
Towards truer and fairer. The judgment and decision-making research journey through accounting paradigms

W stronę jasnego i rzetelnego obrazu. Podróż przez paradygmaty rachunkowości w kontekście badań nad osądem i podejmowaniem decyzji

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Abstract

The aim: The aim of this paper is to integrate different perspectives regarding the true and fair view (TFV) using the accounting paradigms proposed by Chua (1986). It also explores the research possibilities associated with the concept of TFV under these three research paradigms in the judgment and decision-making context.

Methodology/approach: This paper is conceptual, building upon Chua's (1986) framework. It integrates and advances the existing theoretical comprehension of TFV, also unraveling the components of the concept.

Findings: This paper shows that there are layers of meaning involved in the TFV concept, encompassing various context-dependent and perspective-driven aspects. No single accounting paradigm is able to show the complexity of TFV, all the more so its role in judgment and decision-making (JDM) in accounting.

Originality/value: Incorporating multiple perspectives aims to offer a more holistic and nuanced understanding of the concept, moving beyond traditionally separated or contrary, unconsciously intermingled approaches. This study bridges research traditions on TFV and also theoretically enriches behavioral accounting via the JDM perspective of TFV.

Keywords: true and fair view, accounting paradigms, decision-making, professional judgment.

Streszczenie

Cel: Celem niniejszego artykułu jest zintegrowanie różnych podejść do koncepcji *true and fair view* (TFV) z wykorzystaniem paradygmatów rachunkowości zaproponowanych przez W.F. Chua (1986) oraz analiza możliwości badawczych związanych z koncepcją TFV w ramach tych trzech paradygmatów w kontekście podejmowania decyzji i osądu.

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Metodologia/podejście badawcze: Artykuł ma charakter koncepcyjny i jest oparty na ramach zaproponowanych przez Chua (1986). Przedstawiono w nim oraz rozwinięto i zintegrowano istniejące teoretyczne zrozumienie TFV, odkrywając jednocześnie składowe tej koncepcji.

Wyniki: Niniejszy artykuł ukazuje, że koncepcja TFV zawiera różnorodne warstwy znaczeń, obejmujące różne konteksty i perspektywy zależne od sytuacji. Żaden pojedynczy paradygmat rachunkowości nie jest w stanie oddać złożoności koncepcji TFV, a tym bardziej jej roli przy podejmowaniu decyzji i profesjonalnym osądzie.

Oryginalność/wartość: Włączenie wielu perspektyw ma na celu zapewnienie bardziej wszechstronnego i zniuansowanego zrozumienia koncepcji TFV, wykraczając poza tradycyjnie oddzielone lub nieświadomie przemieszane podejścia. Artykuł łączy tradycje badawcze dotyczące TFV oraz wzbogaca teoretycznie rachunkowość behawioralną przez spojrzenie na TFV poprzez perspektywę podejmowania decyzji i osądu.

Słowa kluczowe: jasny i rzetelny obraz, paradygmaty rachunkowości, podejmowanie decyzji, profesjonalny osąd.

Introduction

The true and fair view (TFV) concept has long been regarded as one of the fundamental principles in the field of accounting. It is associated with providing users of financial statements with an accurate and reliable representation of an entity's financial position and performance. Over the years, researchers and scholars have widely explored this concept, contributing to the development of accounting theory and practice. Although the body of research on TFV is quite extensive, and the concept itself is embedded in philosophical notions of truth and fairness, one can rarely find epistemological or ontological mentions of the basis on which the authors built their research and deliberations. The philosophical worldview (Creswell, 2009), a basic set of beliefs, is important because it guides action (Guba, 1990, p. 170). It is the key to how a certain topic will be approached and researched, how the research design is underpinned, and what research techniques are chosen. Different philosophical assumptions compose different research paradigms. A paradigm is a term intended to emphasize the "commonality of perspective which binds the work of a group of theorists together in such a way that they can be usefully regarded as approaching social theory within the bounds of the same problematic" (Burrell, Morgan, 1979, p. 23).

