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It's 2020: What is accounting today?

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It's 2020: What is accounting today?

Abstract

Based on the acceptance of the importance of clear definitions and concepts, we explore conventional definitions of accounting and chart their change and development. While accounting's definitions have evolved, they do not, in our view, adequately reflect accounting as social and moral practice but rather continue to position accounting as a technical practice, despite the valuable work of key accounting scholars particularly over the last four decades. We highlight the social and moral aspects of accounting and propose a new definition of accounting for the 2020s to stimulate discussion, debate and improvement. In our opinion, accounting has a way to go to reach its true potential.

Introduction: Renewing accounting

In most disciplines we customarily attach great importance to unambiguous definitions and concepts, yet we find a lack of clear and shared definitions in the accounting profession. In this commentary, we focus on the definition of accounting itself. We argue that clear, accepted and precise definitions are not only 'academic' endeavours, but they are essential to define the ends – purpose, as well as the acceptable means of a profession. We are aware that many attempts to define accounting and the accountant have been made by academics, standard setters and professionals. However, as we enter the third decade of the 21st century we have not reached a consensus on the identity, role and work of accounting and the accountant. We agree on the importance of pursuing a clear and shared definition of what accounting is and what it does, and for that purpose we invite the accounting profession to renew its efforts in this respect.

Many have a general idea of accounting or accounting practice. For some people in society, accounting is incomprehensible; it is not a topic of interest for general discussion. For students of accounting, it is commonly described as 'the language of business' in an array of textbooks and other teaching materials. Little seems to change.

This commentary is intended to contribute to change in this regard. Indeed, we urge the profession to focus on the development of a shared and accurate definition of accounting. We initiate this effort by considering the key conceptions of accounting and other prominent developments in the profession, based on our collective research, experience and personal reflection, as well as our joint discussion and debate in developing this contribution. This key task is initially informed by considering the conventional definitions of accounting. Readers are requested to consider the following question: It's 2020: What is accounting today?

Across the centuries, humans have come to be reliant on definitions of words and terms. As illustrated by dictionaries in any language, generally accepted definitions are recognised as

authoritative, as communal knowledge for wide understanding. Typically, such dictionaries are published by leading publishers or internationally respected agencies or authorities. Definitions of, and in, accounting are just as important as definitions in other disciplines and in everyday life. Accounting standard-setters, such as the International Accounting Standards Board (IASB) and the independent standard-setting boards of the International Federation of Accountants (IFAC),² in setting standards that regulate the accounting profession, expend considerable efforts to adopt generally accepted definitions of terms.

The remainder of this commentary is structured as follows. Key conventional definitions of accounting are addressed, followed by extensions of such accounting definitions to embrace accounting as social practice and moral practice. The question posed “What is accounting in 2020” is considered and a definition articulated for consideration, which is then tested to a degree in the section that follows. Summing-up comments in the final section, entitled “towards redefinition”, call for discussion and debate to encourage a definition of accounting suitable for the early 2020s.

Conventional definitions of accounting

While the way accounting has been defined may not be an appropriate basis for how it ought to be defined today, it is helpful to look back to commonly accepted definitions from the past. A familiar definition from the past comes from the American Institute of Accountants (now the American Institute of Certified Public Accountants), which defined ‘accounting’ in 1941 (almost 80 years ago) as “... the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character, and interpreting the results thereof” (American Institute of Accountants, 1953, p. 9).

A more ‘modern definition of accounting’ offered by the American Accounting Association (1966) over 50 years ago is premised on the notion of ‘decision-usefulness’ of accounting as follows: “Accounting is the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of information”. This definition is focussed on the eight key accounting activities of identifying, measuring, recording, classifying, summarizing, analysing, interpreting and communicating³. A variation of this form of definition was provided by Watts and Zimmerman (1986, p. vii) who argued “accounting [is] broadly conceived as the measurement and communication of economic information relevant to decision makers”.

