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An Accounting Historiography:
Subject Matter and Methodology

This paper continues to study issues developed in a preceding manuscript which provided a definitional context for accounting history, its uses and limitations as a method of inquiry related to educational endeavours, standard setting and practice. In this study two aspects of the development of the history of accounting, subject matter and methodology, are extensively explored within the context of a definition of historiography. A set of outline tables is provided to assist researchers considering the topic areas as well as the process of historical inquiry, especially those scholars who do not specialise in historical study. As in the previous paper, an extensive bibliography is provided.

Key words: History, Development of thought, Historiography.

Historiography ... includes the body of techniques, theories and principles associated with historical research. It is a way of addressing data and sources, asking questions and building theories based on evidence. (Goodman and Kruger, 1988, p. 316)

This paper begins with a description of categories of historical inquiry and provides examples of each from the literature of accounting history. The second section addresses the process of conducting historical inquiry with attention to the narrative and interpretational views presented in a previous paper (Previts, Parker and Coffman, 1990). Examples of several methods are provided, including cliometric, counterfactual and empirical. The paper concludes with a discussion of further research needs.

SUBJECT MATTER OF HISTORICAL RESEARCH

Historical research in accounting includes many subject areas such as biography, institutional, development of thought, general history, critical history, taxonomic and bibliographical data bases, and historiography (Previts, 1984). These areas of research provide a classification guide to assist researchers in identifying or classifying...
an aspect of the development of accounting thought or practice (see Table 1). Often a study categorized according to one area draws upon and is identified with other areas.\(^1\) Readings describing general historical subject matter categories related to this section include works by G. K. Clarke (1967), Elton (1967), Leff (1969), and Hexter (1971).

**Biography**

Peloubet (1948) asserts that 'the growth of a profession is largely the reflection of its great personalities' (p. 18). The basic source materials for conducting biographical research consist of the individual's personal correspondence, published works and speeches, as well as archival materials. In addition to reviewing and analysing these materials, the biographer must identify the principal influences, such as the educational and family environment, pertinent social institutions and employment circumstances upon the individual's thinking. When feasible, recording an interview with the subject is a valuable technique (Buckner, 1977).

Biographical research provides a flexible basis from which to undertake a variety of historical investigations relating to the formation of accounting principles and institutions. Biography is 'fragile' because it relies on a single source — the subject — for authenticity, yet it also employs a wide variety of both primary and secondary materials (Kurland, 1982). The historian must carefully establish that such materials are authentic, credible, and adequate for the inferences drawn; this can be ascertained by using multiple sources as cross-checks for assertions made. Disclosure of both the supporting and critical aspects of such materials enhances credibility. Interpretations of the subject's background, character, work, the social and economic contexts, background and impact on accounting must be justified by evidence and defensible argumentation.

As Jones (1988) observes, Edwin Waterhouse's *Memoirs* were long sought but once located present historians with difficulties in confirming or expanding upon them since Waterhouse writes: 'One good that has resulted from my work is the destruction of a large amount of correspondence, which might, from the mere fact of its continued existence, have caused some trouble in the future'.


W. D. Cooper's study of Blough is notable in the specific technical sense that the researcher gained access to previously restricted original correspondence by invoking the Freedom of Information Act and therefore obtained direct documentary

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evidence useful in clarifying the meaning of terminology developed during the period. A primary example was a finding that explained Blough's intended meaning for the term *substantial authoritative support*. The term had acquired alternative meanings over time, but not until this discovery was there documentation to support a definitive intended meaning. The author also made extensive use of interviews of the subject to support the conclusions advanced in the study.

The three volumes of autobiographical works titled *Written Contributions of Selected Accounting Practitioners* prepared at the University of Illinois are a combination of the writings by the selected subject and the subject's commentary on them, including statements to complete the context of the paper. Each of these publications has the unique aspect of involving the subject in the preparation of the volume.

Previts (1978) uses a biographical base to develop an explanation of the SEC policies by comparing the policy actions of its chief accountants. The other studies listed above are more typical biographical works based on the recollections of the authors, who had a personal relationship with the subject, and/or on interviews with related parties and on the subject's published works. Recent dissertation-based biographical studies, such as W. D. Cooper's (1982a, 1982b) study of Carman Blough, have done much to improve upon early dissertation biographies, which tended to be limited to descriptive and chronological forms. Other commentaries on Blough base the assessment of his integrity under adversity during the initial period of SEC accounting regulation on the personal traits developed in his family, whose values were formed by a father who was a minister (Carey, 1979). Similarly, W. D. Cooper (1984) identifies Mathews, one of the first SEC commissioners, as being an influence on Blough and, thus, on the formation of SEC philosophy, its interest in financial disclosure, and its publication of opinions on accounting matters. McKinsey (Flesher and Flesher, 1985) is recognized as a management consultant, yet he was also a major contributor to American accounting education in the first third of this century, having introduced not only early books on budgeting and management accounting but also an accounting principles textbook that has continued in successive editions to be a popular mainstay in college classrooms. L. D. Parker (1986b) establishes the fact that Henri Fayol, who is renowned for his early contribution to management thought, provided the founding concepts for the accounting concept of goal congruence and for its exception principle.