Chua (1986) argued that accounting research may be grounded in one of three different research paradigms: (1) positivism, (2) interpretivism, or (3) various concepts of critique. The paper will use this set of particular worldviews, which have different dominant assumptions concerning the psychological and social reality (ontology), the nature of knowledge (epistemology and methodology), and the relationship between knowledge and the empirical world (van der Meer-Kooistra, Vosselman, 2012) to explore the meaning of the TFV construct and the judgment and decision process regarding the application of TFV. The three paradigms have already been widely covered in the accounting literature (e.g., Chua,

1986, 2019; Nadolna, 2012; Ryan et al., 2002; Szychta, 2013), so they will not be described in depth in this paper. However, a very brief presentation in the following paragraph provides a background for the topic.

Positivist accounting research, in general, is based on a realistic ontology modeled on the hypothetico-deductive method of the natural sciences. Researchers acknowledge the existence of an objective external reality, independent of human actions. People are perceived as passively interacting with reality. They do not create reality but rather live within it. Human behaviors can, therefore, be objectively observed, and people's reactions to encounters with the "real world" can be predicted. Positivist research tends to be primarily grounded in microeconomic theory and is differentiated by reference to practice (financial accounting versus auditing) and research method (experimental versus analytical) (Chua, 2019). Positivist research primarily seeks to discover law-like regularities that are testable with empirical data sets while ignoring unique phenomena, which are regarded as uninteresting noise (Lukka, 2010, p. 112).

In contrast, interpretive research attempts to describe and understand the subjective experiences of individuals involved in preparing, communicating, verifying, and utilizing information derived from accounting. The underlying belief about reality is that it is continuously constructed and reconstructed. Interpretive research tries to understand why and how particular systems of meaning are constructed by those involved. Researchers aim to comprehend the social essence of accounting practices – whether in a specific situation or process. In interpretive lenses, accounting does not present any reality; rather, it constructs reality (Hines, 1988; Morgan, 1988). Studies within this paradigm utilize qualitative methods characterized by a high level of subjectivity, such as unstructured interviews and observational methods. In the multiverse of interpretive research, the exploration of meaning and symbols has been influenced by Schutz's phenomenology, the contributions of Berger and Luckmann, and the semiotics of Saussure (Chua, 2019).

Finally, within the critical paradigm, questions are raised about connections between interests, power, and institutionalized networks and the emergence and transformation of accounting practices and regulation. Critical research transcends the boundaries between objective and subjective research. Thus, while critical research is often informed by a subjective epistemology, it can be carried out by taking inspiration from positivist thinking (Gendron, 2017, p. 5). While there are different concepts of critique, the general purpose of critical research is to resist dominant, powerful institutions and actors. Critical accounting draws attention to negative dimensions of social and organizational functioning and tries to act as a force for radical emancipatory social change by making things visible and comprehensible (Gallhofer, Haslam, 1997). It draws upon Marx, Foucault, Bourdieu, Giddens, and the practice theories of Latour and Schatzki (Chua, 2019).

The boundaries between two alternative paradigms (interpretive and critical research) often intermingle (Prasad, Prasad, 2002). While both paradigms emphasize the importance of interpretation and understanding, the critical paradigm tends

to have a stronger focus on social critique, examining power dynamics and social inequalities, and advocating for social change (Gendron, 2017).

Adopting one of the three positions (lens of cognition) leads to different perceptions of truth and fairness and the different meanings associated with the TFV concept in accounting. Regardless of the adopted paradigm, different areas of interest may be pursued for the sake of exploring the TFV. One such area is the judgment and decision-making context. In this paper, judgments, understood as “subjective assessments made as a prelude to taking action,” and decisions, understood as “actions that people take to perform some tasks or resolve some problem” (Solomon, Trotman, 2003, p. 396), are seen as inseparable elements of the TFV conversation.

