

The positivism paradigm in internal audit research: a perspective of contemporary accounting research

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Abstract

This study aims to investigate the dominance of research with the paradigm of positivism in accounting, especially research related to the internal function of audit. The dominant paradigm in accounting research to date is the positivist paradigm. In internal audit, all things are not only seen from the facts that are on the surface and concluded directly from the existing data, but also must understand the meaning contained on it. Therefore, it is necessary to have another paradigm that contradicts positivism and covers its limitations. Anti-positivist paradigms, that are interpretivism, radical humanist, radical structuralist, critical, and postmodernist paradigm, should be widely used in internal audit research. The anti-positivism paradigm raises the heterogeneity of the mainstream paradigm which has a positive impact on the development of internal audit research.

Keyword: Paradigma Positivism, Internal Audit, Qualitative Research Method

INDRODUCTION

The positivism paradigm brought rapid progress in accounting science in Indonesia (Septiyanti, R., 2007), but a dominant paradigm led to homogeneity in a population. Paradigm is divided into homogeneity and heterogeneity. Luka (2010) accounting research tends to have a homogeneity paradigm. The homogeneity paradigm is effective 'within the box' while the heterogeneity paradigm tends to think 'out of the box' so that it will produce completely new research and new arguments. Some of the examples revealed by Luka (2010) are accounting research that has heterogeneous ideas in European countries that can still be tolerated and appreciated and produces high-quality and high-reputation accounting research, in contrast to North America which tends to be squeezed which is driven by the dominance of the mainstream. homogeneous so that research with other paradigms tends to be difficult to accept.

The positivism paradigm has unwittingly dominated accounting research in Indonesia. This paradigm generally considers reality as data that can be measured using numbers and statistics. One of the fields in accounting that uses the most quantitative research is research on internal audit.

Several studies on internal audit in Indonesia that have a positivism paradigm are (Sari & Nugroho, 2017; Pujiono et. al., 2016; Suherman & Susanti, 2018) and many other internal audit studies. The dominance of the positivism paradigm in Indonesia is also shown in the form of several research titles containing causal words such as "influence, determinant, and analysis". The positivism paradigm is on the axis of objective and regulation by seeking practical solutions to practical problems (Burrell & Morgan, 1985). Lukka (2010) and Chua (2019) stated that research in accounting science is dominated by the positivism paradigm, this dominance causes there are many possible types of research that are underestimated and not given the opportunity.

Some criticisms of the positivism paradigm were expressed by Somantri (2013) and Ghozali (2007). The implication of this dominance on the development of accounting science and its professional practice, especially in terms of internal audit research, is the possibility of underdevelopment of paradigms other than the positivism paradigm which results in only one point of view. Though different points of view will affect the purpose of the research itself. From these studies, there will be developments in the science of internal audit accounting which will then be applied to professional practice. Given the development of information and communication technology as well as changes in behavior that exist in society, it is necessary to have a subjective point of view that can balance internal audit research.

The focus in this article is to provide a critical view related to the dominance of the positivism paradigm in internal audit research as well as to provide views on other alternative paradigms such as the anti-positivism paradigm as a complement to the previous positivism view, this paradigm provides a more critical view to be able to explore the phenomenon more deeply for provide new views, even to find a theory. Then the paradigm of interpretivism which according to Chua (1969) was derived from the Germanic Philosophical Interest which emphasized the role of language, interpretation, and understanding.

This paper is a conceptual paper, referring to the conceptual framework method by Guntur (2019). The first step is to summarize the literature on the positivism paradigm in accounting research and the direction of the internal audit research paradigm, the next stage explores the importance of using a paradigm other than positivism. The method approach used in this conceptual paper uses the literature study method. The secondary

data used is sourced from articles and books that have relationships or keywords that are in accordance with the topic of study. The reference sources used are all research entered into the Google Scholar database, especially those that discuss internal audit and the positivism paradigm. This literature study then examines various previous studies relating to aspects of the dominance of the positivism paradigm in accounting research, especially in the field of internal audit.

This article is developed in four sections. Section 1 is an introduction; the section 2 is data and research methodology approach were used this study. The section 3 is divided into 3 subsections, namely the paradigm of positivism in accounting research, the direction of positivism in internal audit research, and the importance of paradigms other than positivism. The last section consists of conclusions and suggestions.

