

eJournal of Tax Research

Volume 6, Number 1

June 2008

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Philosophical Paradigms, Inquiry Strategies and Knowledge Claims: Applying the Principles of Research Design and Conduct to Taxation

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Abstract

Taxation is a fundamental part of everyday life and it comes as no surprise that it attracts great interest from policymakers, academics, business and the wider community both in Australia and overseas. However, those interested in tax research come from very diverse discipline backgrounds including law, accounting, economics, political science, psychology and philosophy. The prior learning of many tax researchers does tend to be in the study and application of the law and typically they have little training in or exposure to the detail of the theory and practice of research design. This is a limitation for both academics and for the growing body of research students that they are being called upon to supervise. There is capacity to improve the capability of tax researchers by evaluating best practice in closely related disciplines and exploring that of other disciplines that could have relevance to taxation.

The paper explores the fundamental aspects of research design, including a range of philosophical paradigms and strategies of inquiries that could have application to taxation. The framing of research questions (or hypotheses) is considered, as is the need for alignment between research objectives, research questions, philosophical paradigms, strategies of inquiry and knowledge claims. The application of mixed-method designs is also considered. Pitfalls in research design to be avoided are discussed as are suggestions by which the robustness of tax research can be improved.

1. INTRODUCTION

Taxation, with its intrigues and intricacies, is an important part of everyday life. Its shape and form is a reflection of the shared values, goals and aspirations of society, and a means by which its members are bound together. When seeking to understand almost any aspect of taxation, it must be borne in mind that it is much more than the study of the revenue law itself. Taxation

of taxation. For example, legal researchers may be well qualified to study the meaning of the letter of the law, but find that they are not quite so well equipped to study how people respond to the law. This in turn may well impinge on any recommendations that researchers may make for law reform. Similarly, an accounting researcher may be experienced in reading data in quantitative form, but not understand the principles of survey design or statistical analysis. This in turn could lead to knowledge claims or conclusions being made or drawn that are not valid.

That is, taxation is complex and researchers in this field are often not fully equipped to grapple with its multidimensional nature, pa

philosophical approach to research, even before the topic is chosen.⁴ Whilst every researcher will undoubtedly have a paradigm preference, it is important to keep an open mind to the work of researchers in both tax and other disciplines, particularly where their endeavours can potentially contribute. Further, an effective researcher should be flexible enough to be able to work within the most appropriate paradigm given the nature of the research problem under investigation.

In the context of the social sciences, positivism is adopted by those researchers who seek objectivity in their explanation of social reality. In this paradigm the researcher is viewed as detached from the subjects under study and the explanations derived are based on empirical evidence and tested theories. That is, the knowledge produced by a positivist approach is based on deductive reasoning whereby the researcher follows a precise and structured process leading to the identification of causal relationships, logical conclusions and the making of predictions according to various confidence levels. The positivist approach has been described as being based on a realist, foundationalist ontology which views the world as existing independently of our knowledge of it.⁵

In contrast, interpretivism is based on the assumption that the researcher cannot be detached from the subjects being studied. It is sometimes referred to as anti-positivism. As a research paradigm, interpretivism provides an understanding of social reality that is based on the subjective interpretation of the researcher. It does not provide a hard and fast explanation from which causal relationships can be identified and predictions made. Denscombe⁶ describes the explanations of an interpretivist researcher as likely to be messy and open-ended rather than being nice, neat and complete.

It follows that the researcher whose philosophical paradigm is best described as positivist is more likely to adopt a quantitative methodology⁷, whilst the interpretivist researcher could be expected to employ a qualitative methodology. The parallels are readily apparent. Quantitative research is empirical in nature, relies on deductive reasoning, is commonly used in the sciences, and has been practised as far back as Hippocrates c.450BC.⁸ In contrast, qualitative research began in the 1900s, is more

seeking to address them until personally satisfied and confident in the appropriateness of the chosen methodology.

Apart from issues of appropriateness, it is fundamental that there is clear alignment between research problem and research design if the research is to have theoretical rigour.¹⁷ It is advisable not to lock in prematurely to a particular design, particularly without considering the alternatives. To achieve the best alignment, it may mean that the researcher needs to develop new skills or else revise the purpose of the research and/or the research questions at the outset. Are they achievable? Time spent at the outset revising and refining all the design details is well worth the investment and can save a lot of headaches down the track. One important design detail is (are) the strategy(ies) of inquiry to be employed and there exists a vast array of possibilities.

referred to as the demographics) findings in the tax compliance literature are

In the social sciences generally there is the danger to over-interpret, to ignore the other uncontrolled variables that occur in experiments. Stouffer²⁶ uses an example of comparing the attitudes of two groups of men from the armed services at the same point in time. One group is from the infantry and the other from the air corps. He points out that we cannot know assuredly how much of the difference in attitudes between the two groups can be attributed to the experience in the given branch of service and how much is a function of the attributes of the personnel. True, we can try to rule out various possibilities by matching, comparing men from the two groups on the basis of their age and education for example. But there is all too often a wide-open gate through which other uncontrolled variables can march. 'One lone study, however well designed, can be a very dangerous thing if it exploited beyond its immediate implications.'²⁷ Further, Stouffer expresses a 'central brooding hope that we will have the modesty to recognise the difference between a promising idea and proof.'²⁸ These cautionary comments are of course equally applicable to both experimental and survey designs.