Tapping into a more recently offered public statement, or what may be more closely associated with public sentiment or community nuance, Wikipedia, the free encyclopedia has not provided any further material insights (apart from making it clear than information

² The four international, independent standard-setting boards of IFAC are as follows: International Auditing and Assurance Standards Board (IAASB), International Accounting Education Standards Board (IAESB), International Ethics Standards Board for Accountants (IESBA), and the International Public Sector Accounting Standards Board (IPSASB).

³ www.thehourjob.com/2017/03/what-is-accounting-meaning-and-basic.html (last accessed 10 February 2020)

is both financial and non-financial in nature). It pronounces that “accounting or accountancy is the measurement, processing and communication of financial and non-financial information about economic entities such as businesses and corporations”⁴. Concerningly, the entry for accounting in the thesaurus available in Microsoft Word lists the following: secretarial (adj.); secretarial, office, bookkeeping, book-keeping (Related Word).

Focussing on the preparation and use of financial and non-financial information relates to two major forms of accounting. Firstly, organisations’ periodic financial performance, position and cash flow needs to be measured, communicated, analysed and interpreted. Secondly, information is prepared for management strategising, organisational control and decision making. The former is primarily concerned with accounting for external purposes, while the latter is focussed on accounting for internal purposes. Other definitions may be less prescriptive about the nature of accounting and instead point to the roles of accounting for discharging accountability, governance and sustainability obligations. For example, Tinker (1985: xv11) explained “the preparation of financial statements (accounting) and auditing both the statements and the accounts from which they are prepared are means of achieving accountability in society”.

As a further, and more recent example, Deegan in a classic, market-leading Australian textbook on *Financial Accounting* (2019), now in its ninth edition, presented a definition of accounting as “the provision of information about aspects of the performance of an entity to a particular group of people with an interest, or stake, in the organisation – we can call these parties stakeholders” (2019, p. 3). Implicit in this definition is the need to account to stakeholders or to be accountable to a diversity of groups and communities. As noted, Deegan is concerned with the provision of financial and non-financial information to stakeholders, which in corporate entities would include, rather than solely comprise, the shareholders.

These definitions of accounting, however, essentially position accounting as a ‘technical practice’ and are commonly regarded as ‘technical definitions of accounting’. Indeed, accounting has been long-understood and taught as technical practice. In a recent report published by CPA Australia on *Shaping the future of accounting in business education in Australia*, the conception of technical practice was described as “a comprehensive set of techniques, concepts and practices resulting in the preparation of accounting reports” (O’Connell, et al. 2015, p. 9). In short, accounting is generally portrayed as technical practice undertaken to provide information for external and internal stakeholders.

More specialist professional accounting organisations, such as the US-based Institute of Management Accountants (IMA), have also found definitions to be important, if not vital, in clarifying the nature of a sub-discipline of accounting or in marking out their specialism, territory or jurisdiction. The IMA issued the following definition of “management accounting” in 2008:

⁴ <https://en.wikipedia.org/wiki/Accounting> (last accessed 10 February 2020)

Management accounting is a profession that involves partnering in management decision-making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organizations' strategy (IMA, 2008, p. 1).

The first part of this definition appears to be articulating a key role for management accountants, focussing on partnering with organisational management in planning, controlling and decision-making. The second part refers to how this partnering would essentially operate in practice, specifically based on their expertise in 'financial reporting and control'. This definition provides certain interesting elements: It presents management accounting as a profession and further positions it in a supporting role to that played by management. The latter of the two elements is particularly interesting because it describes the purpose of the management accounting profession as aiding and supporting management.

Let us compare management accountants to anaesthetists. The Australian Society of Anaesthetists (2020) describes anaesthetists as doctors with additional specialty training: "Anaesthetists are perioperative physicians trained in all forms of anaesthesia and are members of multidisciplinary teams providing healthcare to patients." When comparing anaesthetists to management accountants we find two key differences: Anaesthetists consider themselves members of the medical profession whose purpose is to provide healthcare to patients, not members of their distinct profession whose purpose is to assist surgeons perform surgery.

