



Revisiting the roles of accounting in society



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ABSTRACT

In order to facilitate the development of new research agendas, pioneering authors in AOS embarked on difficult journeys in search of the interconnections between accounting and the social. Contributions such as Burchell et al (1980) located a number of roles of accounting in society and inspired agenda-shifting historical investigations. However, as Hopwood (1985) recognised, the participation of historians in this project requires reinvestments in theoretical and epistemological thinking. This paper encourages renewed explorations of the concepts that might guide accounting history research seeking to probe the social. Such investments are especially pressing given that notions of 'society' and the 'social' have shifted since the early years of AOS. The study charts the problems of connecting accounting and the social, indicates how social historians have addressed similar issues, and reveals the scope for drawing on other notions of the 'social' that have the potential to extend historical understandings of the roles of accounting in society. The latter is illustrated through a discussion of the interactions between accounting and social control.

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1. Introduction

One of the undeniable achievements of AOS has been its affirmation of the social in accounting. The journal has consistently declared its commitment to exploring the social dimensions of the discipline and to encouraging new thinking, research and action on accounting and society. Various features of the social have endured among the aims and scope of AOS. Investigations have been encouraged into the relationships between accounting theory, practice and social values; accounting and the social environment of the organisation; the social role of accounting; social accounting and social audit; and, the social aspects of standard setting.

From the early years of AOS historical researchers were identified as key participants in the analysis of accounting and society. Early landmark papers such as 'The roles of accounting in organizations and society' by Burchell, Clubb, Hopwood, Hughes & Nahapiet (1980), signalled that the operation of the institutions of accounting in society, social change and social context were formative elements of the 'social' project to which historians could contribute. Largely in consequence of a number of historical studies, by the early 1990s it was considered that an agenda linking accounting to the social had been firmly established. However, doubts remain about the extent to which accounting history scholarship demonstrates the constitutive role of accounting in society (Napier, 2006). Historical studies often appear to presume

rather than analyse the relationships between accounting and the social (Walker, 2008a). With a view to further energising historical research on accounting and society this paper encourages renewed explorations of the kind commenced by Burchell et al. in 1980.

In the next section the reader is re-acquainted with the problem of formulating research agendas that connect accounting to the vast space of the 'social'. The emergence of the 'social' in the aims of AOS, the challenges that this posed, and the participation of historians in their pursuit are charted. The manner in which social historians have addressed the problematic 'social' is then examined. The potential for accounting historians to reopen the search for connections between accounting and dimensions of the social is suggested through an exploration of the interfaces between accounting and a central sociological concept - social control. The paper concludes with the observation that altering notions of the social have implications for those seeking to comprehend the roles of accounting in society in the present as well as the past.

2. Locating accounting in society

Establishing a research agenda that intertwines accounting and the social represents a daunting challenge. Insights to this problem were offered by Hopwood (1985) in his 'Tale of a Committee that Never Reported'. The paper charts the failed attempt during the late 1970s to formulate a research agenda that would unlock the socio-political nature of accounting. Fundamentally, disagreement arose

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because:

Not only was there a recognised shortage of both empirical and theoretical understandings of the intersection of accounting and the social but also the issues themselves were of a sufficient level of generality to allow fundamental differences of opinion as to their meaning, significance and implications (Hopwood, 1985).

Moreover, it was recognised that devising a programme of research around accounting and the social 'would require a major investment in new conceptual thinking' (Hopwood, 1985, p. 367). Hopwood related how the problems of determining the contours of the investigation of accounting from a social perspective were so great that the committee that never reported reverted to discussions about the subject where commonality was more easily found – accounting itself.

In relation to the three fields that feature in the title *Accounting, Organizations and Society*, imprecise boundaries complicate the search for points of interaction. Although it is widely acknowledged that *accounting* is mutable and has no 'essence' (Miller & Napier, 1993) and *organizations*, though seemingly bounded exhibit varying degrees of complexity, *society* is conceptually illimitable. 'Society', though foundational to sociology, is an amorphous and polysemic term (Elliott & Turner, 2012, pp. 1–5). When sociological inquiry extends beyond the formalistic investigation of social relationships (as espoused by Simmel and Weber) to embrace the synthesis of all the social sciences (as envisaged by Durkheim and Sorokin) the complexities involved in defining research agendas connecting accounting and society become even more apparent. The etymology of 'social' suggests that in Enlightenment France, where the modern concept of *société* emerged, it was understood as nothing less than 'the essential frame of collective human existence' (Baker, 1994).¹ The word tends to be deployed in a casual, taken-for-granted manner (Sewell, 2005, p. 319). According to Wallerstein (2001, p. 245) no concept is used 'more automatically and unreflectively than society'. It continues to be 'a remarkably pliable and congenial adjective' (Curtis, 2002).

