



Editorial

Academic contributions to enhancing accounting for sustainable development



Leaders of business, public service and third sector organizations are increasingly recognizing that in discharging their varied duties they must address the significant risks of global environmental change, including the economic and social risks that can flow from it. They are also recognizing the interaction of a broader range of risks and opportunities arising from, and impacting upon, ecological, social and economic sustainability as among the most urgent and complex challenges facing their organizations and society more broadly (Hopwood, Unerman, & Fries, 2010).

As organizational leaders have become more aware of a wider array of sustainability-related challenges, their organizations and advisors have worked on developing a growing range of accounting, accountability and assurance practices to help identify and manage these sustainability-related risks and opportunities (Bebbington, Unerman & O'Dwyer, 2014; Malsch, 2013; O'Dwyer, Owen & Unerman, 2011; Power, 1997). Alongside the development of such practices and engagements between organizations and their stakeholders have emerged critiques and debates, supported with insights from academic research, regarding the degree to which such practices and engagements might be considered as substantive (Gray, 2010).

There is a long-standing tradition of academic research examining a range of policies, processes and practices related to sustainability accounting and accountability (Buhr, 2007; Gray et al., 2010; Owen, 2008; Thomson, 2007, 2014). Journals such as *Accounting, Organizations and Society*, *Accounting Auditing and Accountability Journal*, *Critical Perspectives on Accounting*, and *Accounting Forum* have welcomed and encouraged a variety of this social and environmental accounting and accountability research over some decades (Gray, 2002; Gray & Laughlin, 2012; Lehman, 1999; Owen, 2008). Academic networks such as *The Centre for Social and Environmental Accounting Research* and its associated journal *Social and Environmental Accountability Journal* have also played a central role in building research capacity in this field. This capacity building has been, and continues to be, important because a body of high quality academic literature not only relies upon the imagination and inspiration of individual

scholars but also develops from cohorts of researchers engaged in long-term synergistic conversations that networks such as *The Centre for Social and Environmental Accounting Research* have facilitated and promoted.

Increasing organizational interest in sustainability accounting and accountability, along with increased academic investigation of these accounting issues, has paralleled much greater evidence and public awareness of the collective unsustainability of many human activities (IPCC, 2013, 2014a, 2014b), especially the negative ecological and social impacts of business activity (Bebbington & Larrinaga, 2014b; Hopwood, 2009). Across the diverse range of sustainability accounting and accountability research (Thomson, 2014), we discern three broad strands of literature – albeit with some overlapping studies and blurring between these strands.

One strand seeks to demonstrate relationships between social and environmental performance, social and environmental reporting, and economic performance (including stock market valuations). An often implicit argument underlying this strand of literature is that elements of sustainability can be highlighted and/or addressed through existing market mechanisms. In sharp distinction, a second strand of research suggests that social and environmental unsustainability is largely a consequence of the capitalist system and argues that the best (or only) way to move towards a socially and ecologically sustainable system is to radically reform or even overthrow markets and capitalism. The third strand of research seeks to constructively but critically engage with businesses and other organizations to help them identify a range of social and environmental sustainability risks and opportunities and make changes to the way they operate in a direction intended to result in less unsustainable operations.

As can be seen in Fig. 1, Sustainability studies from natural science demonstrate that organizations need to make substantive changes in the short term if we are to avert catastrophic global environmental change and resultant societal dislocation.

Academics working in the third broad strand of sustainability accounting and accountability research might well accept arguments from studies in the second strand that