Grady's (1962) editing of and commentary on George O. May's papers are a principal example of a practitioner developing the materials of a practicing colleague for academic study as well as for future consultation by leaders in practice. An example of an anthology is J. D. Edwards and Salmonson's (1961) *Contributions of Four Accounting Pioneers: Kohler, Littleton, May and Paton*, which consists of digests of the principal papers on each subject through 1960. W. W. Cooper, Ijiri and Previts (1980) prepared a comprehensive anthology of the full text of Kohler's writings in *Eric Louis Kohler: A Collection of His Writings (1919-1975)*.

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2 The term was formalized in the technical literature in Accounting Series Release No. 4 of the SEC in the late 1930s and was later adopted by the Council of the American Institute of CPAs as the basis for determining exceptions to Opinions to the Accounting Principles Board (Armstrong, 1969).
Each of these works assists scholars and students by presenting either the original text material on which to base assessments or a concise statement of the major papers of the writers studied.

**Institutional History**

An historical inquiry of institutions, whether the institution is identified as an established event, law, custom, profession, organization, or other entity, requires the review of records, correspondence, memos, news reports, internal reports, minutes and hearings of committees and boards. In studies of this type, assessing and analysing institutions' social and political environments are important dimensions.


The concern that must be addressed in recollective studies such as those by Carey and Olson is that ‘the historian as a participant’ may lose a desired degree of detachment, reflecting instead biases of a dominant group. For instance, the environment and episodes of the 1970s as addressed by the AICPA are the subject of Olson’s work (1982), which he undertook after his retirement as AICPA president. The candour of his style resulted in the addition of a ‘Notice to Readers’ to the front matter after publication to address the concerns of some parties that his ‘history’ unfairly represented their position. As George Smith, president of an institutional history consulting group, observes, ‘You can never find someone who was on the wrong side of a decision’ (Bennett, 1988).

Another limitation of institutional histories is the potential for the ‘selective survival’ of archival sources that are incomplete or biased representations of original records. ‘Besides employees, the other most important comprehensive source of corporate history is a company’s internal records’. Often records are poorly stored, lost in transit, or destroyed due to fire or selective retention programs. In such circumstances scholars seek out ‘buffs’(employees who save every company document and in-house publication) and collectors (employees who keep copies of their correspondence at home) (Bennett, 1988).

Institutional histories may also address ‘movements’ as well as ‘entities’. A recent paper by Birkett and Chua (1988) investigates the processes involved in constituting that which came to be labelled ‘management accounting’ by tracking the social-professional changes leading to ‘institutionalization’ (1988, p. 1).

Professional organizations and firms commonly use this type of history (R. Brown, 1905; DeMond, 1951; Foye, 1970; Hopkins, 1980; Wise, 1982). In general, such works contribute to the development and understanding of the traditions of the accounting firms and of the profession and also serve as a resource for further explanatory research into the development of concepts, practices, and policies that may have been influenced by these institutions. Often the celebration of an
anniversary or an awareness of the passage of time or a similar notable event such as a retirement, induces such undertakings. Examples include *The American Accounting Association Its First 50 Years* (1966); Goldberg's (1987) 'factual-narrative' monograph *Dynamics of an Entity*, which provides a three-part history of the Accounting Association of Australia and New Zealand from 1962 to 1985; works that honour the centennial of the Institute of Chartered Accountants (U.K.); the Australian bicentennial (Gibson, 1988a); and the special centennial history version of the *Journal of Accountancy* in May 1987, which addressed the AICPA's history in a series of papers, archival listings and essays.