The 'social' may refer to any form of human interaction (Sewell, 2005, p. 322) and the prevailing modern-day use of 'society' represents the aggregate of the shifting patterns of those diverse interactions (MacIver & Page, 1962, pp. 5–6).² In his history of power relations Mann (1986, p. 2) contended that the treatment of 'society' 'as an unproblematic, unitary totality' was so unhelpful that it should be abolished from the sociological lexicon. This assault on 'society' has gathered pace in recent times. Wallerstein (2001, p. 245) argued that the term should be discarded because of its associations with the unitary nation-state and the outmoded social scientific thought of the nineteenth century. It has been identified as a Beckian 'zombie category' – a dead concept, unable to capture the fundamentals of second stage modernity, but nevertheless kept alive in political and academic discourse (Slater & Ritzer, 2001). Urry (2000, p. 1) has contended that 'society' has a limited future as the core organising concept of sociological analysis. Its hitherto framing of research agendas around (western) societies as bounded territories is undermined by globalism. Such critiques have

implications for students of accounting who seek encounters with the social.

3. AOS and histories of accounting and society

Given the aforementioned complexities, one cannot fail to be impressed by the odyssean attempt by AOS to venture into the social and release the accounting discipline from its 'technical edifice' (Hopwood, 1983). Hopwood was determined that the new journal would embrace an expansive notion of the social as well as the organizational. As he later reflected, although in the early 1970s there was 'real and growing interest in social accounting I had started to become aware that social forces influenced all accountings, even those of a more conventional form, albeit that these largely remained poorly understood' (Hopwood, 2009). This realisation no doubt heightened the sense of anticipation of embarking on 'an intellectual and an editorial adventure'. But it was inevitably accompanied by 'moments of anxiety'. Charting a new course into the connected realms of accounting, the organizational and the social proved difficult. Locating the territory of accounting and society proved especially challenging.

In the first sentence written in the new journal its editor boldly announced that 'Accounting has played a vital role in the development of modern society' (Hopwood, 1976). At several junctures in the 'The Path Ahead', the social was referred to ahead of the organisational and behavioural – there was 'now an urgent need for research which can provide a basis for seeing accounting as both a social and organizational phenomenon'. Although social accounting and reporting was a significant item on this agenda (see O'Dwyer & Unerman, 2015), the need to investigate the social roles of accounting, the social significance of accounting, and how changing social developments and values impacted on accounting thought and practice, were also emphasised. It was acknowledged, however, that the conduct of such investigations was uncertain given the 'magnitude of the intellectual jump between accounting and the social and behavioural sciences' necessary to achieve it. AOS would provide the forum for those sufficiently emboldened to make the leap.

Editorials in 1977 (Hopwood, 1977a, 1977b) re-emphasised the importance of exploring the 'social'. The editor observed that while projects on social (responsibility) accounting were being actively pursued 'the essential social nature of all accounting remains hardly recognized and certainly under-researched' (Hopwood, 1977c; 1985). The social nature of knowledge creation in accounting was stressed. References were made to accounting as reflective of contemporary social interests, ideologies and power structures (Hopwood, 1978a). There was a recognition that 'accounting can no longer stand in isolation of its social context' (Hopwood, 1978b). Importantly, for the purposes of the current paper, historians were identified as significant contributors to this new research agenda. Historical research would demonstrate 'how changing patterns of social organizations and control, and the related sets of values and ideologies, have influenced the development of accounting practices' (Hopwood, 1977c, 1985). But if they were to help generate 'a social and ideological understanding of accounting' it would be necessary for historians to depart from their fixation with the chronologic tracking of technical developments and their adoption of predominantly functionalist and atheoretical approaches (Hopwood, 1978a, 1983, 1987).

Realising these ambitions remained a challenge. Indeed, as Miller (2007) subsequently reflected, 'Even as late as 1980, a sociological analysis of accounting that could blend successfully micro-level and macro-level concerns remained largely an aspiration. Indeed, it was not even clear what concepts and issues would guide such a research agenda' (also Chapman, Cooper, & Miller,

¹ See also Poovey (2002), Schatzki (2002, pp. 124–125), Latour (2005, p. 6) and Sewell (2005, pp. 321–328) on the etymology of 'social' and 'society'.

² It should be noted that other commentators adopt a more specific concept of the social which centres on diverse social problems (such as poverty), and the procedures, institutions and personnel engaged to address them (Deleuze, 1979; Donzelot, 1979). This notion of the social is also strongly evident in Estes' (1973) book, *Accounting and Society*. Here, the potential role of accounting and accountants in solving social problems and securing social progress is emphasised.

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