

## AGRICULTURE RESEARCH IN MALAYSIAN ACCOUNTING JOURNALS: SOME OBSERVATIONS ON STUDIED VARIABLES

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### ABSTRACT

*This article discusses the scopes associated with Malaysian accounting research into agriculture literature. The discussion is based on two renowned and widely referred Malaysian accounting journals from year 2008 to 2016, recognized as Malaysian Accounting review (MAR) and Asian Journal of Business and Accounting (AJBA). In both MAR and AJBA, Corporate Governance, Auditing and Financial Accounting Reporting were the most widely published topics. The absence of agriculture literature in these two Malaysian accounting journals was highlighted within accounting and non-accounting generalized variables. Analysis on their studied variables show AJBA provides more opportunity for other disciplines to penetrate into. The article concludes with a direction that Malaysian accounting research is leading to and a reminder of the ontological differences between agriculture studies and accounting treatise when the latter strives to meet generalization, firm attributes and professionals stereotype research.*

Keywords: Accounting, agriculture, stereotype research, studied variables, Malaysia

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### INTRODUCTION

In the past, farm financial recording systems have suffered from an undeserved and misleading reputation as a narrow or technical topic. These sentiments get portrayed especially when the more intensive forms of physical employment rather than financial aspects of production are found in the farms' practices. As those who have had contact with a cross-section of farmers will perhaps agree that financial aspect is really no more than planning for big agriculture and commodity companies. Planning, by its very nature, must be based on the volume of transaction. For small-scale farmers, the volume is so little. Accordingly, subsidies received from government and the using of labors amongst family members are where most scope for control exist, and this has made management of small-scale farms is more a matter of routine (Hardaker and Anderson, 1981).

This is the issue that is central to the study of most agricultural studies. As a result, accounting writings, particularly from Asian country, do not feature much in the journals. Pushes from farm recording and accounting systems for agriculture have not been done with serious especially for agriculture industry, which poverty is usually synonymous with.

This article acknowledges the limitation. It appreciates the view that agriculture is somehow missing in Malaysian literature although literature has quoted that the historical development of accounting was closely connected to agriculture (Elliot and Jacobson, 2002). This is discussed in the review of the two leading Malaysian accounting journals; Malaysian Accounting review (MAR) and Asian Journal of Business and Accounting (AJBA). The next section details the studied-variables, followed by a classification of the variables into groups which comprise of opportunity and stereotype-researched-variables. With this classification, a suggestion for agriculture-based research is proposed to the Malaysian accounting journals. Later, the article concludes with some observations as to why and how agriculture might usefully evolve in Malaysian accounting research.

### MALAYSIA AND ACCOUNTING RESEARCH

Many believe, in an age where agriculture appears to play important role of land-based economy, much social information relating to farmers can be summarized as to include: farmer's income and food security (Alam et al., 2011), fertilizer subsidy (Ramli et al., 2012), agriculture fish and the associated health risk to farmers (Chen et al., 1984; Ali, 1990), machine-scheduling for rice production (Bin Deris and Ohta, 1990), irrigation scheme (Johnson, 2000), the ideological struggle amongst farmers (Scott, 1983), and tenancy owner-cultivated agriculture plots (Huang, 1975).

Notwithstanding, the summaries establish no interest in Malaysian accounting communities. My observation<sup>8</sup> on two renowned and widely referred Malaysian accounting journals Malaysian Accounting review (MAR) and Asian Journal of Business and

Accounting (AJBA) from year 2008 to 2016 has caused to rethink is agriculture not a research to accounting field? This range of years is taken for analysis due to the year inception of AJBA in 2008, so to make a fair comparison for both journals. MAR and AJBA are both indexed journals, financially supported by the Malaysia Accounting Research and Education (MAREF) of the Malaysian Institute of Accountant (MIA), with MAR in MyCite and ERA, and AJBA in Web of Science Emerging Sources Citation Index, Scopus, ERA 2012, Asean Citation Index and MYCite. Although these two journals may not accurately represent the view of research patterns in Malaysian accounting literature, both have carry some weightages to accounting treatise.

Tables 1 and 2 show within this 9 years gap, there were 96 articles issued in MAR, and 99 articles issued in AJBA. As seen, none of these articles destined for accounting agriculture although there were 18 researched areas in MAR, and 17 researched areas in AJBA, including Finance, Banking, Ethics, Criminology, Economics, Education, Economics, Consumer Behaviour and Marketing which were non-genuine accounting disciplines.

