

Exploring Accounting History and Accounting in History.

Karen McBride^a and Shraddha Verma^b

a Accounting and Financial Management, Faculty of Business and Law, University of Portsmouth, Richmond Building, Portland Street, Portsmouth, PO1 3DE, UK.

b The Open University Business School, Department for Accounting & Finance, Walton Hall, Milton Keynes, MK7 6AA, UK.

Abstract

Accounting history, as the history of accounting and the consideration of accounting in history, provides insight into an understanding of accounting in the past, for the present, and into the future. Whist often viewed as a routine, rule driven practice, the accounting history discipline recognises accounting as having a much wider pervasiveness as social practice and even moral practice. As social practice accounting affects individual, organisational and societal behaviour. This collection of articles demonstrates the importance of looking at history to provide context and illustrates that understandings of the past lead to comprehension of the present and foresight for the future. The articles in this special issue, international in essence, epitomise the diversity of the accounting history field in exploring accounting in diverse organisations, in investigating accounting in its wider context and in employing different theoretical approaches. In considering the accounting phenomenon that occurred, there is additionally the insight of that which did not occur, the relevance of past events and non-events as an ingredient to better understanding the present and to potentially reshaping the future.

The articles explore of the role of actors/agents around accounting and organisational change, how key individuals and networks of individuals, can influence others, both within and external to the organisation, to enact change or prevent change in areas where accounting contributes. It is suggested that these studies could be extended, to consider more widely the influence of the interaction of individuals via prosopographical or similar studies. This collection of articles has global reach, there is an additional call for more international, interactional or comparative approaches to studies in accounting history. Accounting history studies can further investigate organisational contexts and situations, exploring reporting internally and externally to the organisation and informing current and future accounting and related practices.

Accounting history, both an awareness of the history of accounting and of accounting in history, has a reputation for providing insight into the better understanding of accounting for the past, the present, and for accounting into the future (see, for example, Carnegie and Napier, 1996). Three key conceptions of accounting can be recognised: Accounting is technical practice, social practice and moral practice. Whilst, accounting is well-known universally as technical practice, Tsahuridu and Carnegie (2018) demonstrate how accounting

has a much wider impact as social practice impacting on organisational and social activities and development. Accounting historians are shown to subscribe to this view, 'Far from treating accounting as technical practice, accounting historians are revealed as conceiving accounting as social practice, both impacting human behaviour and organisational and social functioning and development. As social practice, accounting is deeply embedded in organisations and societies and inherently pervasive' (Carnegie et al. 2020 p1). Studies of the contexts in which accounting operates add to our knowledge of accounting as social and organisational practice (Hopwood, 1983).

The articles published in this special issue provide evidence of this interaction, where accounting is demonstrated as interacting with, and impacting upon, organisational practice and human behaviours. These articles use a combination of historical sources to illuminate the context of their historical period and the accounting found therein, exploring the social, political and contextual nuances of accounting of the local, time specific time being investigated. This collection of articles are international and represent a diverse range of topic areas and, accordingly, they reflect the broadness of the accounting history field, even with the limited number of contributions that can be presented within such a special issue. The articles consider the role of individuals, their peers and others as they interact with accounting. They investigate the relevance of accounting practice and oft times accounting emergence and change alongside the interactions of accounting with other practices of organisations. The contributions demonstrate the value of looking at episodes in history to provide context, understanding of the past and relevance to the understanding and appreciation of today's world. Whilst the articles consider what accounting phenomenon took place, they also inherently expose and value what did not happen as insight too. They enlighten us on the relevance of the past and of how accounting in the past is an ingredient to better understanding the present and to potentially reshaping the future.

Nowadays, accounting is often perceived as a discipline focused upon contemporary issues as if the past really is a foreign place, and the phenomenon there, including accounting, has no bearing on explaining or shaping the present. Often, it seems to be believed that every issue to be addressed is new, and that solutions need a modern perspective one related to the present and not seen as a product of the past, with no understanding of past iterations of accounting and associated impacts. Most of the issues that arise in accounting and in business organisations are not 'new' and, it is timely to recall that 'those who cannot remember the past are condemned to repeat it' (Santayana 1905, 284).

History teaches us all lessons about circumstances that have existed and how they were addressed and what the consequences may have been. However, we appear to continuously ignore the lessons of the past and endeavour to deal with our problems in a way mostly informed by present-day opinion and perspectives. Accounting topics researched today have a past that deserves consideration and investigation with antecedents hundreds and, in some cases thousands of years, in civilization's past. Contemporary accounting research can and, it is argued, should benefit from an understanding of how these and similar topics were previously addressed and how accounting is engaged, as an instrument of power and control, in organisations and society. Indeed 'accounting historians are more likely to see accounting

is an instrument of power and domination than as a value-free body of ideas and techniques for putting into effect and monitoring past contracts freely entered into between individuals' (Carnegie and Napier, 1996, p. 7).