Although judgment and decision-making (JDM) research in accounting and auditing has proliferated during the last 40 years (Ashton, Ashton, 1995; Chand, Patel, 2011) (mostly descriptive research based on experimental, surveys and archival methods), the notion of TFV does not seem to be much of direct interest for this string of research. Hence, the possibilities of researching TFV in the JDM context are still much unexplored.

The aim of this paper is, therefore, twofold. First, it aims to integrate different perspectives regarding the TFV concept using the accounting paradigms proposed by Chua (1986). Secondly, it analyzes the research possibilities associated with the concept of TFV under these three research paradigms, treating TFV as an essential aspect of the conversation surrounding accounting practices and, therefore, judgments and decisions in financial reporting.

By examining the concept of TFV through the lenses of Chua’s three research perspectives and by acknowledging the diversity of perspectives that can shape our understanding of this fundamental accounting principle, this paper provides a conceptual integration of the notion of TFV across paradigms and multi-level insights into the concept. By incorporating multiple perspectives, the aim is to offer a more holistic and nuanced understanding of the concept, moving beyond traditionally separated or unconsciously intermingled approaches. By delving into the complexities of TFV, this paper offers a comprehensive exploration of the concept, allowing for a deeper understanding of its implications. This study also tries to bridge the gap between different research traditions, allowing for a comprehensive exploration of the concept. The JDM perspective additionally contributes theoretically to behavioral accounting research. The paper is conceptual, drawing on multiple concepts, literature streams, and theories. The appropriate literature was chosen based on its relevance to unraveling the concept and showcasing its potential.

The remainder of the paper proceeds as follows. Sections 1, 2 and 3 describe the TFV construct through three different worldviews of accounting paradigms. By doing so, the concept is presented as a multidimensional trait. Instead of merely adhering to a legal–normative approach or qualitative characteristics, TFV is presented as a complex, multidimensional attribute of “one truth seen in many ways”. Section 4 develops on those considerations to show how TFV may be further studied in the judgment and decision-making context within the accounting paradigms. The final section sets out concluding remarks.

1. True and fair view through the lenses of the positivistic paradigm

The expression “a true and fair view” was first used in the Companies Act of 1947. However, the idea first emerged 100 years earlier, in 1844, when a prototype of the concept was adopted into British legislation with the formulation of “full and fair”. It changed several times over the years, reaching its current form of “true and fair” view (Chastney, 1975). It entails providing users of financial statements with a faithful representation¹ of an entity’s financial position and performance. For a long time, the British “true and fair” remained within the domain of their commercial law and the countries belonging to the British Commonwealth, although several countries had regulations in their accounting legislation corresponding to this formulation. The widespread adoption of this concept was significantly influenced by the EU’s Fourth Directive (78/660/EEC) and the inclusion of the concept in the International Accounting Standards.

From a legal perspective, the lack of definition of the TFV concept indicates that the term “true and fair” should be treated as a general clause (Walton, 1991; Evans, 2003), an indeterminate phrase referring to non-legal values, norms, and judgments (ethical, social, etc.). In this way, the content of legal norms becomes more flexible, providing an opportunity for situations not previously anticipated by law or that involve various regulations derived from multiple branches of law.

The TFV expression is very often accompanied in legislation by a “true and fair override” (TFO), which gives a reporting entity the option to depart from the letter of the law or an accounting standard to fulfill the TFV criterion. TFO gives preparers even more freedom in judgments and decisions regarding how the condition of an entity is depicted in financial statements, where detailed and unambiguous legal requirements may be deviated from in order to present a more comprehensive and truthful representation of the entity.

As such, TFV is a legal term and a qualitative criterion of financial statements, and TFO is a legal norm that safeguards the more complete implementation of the TFV criterion. Yet the function and application of TFV and TFO will be seen differently through the lenses of specific accounting paradigms. Within the realm of the positivistic paradigm, the TFV concept refers to the objective representation of financial information based on verifiable data and in accordance with established accounting principles and regulations. In this sense, TFV is like a road sign for preparers and fulfills several functions (Cook, 1997, p. 675):

- it serves as a guide for describing economic reality,
- it reinforces the appropriate behavior of those preparing financial reports,
- it points the way out in extraordinary circumstances where existing accounting rules do not fit,
- it sets directions for the development of regulations, particularly in times of turbulent changes,
- it acts as a brake on the proliferation of overly detailed accounting decisions.