**Development of Accounting Thought**

Scholars working in the area of the development of thought, as in the related field of economic thought, seek to identify, articulate, and explain the role that individuals, institutions and ideas have in developing and disseminating knowledge. These scholars seek to improve the understanding of a discipline's teaching process, research and practice in response to an environment. Historians also may direct their expertise to particular periods or circumstances. For example, Peragallo (1938, 1983) and Kojima and Yamey (1975) have dedicated much of their academic careers to investigating the evolution of accounting in medieval and colonial settings. Other historians working in the thought-development area seek to identify what constitutes an accounting concept or what justifies it; if, how, and why it changes; and the environmental factors and individuals that may have influenced it over time. Efforts by accountants in this area form a basis from which accounting thought may some day be developed into major studies similar to those in economics, such as Schumpeter's (1954) *History of Economic Analysis*. Principal examples include Littleton and Zimmerman's (1962) *Accounting Theory: Continuity and Change*, Deinzer's (1965) *Development of Accounting Thought*, Chatfield's (1977) *A History of Accounting Thought*, Mattessich's (1984) *Modern Accounting Research: History, Survey, and Guide*, and McMickle and Vangermeersch's (1987) *The Origins of a Great Profession*.

Promising new research techniques aided by computer-based technologies are enabling researchers to develop sophisticated citation analysis of recent research literature (Gamble, O'Doherty and Hyman, 1987) by adapting statistical approaches used in other fields to assess the origin, influence, and maturity of ideas by means of cluster analysis of intra- and interdisciplinary citations (Bricker, 1988). Furthermore, scholars are now beginning to develop teaching materials which amalgamate theories and provide historical perspective as a means of bridging the temporal and geographical barriers to an international curriculum (Whittred and Zimmer, 1988, see Chapters 4 and 7).

Important topics such as LIFO valuation (H. Z. Davis, 1982); going concern, conservatism, and materiality (Newman, 1979); inflation accounting (Schmalenbach, 1980; F. L. Clarke, 1982; Graves, Dean and Clarke, 1989); accounting control concepts (L. D. Parker, 1986c); the 'orientation' postulate (Zeff, 1962); and accounting theory development in particular national settings (Weilenmann, 1979; Skinner, 1987) have been the objects of thoughtful study. Anthologies patterned after those by Baxter
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(1950), Littleton and Yamey (1956), and Moonitz and Littleton (1965) have also provided cross-sections of theory development writings useful in establishing references for present-day study.

An important potential for developing accounting thought research lies in identifying the interrelationships between individuals, technology, concepts, and legal and economic customs and in tracing the changes in these relationships as they impact the development of knowledge over time. Dopuch’s (1980) paper on theory development, for example, contains a section entitled ‘Historical Patterns of Empirical Research’, which notes that empirical research ‘was almost unheard of in accounting before the appearance of high-speed computers and information “tapes”’. Such expert observations can serve as an outline of an historical hypothesis about the dynamics of research methods, technology, and research issues that can lead to more rigorous historical investigation.3

Contemporary attempts to explicate schools of thought include those in A Statement on Accounting Theory and Theory Acceptance (AAA, 1977), which employs a consensus approach to discern three basic theoretical approaches (classical or true income, decision usefulness, and information economics) to frame a ‘general’ theory of external reporting.4 Chambers’ (1979) review of the development of the study of continuously contemporaneous accounting is a more complete, first-hand example. Others (Previts, 1980) identify groups, such as a pre-classical school of American writers, who adopted modified historical cost asset valuation techniques during the period 1900–1920. Merino and Coe’s (1978) paper suggests that arguments in favour of greater uniformity in accounting are not ‘new’ and that uniformity has failed to provide a sure solution. Previts (1985) and R. H. Parker (1986) relate the development of professional accounting services in American and British practice as a means of considering contemporary concerns as to the scope of services. Wells (1978a) studies the origin and development of cost allocation techniques with attention to the influence of engineers and economists, as well as accountants. Previts (1980), Wells (1976 and 1978a), Cushing (1989) and others have sought to draw from Kuhn’s (1970) paradigm arguments to explicate their classifications. Wells (1976), Beaver (1981) and Someya (1989) term their considerations of recent changes in financial reporting thought a ‘revolution’.


3 Such expert opinion may prompt historical research. Consider Demski’s views on ‘what has happened over the past twenty-two years?’ (1987, p. 89).

4 Chandler’s (McCraw, 1988) edited essays on an ‘historical theory of big business’ supply a corollary for accounting historians to consider in developing a broader perspective on which to assert historical interpretation in a competitive economy.
the circumstances attending five major turning points in the process by which
accounting principles have been established in the United States.

**General History**
This area of accounting history research is distinguished from the previous category,
thought development, in that it adopts an extensive temporal perspective focusing
on issues such as practice in a particular country, the development of a nation's
accounting profession over several centuries, or the progress of a whole sector of
the discipline, such as cost accounting.

The process of undertaking a general history in accountancy for a particular
country involves not only searching, collecting, tabulating, and interpreting
information, but also considering such aspects as what would make the study unique
and what audience (e.g., practising or academic) it would serve.