Management accountants, on the other hand, under the IMA definition, would consider themselves a distinct profession whose overarching purpose is to provide a service to management. We believe this to be important because it would affect the perceptions of management accountants' obligations and accountabilities. The role of management accountants described, relies upon conceiving accounting as technical practice providing financial and non-financial information for management to use in the process of leading organisations into the future. Returning to the question in the title of this commentary: what is accounting today? Our suspicion is that the current definitions of accounting do not accurately describe what accounting does and for what purpose. A brief explanation for this viewpoint follows.

Describing accounting as technical practice alone positions accounting as essentially numerical computation with a primary concern for the determination, reporting and analysis of performance and other results within organisations and across society. Under this conception alone, accounting is perceived as mere technique or tool whose characteristics are regarded as neutral, if not benign.

Other conceptions of accounting have become part of the explicit language of accounting recognising it as a 'social practice' and 'moral practice' (see, for example, Tsahuridu and Carnegie, 2018). These conceptions are not new. They have been developed and honed over the last three to four decades by numerous leading accounting scholars such as Amernic and Craig (2005), Arrington and Francis (1989), Burchell, Clubb, Hopwood, Hughes

and Nahapiet (1980), Christensen (2004), Chua (1986), Frances (1990), Gray, Owen and Adams (1996), Hines (1988), Hopwood (1983, 1990), Hopwood and Miller (1994), Lehman and Tinker (1987), Miller (1994), Morgan (1998) and Power (1997).

These seminal works, however, have not informed the definitions of accounting employed outside the accounting research literature, especially those which are under the jurisdiction, or at least the influence, of professional accounting organizations (PAOs) and the influence of such bodies on accounting education, for example through their prescribing professional accreditation requirements. We are failing to stand on the shoulders of these prominent scholars with dire consequences for accounting knowledge and practice. The potential consequences include the narrowing and limiting of accounting to traditional forms and the perpetuation of its technicist stereotype combined with the ongoing concentration on teaching techniques, methods and procedures in accounting education. These factors are delimiting and restricting accounting's interpretive potential and future standing as a profession.

Engaging with the accounting profession, as Tsahuridu and Carnegie (2018) and Carnegie and Tsahuridu (2019) have recently sought to do on the "Global Knowledge Gateway" platform – a key thought leadership forum of IFAC – is a different and wider approach to dissemination of the major distinctive conceptions of accounting, beyond academic circles. The "Town and Gown" of the accounting profession has considerable integration and agenda-setting potential, including effective mutual engagement aimed at the betterment of accounting, offering traction for developing a more alert, broad-minded, and value-generating profession.

Accounting as social practice

Conceptions of accounting have broadened as the impacts of accounting have been subject to greater attention by contemporary and historical accounting researchers since the mid-to-late 1980s.

Increasingly, accounting has become an object of study less technical in nature, but rather as a pervasive, enabling and disabling social phenomenon. Accounting is progressively conceived as an instrument of power and control. Its academic literature does not typically conceptualise it "as a value-free body of ideas and techniques for putting into effect and monitoring contracts freely entered into between equals" (Carnegie and Napier, 1996, p. 8).

Appeals for broadening the contribution of accounting in corporate accountability to stakeholders and sustainability has been called by scholars across many years. Gray, Owen and Adams (1996), for example, called for:

"...extending the accountability of organisations (particularly companies), beyond the traditional role of providing a financial account to owners of capital, in particular, shareholders. Such an extension is predicated upon the assumption that companies do have wider responsibilities than simply to make money for their shareholders".
(Gray et al., 1996, p. 3)

This extension to greater consideration of a wider spectrum of stakeholders has gained general acceptance in the intervening period of 25 years while sustainability reporting has still not been mandated around the globe. Further, Amernic and Craig (2005) urge the perception of accounting as an 'equivocal and rhetorical social practice' and not 'merely as a set of arcane but ideologically-innocent techniques or practices specified by the accounting profession' (p. 77). They further argue that while the technical roles of accounting are prominent, its non-technical roles are under-analysed and under-valued. Furthermore, Morgan (1988) for instance, views accounting as an interpretive art based on the perspective assumed and calls on accountants to relinquish claims asserting objectivity and truth in their practice. Instead, professional accountants should appreciate the multiple dimensions of the realities they attempt to 'account for' (p. 484) and offer their insights and statements as elements for dialogue.