Both tables 1 and 2 use number of articles published to refer as Group 1 (< 5 articles), Group 2 (between 5 – 10 articles), and Group 3 (> 10 articles). As seen, both MAR and AJBA share the view that Corporate Governance was their Group 3. For Auditing and Financial Accounting, both were place as Group 3 and Group 2 in MAR, but as Group 2 and Group 3 in AJBA. Sustainability Reporting and Public Sector Accounting were in Group 2 in MAR and Group 1 in AJBA. Taxation, Management Accounting, Internet Financial Reporting, Accounting Information System, and Corporate Social Responsibility were in Group 1 in MAR and AJBA. In general, both MAR and AJBA had the same pattern of research in accounting treatise.

**Table 1:**  
**Articles published in Malaysian Accounting review (MAR) from year 2008 to 2016**

No	Scope	No. of articles
1	Corporate Governance	23 Group 3
2	Islamic Finance and Banking	12 Non-Group
3	Auditing	11 Group 3
4	Financial Accounting and Reporting	9 Group 2
5	Sustainability Reporting	7 Group 2
6	Finance	5 Non-Group
7	Public Sector Accounting	5 Group 2
8	Taxation	4 Group 1
9	Management Accounting	4 Group 1
10	Ethics	4 Non-Group
11	Financial Criminology	3 Non-Group
12	Islamic Financial Islamic Finance and Banking	3 Non-Group
13	Accounting Information System	2 Group 1
14	Internet Financial Reporting	1 Group 1
15	Corporate Social Responsibility	1 Group 1
16	Economics	1 Non-Group
17	Education	1 Non-Group
18	Organizational Behavior	1 Non-Group
<b>Total</b>		<b>96</b>

**Note:** 1. Accounting discipline:- Group 1 (< 5 articles); Group 2 (between 5 – 10 articles); Group 3 (> 10 articles)  
2. Non- genuine accounting discipline:- Non-Group

**Table 2:**  
**Articles published in Asian Journal of Business and Accounting (AJBA) from year 2008 to 2016**

No	Scope	No. of articles
1	Finance	26 Non-Group
2	Corporate Governance	17 Group 3
3	Financial Accounting and Reporting	12 Group 3
4	Management/ Managerial Accounting	7 Group 2
5	Auditing	6 Group 2
6	Economics	5 Non-Group
7	Public Sector Accounting	4 Group 1
8	Ethics	2 Non-Group
9	Islamic Finance	2 Non-Group
10	Taxation	3 Group 1
11	Consumer Behaviour	3 Non-Group
12	Marketing	3 Non-Group
13	Accounting Information System	2 Group 1
14	Organizational Behavior	2 Non-Group
15	Education	2 Non-Group
16	Sustainability Reporting	2 Group 1

17	Corporate Social Responsibility	1	Group 1
<b>Total</b>		<b>99</b>	

**Note:** 1. Accounting discipline:- Group 1 (< 5 articles); Group 2 (between 5 – 10 articles); Group 3 (> 10 articles)  
2. Non- genuine accounting discipline:- Non-Group

There may be something we Malaysian researchers should look into: What can we researchers learn from this pattern of research? How far can agriculture be perceived and accepted in Malaysian accounting literature? Presently, in Malaysia, there is an accounting standard for agriculture. The MASB (Malaysian Accounting Standards Board) has approved the release MFRS (Malaysian Financial Reporting Standards) 141 Agriculture for distribution to professional accounting bodies, regulator, users and other interested individuals and organizations for comments. MFRS 141 is identical with IAS 41 Agriculture which was issued by the IASB (International Accounting Standards Board) on 22 February 2001 and effective for annual periods beginning on and after 1 January 2012. The objective of this standard is to prescribe the accounting treatment, financial statement presentation, and disclosures related to agricultural activity, which are not covered in other standards.

It is useful to evaluate the studied variables in details since they provide understanding of the journals' stature, interest and future direction of where the direction that Malaysian accounting research is leading to.

### THE STUDIED VARIABLES

Tables 3 and 4 reflect types of variables studied in Group 3 (> 10 articles) area. The authors of articles represent a stable presence within certain variables throughout the 2008-2016 period. In Table 3, out of 68 variables studied in MAR, 61 fell under the normal categories of studied variables which are able to offer generalization. Audit committee meeting, multiple directorships, independence of audit committee, external audit, firm specific characteristics, leverage, board independence, director's ownership, institutional ownership, board duality, woman directors on board, board designation, board size, board independence, multiple directorships in Corporate Governance; and capital, sales, inventory, debt, tax rate, account receivables, market value, firm objectivity, audit fees in Auditing; for examples are types of variables that are uniformities in most accounting literature. The same also appeared in Table 4 where out of 62 variables studied in AJBA, 37 are categorized as such generalized variables such as board independence, CEO duality, deferred tax assets, liabilities, audit tenure, audit rotation, duality board, market reponse, independent director, audit fee, intangibles assets, capitalised asset, board designation; board size, board independence in Corporate Governance; and bank liquidity, CEO duality structure, the number of the board meetings, ownership structure: concentration, foreign, institutional, corporate governance structure in Auditing.