¹ The concepts of true and fair value and representational faithfulness are related; both imply representational faithfulness (Alexander, Archer, 2003, p. 4).

All of the functions aim to provide reliable and objective information for decision-making. A true and fair view also implies that all statutory and other essential information is “not only available but is presented in a form in which it can be properly and readily appreciated” by users (Kettle, 1950, p. 117).

Although TFV and accounting are, in general, parts of social reality, this reality seems to be as measurable as physical reality, although the accounting data and TFV exist independently of human perception and observation. It is implicitly understood that the effectiveness of the concept of “a true and fair view” in reporting is entirely dependent on the competence, skill, expertise and, especially, the soundness of judgment of directors and auditors (Flint, 1982, p. 5). The requirement to present “a” true and fair view instead of “the” true and fair view within the positivistic paradigm is not a matter of great concern. It seems obvious that different methods of valuation and presentation may be chosen to reflect the objective reality of an accounting entity, as the financial reporting process never was and probably never can be an exact science. Instead, it is a subtle combination of objective facts and subjective assumptions (Griffiths, 1995, p. vii).

Departures from TFV that cause accounting misstatements may be analyzed through deviations from rational behaviors and succumbing to the cognitive biases and individual differences of managers, auditors and accountants (e.g., age, sex, intelligence, cognitive styles, personality, temperament, and ethics). Another angle of research is ethical considerations and maximizing the long-run utility of directors, auditors, and economic entities. The override provision of TFV may be used by directors not so much to meet the spirit of TFV but to justify departures from undesired rules.

2. TFV through interpretative lenses

Looking at TFV through the interpretative lenses, the social construction of reality must be stressed. Within the interpretative paradigm, “a true and fair view” is seen as a socially constructed notion (in other words, a product of the socially constructed reality). It is society that collectively constructs and shapes the subjective meanings and interpretations of reality through social interaction and cultural processes and influences (Berger, Luckmann, 1966).

In this paradigm, the understanding of reality is not objective or fixed. The notion of fairness and truthfulness is context-dependent and shaped by the cultural, social, and organizational factors that surround accounting practices. Therefore, truth in accounting differs from the truth in the strict sense of scientific truth. In physical sciences, truth means that one can formulate a statement that will always be applicable under given circumstances. Accounting, however, does not deal with truth that has a constant and unchanging quality.

The meanings of the words “true” and “fair” may, therefore, vary over time and space; they may also depend on the specific situation (Alexander, Archer, 1998). Since accounting is socially constructed, circumstances, not definitions, determine proper applications and meanings within its domain (Kirk, 2001, p. 5). The content attributed to the words “true and fair” is being shaped and reshaped,

and continuously refreshed. That is why analyzing the sense attributed to the TFV concept in the past has little value concerning its current interpretations (Sydserff, 2000, p. 16) The current meaning is created and sustained/destroyed by legal regulations and accounting standards in force, managerial aspirations and behaviors, accountants' practice of reflecting the facts and figures presented in the financial statements in a certain way, decisions of auditors, and by common sense in general (see, for example, Etim et al., 2020).

Social interactions, language and symbols, and the system of values and culture all play their role in shaping those meanings. This makes the TFV "an elusive touchstone" (Cunningham, 2003, p. 893).