Accounting scholarship like practice has been assessed as wanting in terms of the world it creates and occupies. Hines (1988) for example, attempts to suspend momentarily the world of mainstream financial accounting research. She explains that social action creates and sustains facts of society and provides a way of seeing and of not seeing. The focus on the role of accounting in creating, sustaining, changing, as well as communicating social reality is evident in much of its research endeavours. However, accounting students are still presented with a predominantly technical version of accounting that ignores and undermines the wider focus of accounting revealed by research Christensen (2004).

While the technical elements of accounting continue to be acknowledged, accounting is also increasingly recognised around the globe for its effects on (and reflections of) people's behaviours and their actions in organisations and society with ramifications for organisational and social functioning and development. Accordingly, accounting is now regarded as social and institutional in orientation, that is, as social practice as well. A prominent driver of accounting as social practice and stimulator of human behaviours and actions of particular types are 'key performance indicators' (KPIs), especially where these 'targets' are both stretched, sometimes seemingly ridiculously and incentivised to help stimulate self-interest and to 'drive performance'.

Under this conception, accounting is constitutive throughout organisations of all kinds and in communities and societies. Accounting, therefore, provides a means to enact, establish or create altered or new conditions for the conduct and evaluation of our life (including work-life). In short, accounting is increasingly recognised and understood in the international scholarly thought as an instrument of power and control within organisations and society. In other words, accounting is powerful in shaping organisational cultures and lives and, in turn, contributes to moulding or changing to world views within communities and societies. In accounting research and scholarship, researchers in recent decades have more generally developed a concern for identifying and assessing the impacts of accounting in enabling actions and behaviours and disabling actions and behaviours on organisations and society.

Intellectual pluralism and adventurous enquiry are increasingly championed by many scholars, particularly in the "Interdisciplinary and Critical Perspectives on Accounting (ICPA)

Project” identified by Broadbent and Laughlin (2013, p. 2). Among the most prominent advocates have been Lee Parker and James Guthrie. These researchers and editors have been promulgating qualitative research methods and advocating this developing agenda in accounting research as Joint Founding Editors of *Accounting, Auditing & Accountability Journal* for a period of 33 years since 1988 (see, for example, Carnegie and Napier, 2017). They have simultaneously cautioned against pressures to conform to the pervasive US-style quantitative capital market research (Parker and Guthrie, 2009; also see Guthrie and Parker, 2016, 2017).

Accounting as moral practice

Morality and accounting are interconnected. Indeed, a social practice cannot be separated from morality since a social practice affects others and is based on human interaction that creates obligations and duties. Morality is at accounting’s core. Acting ethically, and in the public interest, on all occasions and in all contexts is expected of all professional accountants according to the IESBA (2018) *International Code of Ethics for Professional Accountants*. Accounting constructs realities which in turn dictate the conditions of human life argue Arrington and Francis (1989), who also claim that “current theories of accounting are infused with unexamined commitments to particular moral and social orders” (p. 4). Francis (1990) describes accounting as a moral and discursive practice. He develops the notion of moral practice following the neo-Aristotelean approach of MacIntyre (1984), who describes a practice as a

“...socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended” (Francis, 1990, p. 187).

The moral elements of accounting, however, seem to be obstructed by the commonly held assumption that its roles are to satisfy the information needs of decision makers but it should not morally evaluate the decision makers’ objectives (Chua, 1986). The resulting lack of consideration of the ends, towards which accounting contributes, is reflected in the value placed on neutrality in the profession contributing to a shared moral myopia.

A practice, however, cannot be dubious or unconcerned with its ends. Accounting shapes and affects lives and is exercised by moral agents. Accountants are ethically bound to exhibit what Francis (1990) calls moral discernment, an ongoing concern with what they do and to what they contribute. The question may be validly and more often posed: “What in the world is accounting creating, shaping and legitimising, and is this helping to create a better, more inclusive, respectful and less-threatening world?”.

