

Editorial

# An Editorial Note on Accounting - A Rethinking

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## Editorial

As one who joins this editorial board with a track record in doing critical and reflective research in accounting, I wish to make a call for rethinking and reconceptualising how we approach researching into accounting. So I offer this definition of what accounting 'is' in form and content:

Accounting is always a non-narrative statement that simultaneously names and counts!

First of all this definition offers a challenge to the widespread view of *ac*-counting as just 'counting'-something I notice in research approaches, textbooks, teacher and student talk, and the 'world outside'. Accounting is framed in shorthand where it is 'just' about numbers, calculations or 'number-crunching' (and so of course 'really' a technical issue needing good maths, statistical and perhaps economics knowledge). But this definition says that *ac*-counting is more than counting. First *ac*-counting has to *name* the knowledge objects which it then counts; so every account first has lists or columns of 'objects named' (both physical, e.g. land and buildings, and metaphysical, e.g. capital and profit) before then recording a numerical amount for each such object. Then to constitute 'accurate' and 'informative' knowledge it must name and rename these objects into forms that render them countable individually and jointly (so 'capital' becomes 'fixed' and 'working' capital, or 'costs' become 'standard' or 'target' and 'actual' costs). So *ac*-counting always adds naming 'to' (in Latin '*ad*') counting. So we might think of it first as '*ad*-counting', then '*ac*-counting', and so as always 'more than counting': which may be helpful in re-thinking and even formally re-conceptualising accounting. For instance we may be better placed to appreciate how far the long-term difficulty in both doing and understanding accounting, once you have a decent competence in the counting, lies on the naming side of the process.

Second, what I have just said brings out, hopefully, how the *form* of the accounting statement as such is always non-narrative. To name and count knowledge objects requires a lay-out with rows and columns, now regularized into spreadsheets and typically using alphanumeric characters (although the naming in modern accounts can be done with the noun-forms of any writing system), but discernible in accounts from 19<sup>th</sup> century cost accounts to the first double-entry systems, and back through accounting systems in China, India, ancient Rome and Greece, to those in early Mesopotamia and Egypt-'*Before Writing*' in the title of Denise Schmandt-Besserat's

book on the token accounting systems dating back perhaps to 8000 BCE.

To date, however, we have not been very observant, in research or teaching, concerning the distinctiveness and significance of the 'non-narrative' form. It is a significance indicated by Michel Foucault when he differentiates types of 'statement', in his theoretical work *The Archaeology of Knowledge* [1] between the familiar 'narrative' type-sentences, propositions and speech acts-and those like graphs, charts, formulae as well as, he specifically says, 'the account book' [2], all of which are non-narrative and not reducible to what is sayable in narrative format. The increasing 'purchase' of accounting information and truth-claims in modern economic, business and governmental settings is not, I suggest, separable from this form. Building on this kind of insight can potentially enable us to extend and deepen existing research into accounting both as form of 'truth telling' (which is not to say that all accounting statements are necessarily true) and as rhetorical means of promoting one or another given form of economic or governmental or environmental system or approach, research agendas now well established as part of the mainstream 'critical' accounting research field.

We here may enrich or even redirect the flow of that mainstream through extending some of the re-thinking and re-conceptualising that has already developed from such research, I believe, The 'naming' function of accounting has emerged as an issue through research that has taken up Ian Hacking's work [3] on how statistics tables (another non-narrative format, whose significance emerges with the 'avalanche of numbers' developing from the early 1800s) begin a new form of 'making up people'. Here the non-narrative format of statistics enables the kind of aggregation of data on populations which turns groups and sub-groups to be named (and then constantly re-named) as new categories of knowledge-object. As accounting joins statistics, we become renamed into categories of credit worthiness [4], where credit scores and ratings become calculable at the levels of the individual, the group or sub-group, and the whole population, whether the entity concerned is the human subject, the firm, the state, or indeed the financial instrument such as the CDO.

Such modern developments have ancient predecessors. Accounting already functions as a similar but distinct form of non-narrative naming and counting system before writing. We now have a wealth of material on the roles and functions of accounting before writing [5-10]. The thousands of cuneiform clay tablets unearthed from Mesopotamia constitute massive evidence of the sophistication and success of this accounting system as the basis for successful state-formation and political and economic government and management in Mesopotamia for at least 500 years before the cuneiform script is used to construct the first form of cuneiform narrative writing. So the non-narrative form precedes and enables the now-familiar narrative form, but not straightaway or automatically.

This mix between the historical and the contemporary, and so seeing both how accounting functions differently in different eras

as a significant aspect of understanding accounting, and also being prepared to see how the past operates in the present, is for me and for others working over recent decades an important aspect of this re-thinking of accounting [11-18]. Such research, with its mix of contemporary and historical concerns, may now, I propose, be enhanced through this approach, as we observe how accounting now extends its non-narrative form of naming and counting to enable the tracking, evaluating and monitoring of performance in all its forms human or product or services, at any level, both inside and outside a given organization. Naming objects (including the human subject as 'accountable' object) has become one most powerful human knowledge forms, and even 'abilities', that we have.

Moves from *historical cost to fair value accounting* construct a re-naming which enables [19] a revaluing of the 'bottom line' of every single entity which 'financially reports'. We have grown accustomed to the new naming of the environment as countable in still-emerging forms of environmental accounting which seek to translate costs of environmental pollution and damage into monetary values while struggling with the limitations of discounted cash flow analysis for valuing costs that extend for centuries rather than decades. In my own work I have observed how professionals who have previously operated outside an accounting infused world can learn, when the 'power' of accounting cannot be avoided, to remake themselves as accounting-aware and accountable professionals through appropriating that 'power' to meet their own objectives. So nurses in a serious heart disease clinic used accounting data on time and cost per patient 'interface' to establish a manageable time-norm of 10 minutes for each ongoing check-up, thus constituting the patient as 'the 10-minute patient', but also the professional as 'the 10-minute nurse' [20-21].

Other possibilities emerge where we may think accounting beyond the conventional categories where it is just a calculative technology or form of inscription presenting information in black and white (now with optional splashes of colour). We may 'listen to accounting' through translating a set of accounting values into musical note values [22]. We may seek to 'dance the Dow' through translating the non-narrative movement captured in a graph of Dow Jones monthly closing values via choreography into a dance performance [23]. We may additionally begin to reframe the way in which we teach and learn accounting if we alert students to how accounting is more than 'the numbers' and how the non-narrative format of accounts is a non-trivial issue. There is a continuing value in enabling them to see how accounting today is not the only 'way' accounting can be, and how the accounting professional is not simply the 'servant' of 'the numbers', as one student once memorably put it to me. This may perhaps open up a new path towards the long-held goal of thinkers such as Schön and Argyris of enabling the knowledge professional to become the 'reflective practitioner' [24].

So I hope that my contribution to the intellectual scope and editorial dynamism of the journal may include raising the profile and significance of possible ways of re-thinking and re-conceptualizing accounting in general, as well as along the lines that I have sketched out here. For me these are interesting times in a good way, where through this new journal we can extend the range of things we say as an integral part of building the scholarship and scholars of tomorrow.

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