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Beyond conventional boundaries: Corporate governance as inspiration for critical accounting research

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A R T I C L E I N F O

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A B S T R A C T

Drawing on my research (with colleagues) in the corporate governance area, I reflect on the development of intellectual trajectories within the critical accounting research project. Recognizing that the boundaries surrounding critical research are quite hazy and fluctuating, the role of epistemological guidance, methodological flexibility, chance encounters and theoretical bricolage in the production of critical accounting inquiries is underlined. Importantly, the studies that I review demonstrate that corporate governance settings constitute privileged sites to investigate power and marginalization processes. Focused on the backstage of corporate governance, these studies bring to the fore two key processes through which power and marginalization operate at the board level. The first relates to the constitution and propagation of myths. The second consists of board members whose reflective skills are kept underdeveloped. From a forward looking perspective, I especially seek to encourage the future development of critical research on corporate governance in ways that break the mold of gap-spotting research. In particular, I maintain that critical academics may benefit significantly, when elaborating their research endeavors, from considering further two central questions: corporate governance for whom; and corporate governance for what?

1. Introduction

While frequently used in a way that presumes certainty, corporate governance constitutes quite a malleable and imprecise term, the boundaries of which vary along agendas and interests. Definitions abound in the public arena – each aiming, more or less subtly, to impose some viewpoint on the audience. For instance, Wikipedia (2016) defines the term as "the mechanisms, processes and relations by which corporations are controlled and directed" – thus promoting the view that a corporation's overall business performance and even its destiny are within the purview of controllability. Another definition emphasizes the extent of social benefits that state-of-the-art governance practices can achieve when appropriately implemented: "The framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in a company's relationship with its [. . .] stakeholders" (BusinessDictionary.com, 2016). Other definitions conceive of the board of directors as an entity with key responsibilities, which it is able to meet as a result of its members' capacities and skills (e.g., BRC report, 1999). The point is that definition rivalry characterizes the domain of corporate governance – opposing groups and actors with different views and interests on what governance is and how it can or should be achieved (Sikka, Puxty, Willmott, & Cooper, 1998).

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In spite of these definitional dynamics, one dominant trend in the corporate governance discourse relates to the extent of hope it promotes toward to reining in or mitigating many of the imperfections, anomalies or fragilities of corporate behavior. For instance, corporate failures are typically viewed, from an ex post perspective, as the partial outcome of some specific deficiency in the way the organization was governed. As the "problem" is framed through a "best-practices" implementation template, the apparent conclusion is that corporate failures are (hopefully) unlikely to happen when competent and independent actors in the boardroom are provided with appropriate resources. This interpretation was already quite obvious in influential reports that brought the work of the audit committee to the fore in the 1990s (BRC report, 1999; Dey report, 1994). In a way, it is as if the legitimacy of today's political economy (partially but significantly) depends on the credibility of corporate governance as a mechanism to establish discipline and morality in the corporate board environment. Yet from a critical angle, Jackson and Carter (1995) liken corporate governance to a "monster" created by capitalism to secure its legitimacy but which is very difficult to control. The important point is that significant effort will be invested, in the field, in developing and maintaining the institutions that support the credibility of the corporate governance apparatus. Much is at stake.

Given the constellation of hopes and expectations surrounding the notion of corporate governance, it is not surprising to see that much research has been carried out on the subject. Although there are a number of exceptions (McNulty, Zattoni, & Douglas, 2013), most of this research is quantitative and functionalist (Bédard & Gendron, 2010; Brown, Beekes, & Verhoeven, 2011). By and large, research predicated on qualitative approaches is much less frequent. Different reasons for the relative lack of qualitative research in the area are invoked in the literature. Leblanc and Schwartz (2007, p. 845) highlight that boards are "closed groups, bound by confidentiality, privilege and custom, with significant access difficulties". Researchers also have a role to play in the marginalized status of qualitative research in the corporate governance literature. For instance, it is widely known that a number of doctoral curricula in business, most notably in highly rated programs in North America, do not sufficiently expose doctoral students to qualitative, context-based research (Cohen & Holder-Webb, 2006; Panozzo, 1997; Williams, 2014). In addition, qualitative researchers may engage in self-disciplining exercises, refraining from asking for "atypical" access to boards. For instance, around 2003, I recall having asked a few prominent corporate directors I had previously interviewed at least twice, whether it would be feasible to extend my data collection on audit committees to the observation of audit committee meetings.[1] They refused – citing confidentiality concerns. From then on, I did not make any more "unconventional data requests" to board members, assuming, perhaps naïvely, that such demands, if they were raised, would be unfavorably received. Also, I only sought in one particular project to gather data from all of the regular attendees of board or committee meetings in specific companies. Having found from this data collection endeavor that contacts with 17 audit committees only translated into three committees agreeing to interviews being conducted with most of their attendees (Gendron, Bédard, & Gosselin, 2004), in all of my subsequent data collection endeavors, the emphasis was on interviewing participants who do not belong to the same board or committee. As a result, the unit of analysis became the participant's experience – not experiences as they collectively develop within a specific board or committee. This kind of dispersed data collection strategy has the obvious benefit of avoiding negotiations with corporate gatekeepers (Gendron, 2000), such as in-house lawyers. In addition, it is relevant to stress that when corporate gatekeepers were not involved, the vast majority of the people I contacted were receptive to my interview requests. In spite of these advantages, though, the data is then obviously less focused, preventing knowledge from being developed through the case study approach (which is recognized as a powerful line of inquiry – see Cooper & Morgan, 2008). The point is that boldness may be needed in collecting corporate governance data; researchers should not assume that unconventional data collection requests will necessarily be met negatively when contacts are made with boards.

In this essay, I rely on my own research (carried out with colleagues) in the corporate governance literature as a way to reflect upon the ongoing and shifting nature of the critical accounting research project. For expositional purposes, critical research is considered as a subtype of qualitative research, along with interpretive studies (Gephart, 2004). That being said, it should be recognized that the lines between interpretivism and critique may overlap (Prasad & Prasad, 2002). In addition, critical research may be carried out from quantitative perspectives (Richardson, 2015) – although this kind of investigation is infrequent in the critical accounting literature.[2] One of my hopes is, through this essay, to stimulate production of qualitative and quantitative studies on corporate governance, undertaken from a critical perspective.

Retrospectively, the studies I review provide insight into a number of aspects that underlie the backstage of corporate governance. For instance, several studies highlight the extent of pro-market and procedural thinking that tends to dominate many corporate boardrooms, therefore providing a platform to strengthen board members' confidence in their role and establish a climate of resistance against regulatory reform and outside criticism. From a forward looking perspective, I purposely seek to encourage the development of critical research on corporate governance in ways that break the mold of what Alvesson and Sandberg (2013) designate as gap-spotting research.

[1] However, the observation of board meetings should not be idealized given that it cannot provide significant data on the extent of informal discussions and processes (involving a number of board meeting participants) taking place outside formal board meetings (Gendron & Bédard, 2006; Turley & Zaman, 2007).

[2] For instance, quantitative studies can rely on indicators to evaluate the extent of social inequalities in a given domain.

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