Examples of book-length general history research include *Accounting Evolution
to 1900* by Littleton (1933), *Origin and Evolution of Double Entry Bookkeeping*
of Public Accounting in the United States* by J. D. Edwards (1960), and *A History
of Accounting in America* by Previts and Merino (1979).

**Table 1**

<table>
<thead>
<tr>
<th>Area</th>
<th>Principal aspects</th>
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<tbody>
<tr>
<td>Biography</td>
<td>Influence of key individuals on accounting concepts, practice, and institutions</td>
</tr>
<tr>
<td>Institutional history</td>
<td>Traditions of the accounting profession and organizations. Considers influence on the social, economic, and political environments; source of data for explanatory research in other accounting history subjects</td>
</tr>
<tr>
<td>Development of thought</td>
<td>Identifies and explicates conceptual foundations and individuals and institutions related thereto. Traces and models conceptual development; impact of schools of thought on practice and other disciplines and institutions</td>
</tr>
<tr>
<td>General history</td>
<td>Macroperspective of accounting development; traditional and/or national emphasis; develops specific areas (e.g., cost accounting)</td>
</tr>
<tr>
<td>Critical history</td>
<td>Adopts a perspective inclined toward criticism in examining the role of an historical factor in the context of conflicting social, political, economic, and institutional interaction</td>
</tr>
<tr>
<td>Data bases—taxonomies and bibliographies</td>
<td>Source of primary information: support for contemporary and historical research</td>
</tr>
<tr>
<td>Historiography</td>
<td>The structure of historical research; evaluates accounting history research; perspective on methods for conducting and interpreting accounting history research</td>
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These general studies provide researchers with a broad perspective and framework within which to focus on particular micro-issues in accounting theory, measurement, or disclosure. The studies also provide a basic reference point for the identification of past environmental factors that have influenced extant accounting concepts or practices. To date, few of these studies have drawn the attention required to ensure commercial success, revision and republication. Such general studies are more widely adopted for teaching and quoting in research in fields other than accountancy. Frequent utilization in class or text applications results in corresponding suggestions from adopters and researchers that lend support to a revision and republication cycle.

Critical History
The writers of critical history view accountancy as an interested, influential activity rather than as some neutral, technical process (Gaffikin, 1987, 1988a). In critical history, accountancy is studied as a social and political activity in itself, both reflecting and influencing its economic, institutional, political, and social environments. Thus, accountancy history is written from the viewpoint of accountancy not just as a reflective phenomenon but also as a constructor of organizational and social relationships. This problematical approach to accountancy has been articulated by such writers as Burchell, Clubb, Hopwood, Hughes and Nahapiet (1980), Hopwood (1983), D. J. Cooper and Sherer (1984), and Chua (1986).

Critical histories have been constructed from various theoretical perspectives. Glautier (1983) employs a macro-perspective of accountancy development in arguing that modern accountancy is in crisis due to the centralization of political power. Niemark and Tinker (1986) employ a political economy accountancy perspective in their socio-historical study of General Motors' strategies of internationalization over a sixty-year period and examine the social construction of management control systems employed. Loft (1986) utilizes the mode of analysis advocated by the French historian Foucault to study the history of U.K. cost accountants and cost accounting during and after World War I by examining their proactive involvement in the social and political life of the period. This method of analysis is also used by Hoskin and Macve (1986) in their macrohistory of the development of accountancy technology and its associated knowledge set as a source of professional power.

Albeit that they view accountancy development through different theoretical perspectives, these critical histories emphasize the relationship between accounting and its organizational, social, and political content. These perspectives cause us to recognize the ability of accountancy to shape its own environment rather than merely to reflect it. It can now be expected that the product of historians of accountancy, which has already begun to reflect an understanding beyond the previously technical or descriptive, will adapt even more in response to such critical commentary.

Data Bases
Chronologies, bibliographies, and taxonomies are specialized types of historical research that provide source/reference information to assist in other historical

This type of historical research appears to differ from types previously discussed in that it does not attempt to provide extensive social and economic backgrounds or to interpret or explain key influences and causes, models, or frameworks. It seeks to provide descriptive information about events, dates, times, groups of items, sources, and related publications. Accordingly, this research must be expected to be detailed, correct, in the literal sense, and well organized for ease of use.

