EDITORIAL

It gives me very great pleasure to be able to contribute the editorial to this first issue of an exciting new publishing venture. I congratulate the editors for having had the energy, the foresight and resourcefulness to start a journal which I believe will make a very positive contribution to furthering the knowledge of the discipline. Not only will this journal provide an avenue for accounting researchers to publish their result it will enable the accounting community to become aware of the utility of research in a discipline which is so essential to the economic well-being of the modern economies in the region. It has been an unfortunate convention in the past for smaller states to merely adopt the accounting procedures and practices of more fully developed economies. However, in many instances these procedures and practices are not well-suited to these economies. But before questions of suitability can be answered it is important that scholars, familiar with the culture and structure of these smaller states, undertake investigations that will determine the needs and thus the appropriateness of employing the accounting practices of the more developed countries. With its stated aim of developing "bodies off accounting knowledge and enhancing the understanding of accounting and business in Indonesia in particular, developing and developed countries in general" this journal will play an important role in this process. Accounting researchers in Indonesia (and other countries) will now have a forum to which they can present their research and expect some response from the accounting community as to how appropriate it is to solving the problems of local business.

There are other, less obvious, although equally important, benefits to be derived from research. It has been a long established practice in many countries to couple research and education. That is, educators in many institution are also charged with the responsibility of research. Not only has this served to push back the knowledge frontiers of disciplines it has sharpened the skill and awareness of those educators, lifting their performance as the imparters of disciplinary wisdom. However, research carried out in isolation obviously would not provide these advantages. There must be some public exposure of the research results so that those undertaking it are provided with some feedback on their efforts, some critique. Publication also provides the basis for some accountability, some legitimation of their activities. A journal such as this serves these purposes.
The history of accounting research is not long and mostly has been undertaken in this century. In the first half of this century much of the research was not what most contemporary scholars would call "proper research". That is, it largely comprised descriptions of practices. In the USA there were studies that attempted to codify these practices under the misapprehension that this then was the theoretical basis of the disciplines. Works of this genre such as those by Gilman (Accounting Concepts of Profit) and Paton and Littleton (An Introduction to Corporate Accounting Standards) came to have enormously disproportionate influences on accounting thought: they served as the textbooks for generations of accounting students thus perpetuating the inadequacies and shortcomings they contained. In Europe it seems that accounting was seen as a fairly straightforward technical practice. In fact, it was thought by Schmalenbach (Dynamic Accounting), in Germany, possible to provide a base structure so that most problems were solved. In other European countries it was regarded as being a consequence of business common sense and law. However, one problem that arose in Germany was that of accounting for rising prices - how was it possible to get sensible financial information in a period of galloping inflation. Here, solutions were provided by business economists and, although, it was regarded as a European problem their was some recognition of it in the USA such as in the works of Sweeney (Stabilized Accounts). Countries under the political control of European states merely echoed the practices in those countries. Thus, Indonesian accounting practices were essentially those employed in the Netherlands despite the extremely different economic conditions a business environment. This was also true of other colonized countries such as Australia.

In the 1950s the winds of change swept through the accounting world. Scholars writing to an essentially US, though international audience were challenging the accepted wisdom. People such as Chambers and Mattessich urged accountants to become more rigorous in their approach to research and the 1960s saw a blossoming of research of a much more philosophical and logical nature. However, by the end of that decade the winds had changed direction and the research methods employed in some of the other social sciences, especially economies, were seen to be the appropriate method for proceeding. Large scale data collection from which statistical inferences were drawn became the fashion: accounting research, it was claimed was now employing scientific, empirical research methods. But this was based on a philosophy which has been in decay - positivism - and the research based on it proved equally barren. In the last two decades accounting research has come of age. Researchers have become aware of the need to accept a variety of research methodologies as poten-
tially fruitful. Researchers are more aware of the inadequacies of naive positivist empiricism and now incorporate the political, social and cultural considerations of knowledge creation into their work.

The papers in this first volume of this new journal are representative of the variety of methodologies that accounting researchers now work with. The first adopts a "new history" approach to examining the genesis of accounting in Indonesia. The second reports on a cross-cultural comparison of some features of business behavior in Singapore and Australia. The third, questions an important model used in investment analysis while the third casts an overview of Indonesian manufactured goods. The final paper adopts a model derived from the tight Chicago economics in an attempt to assess hospital performance. Thus, all papers approach research from very different perspectives but all share the common goal of wanting to improve their discipline.

The launch of this new journal marks a new step in the increasing sophistication of accounting and business education in Indonesia - the acceptance of the notion of the importance of research related to the everyday problems of the accounting and business communities. An acceptance that hopefully will lead to the resolution of many problems as well as draw attention to new possibilities for business and accounting practices. I congratulate the editors and wish them every success for the future of this exciting new venture.

Michael Gaffikin
University of Wollongong