In an interpretative worldview, there may, in fact, be no single current meaning but a plethora of meanings. For example, (1) the meaning of the same words change in different contexts (Alexander, Jermakowicz, 2006), (2) different actors of accounting processes – preparers, auditors, and users – may focus on a different aspect of their own truths within subjective social reality, (3) different meanings may be assigned to the phrase on the national level of different countries. Investigating the linguistic and semiotic aspects of true and fair and examining how the concept is communicated, interpreted, and understood within a specific environment shows that TFV is not a single coherent international concept but a collection of many individual, group, national or cultural "TFVs". Cooke et al. (2001, as cited in Cunningham, 2003, p. 907) stated, "a term such as 'true and fair view' could end up meaning many more things than the various things it represents to different groups of the same or different societies".

The comprehension of TFV is also a matter of translation, the way the concept has been transferred from English into other languages. In this context, the lack of definition of TFV in legal terms provides fertile ground for considering differences in the perception and interpretation of TFV among different countries. Especially since the specifics of accounting regulations (common law vs civil law traditions, process-driven accounting systems vs profession-based or substance-driven systems, and what is permitted by law (and what is not)) influence the final understanding of a true and fair view of the company in the financial report. For regulatory perceptions, see, for example, Alexander (1993), Parker (1994), Sucher et al. (1996), Kosmala-MacLulich (2003), Alexander and Jermakowicz (2006), Alexander and Eberhartinger (2009), and Albu et al. (2009). For culture and religion, see Salihin et al. (2014).

3. The true and fair view from a critical perspective

The critical paradigm explores the social and cultural forces that shaped the formation of TFV and fill it with significance. The critical lenses seek to encourage forms of thinking and intervention that take positions, in some ways, against the hegemony of established institutions (Gendron, 2017, p. 2). They also, but not only focus on the language implications of the TFV. Through the lenses of the critical paradigm, TFV is embroiled in "power games," in a politically charged and symbolically endowed struggle. The struggle is multidimensional.

From a European perspective, there is a clash between Anglo-Saxon and continental influences. In this political context, TFV belongs to the rhetoric of the accounting regulatory institutions. It represents the embodiment of the British view of accounting, a view that emphasized professional autonomy and judgment, not specific rules (Hopwood, 1990).

However, there is also another outside-European perspective, where TFV is seen as an outcome of colonization. Through conquest, Western-style accounting was transferred to countries where both the language and economics were different. In such circumstances, ethnicity and class may influence the meaning of TFV. And indeed, the phrase seems to lose its ethical dimensions when the concept appears to have been imposed by a foreign culture (Day, 1993). It can be argued that TFV validates the political hegemony of the Anglo-American world, which has negative consequences, as it deprives the TFV concept of conscious and mindful considerations about the role of the accounting profession and accounting reports in society.

TFV may also be regarded as a tool for bolstering the professional status of accountants, and it can be used in the political arena to advance the interests of the profession (Walton, 1993). Hamilton and Ó hÓgartaigh (2009) refer to TFV as a “symbolic token” (based on the works of Giddens), a part of the ethos of accountants and auditors, which authenticates the accounting habitus. TFV is influenced by the daily practice of accounting and is given significance and meaning through the rites and rituals of the profession. These rites reinforce the status quo and contribute to the establishment of hierarchy and inequity that exists in accounting.

In alternative research paradigms (both interpretive and critical), the selection of accounting principles, including the true and fair view concept, results from an ongoing social discourse and the acceptance or rejection of certain norms and practices within the accounting profession. This process reflects the social construction of accounting principles, where the legitimacy and credibility of these principles rely on recognition and acceptance by relevant stakeholders, including regulators, standard-setting bodies, auditors, preparers, and users of financial statements. The process is shaped by power dynamics, professional consensus, and societal expectations, reflecting the ongoing negotiation and adaptation to meet evolving stakeholder needs and expectations.

4. Investigating prospects for judgment and decision-making research on the true and fair view within accounting paradigms

The most prevalent and widely utilized paradigm for studying JDM is the positivist (mainstream) one (Salterio, 2018; Chua, 2019). In experimental and survey research, researchers attempt to extract variables (including cognitive variables) that have a decisive impact on the decision outcome (Artienwicz et al., 2021). In research based on aggregated archival data, the results of these decisions are

examined through the prism of adopted solutions and the decision maker's (CFOs and CEOs) individual characteristics.