**Historiography**

Historiography, as previously defined, is the study of the writing of history; it includes the theory, methodology and development of historical writing. Studies of the development of historical method exist as early as the sixteenth century (Gentile, 1965; Pflug, 1971; Witschi-Bernz, 1972) and concern the problematic nature of the historian's craft, as well as such concepts as fact, evidence, causality, historical truth, narrative, and many other subjects. Historians include the following basic references for this area: Anderle (1965), Fogel (1970), Dray (1971), Gilliam (1976), Tannenbaum (1979), and Himmelfarb (1987).

Historiographic writing in accounting has been limited due to the period of time during which broadly based academic historical accountancy research has been undertaken. Historiographic writings such as this paper are likely to be in demand as a means to guide and appraise the 'state of the art' of historical endeavours. Examples of papers providing assessments of the state of the art of accounting history include Gaffikin's 'The Archaeology of Accounting' (1988b), R. H. Parker's (1981) 'The Study of Accounting History', Goldberg's (1974) 'The Future of the Past in Accounting', Homburger's (1975) 'The State of Modern Accounting History', Baladouni's (1979) 'The Study of Accounting History', and the Report of the Committee on Accounting History of the American Accounting Association (1970).

**HISTORICAL METHOD**

Any subject of historical research must be approached by employing research method(s) considered appropriate to the facts being sought and the issues being investigated. That is, 'the problem determines the method'. Available historical

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5 One of the earliest comprehensive listings of American accounting works which remains a significant resource to scholars is the *Bibliography of Works on Accounting by American Authors*, Vol. 1, 1796–1900; Vol. 2, 1901–1934 (1934; 1935) by Bentley and Leonard (Vol. 1 coauthor).
methods include both qualitative and quantitative approaches and offer a rich resource to the would-be researcher. For example, in our previous paper the contrasts between the narrative and the interpretative types of historical inquiry were noted (Previts et al., 1990). Thus, a narrative history of thought project may seek to identify events, episodes, and outcomes with descriptions of theories of knowledge, the unique works of individuals, their systems of values and the criticisms of their related works.

Historical research written in the social science, interpretational mode, attempts to identify and classify systematically information according to explanations and interpretations about the historical subject matter. Historical facts are identified, collected, and examined for interconnectedness. When such facts are employed in an interpretational project, they are used to support an hypothesis about the phenomenon under study and to develop a means of testing it. Even when a rigorously controlled historical empirical study is undertaken and researchers are satisfied that statistical tests indicate that a significance exists, a qualitative evaluation of the historical content of the issue is relevant, for to fail to account for situational variables in the environment risks misunderstanding the possible meanings of the empirical findings. Sources useful in addressing this matter are Garraghan (1946), Tholfsen (1967), Hexter (1971), Merino, Koch and MacRitchie (1987), and Merino (1988).

Methodological Issues
Historical methodology encompasses the variety of techniques available to all researchers. Historical theory concerns the philosophy of history, theories of historical development and process, the nature of historical explanation and judgment, and the roles of historical criticism, rationality, and analytical history. Within its ambit falls discussion of the problematic issues of the historian's art, such as ideas of fact, historical truth, impartiality, assumptions, and narrative (Gilliam, 1976; Dray, 1971; Fogel, 1970; Muller, 1967).

Some, particularly those of the realist-empiricist school, see historians as first collecting evidence and then building accounts of the past on that evidence. Others (the instrumentalist-constructionist school) regard historians as taking present-day objects or events and explaining their existence by constructing an account of the past (Hurst, 1981).

The distinction established in a previous paper between narrative and interpretational types of history is most often dictated by the view of how a problem is defined and what methodology is chosen to investigate it (Previts et al., 1990).

Barzun (1974) holds that history is narrative-specific, particular in time, nonanalytical, and memorable. His view of methodological considerations is suggested by his commentary on 'The Question of Method':

The proponents of History as Social Science express surprise that historians appear 'hostile to any kind of normalization of research procedure' and 'resent the use of words like re-tooling'. There is, one hopes, no word like re-tooling, but the historian's objection is not perverse. It expresses a refusal to play at the laboratory life, where tools—material instruments—are indispensable . . .
The historian, aware of his own taxing duty to reproduce in another mind the exact pattern in which he has organized his findings, doubts the capacity of the graphic-quantitative mode of representation for truth-telling. He is unfavorably struck by the angular rigidity of graphic and numerical statements, coming on top of the extremely "soft" manner of defining, classifying and admitting or excluding the data. (pp. 39-40)

The historian's need to be creative and adaptive in addressing each historical situation, while respecting the uniqueness inherent therein, underlies a principle of methodological concern. Of course, not all historians eschew the use of statistical methods, but the circumspect attitude of narrative historians is deliberate.