RESEARCH METHODOLOGY

This study uses a synthetic theoretical framework based on secondary data obtained from Google Scholar, reputable journals indexed by Scopus, and several other relevant journal databases. The data obtained were 25 articles related to research in the field of internal audit. The literature study approach applied in this study explains that the method is carried out by collecting and analyzing information from various sources such as articles, books, electronic literature, secondary documents, scientific magazines, and other scientific sources to obtain relevant theoretical foundations that aim to solve problems. study.

Literature study research using library studies is carried out in accordance with the theoretical synthesis approach in accordance with Jaakkola (2020). Several steps were taken based on Jaakkola in Cahyono & Sawarjuwono (2022) which stated that the sintensi study with library research was carried out in stages. First, the researcher used Scopus and Google Scholar to obtain literature that supports and is relevant to the research topic according to the keywords used, namely internal audit and positivism, accounting and financial research, postmodern research paradigms, and critical perspectives on accounting research. In addition to using the database sources above, the researchers also enriched the literature review to support the research results by using books and literature from the Airlangga University library. Second, the researcher focuses on the topic of the selected literature, by exploring the generalization of accounting research based on

internal audit research and the positivism paradigm, then the researcher also develops the direction of the financial literature for an in-depth study of generalizations in accounting and finance research. The last step, the researcher concludes based on various existing literature sources by adjusting to the research topic that has been proposed.

DISCUSSION

Positivism paradigm in accounting research

The dominant paradigm in accounting research to date is the positivist paradigm. In the Indonesian context, the positivism paradigm is a research approach that occupies the number one stratum among other research approaches in the field of accounting science development. The benchmark that is considered in the above argument is international conferences such as the International Conference on Sustainability, research that becomes the topic of discussion is dominated by mainstream or mainstream approaches. The implication of this approach is that most of the research conducted is based on pre-existing theories or rationale and is used as a basis for developing current concepts (Chua, 1986).

The positivism paradigm in accounting research, especially in the field of internal audit function, has become a dominant pattern because it is mostly done in accounting research. Positive research designs generally use quantitative research methodologies with secondary data, experiments, or surveys (Houlthousen & Leftwich, 1983). The implications of using the positivism paradigm for research include that the analyzed data can be tested whether it supports the hypothesis (testability) and prefers simple solutions in research rather than complex ones with many factors (parsimony). Based on the mainstream paradigm, accounting research seems to have limitations in various aspects which can be developed by changing the way of thinking and analyzing a problem.

The existence of a positivism paradigm as the main force in conducting research in the field of accounting, especially internal audit, assumes that the direction of internal audit research has experienced restrictions on changes in approach that are very likely to occur, for example internal audit can be associated with various aspects of culture and traditional values that have developed. in the community (local wisdom), this can increase the value of research in the field of internal audit which is not only measured and understood rigidly from the aspect of research systematization. Therefore, the positivism

paradigm cannot be separated from most research in the social sciences such as accounting because the perspective of this paradigm seems more systematic and can be accounted for according to the suitability of the topic with such complex analytical tools. However, on the other hand, the positivism paradigm should need to change the perspective so that it can increase the research value so that the existing internal audit research is not only understood to be limited to existing research, but can also be developed into a perspective according to with the ability of researchers to understand aspects of internal audit that are studied from various perspectives.

Limitations and criticisms of positivism also need to be considered by researchers in conducting their research. The positivism paradigm usually only observes the "surface" that appears without understanding the deeper meaning (Suyunus, 2012). The purpose of this paradigm is to achieve generalizations where in fact there are things such as human behavior that cannot be generalized and there will still be an element of subjectivity. Efforts to generalize in the positivism paradigm do not mean that it cannot be done, it is just that the patterns and perspectives used in this approach have been concluded in the patterns of previous research, so that accounting research, especially existing internal audits, if without being based on various previous approaches, cannot be done. analysis and other mathematical model measures (Sarantoks, 2005). In other words, internal audit research that only uses the positivism paradigm has limitations in increasing the development of increasingly complex research. This will have an impact on the decline in quality and modeling in research in the field of internal audit. Internal audit as understood should have various perspectives, because the internal audit function that should be implemented must be understood not only by a few people but also by all interested parties in the corporate governance mechanism.

Thus, the positivism paradigm in internal audit research may need a change in a larger scheme and is supported by various researches that state the need for a new paradigm to increase the value of research in research in the field of internal audit. In fact, it is undeniable that most research in the field of internal audit uses a positivism paradigm, so that this becomes a systematic thinking pattern in a researcher's subconscious to continue using this approach. However, the dynamics of research that is always evolving needs to be improved to produce internal audit research that is not only inclined to one side of the

approach but can also be collaborated with other approaches so that this will expand internal audit studies and studies in various phenomena and different research conditions.