TFV/TFO invites the use of professional judgment in the preparation of financial statements. It also allows company directors to assume full responsibility for the decisions regarding the information content of financial reports. While examining the financial reporting process, it becomes apparent that each decision and each judgment made by accountants and directors on the preparation of financial statements significantly impacts the quality of financial reporting and determines whether the "true and fair" criterion/label can be applied. This also holds true for the external auditor's TFV opinion. It can, therefore, be argued that every piece of research on the quality of financial reporting, on the valuation of certain items in financial statements, on the traits of accounting professionals and auditors, and, last but not least, on the incentives of directors and earnings management is somehow connected with TFV. However, this section spotlights the judgments and decisions related to the expression "true and fair view". The focus is on the possibilities of exploring how accountants, directors and auditors make decisions and judgments about what is and what is not "true and fair" when no simple, unambiguous definition of TFV exists.

Several empirical studies hint at how TFV could be investigated in a positivistic paradigm. Nobes and Parker (1991) researched the behavior of finance directors of the 900 largest UK companies with respect to giving a true and fair view in annual accounts. Parker and Nobes (1991) then surveyed the partners of the 20 largest UK auditing firms regarding their TFV procedures. Although the papers examined the operational meaning of "true and fair" and how it was interpreted by directors and auditors, the research was based on objective methodology and quantitative research methods (questionnaires and structured interviews). The questions asked in the surveys were about actions and solutions taken by the subjects and their willingness to depart from the details of the law or a standard. Those papers (and their research tools) could be a great starting point to pursue the accounting and auditing decisions aimed specifically at considerations and actions taken in order to fulfill the TFV precept.

Another area where TFV and JDM are intertwined is the true and fair override. TFO provides a rich and yet almost unexplored context for decision-making. Livne and McNichols (2009) investigated directors' decisions to invoke TFO. The study applied the archival method, where an annual reports database was searched for the keywords "true and fair view," "override," and "departure". Thanks to this type of research, the scope of departures, comparison of departures between companies, and year-to-year analysis are possible. Further, analysis of TFO invocation may show how companies exercise discretion over accounting principles and their motives for doing so.

Regarding experimental settings, it would be interesting to see if typical heuristic mechanisms and cognitive biases (Tversky, Kahneman, 1974; Russo, Schoemaker, 1989; Kahneman, 2011) influence the way truth and fairness are taken into account when dealing with accounting. Artienwicz and Kołodziej (2021) examined how the

norm reminder effect influences accounting decisions. They did not use the exact phrase “true and fair view”; they referred to “the view of the financial statements that is not significantly distorted”. This is, however, a first step towards seeing TFV through experimental lenses. As there is a plethora of cognitive mechanisms and biases identified in cognitive experimental psychology, it is a very broad area that could be pursued in the JDM context, where different experimental settings could be created (using, for example, the anchoring effect, availability, initial expectation bias, or confirmation bias).

It would also be interesting to explore in experimental settings interpersonal and social choices regarding TFV, building upon the achievements of experimental social psychology. The cultural aspects of experimental designs could also be considered. As Weber and Morris (2010) stated, cultures are traditions of thought and practice. While living within a particular culture, a person adopts various mental frameworks (like ideas, rules, and goals) that are discrete yet loosely associated in memory. Cultural representations of truth and fairness seem to guide judgments and decisions by shaping how the person views and approaches problems, limiting their focus, and influencing reasoning based on the activated mental frameworks. Although this perspective looks at social reality, the underlying belief here is positivistic, as human beings are not seen as creators of social reality, just their objects. An interesting angle was proposed and researched by Mulder et al. (2015), where the effects of specific vs general rules on ethical decisions were studied. Although the paper has nothing to do with accounting treatments, the study could serve as an inspiration for TFV. In experimental settings, TFV (as a general rule) and its ethical framing can be manipulated.