The aims of this special issue are:

- To consider the historical development of accounting thought and practice;
- To embrace subject matter related to accounting history, and
- thereby to demonstrate the relevance of accounting history to the present day, to present day problems, and present-day solutions.

This article introduces the special issue which provides an overview of the contribution accounting history makes to accounting research. First, we provide an overview of accounting history research and then go on to outline the contributions contained in the special issue, which focus on providing a historical development of accounting thought and practice, providing a historical perspective on contemporary accounting issues and contribution to present day accounting. The seven articles appearing in this special issue have adopted different approaches, including theoretical, archival, and empirical and employ a range of research methodologies

Review of articles featured

As noted above, this special issue focuses on the contribution of accounting history in understanding the development of accounting thought and practice and in understanding the process of accounting emergence and change. Although the study of accounting history is not limited to providing a historical perspective on contemporary accounting issues, the studies accepted for this issue may all be seen as contributing to studies of contemporary accounting issues as input to discussion and debate on those issues. The studies generally consider how broader social, political and economic concerns and contexts have impacted on accounting practice or how accounting has impacted or responded to wider social, political and economic contexts and concerns. All articles employ archival data and adopt different theoretical frameworks or informing frameworks within their studies which cover a diversity of different organisations, time periods and contexts.

Napier and Giovannoni (2021) outline evolving accounting practices for heritage assets over the time period 1881-2019 for the Royal Holloway picture collection, acquired by Thomas Holloway, the founder of Royal Holloway, during the period 1881 to 1883. Drawing on both Jean Baudrillard's "orders of simulacra" (Baudrillard, 1983, 1994) to study the relationship between accounting signs and their referents and Bruno Latour's notion of "matters of concern" (Latour, 2004), the authors discuss the issue of whether including heritage assets in the balance sheet affects the ways in which heritage assets matter to organisations and how they are perceived and managed. In particular, Napier and Giovannoni (2021) consider whether changes in the accounting treatment of the picture collection changes the perception of the pictures, for example, from cultural assets which need to be preserved, to assets available for sale. The paper adds to the debate on accounting for assets, in general, and accounting for heritage assets, in particular. The authors raise the need for accounting

regulators to reflect on how accounting can alter the ways in which items matter to stakeholders and possible consequential actions that may arise in post-monetary valuation conditions.

McBride (2021) explores changes in accounting practices within the Royal Navy in the period of 13 years leading to 1832. Using the theoretical lens of historical institutionalism (Pierson and Skocpol, 2002), identifying critical junctures (Capoccia and Keleman, 2007) and examining the role of key actors in the process of change, the author explores financial crisis as being a catalyst for change in the public sector – in this case the introduction of private sector bookkeeping practices and the mercantile system of double entry into the Royal Navy. The study shows the importance of studying military organisations in peacetime, the involvement of Government in accounting change, and the pivotal role of key individuals in determining the outcome of the change process. As well as contributing to military accounting history and the accounting history relating to double entry bookkeeping, the themes of the paper resonate in several ways with other current issues. These include the role of crisis in accounting emergence and change, the political influences to enabling on accounting change, and the influence of key individuals as historical actors within the process of accounting change.

The study by Miley and Read (2021) also concerns the military forces – their focus is on the British Army in the first world war and accounting intransigence in relation to shell shock. Applying Parsons' four factors of system stability framework (Parsons and Smelser, 1956), they seek to understand the limited medical accounting response to shell shock in the first world war in the British Army, with particular focus on the Royal Army Medical Corps and its accounting system. In this case, the British army and medical opinion were divided on whether shell shock was a legitimate medical condition. Military priorities such as the maximisation of the number of front-line soldiers, seen as critical by senior army commanders, significantly influenced the accounting system of the Royal Army Medical Corps and their intransigence around shell shock. Miley and Reid's contribution, as well as addressing military accounting history, explores wider issues and themes including accounting research on healthcare, understanding accounting system intransigence. This focus, in turn, allows for a better understanding to the provided of the processes of accounting change by recognising factors that may inhibit the process of change and contributing to accounting research on information and control systems under stress.

The next two studies featured in this issue build on research within accounting history which explores accounting, religion and religious institutions. The two articles on accounting and religious institutions in this special issue explore accounting change and the sacred and the secular within very different organisational settings.