Surveys are generally described as being structured, semi-structured or unstructured and can be conducted via various means including electronic, telephone, in person or by mail. Structured or semi-structured surveys are generally aligned with a quantitative methodology and they are the focus of the discussion in this part whilst unstructured surveys are discussed in more de

their text is generally written in the field of health, it is primarily social research and thereby of relevance to taxation.

Within the qualitative methodology, a number of theoretical frameworks exist including ethnography, case study, narrative, phenomenology and grounded theory and each of these (and their associated strategies of inquiry) is discussed herein in more detail.³⁷ Other theoretical frameworks do exist, such as symbolic interactionism, feminism, postmodernism and hermeneutics, and no doubt more will emerge over time. Given the transitional state of qualitative methodology, Liamputtong and Ezzy make the important point that a qualitative researcher should not assume that the particular theory and research method used in their project will be understood by all other qualitative researchers. That is, if a piece of research is to be meaningfully understood and assessed by other qualitative researchers, the researcher must explicitly state the theoretical tradition and methodological criteria employed.³⁸ This point is aptly illustrated by the use of 'case study' in the literature as both a theoretical framework and also as a strategy of inquiry in the tradition of Yin.³⁹

An ethnography is the study of an intact cultural group in a natural setting over a prolonged period of time, primarily by collecting observation data, but can also include data collected by focus groups or in-depth interviews. An ethnography attempts to interpret and present its findings from a cultural perspective and is more so associated with anthropological research than with social research. Given its conditions of conduct, its application to tax research is limited.⁴⁰

A case study framework explores in depth a program, an event, or one or more individuals. Creswell describes a case study as being bound by time and activity, with researchers collecting detailed information using a variety of data collections procedures over a sustained period of time.⁴¹ An example of this type of framework

down the text into discrete parts or collecting information on observations at interview for subsequent analysis.⁴⁴

Phenomenology seeks to identify the ‘essence’ of human experiences concerning a phenomenon, as described by the participants in a study.⁴⁵ The emphasis is on gaining an understanding of the situation from the perspective of those who have experienced it.⁴⁶ For example, the phenomenon of the cash economy could be studied with this framework and an understanding of what drives people to participate could be gleaned. Other examples in a tax context could be the study of new businesses and how they engage with the tax system, or the study of the impact of the baby bonus on taxpayer’s decisions regarding family, or the impact of a tax audit on taxpayer

appropriate in tax research, such as examining subjects' tax returns or record keeping procedures, or the level of stress they exhibit in solving a tax problem.⁵¹

Within this methodology, in-depth interviews can be semi-structured or unstructured and the interviewer can be passive, empathetic, probe or even provocative. It is essential that the interviewer be skilled and well able to build rapport with interviewees. In practice, this strategy is normally conducted by the individual researcher rather than by an assistant. Questions are not normally constructed or standardised in advance (as in the structured survey of the positivist paradigm), but

their use is also apparent in tax research.⁵⁵ They are regarded as useful when a researcher wishes to explore peoples' knowledge and experiences, focusing on a narrow range of ideas about and acceptances of new programs and evaluating and

higher the value of the study so the issue is one that warrants further attention. Hence the temptation to overgeneralise and to make conclusions that cannot be substantiated.

Sarantakos does discuss strategies by which generalisability of qualitative findings can be improved, such as conducting multi-site research.⁶⁰ Yin's repeat application of a case study protocol and the study of consistency in emerging patterns is another means by which greater generalisability of findings may be achieved.⁶¹ Drawing conclusions that can be substantiated does require researchers to demonstrate methodological rigour. This can be challenging given the fluidity of the methodology. Herein lies some of the inherent weakness of the qualitative methodology and they need to be recognised. On a more positive note it can be a very rewarding experience for the researcher and indeed a privilege, but one that does come with responsibilities to honour the trust placed in the researcher by those who have willingly shared their experiences for the sake of the cause.⁶²

5. LEGAL RESEARCH

Legal research has somewhat lagged behind quantitative and qualitative research when it comes to philosophical paradigms and acceptable conceptual frameworks. Salter and Mason⁶³ explain that this resistance to methodological discussion in the discipline of law can be attributed to a misconception

interactionism, structuralism, postmodernism and methodological anarchism (in which there are no valid methodological rules, hence 'anything goes').⁷³

While each strategy of inquiry or typology can be applied in its own right, there is increasing evidence of researchers drawing from more than one paradigm, or using more than one strategy of inquiry from within the same methodology. Each strategy has its strengths and weaknesses and the dr

of a problem) can be subsequently compared thereby perhaps achieving a triangulation of findings and improving the validity of the research.

It follows that different strategies may well receive different emphasis within the research, depending on their purpose in the overall design. This is not problematic provided that there is a sound rationale. Similarly, there is a point of intersection of data from the strategies. This can be at the collection phase (such as a survey that