In the case of alternative approaches (interpretive and critical), the aim of studying the decision-making process is not to generalize the results to produce enduring rules of human behavior but to deepen the understanding of human actions embedded in social structures. In the interpretive approach, decision-making is seen as a result of communication, negotiation, and accumulated experiences. The researcher can enhance the understanding of the decision-maker’s subjective reflection on the factors that led them to make a particular decision. To capture the decision-maker’s view, direct observation in the natural environment is necessary, along with minimally structured in-depth interviews (Artienwicz et al., 2021).

The interpretative paradigm, as was shown in Section 2, is the most explored when it comes to searching for the meanings of TFV, but it is heavily unexplored when it comes to decisions based on those meanings. For example, in their case-based qualitative study, Egam et al. (2020) focused on how managers/audit committee members/external auditors engage with the true and fair concept when preparing statutory accounts. They contrasted understandings and perceptions of TFV between managers, audit committee members and external auditors. The change in emphasis in this type of research, from meanings of TFV to decisions based on those meanings, would enrich the JDM perspective.

The question of whether financial statements present a true and fair view can also be seen as a legal issue that courts decide. Comparing the rulings of the

Court of Justice of the European Union with those of British Courts or national courts within the EU would shed light on how the concept is realized within the judiciary powers. Court decisions may be analyzed both in positivistic and interpretative paradigms, depending on the ontological and epistemological assumptions made by the researcher.

Many judgments in accounting and auditing are made in *multiperson* settings, where the views of others must be taken into account (Ashton, Ashton, 1999), so meeting the TFV criterion may be seen as a group decision. Additionally, in the TFO context, deviating from regulations can lead to significant costs as it raises the likelihood of encountering conflicts with auditors, potential intervention from regulatory bodies, litigation, and criticism from various market participants (Hines et al., 2001). It would be interesting to get to “behind the scenes” thoughts and considerations, and analyze the group dynamic and interpersonal dynamics – both within a company and within an external auditing team.

From a critical perspective, research would engage in studying power, particularly how people come to be subtly influenced by persuasive discourses, to the point that some notions are viewed as well-founded, natural, and a matter of fact (Gendron, 2017). Critical accounting also tends to draw attention to those dimensions of accounting that are largely unexplored or that question social practices in the pursuit of improvement (Gallhofer, Haslam, 1997).

Encompassing power dynamics within a company (or finance department) at the micro-organizational level and exploring the implicit meaning of TFV (or struggles whose meaning wins in the judgment process) would be an interesting angle to study.

When studying the symbolic meaning, it may prove to be the case that the phrase “a true and fair view” has lost its ritualistic role in the Western world (both for accountants, directors and auditors) and is treated as a superfluous expression, an unconsciously replayed mantra, an avatar², repeated over and over again in the audit opinions and financial reports. It may turn out that TFV decisions in certain cases are devoid of any meaning and that they just maintain the status quo by individuals who almost unconsciously apply accounting treatments according to the rule of law.

New tools for making directors, accountants, and auditors more conscious of the meaning of accounting and the TFV construct could be developed, so that their decisions about TFV were more mindful. It might be possible to theorize TFV in relation to human rights as was done for accountability and transparency (both innate in accounting) in Gallhofer et al. (2011). Such a perspective, brought down to the level of everyday human activities and the preparation of financial

² The word “avatar” is used here metaphorically, drawing inspiration from its meaning in the field of computer science and virtual reality, where an avatar refers to a graphical representation or embodiment of a user in a virtual world or computer system. Hence, an avatar means a symbolic representation that appears repeatedly, almost automatically, without much thought or meaningful consideration, almost like a standardized response without reflecting its true significance or context.

statements, could bring new meanings to judgments and decision-making regarding TFV and to accounting pedagogy.

Another thread would be to embed the concept of TFV in the organizational culture of companies so as to increase the ethicality of decisions made at the operational and managerial levels.

