantic procedures?” It enables the researcher to understand how his/her research ideas, choices and experiences have arguably affected his/her knowledge and livelihood. Consequently, in this chapter, we begin by considering where you could generate your research ideas to answer those basic questions, followed by how to understand and contextualise your research ideas within prior literatures in order to create a space for them. Furthermore, we help address how your research should contribute to the partially or already established conversation of your discipline, as well as illustrate how this is done in the accounting and finance discipline. Finally, we highlight how you could make your research ideas fit together through a well-structured research proposal. This would enable you to understand what you are required to do for your dissertation as well as enable you to plan and work yourself through the rigorous research process without much stress. Therefore, we will start by identifying where we can generate our research ideas.

### Where might ideas come from?

In accounting and finance studies, ideas are distinctly valued for their contribution to accounting or finance principles and their relevance to the development of the society, managerial and financial practices for organisations and stakeholders (Ronen, 2012; Srinidhi, 2013). Accounting and finance studies are essential economic growth tools in fostering innovations and entrepreneurial activities (Chua, 2011; Ronen, 2012). They permeate through numerous disciplines in order to provide relevant and effective decisions making frameworks for users of accounting and finance information.

Accounting and finance research<sup>1</sup> could result in the postulation of a normative and descriptive framework through which decision-making and performance could be benchmarked. For instance, in finance the Markowitz (1952) model is often used to select a portfolio of diversified shares to mitigate risk and maximise investors' returns. The fundamental objective of contributing in the development of a set of 'good accounting and finance principles' which could subsequently contribute to 'good accounting and finance practice' should drive any research ideas in this discipline. Consequently, the conceptualization of your research ideas, which could contribute in the development of 'good accounting and finance principles' should receive a relatively high attention.

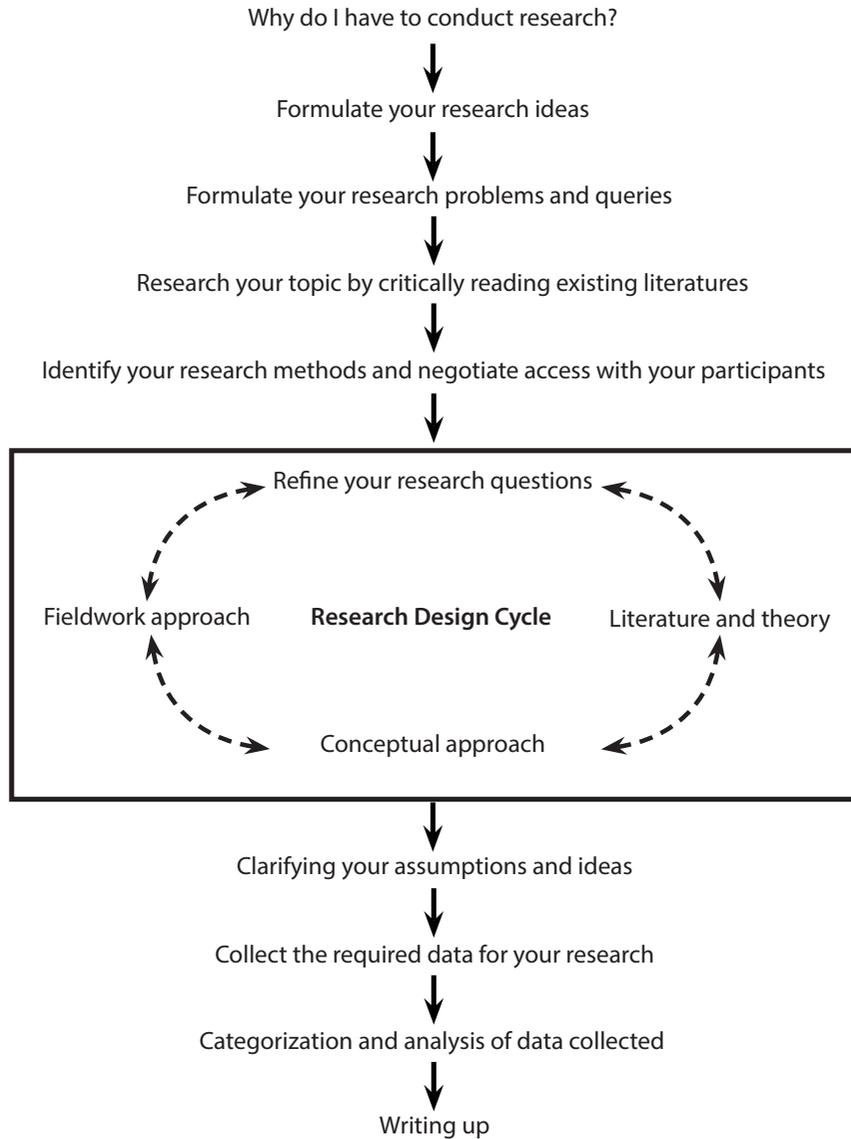
Conceptualising accounting and finance research and scholarship problems could provide answers to broader issues such as "What are we for?", "What problem do we aim to address?" and "How can we address these problems through researchable procedures?" Ability to answer these questions, which often influence decisions made by institutions, is what gives meaning to accounting and finance research. It enables researchers to understand how their research ideas, choices and experiences have arguably affected their knowledge and livelihood. Finally, it enables the users of accounting and finance information to understand why such research ideas and choices help define the nature of knowledge (De Loo and Lowe, 2012; Gray and Milne, 2015).

The starting point for any research project therefore is grounding your ideas in the literature. In research, your idea should be developed relative to the existing literature on the subject as, whether you like it or not, it is that same literature-base that led you to come up with the idea in the first place. For some students research ideas may be formulated or clearly refined from preconceived ideas of what they want from the literature. Regardless of whether or not you have preconceived ideas, a conscientious effort should be placed on consulting the relevant literatures when identifying or refining research ideas in accounting and finance because they are not static. The research ideas could be adapted during the research design cycle (see Figure 2.1). The adaptation of research ideas could be while reviewing the literature, incorporating theory (ies), formulating the conceptual framework or when identifying the fieldwork approach or negotiating access with your research participants (Hennink *et al.*, 2011).

---

1 'Accounting and finance' is generically used in this text. It is not restricted to financial accounting research but covers a broader spectrum of the accounting and finance research, e.g. research into historical accounting, management accounting, financial reporting, corporate governance, auditing and corporate finance, social and environmental accounting, public sector accounting, accounting education etc. The focus of this chapter is not so much on the many researchable accounting and finance subject areas but on how research ideas could be explored regardless of the subject area.

2 Research problems in accounting and finance could be social, economic and in relation to the environment. It would be erroneous to claim that research in these fields is restricted to these broad fields of study but often it tends to address problems that influence decisions, processes or practices within an organisation or within the society.



**Figure 2.1:** The research process. Adapted from *Qualitative Research Methods* by Hennink, Hutter and Bailey (2011)

Whether you have preconceived ideas, which you will want to explore or your ideas are formulated from the literature, at some point you should be able to identify if your proposed subject will solve a research problem relevant to the users of accounting information or contribute to knowledge building within a specific area. Furthermore, you should be able to identify whether you have the skills, financial resources and the time needed to research the topic.