The answer must necessarily extend beyond a mere concern with technique. When accounting students as future professional accountants understand the full dimensions of accounting, they need also to appreciate how morality is central to its practice and why

accounting cannot be adequately conceived as a purely instrumental or technical pursuit. A moral practice can be understood as a practice whose actions or inactions influence others, both now and in the future. It helps shape the moral order of organisations and societies, which, in turn, affects individual and organisational behaviours. This is particularly evident in cases of the aggressive use of KPIs for remuneration purposes with undesirable pressure on moral behaviour and adverse reputational consequences (see, for example, Carnegie and Tsahuridu, 2019).

What is accounting in 2020?

While accounting is now understood as a broader, societally interactive phenomenon in today's world, the discipline still lacks a definition that accurately reflects its purpose and means for achieving it. Accounting is fundamental to the central processes of governance, strategising, control and accountability right across not only the corporate/for-profit sector but embracing the non-profit sector and the government or public sector. It encompasses considerations of accountability that embrace both the financial and non-financial. It reflects engagement and discourses between a multitude of stakeholders. This renders it a much more multidimensional phenomenon than historic technicist 'definitions' have recognised.

Why is this important? Accounting comprises both ends and means. The predominantly adopted conception in the past, viewing accounting as technical practice reflects what has been a strong focus on the means, which are hyper-developed, but the ends of accounting seem to be under-articulated and indeed hazy, if not very hazy or opaque. However, the ends are necessary to make accounting more accountable for its impacts (see, for example, Carnegie and West, 2005), whether intended or not, and its ability to address 'big questions' and 'wicked problems' in economy, society and environment. Importantly, accounting is strongly influential, and not just within our careers or workplaces. Not to recognise this social phenomenon, it is argued, constitutes a material disservice to accounting students of 2020 and beyond and to dedicated professional accountants of today and tomorrow. Rather than merely knowing "how to do accounting" we must, most importantly, address "what does accounting do" as well as, from a moral perspective, "what should accounting do".

Just as an organisation's mission statement or constitution can be powerful conceptual identifiers of identity and strategic direction, so our refreshed understanding of the nature of accounting today, lays an important foundation for the future directions of accounting as a technical, social and moral practice, with implications for organisational and social functioning and development. In the spirit of this intention, we put forward an explanation of accounting that takes us beyond historical limitations and engages with the full dimensions of accounting as has emerged in recent decades.

For debate and improvement, we propose a potential definition of accounting for consideration:

Accounting is a technical, social and moral practice concerned with the sustainable utilisation of resources and proper accountability to stakeholders to enable the flourishing of organisations, people and nature.

How can this proposed definition be tested?

To stimulate further reflection and debate on the above proposed definition, a series of 'test' questions are posited below, along with the authors' initial reflections. These are offered by way of definitional explanation and justification, and more importantly, to provide the profession, and those interested in its future roles and impacts, with the beginnings of serious further discussion of an expanded definitional concept of accounting. In our view, this is an important step towards stimulating changes in an international profession which is heavily institutionalised. Thus, we offer six questions and initial reflections as "debate incentive questions" that may draw different responses from other contributors on the topic.

Is there a need to demonstrate the role and relevance of accounting in modern society?

Accounting plays a role and produces information which is intended to be of relevance to society. This role appears in practice to retain its traditional technicist focus, with little attention paid to accounting as social practice and moral practice as well. Arguably, accounting has become somewhat stale, grounded in convention and lacking inventiveness. Yet it offers the means to be, and be recognised, as more actively engaged with, and impacting on, business and society rather than merely positioned as a neutral, benign, technical business focussed practice as the 'language of business'.

More complete and deeper consideration of accounting's impact is necessary to proactively use accounting, with new and traditional forms, to achieve broader societal missions and agendas. The subject of accounting, for instance, needs to extend well beyond business. It needs to play a key role in answering big questions and solving wicked problems in community, economy and society (these are not independent realms) and be applied to new causes, such as, pertinently, being used to preserve and conserve the planet (see, for example, Carnegie, 2019, Dumay and Guthrie, 2019). This paper argues for the consideration and adoption of a broad-scope definition of accounting which allows the full potential of accounting to emerge and for the discipline to grow as an enabler of action and a facilitator of change to help produce a fairer, less-threatened and better world.