Historians, including Carl Degler, who are influenced by the research traditions of the social sciences, champion the view that explanation is inherent to history and thus interpretation, more than just the factual story, must be undertaken. Historians seeking to account for past behaviour must interpret, says Degler, because 'they have to' (1987, p. 80). The validity of an interpretation depends not only upon the availability of resources but also upon the manner in which the historian challenges and marshals the evidence presented (Potter, 1973, p. 5).

Because historians acquire facts from both primary (e.g., a corporation's accounting records) and secondary (e.g., a corporation's annual report or a business press release) sources, they must take care to ensure that these facts are authenticated, representative, and subjected to tests that will detect bias (Perry, 1972).

Some specific comments about the process of inquiry and the application of historical methods can be made here.

Sources of evidence and their origins must be identified, reviewed for relevance to the inquiry, and classified by time, place and origin of production, primary or secondary characteristics, content and aim.

The historian must consider who produced the evidence, its original form and its apparent credibility.

Authenticity can be tested by such means as lack of contradictions to apparent authorship by name/identification printed on the document, attributions by trustworthy authorities, resemblance to other known genuine documents (e.g., in content, diction, style) and consistency with known environment at the time (Leff, 1969; Garraghan, 1946).

When facts are inferred from the evidence they must be collated to determine whether they are compatible or contradictory (Hughes, 1970).

The assembly and judgment of facts must be made with reference to the known context in which they occurred. Three archetypical questions are posed in doing this. The first two relate to both narrative and interpretational forms. (1) What happened? (2) How did it happen? (3) Why did it happen?
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Having identified facts, any patterns of events and content, the historian is thereafter confronted with the task of identifying causes. These may be both multiple and interrelated and can never be all identified nor known with complete certainty. A social science historian weighs probable influence judged in the light of the historian's epistemology, knowledge and understanding of the context in which the facts are located. Thus, historical propositions are time-bound and contextual in nature; that is, they must be judged by the standards of the period being studied. If a proposition can be maintained only by expanding the assumptions, its plausibility is reduced (Postan, 1962; Leff, 1969).

Methodological Review

Cliometrics. A term derived from Clio, the muse of history, and metrics (or measure) and popularized by economic historians, cliometrics continues to be developed as a significant research method. Serving as the basis for what has been called the 'new' economic history, it involves the application of econometrics and quantitative methods to historical research. Using tools such as regression analysis, linear programming, input–output analysis, factor analysis and simulation, historians attempt to reconstruct dimensions of economic institutions from surviving primary data in order to reinterpret economic history while stressing the relationships between measurement and theory. In addition to the important early works of John R. T. Hughes (1970), Fogel (1966, 1970), Fishlow (1974), and McCloskey (1978), the works of McClelland (1975) and L. E. Davis (1970) also provide fundamental applications based on cliometric methods. Cliometric modelling applications have instigated sophisticated uses of 'counterfactual' conditional statements that consider what might have happened if a particular historical condition or event has been modified or omitted. As such, it is a manipulated experimental/pro forma application to history. Counterfactual research allows the historian the possibility of discovering the consequences of changing the variables central to an observed historical event and of identifying consequences or magnitudes corresponding to states that were never realized. Observed differences in apparent consequences help the historian identify the role of a particular historical element in the observed historical outcome. Thus, an accounting example might develop the outcomes related to a counterfactual authoritative 'standard' for measurement or disclosure in order to provide another set of observations in contrast to those of historical origin. A counterfactual premise, stated in the form of a hypothetical question, would be for example: If the Securities and Exchange Commission had not issued Accounting Series Release 190, what would have been the FASB's action with regard to inflation accounting in the late 1970s? (For more information on counterfactual source materials see Appendix C of our preceding paper.)

Empirical approaches. An example can be found in Lewis, L. D. Parker and Sutcliffe's (1984) paper on the development of corporate financial reporting to employees. From 216 publications identified by bibliographic search, a histogram of annual publications and a cumulative publications graph revealed relatively regular cycles of high and low levels of interest. Economic and social histories of the U.S. were reviewed for events and issues affecting labour. Those occurring near the periods

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of high levels of interest in reporting to employees were identified, but those not recurring in every period of high interest were eliminated. Four factors appeared to stimulate an interest in reporting to employees. The sample of 216 publications was then re-examined to determine whether any reference was made to these factors by the authors of the publications. The findings generally supported the four factors as relevant to employee reporting.

Further analysis of the publications’ content revealed fifty-six separate reporting issues, of which 55 per cent were discussed in four or more of the seven time-period blocks that constituted the 1919–79 period. Three factors were hypothesized as influencing the observed high level of issue repetition:

1. The lack of recognition of prior research.
2. The variable interest of management and accounting groups unacquainted with each other’s literature.
3. The lack of cross referencing among nationalities.