**Table 3:**  
**Studied-variable in Malaysian Accounting review (MAR) from 2008 to 2016 for Group 3**

Scope	Studied-variable
Corporate Governance	Financial literacy, audit committee meeting, multiple directorships, independence of audit committee, external audit, board independence, director's ownership, institutional ownership, board duality, human capital, relational capital, structural, capital, board ownership, shareholder ownership; earnings conservatism, impact of ENRON case, <u>attitude toward behaviour</u> , <u>subjective norm</u> , ownership concentration, board independence, firm specific characteristics, leverage, Strategic Management Accounting, the adoption of IT; non- capitalised, intangibles assets, capitalised asset, <u>gender</u> , <u>ethnic diversity</u> , GLC, non GLC, abnormal CFO, abnormal COGS, corporate ownership: family, public, institutional, Joint auditor tenure, joint auditor pair, woman directors on board, board designation; board size, board independence, multiple directorships, ownership structure, government, managerial, institutional, <u>Maslow's hierarchy of needs</u>
Auditing	Financial ratio variables: working capital, sales, inventory, debt, tax rate, account receivables, independent directors, directors' tenure, financial expertise on the board, concentrated ownership, board attributes, current earnings, chairman religion, FRS 3 business combination; <u>governance</u> , market value, firm objectivity, audit fees, <u>work performance</u>
Total Variables	= 68
Underlined variables	= <u>7</u>
	<u>61</u>

**Table 4:**  
**Studied-variable in Asian Journal of Business and Accounting (AJBA) from 2008 to 2016 for Group 3**

Scope	Studied-variable
Corporate Governance	Board independence, CEO duality, deferred tax assets, liabilities, audit tenure, audit rotation, duality board, market reponse, independent director, audit fee, affiliated big firms, IFRS-related consulting services of an auditor, types of corporate governance information, types of institutional ownership of IFIs, method of reported earnings: cost, equity, the impact of interactive reviews, the effectiveness of Group Support System (GSS), <u>perceived information asymmetry</u> , <u>informativeness</u> , <u>usefulness</u> , <u>norm</u> , firm credit ratings, ownership structure, probability of default, <u>goal orientation</u> , <u>government regulation</u> , <u>brand awareness</u> , <u>brand association</u> , <u>attitude towards the brand</u> , <u>brand loyalty</u> , <u>brand preference</u> , <u>perceived quality</u> , <u>leadership commitment</u> , <u>strategic planning</u> , <u>continuous improvement</u> , <u>student focus</u> , <u>process focus</u> , <u>academic staff involvement</u> , <u>training and learning</u> , <u>rewards and recognition</u> , <u>management by fact</u>
Financial Accounting and Reporting	Manager's motives for customer deposits window-dressing: bank liquidity, <u>the role of instrumental beliefs (i.e. perceived ease of use and usefulness)</u> , <u>social-psychological belief (i.e. perceived confirmation)</u> , <u>change messages</u> , <u>communication flows</u> , professional accounting education, professional competency, professional commitment, pre-bid dividend payout ratio as ordinary dividends paid (year t-1 interim dividend), proposed (year t-1 final dividend), board size, proportion of independent outside directors on the board, CEO duality structure, the number of the board meetings, ownership structure: concentration, foreign, family, institutional, corporate governance structure
Total Variables	= 62
Underlined variables	= <u>25</u> <u>37</u>

Meanwhile, 5 underlined variables in Corporate Governance and 2 in Auditing in MAR in Table 3, and 21 in Corporate Governance and 4 in AJBA in Table 4 were viewed as more representative of non-accounting generalized variables. These variables; attitude toward behaviour, subjective norm, gender, ethnic diversity, Maslow's hierarchy of needs, governance, work performance, perceived information asymmetry, informativeness, usefulness, norm, goal orientation, government regulation, brand awareness, brand association, attitude towards the brand, brand loyalty, brand preference, perceived quality, leadership commitment, strategic planning, continuous improvement, student focus, process focus, academic staff involvement, training and learning, rewards and recognition, management by fact, the role of instrumental beliefs (i.e. perceived ease of use and usefulness), social-psychological belief (i.e. perceived confirmation), change messages, and communication flows, have the advantages of overcoming the using of the variables within limited accounting preferences. In this perspective, AJBA shows more than MAR in relation to non-accounting generalized variables, hence indicates a gradually increasing opportunity for other disciplines to penetrate the latter.

Nevertheless, overall, the analysis on these variables suggest the total absence of agriculture literature. The final section aims to discuss ontological differences between agriculture studies and accounting treatise which the author argue are important to journal editors, reviewers, and contributors of accounting to take into consideration.