Do the traditional accounting definitions undervalue the profession?

The traditional definitions of accounting, arguably, misrepresent the profession. Such misrepresentation has implications on attribution of responsibilities to it, as well as its evaluation. Like the conventional car crash dummy is not the person the traditional accounting definitions are not the profession. They lack a clear focus on what is the 'good' the profession creates and how would we know when it has been created. Traditional definitions are also conceived as "dating" accounting to an era when it was in its initial stages of professionalisation and do not reflect the advances made in scholarship and practice. Accounting has the capacity to contribute to undervaluing valuable, priceless, and

irreplaceable resources, such as the natural environment, our heritage, and on the quality of life.

While the world looks to accounting to serve a strong worthwhile purpose, that purpose is not evolving to accommodate changing societal concerns, including dealing with highly pressing global issues that call for accounting innovation and broad scope accountability, governance, and sustainability. For instance, increasingly communities and younger generations view the natural world, and all species within it, as needing to be better defended and adequately nurtured and protected. Accounting potentially offers one important avenue for influencing peoples' behaviours towards such critical agendas, as well as enabling personal, organisational and social flourishing.

What benefits will accrue to the accounting profession and the society that it serves if the definition is overhauled and updated?

A definition that is fit-for-purpose can contribute to a re-examination of the assumptions we hold, reassess what we consider to be a virtuous accountant, and potentially influence the identities and effectiveness of professional accountants. The international profession of accounting seeks to operate with members who comply with the spirit of IESBA's (2018) *International Code of Ethics for Professional Accountants*. While laudable, the selling-down of accounting as mere technical practice, as taught in higher education institutions, is not a focus that places the accountant in a position of moral influence or moral responsibility in many organisational cultures with perverse values and goals.

Such world views often seduce all levels of staff into dubious behaviours (or worse), such as when accounting measurement within aggressive organisations contributes to making 'good people' into 'bad apples'. For instance, such dysfunctional behaviours are oftentimes induced when performance is strongly driven by incentivised key performance indicators (KPIs) that produce a decline in moral behaviours within organisations and throughout societies. In short, what accounting measures, and how it does so, may lead to behaviours and actions that fall outside the moral boundaries that are considered desirable for healthy living in a fair society, rather than operating in, and contributing to, a piston-charged, species-destroying economy.

Can accounting improve the way it serves society?

We argue that accounting becomes accountable for whatever accounting reforms are proposed as desirable, or for maintaining, without adequate justification, long-accepted concepts and conventional practices which may have out-lived their role or contribution. The monetary valuation of the collections of public, not-for-profit cultural heritage institutions for financial reporting purposes, for instance, is an irrelevance to developing a clear understanding of the missions which drive such public institutions and their priceless cultural, heritage and scientific collections. Professional accountants, in particular, and the international accounting profession, in general, tend not to truly appreciate or essentially understand the types of, and importance of non-financial values in society. Instead they arguably have an instinctive predisposition to financially value (and audit) objects of all kinds, irrespective of whether they are widely regarded as priceless. Is what cannot be measured legitimately, in financial terms, auditable? Unfortunately, there seems to be a developing view in the profession that the answer is positive (see, for example, Carnegie

and West, 2005). Indeed, some mandated accounting practices in these respects are arguably at odds with what outsiders to the accounting profession would consider appropriate and justifiable and appear to neglect systems of valuation in non-financial ways (see, for example, Carman, 1995, 1996 in connection with archaeology).

By way of an illustration, does potentially placing a financial valuation on each surviving Orange-bellied Parrot (OBP), or collectively on the overall estimated numbers of all surviving birds, whether bred in captivity or in wild (Department of Environment, 2016), do anything of any consequence to save this endangered species from almost certain extinction, at least in the wild, apart from potentially diverting scarce resources away from the conservation program for the OBP?⁵ There is a vital, bigger-picture role for accounting and professional accountants to play in actively contributing to preserving and conserving our natural environment, taking into account all living species, which is increasingly understood as essential to our collective wellbeing.

Will the way the accounting profession is regarded change?