With respect to the first item, an examination of the footnotes and the bibliographies of all 216 publications on reporting to employees indicated that only 6 per cent referred to a related publication in any period. With respect to the second item, the 216 publications classified by accounting/non-accounting author revealed a countercyclical relationship between interest shown by accountants and managers. With respect to the third item, almost all pre-1970 publications were of U.S. origin. Thus, overall, the evidence supported hypotheses one and two, but not hypothesis three.

This research involved frequency tabulations; content analysis; triangulation tests; longitudinal analysis; time-period, author, and publication classification; and traditional approaches to the assessment of probable influence.

In terms of quantity, examples of empirical work in accounting history research have been limited to date, but evidence as to the use of quantitative approaches to support historical interpretation is becoming more frequent. Recent examples of empirical and statistical studies include those by Freear (1982), Vangermeersch (1984), Brown and Easton (1986), and Dillon (1984). Dillon’s research, based on his dissertation ‘The Role of Accounting in the Stock Market Crash of 1929’, affords contemporary researchers a useful model for comparative historical investigation of the phenomenon of the 19 October 1987 Dow Jones Industrial Average market plunge. When combined with new software, such as the recently released Apple II simulation series, ‘Model of the United States Economy from 1929 to 1933’, which supports counterfactual-type ‘what if’ experiments with the economy during the Great Depression, substantial comparative research may be possible. As previously noted, application of computer techniques in conjunction with citation bibliometrics also holds promise in research relating to the development of accounting thought.

Content analysis. In recent studies this approach has emerged as an addition to the quantitative methodologies available for accounting history research. Neimark’s (1983) paper on the use of content analysis in historical research demonstrates an index construction and graphical representation of dialectical themes in General Motors’ annual reports over sixty-one years. Committee’s (1982)
research also applies a content analysis method in an investigation of meanings applied to the term *independence* in the federal securities law hearings of the 1930s. Content analysis has many uses; an obvious one involves analysing the information content of corporate annual reports over extended periods of time. Such analysis may involve coding information and report characteristics, developing representational indices for particular variables being observed, and graphing frequencies over time (Neimark, 1983; Lewis, L. D. Parker and Sutcliffe, 1984).

**Case method field based research.** The case method represents a form of study that offers considerable promise for accounting history research. It has been advocated for accounting research in general by Hagg and Hedlund (1979), Post and Andrews (1982) and Kaplan (1984). Its emphasis on qualitative, holistic analysis makes it particularly suitable to historical research by allowing the researcher to look at problems as a whole and to take into account a multiplicity of variables. It offers a high degree of relevance in that it attempts to represent and analyse situations, including complex attributes, as they actually occurred (Buckley, Buckley and Chiang, 1976). Analysis and description of the research subject are facilitated and can be set within their historical context. The case method technique can be applied in longitudinal studies of patterns of development and is not limited to static, cross-sectional analyses. The historical studies of Johnson (1972, 1978) and Jones (1981) are examples of this research approach.

**Initiating Historical Research Projects**

'What process do I follow to start an historical project?' Although the reduction of such efforts to a set of general steps, particularly in interpretive work, is not appropriate, some points of evaluation can be identified (Table 2). The specific measures that relate to social science outcomes, such as step 6, might not be appropriate in assessing a narrative project.

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<thead>
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<th>Table 2</th>
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<td><strong>ELEMENTS IN A PROCESS OF HISTORICAL RESEARCH</strong></td>
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<tr>
<td>1 <em>Problem/hypothesis specification:</em> statement of the object of inquiry</td>
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<tr>
<td>2 <em>Data identification and collection:</em> procedure, type, scope</td>
</tr>
<tr>
<td>3 <em>Contextual relationships:</em> cultural, social, technical, economic, and political</td>
</tr>
<tr>
<td>4 <em>Methodology:</em> specification, testing, application and validation</td>
</tr>
<tr>
<td>5 <em>Evaluation of evidence:</em> primary and secondary, reliability</td>
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<tr>
<td>6 <em>Causal assessment:</em> probable, logical and interrelated multiple influences</td>
</tr>
<tr>
<td>7 <em>Statement of findings:</em> specified in terms of objective of the research, statement of limitations</td>
</tr>
<tr>
<td>8 <em>Conclusions and recommendations:</em> statement of contribution, implications for research, policy and/or practice, suggestions for further research</td>
</tr>
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</table>
In historical research, as in all similar efforts, the findings must be facilitated by a clear explanation of the research method employed and the justification of its appropriateness to the questions being investigated and/or the hypothesis being tested. The researcher should provide a rationale for each element of the process, including source selection; analysis and verification of sources; a justification for time periods selected; the classifications of concepts, methods, or schools of thought; the role of primary and secondary sources; and the population versus sample selected for study. As warranted, the cultural, social, economic, political, and technological contexts should be considered in the process; if addressing matters of causation, the researcher should inquire as to the following:

1. Have inferences and generalizations been drawn beyond the capacity and reliability of the evidence?
2. Has the evidence been interpreted taking into account the social values, norms, and limitations of the period under scrutiny?