Positivism direction in internal audit research

The positivism paradigm has dominated accounting research for years since the development of accounting science in the 1960s. The use of the positivism paradigm uses quantitative data and then uses statistics to obtain conclusions. Accounting research so far has used a research approach in the exact sciences, namely looking for data from real phenomena, quantifying the data, and then testing with statistical tools to obtain conclusions (Isgiyarta, 2011).

Internal audit discipline is one of the fields of accounting that uses the positivism paradigm in its research to explain the phenomena that occur. However, an explanation and description of the phenomenon of audit practice alone is not enough when viewed from the public interest. This is because in positivism research, the results and research suggestions are finally only written on the paper, but there is no follow-up. This happens because the use of the positivism paradigm is supported by positive accounting theory. Positive accounting theory assumes that everyone in carrying out company management activities is driven by their own interests, especially the interests to maximize their wealth (self interest tied to wealth maximization). The positive approach assumes that the structure of the world is seen as having an empirical and concrete existence outside the researcher and separate from the individual who studies it (Ghozali, 2004). Positive accounting theory views that humans have an opportunistic nature and care more about their own interests so that the results of research from positivism-based accounting research make it seem as if there is no right or wrong in seeing an internal audit accounting phenomenon.

Deegan (2007) states criticism of the use of the positivism paradigm in positive accounting theory: 1) Positive accounting theory is not able to provide improvements in accounting practices. 2) Accounting theory is not value free. Accounting decisions based on certain considerations, in making judgments cannot be separated from the interests of certain parties. 3) Assuming all activities are aimed at maximizing their respective welfare. This assumption oversimplifies human thinking. Humans are considered too

negative. 4) Since 1970 until now there has been no improvement or development of accounting based on positive research results.

Several studies support the existence of a positivism paradigm such as Chua (2019). This is because this paradigm is more quantitative and objective. Not only that, this paradigm does not recognize speculation, so everything is based on empirical data. But not a few studies that criticize the positivism paradigm. Some criticisms of the positivism paradigm used in this study are Somantri (2013) and Ghozali (2007). Some of these studies argue that there is no such thing as real objectivity.

In internal audit, all things are not only seen from the facts that are on the surface and concluded directly from the existing data, but also must understand the meaning contained therein. This is because there is a gap between the practice in the field and the results of the existing data. In addition, further action is needed to further deepen the research, such as conducting observations, so that the results obtained better reflect reality. Therefore, it is necessary to have another paradigm that contradicts positivism and covers its limitations. Thus, the results obtained can consider a deeper and specific understanding of meaning. This is because some research in internal audit cannot be generalized as was done using the positivism view.

The importance of the anti-positive paradigm

The positivism paradigm currently dominates accounting research in Indonesia. One of the fields in accounting that uses the most quantitative research is research on internal audit. In this section, we would like to try to provide another paradigm view in internal audit research. Accounting scientific researchers generally have two perspectives that can be used as references in their research, namely quantitative and qualitative. Four paradigms in social theory, functionalist, interpretive, radical humanist, and radical structuralist (Burrell and Morgan, 1979). Others are critical paradigm (Chua, 1986; Sarantoks, 1993), positive paradigm (Sarantoks, 1993), and post-modernist paradigm (Triyuwono, 2003). These paradigms do not weaken each other, but each exist independently to complement each other.

Accounting theory never ends, but will continue to follow the times. The development of the theory is supported by the results of accounting research, research on internal audit as part of accounting research. As a science, accounting accommodates

many perspectives that shape its science (Hartono, 2021). Research that uses a positivist view is usually very rigid, characterized by only examining the influence and relationship of a mainstream phenomenon. A drawback is that it tends to reduce critical views of a mainstream phenomenon. The presence of the anti-positivism paradigm as a complement to the previous view, provides a more critical view to be able to explore phenomena more deeply to provide new views, and even find a theory. Several other criticisms of the positivism paradigm used in the research are Somantri (2013); Ghozali (2007).

Paradigm can be used as a tool to see the reality of accounting science and practice. Yuliana, Setiawan, and Auliyah (2020) explore accounting in Muslim accounting families towards *sakinah*. This research breaks away from the positivism paradigm which tends to only explain the relationship, influence, or forecasting. Researchers use the phenomenology of monotheism, so that researchers do not separate themselves as objects, but researchers are involved in the interaction process through in-depth interviews with informants. In the form of a research paradigm like this, it allows researchers to be directly involved as subjects (see Djalaludin and Mumpuni, 2020). Several other studies have tried to link accounting with cultural and/or spiritual values (Krisnadewi & Sawarjuwono, 2020).