This short overview of potential research that combines JDM and TFV shows that similar topics may be explored under different paradigms. Thus, different ways of framing and understanding social phenomena may be combined in multiparadigmatic teams to better comprehend the TFV concept.

Whether the multiparadigmatic approach to TFV would be possible or not depends on the attitude of researchers from different “tribes in research communities” (Lukka, 2010). Belonging to a paradigmatic tribe does not imply that certain topics cannot be researched. The angle, the level of consideration, and the research questions will, of course, be different. However, there is still just “one elephant,” so to speak, using the “blind men and the elephant” parable. If the research community is very hermetic and intolerant towards other approaches, it is like the blind men who touch different parts of an elephant and describe it based on their limited perspective. Different and sometimes conflicting interpretations of the TFV are just attempts to understand complex social reality.

Conclusions

The concept of “true and fair view” holds significant importance in the field of accounting as it guides the preparation and presentation of financial statements. Preparing financial statements that give a true and fair view is a task that requires professional skills and judgment. It is not mechanistic; it demands a thoughtful decision-making process.

The phrase “true and fair view” and its role are operationalized differently under the three accounting paradigms. From a positivist stance, the quality of “true and fair” is interpreted as a result of unbiased and rational financial reporting decisions. In the positivistic paradigm, the hidden forces behind TFV constructions are omitted, and the social reality is believed to be objectively measured. Within the interpretive paradigm, the meanings of TFV that are behind decisions are just as important as the outcome of the decisions. If a common meaning of TFV existed, it would be a result of a joint social reality, created and recreated by accounting practices and the mutual understanding between preparers, users, and auditors. Under the critical paradigm, TFV is analyzed through the notion of power, i.e., what social forces influence the subjective understanding of TFV and, hence, the decisions made. From this perspective, TFV research would aim to “emancipate the individual, to release her/him from the ascendancy of overly influential discourses that tend to constrict people’s ability to reflect” (Gendron, 2017, p. 5) and to make more conscious decisions.

So, is TFV more about professional practice and quality of financial reporting? Or maybe more about grammar and shared meaning? Or more about power and

ritualistic symbolism? The characteristics of TFV presented in Sections 1–3 and the research propositions in Section 4 clearly indicate that no single perspective is able to capture the entirety of the concept. At the same time, the demarcation line between the paradigms may be vaguer in the case of TFV than one might think.

The TFV construct is complex enough to accommodate a variety of research methodologies and methods, which are embedded in different worldviews. Such complexity offers a range of research opportunities, which could be best investigated in a more holistic approach, where paradigms are seen as lenses (glasses) one could take on and take off. However, the difficulty is that the academic accounting community is somewhat fractured, and research communities generally live and work in multiple parallel universes with little substantive cross-paradigmatic engagement (Chua, 2019, p. 4), where attempts to bridge the gap may end up in dissonance because of basic assumptions and research interpretations. Depending on the researcher's epistemological positioning, dissonances can be interpreted differently. Within a positivist framework, dissonance may be seen as bias and a lack of trustworthiness. However, in an alternative framework, dissonance could reflect different views or multiple truths and the habitation of different social worlds (Blaikie, 1991).

Of course, combining research paradigms to produce a composite, synthetic picture of the TFV reality and TFV judgments and decisions is a challenge. Journeys through the paradigms can help researchers develop a deeper understanding of the paradigms' inherent worth, and they may promote tolerance, openness, and appreciation for diverse research approaches because, as demonstrated in this paper, no research perspective holds a monopoly on truth regarding TFV.

To sum up, the JDM perspective on the true and fair view concept in accounting offers rich possibilities for research across the different paradigms proposed by Chua (1986). By adopting positivist, interpretive, or critical approaches, researchers can contribute to a comprehensive understanding of the true and fair view principle, its contextual influences, power dynamics, discursive constructions, and its impact on financial reporting quality. Such research can enhance the practice of accounting and inform the development of accounting standards and regulations that try to ensure transparent and reliable financial information for decision-making.

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