Finally, the reader is entitled to a clear statement of research findings, as well as implications for accounting development, contemporary accounting, and future research for the reader's further deliberation, particularly when the alternative is to leave the reader to speculate unaided.

Further Research

Many opportunities for further historical research exist. Narrative studies will continue to be written, spurred by those who are thoughtfully curious about an event, an individual, an idea's origin or an institutional phenomenon. The interest in and need for longer term empirical investigation of markets' phenomena may increase archival activity to develop data bases where opportunities for empirical work do not already exist. Interdisciplinary approaches to accounting history also offer challenges for researchers to examine the impact of accounting and the environment each upon the other (Hopwood, 1983). Considerable work also needs to be performed in causal, explanatory and theory-testing studies in accounting history. Institutional histories of both corporations and professional firms are needed, especially given the recent consolidation movement among major public accountancy firms. As noted by Bennett (1988): 'Corporate histories are increasingly disappearing without a trace, as more companies are restructured, sold off, shut down or otherwise dismantled. And if corporate evolutions aren't recorded, the lessons of the past will be lost.'

As specialization of practice functions, including attest-audit, advisory and taxation, continues to develop in an increasingly international capital markets' environment, historical research can be expected to be involved in identifying the background and evolution of specialized conceptual and institutional issues. Specific historical studies relating to the evolution of auditing practices and theories; recognition and analysis of anniversary events (Commerce Clearing House, 1988); and the undertaking of historical inquiry related to comparative national standards in reporting (Zeff, 1972a, 1972b, 1973), auditing (Needles, 1985), and taxation (Sinning, 1986) can each be expected to increase in the coming years.
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Comparative national studies such as those pioneered by Zeff in the early 1970s represent one of the most challenging forms of future historical research. Zeff (1972b) observes with regard to this early work:

In devising the research plan, I was surely naive. Mexico, I thought would be easy... I already knew the United States, and I felt that through correspondence I could come to understand the approaches in Canada, England and Scotland. Nothing was further from the truth. I learned that precious little had been written on the process... Without secondary resource material it became more imperative to unearth all the relevant documents, many of which had never been published. They had to be supplemented by interviews... I soon concluded that visits would have to be made to each country. (p. vi)⁶

CONCLUSION

This paper has set forth a historiography of accountancy, including demonstrated examples about subject matter and methodology. Having provided references from accountancy literature and from other fields, particularly economics and general history, the paper has demonstrated that accountancy history continues to identify promising subjects and to develop techniques that will assist in deriving relevant knowledge for the present from the events of the past.

Accounting researchers now may draw upon philosophical, conceptual, explanatory, applied, case study, counterfactual, quantitative and interdisciplinary applications in history. Historical research in accountancy offers useful insights into present and possible future issues, supplementing the 'positive' (is) and the 'normative' (ought) with the 'historical' (was).

In both the American Accounting Association's recent report, Future Accounting Education: Preparing for the Expanding Profession (1986, p. 183), and the issues paper of the major firm Arthur Andersen, entitled Perspectives on Education: Capabilities for Success in the Accounting Profession (1989, p. 8), the history of accountancy is noted as being a vital part of understanding the role of being an accounting professional. Accordingly, much opportunity exists for challenging and rewarding work in historical research and curriculum development to meet the information needs of society.⁷

Put in another way, it is not a socially cost effective use of our intellectual capital to have to reinvent solutions that would otherwise be known to us through a well defined historical tradition. As two accounting academics recently observed: 'We cannot understand, or economically evaluate accounting without this sense of history' (Demski, 1985, p. 73); therefore 'historical research should be a staple in any scholarly literature' (Zeff, 1983, p. 134).

⁶ See also Zeff (1972a), ten Have (1976), and L. D. Parker (1986a).

⁷ The 1989 document states: 'Post secondary education should provide a strong fundamental understanding of accounting and auditing. This includes the history of the accounting profession and accounting thought as well as the concepts, structure and meaning of reporting for... both... internal and external use.'
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