The Interpretive Paradigm is derived from the Germanic Philosophical Interest which emphasizes the role of language, interpretation, and understanding (Chua, 1969). This paradigm prioritizes a person's meaning or interpretation of a symbol. Roussy and Perron (2018) conducted a study using a literature review approach with multimethod and multitheoretical methods to obtain the latest knowledge about internal audit and related knowledge gaps. The study provides an overview of the post-Sarbanes-Oxley Act literature, which contains three themes: the dual role of internal audit, internal audit quality (IAQ), and internal audit practices. Research with this paradigm is also aimed at understanding how accounting researchers build their own scientific theories of accounting based on philosophical and ontological aspects, as well as trying to understand the social context of real actions in accounting practice.

The next anti-positivism paradigm, the critical paradigm. The birth of the critical paradigm seems to complement the shortcomings of the positivist and interpretive paradigm. According to this paradigm, subjective meanings are relevant and important, but objective relationships cannot be ignored either. The main concern of this paradigm

is to open myths and illusions, open real structures, and present reality as it is (Sarantakos, 1993). The following is an example of research using another anti-positivism paradigm, Chambers and Odar (2015) which explores how internal audit can again become one of the mechanisms in corporate governance that has failed to prevent the global financial crisis.

Holden and Lynch (2004) say that objectivism (positivism) is criticized as an inappropriate approach to studying social sciences (internal audit research is included in the social sciences), on the other hand critics feel subjectivism (anti-positivism) is more suitable for social science studies because of its nature. social science research complex, namely humans. However, the debate is not fully acknowledged (Connel and Nord, 1996; Hughes and Sharrock, 1997). According to the author, precisely the two paradigms can complement each other, sometimes on the one hand researchers can use the paradigm of positivism, on the other hand researchers can use the paradigm of anti-postivism. The combination of the two will more quickly contribute to the advancement of internal audit research, with each of its advantages. Positivism to confirm theories and phenomena, anti-positivism criticizes phenomena and theories through critical thinking outside mainstream thinking to develop new ideas and theories in the field of internal audit research. Indeed, currently the dominance of the positivism paradigm is felt as a mainstream paradigm, this if allowed to continue, homogeneity will occur which is detrimental to the development of research in internal audit itself. Therefore, the anti-positivism paradigm must be able to provide heterogeneity in internal audit research.

CONCLUSION

This study aims to provide an important perspective on the dominance of the positivism paradigm in internal audit research as well as to provide a perspective on alternative paradigms that can be used. The positivism paradigm is the research approach that is most often used in conducting accounting research, not least in the field of internal audit. According to Luka (2010) and Chua (2019), research in accounting is dominated by the functionalist paradigm-positivism, causing many other types of research paradigms to be underestimated and not used. The number of researches with the positivism paradigm is feared to hinder the development of internal audit research because many researches are repeated or follow previous research without generating new views or theories.

Research conducted using the positivism paradigm is mostly based on pre-existing theories or justifications, so that they are used as the basis for developing concepts that are currently developing. The impact of the use of the positivism paradigm in research, among others, the analyzed data can be tested first to see whether it supports the hypothesis and prefers simpler solutions in research than more complex research by considering several factors, giving the impression of only observing the "surface" that appears without understand its deeper meaning. In addition, according to Somantri (2013) and Ghozali (2007), the positivism paradigm is considered to have no real objectivity. The author agrees with this assumption because the results and suggestions of research using the positivism paradigm are usually only written in papers and there is no follow-up. This happens because the use of the positivism paradigm is supported by positive accounting theory which considers humans to have opportunistic nature and care more about their own interests so that the research results from positivism-based accounting research make it seem as if there is no right or wrong in viewing an accounting phenomenon, especially internal audit.

Therefore, it is necessary to have another paradigm that is opposite to positivism and can cover these limitations. Other alternative paradigms include the functionalist paradigm, the interpretive paradigm, the radical humanist paradigm, the radical structuralist paradigm (Burrell and Morgan, 1979), the critical paradigm (Chua, 1968; Sarantok, 1993) and the post-modernist paradigm (Triyuwono, 2003). The existence of these conflicting paradigms does not blame each other, but can be used as a complement to the previous point of view and provide a more critical perspective and can be used to explore phenomena more deeply, thus providing new perspectives and even new theories.

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