The accounting profession is represented as heavily associated with “business”, such as being regularly described as “the language of business”. Arguably, this seems to have become increasingly incongruous. While business is generally regarded as the “nub of capitalism”, and accounting and professional accountants may be desired as “agents of ‘capitalism’”, the world seems to be on a collision path with a natural environment which is increasingly being damaged by humans (read “all of us”). It seems that problems such as the massive and destructive Australian bushfires in the summer of 2019-2020, the global COVID-19 pandemic, and over-population combined with starvation in parts of the world, are each leading to loss of life and destruction of natural and social orders. These are signs of nature beginning to assert control over all of us, with its own unwritten list of pressing problems facing the world’s natural environment and, by implication, all of us, whether these be known as climate change, environmental degradation, public health crises or, in broad terms, the extinction of species.

In the interest of its survival and well-being, the world is not just a business and should not be simplified in any form in this vein, with accounting being its language. The world is populated with persons, organisations (such as ubiquitous public institutions, not-for-profit entities, social organisations, religious institutions, heritage and monument institutions, and behaviour-changing institutions) and societies of all kinds. Our world faces a plethora of challenges, most pressingly today including the search for a COVID-19 vaccine, and virus control strategies, currently the domain of scientists and health professionals. However, the organised accounting profession and professional accountants also have a key role to play in the worldwide contest against this global pandemic and other threats.

With a broader societal mission, accounting can be of more consequence and importance in a world which is understood to be considerably more sophisticated and complex than purely a mission to serve business. The “news” this contribution brings for accounting, is argued to be firmly positive, but mind-sets need to change. This change is what the proposed definition sets out to support, and on which we call for discussion and debate, and not only

⁵ The authors are not aware as to whether financial valuation of these birds is an adopted practice in the important endeavours to protect this species of Australian parrot from extinction.

from or by accounting and professional accountants. Accounting and public policy need to consummate a new, long-lived, and engaging marriage. This highly recommended action for consideration is well overdue.

Will the various arms of the accounting profession become more cohesive?

The accounting profession has become internationally institutionalised, especially following the formation of the International Accounting Standards Committee in 1973 (since 2000, known as the International Accounting Standards Board – IASB) (Camfferman and Zeff, 2007) and IFAC in 1977 (IFAC, 2007). The profession, because of this intensive international institutionalisation process, appears to have lost some of its flexibility to envision, react, act promptly with purpose, and to create a competition for ideas, creativity, innovation and innovative partnering. To move to that place with visions for the future (or new domains), offers a positive and timely “disruption” of a kind within the accounting profession: one that can be seen as both beneficial to the profession and its stakeholders as well as for individuals, communities, economies and the natural environment and all living non-human species. More generally, it is arguably crucial that we abandon our tendency to be disconnected from the societal and natural world around us and through a transformed accounting agenda develop a deeper understanding of, and wider respect, for that broader environment.

Towards Redefinition

Climate change and COVID-19 are some of the wicked problems we face around the globe. Accounting’s full potential as a technical, social and moral practice to contribute to the solutions to these problems has yet to emerge. It is hoped that our call on accounting scholarship and practice may contribute, even in a modest way, to moving accounting’s capabilities and inherent influence to create a better world consistent with a more balanced perspective on planet, people and profit.

It is trusted that this contribution will stimulate discussion and debate, and most desirably, replies from other readers of this journal, whether supportive or not, to maintain momentum in acknowledging accounting in all its conceptions. Accounting is more influential than many people may think. We contend that accounting has yet to reach its full potential and a clear and highly relevant ‘game-changing’ definition can provide the foundation for that achievement. We consider such commentaries and the dialogue they will hopefully ignite as important in shaping the future of accounting and informing the profession’s standard setters, policy makers and other stakeholders of its applications and accountabilities. Accounting is not a mere neutral, benign, technical practice. Understanding more fully the nature, roles, uses and impacts of accounting, we argue, will help to shape a better world.

Now we look forward to a discussion and debate to begin around the new definition of accounting proposed herein, as a necessary pre-condition to help move accounting to its future as technical, social and moral practice.

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