#### CONCLUSION AND THE DIRECTION: A CALL FOR AGRICULTURE RESEARCH

As we all aware, generalization follows one another according to constants laws. The problem is that generalization sumps up our complex and multiform reality at the risk of cliché and stereotype. That is, the research is based on the assumption that we have already have the idea on the direction that we Malaysian accounting researchers are taking. We are helping to institute the perceptiveness and the acceptance of variables such as 'firm value', 'stockholder wealth', 'stock market efficiency', 'demand and supply' – those labeled 'mainstream neoclassical economics' – to become so prominent. This article would suggest, in the same line of other alternative accounting voices, that these considerations tend to concentrate on some parts of realities only. This gives an inappropriate impression that although accounting is argued to contain a communicative character in social discourse inquiry (Lavoie, 1987; Francis, 1990; Schweiker, 1993) and to potentially postulate a process of making sense of situations (Jönsson, 1987), it is ineffectual however to commonly reflect social interactions.

There are ontological reasons for this scenario, especially for agriculture cultivation operation. Firstly, agriculture farmers do not keep their records as what organizations do (Mustafa et al., 2016). With that practice, case study or interview would be the right choice for researcher. However, this kind of study although is getting a place in Malaysian accounting literature, the number is still very small. For example, case study method employed in both MAR and AJBA from 2008 to 2016 was only 2% and 3% respectively (Siti Nur Hana, 2017; Nur Dahniar, 2017). For this type of research, as a working procedure, a criterion for a good analysis generally depends very much on how accounting is able to locate the unpacked views of common sense which demands

an interpretive process. Fundamentally, accounting for agriculture should therefore be subjected to the character of farmers' 'in taken-for granted routines', 'privileged', 'local', and 'socially constructed'. This is what we Malaysian accounting researchers seem to lack of; the inconsistencies from the ideal-situation implied by our well-known replicated framework.

Secondly, in Malaysia even a case based research is formulated, the very fundamental issues are mostly based on accounting and auditing professions research. This reading on 'professionals' as a universal historical language is interesting as they (accounting and auditing professions) have actually been on practitioners on accounting. However, a reliance on professional only may be found inaccurate in the context of 'historical identity' which is preoccupied with ideologies within the dominant group's will (Hines, 1991). Most of these professionals involved in commissive and expressive routines with a word-to-word direction (Dietz and Widdershoven, 1991). Their picture relates to accounting with much of the focus referring to the assumption of functional and technical not social and cultural. What we are missing is the very cultural foundations so to bring sufficient condition to examine matters of power and conflicts hence permitting critical discussion in the characterization of Malaysian accounting literature. Within the field of Malaysian accounting, agriculture in general or agriculture in particular, can potentially bridge the gap. The cutting down of agriculture stump, the burning of agriculture straw, the building and repairing of agriculture water irrigation, the removal of weeds, the cleaning of borders, drains, and water irrigation controlling systems, the flattening of ground, the sowing of lime, and the ploughing of the paddock will deepen our collective understanding of how Malaysian accounting came to be what it was not.

Lastly, most local agriculture farmers do not talk about profit, they talk about living and hardship. Their honest and sincere have always been considered as an uneducated so to be far from our analysis. In contrast, we are busy searching for accountability but correspond to the words like 'success', 'measure', 'earnings per share', etc. As such, we study organizations' discourses and we found organizational communities display organizations much like a fashion show, to present them as innovative from a global perspective. Styles of presentations of organizations vary greatly in content and form: there are news reports, inquiries, notes, statements, and comments. For us, accountability is indeed the sign of a broad responsibility especially to shareholders. But we may be misled by those of labeling and discourses, like the history of RMS Titanic Ship who was thought that collapse was once unthinkable. We overlooked that the decorative style rather than functional, may indicate accounting is used to modify or improve the appearance of a bodily feature, defect, or irregularity. History has shown many profits could be the amount by which the costs of a business transaction or operation exceed its revenue. As we found later that Centennial Technologies Inc., Enron, WorldCom, and HealthSouth are the companies of a Modern-day Titanic. We discredit the works of accountability from the conditions of temperature, soil, rainfall and poisons and fertilizers. We forgot the fact that agriculture in Malaysia, is actually our 'universal struggle'.

## CONCLUSION

Until recently agriculture has always been considered as an uneducated muddy jobs. This is the time for accountants and accounting scholars to break this mind-set and to realize that the key to defining agriculture in accounting is very critical. This article has tried to present the argument from studied variables perspectives functions as a call for agriculture research in accounting literature. It is hoped that this study will be worked as a piece of thinking that reflects the needs of our Malaysian agriculture farmers.

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