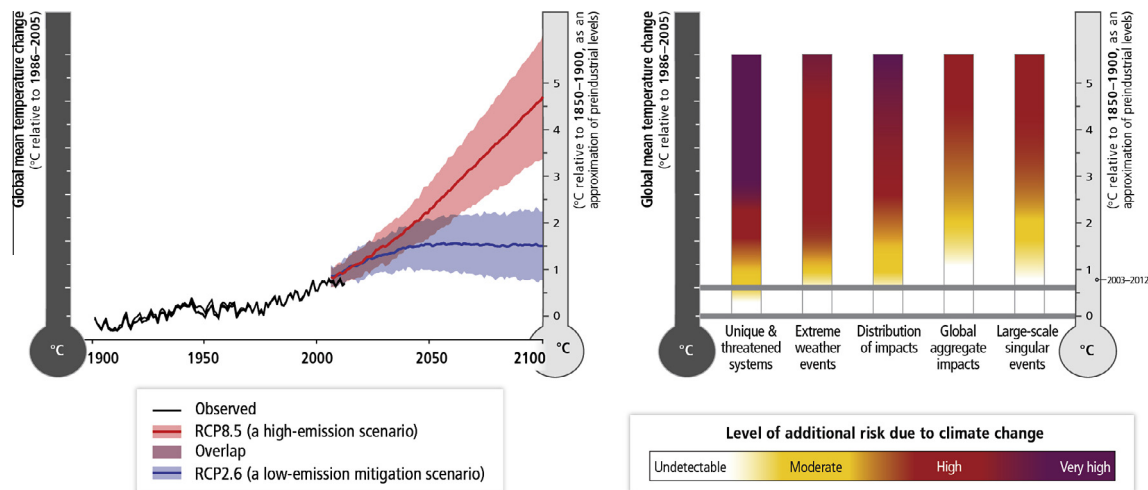


Fig. 1. Source: IPCC (2014c) Working Group II report, p. 13: Assessment Box SPM.1 Figure 1.

flaws in the capitalist system cause or reinforce social and environmental unsustainability. The motivation for their rather different approach, however, is a concern that radical reform in the capitalist system is likely to come far too late to avert catastrophic global environmental change. Perversely, such radical reform might only arise as a result of the major social and economic disruption indicated in Fig. 1 as likely to flow from catastrophic levels of global environmental change. Considering this too high a price to pay for reform, academics working in this third broad stand of research take an approach that helping organizations to change towards less unsustainable operations has potential to defer the time by which we will reach the point of catastrophic global environmental change, giving greater time and opportunity for novel solutions to challenges of global warming and social breakdown to be developed. They see such constructive engagements as essential in moving towards a low-emission scenario (RCP2.6 in Fig. 1) and away from a high-emission scenario likely to ensue in the absence of practical efforts to change organizational (un)sustainability policies and practices (scenario RCP8.5 in Fig. 1).

In this paper we focus on this third broad strand of sustainability accounting and accountability literature, a strand referred to as 'accounting for sustainable development' (see also Bebbington & Thomson, 2013). We regard research in this strand, that seeks to engage with and critique practice and policy, as perhaps challenging some of the more commonly accepted distinctions and definitions of criticality within parts of the accounting academy, especially studies within the second broad strand of sustainability accounting and accountability research. This is because within this work, it is an open question as to whether or not existing power structures are in need of replacement, reformation or redirection.

Within this third strand of literature the complexities of the detailed underlying issues and relationships indicate a need for greater attention to the development and refinement of focused novel theoretical framings (Bebbington

& Thomson, 2013). Theory plays a vital role in the interaction between observation and insight by providing an explanatory framework that helps to: simplify a highly complex word; structure the abstraction of meaningful insights from messy data; and communicate these insights to different audiences. Therefore greater theoretical sophistication can play a vital role in the provision of robust evidence and understandings upon which existing practices can be evaluated and critiqued, and new and sounder practices developed.

As the totality of shared empirical insights in any complex area grows, interpretations of this body of insights will evolve. Old insights will be questioned and over time blind spots and areas of inattention will become apparent, leading to shifts in how and why different theoretical frameworks might be considered relevant. An important aspect of research is thus maintaining an openness to review and update theoretical frameworks in use, and to develop novel theoretical framings, if evidence and understandings from new studies are to make ongoing and substantive contributions to evaluating, critiquing and developing policy and practice. We argue here (and the papers in this special section of *Accounting, Organizations and Society* serve to demonstrate) that there are benefits arising from greater development, diversity and sophistication in the formation and use of theory in research on accounting for sustainable development.

In making the case for greater sophistication and use of novel theoretical framings in accounting for sustainable development research we start by highlighting the increased complexity and unpredictability of relationships between phenomena when moving from a focus on financially- or economically-based accounting practices to a broader engagement with multifaceted and interacting social, environmental and economic sustainable development. Having established that research into accounting for sustainable development examines practices in an arena characterized by added layers of complexity and unpredictability on top of the already very complex economically-

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