Bigoni, Maran and Ferramosca (2021) examine accounting practices at the Benedictine Nonantola Abbey during the period of 100 years from 1350 to 1449 using the concepts of time and space. The Abbey was at the centre of complex networks of accountabilities which incorporated an extensive agricultural network and a range of relationships between the Abbey and different key stakeholders. The main characteristic of the accounting system was the maintenance of a control system for its agricultural network and identification of the

different stakeholder relationships. The study shows that both linear conceptions of time (within which Christian beliefs were firmly grounded) and cyclical conceptions of time (due to the agricultural activities with which the Abbey was associated) co-existed and had an impact on the way in which transactions were reflected in the accounts. The study also focuses on the sphere of influence of the Abbey within its geographical space, analysing the characteristics of properties and lands, the types of stakeholders, and the relationships of key stakeholders with the Abbey, which were made visible within the accounting practices adopted by the organisation.

Antonelli, Coronella, Cordery and Verona (2021) investigate a very different religious context, that of the Papal State, a structure which combined both State and Church Government, during the papacy of Pope Pius IX during the last 25 year of its existence from 1846 to 1870. The research examines the role of accounting in an institution beset by crises, resource constraints and struggle for survival, proposing a theoretical framework which allows a nuanced understanding of the sacred-secular divide concept. Governance and accounting reforms were instituted by Pope Pius IX to assist in decision making with the aim of enhancing the Papal state's sustainability. The study highlights a disconnect between the sacred aims of the State and its actions, for example, through procuring illegal revenues, borrowing from non-Catholic lenders and diverting donations from the purpose for which they had been donated. The study also shows that individuals with accounting roles in the Abby determined what was made visible and that, in this case, the secular was emphasised rather than the sacred aspects of the Papal State.

Both of these studies contribute to contemporary debates both in relation to religious institutions but also, more generally, such as in relation to the potential disconnect between accounting policies and their adoption in practice and organisational accounting change both in times of stability and crisis.

The advent and development of the accounting profession has been a focus of study within the accounting history literature and the paper by Sian and Verma (2021) extends this literature in relation to changes to the accounting profession in pre-independence India. Drawing on Cannadine's theorisation of "ornamentalism" and "construction of affinities" (Cannadine, 1999, 2001), the authors argue that class as well as race was at play in the professionalisation trajectory in India during the pre-independence era and that some Indians were able to "construct affinities" with the British under certain circumstances. The study highlights changes in the accounting profession in India which enabled some Indian accountants, predominantly those from the higher castes, to become professionally qualified – a trait that was not seen in other racially-diverse colonies, to the extent that it was in India. The study continues a stream of earlier studies on exploration of professionalisation in different time periods and in different States across the world, an area which continues to be important today, such as in relation to current issues around diversity and social mobility within the professions, in general, and the accounting profession, in particular.

The final paper in the special issue takes a broader view to exploring calculative practices and the influence of these practices. Moerman and Van der Laan (2021) focus on the development of calculative practices in the setting in direct response to wider social and

economic concerns. They explore the recasting of the social anxiety of a pauper's funeral faced by people of the poor and working classes into the novel metric of a "funeral benefit". Using the lens of social anxiety and moral panics (Cohen, 2002, Goode and Ben-Yehuda 1994), the change of particular concern in the study is the rise of burial clubs, which commodifies a social risk into a manageable and controllable financial arrangement. The article demonstrates how the establishment of burial clubs gave rise to straightforward calculative practices in response to social anxiety and, as such, they explore the social origins of calculative practices. These calculative practices, continue to be prevalent today within the funeral insurance industry. Therefore, this study addresses the historical development of such practices. The study again highlights the importance of exploring the social, political and economic context in which to position calculative practices, including forms of accounting.

The studies in this special issue reflect some of the diversity of research currently undertaken within accounting history with different organisational settings being investigated and a range of theoretical perspectives being employed. All of these studies are shown to explore and explain accounting emergence and change in the contexts in which it operates. The papers in this special issue highlight / showcase the strength and diversity of research within accounting history in particular focusing on papers that provide a historical perspective on contemporary accounting issues and demonstrate relevance to present day debates and issues. In particular, the studies show the importance of accounting history research in tracing the impact of the social, political and economic on accounting and on accounting responses to the social political and economic.

Future research

The papers in this special issue explore accounting history in very diverse organisations across the private, public and third sectors, including some which may, perhaps, be regarded as unusual sites for accounting studies. Accounting history has a particular strength in exploring accounting within different organisations and placing accounting within its wider context. This includes historical explorations of how decisions are made, how organisations react to different factors and situations, both internal and external social, economic and political factors, and how they do (or do not) change in response. The exploration of accounting within such diverse organisations is of continuing interest and the influence and impact of organisations on each other – with studies of influence and impact in different directions, is a potential source of future research.

There is space for both detailed historical studies of accounting which explore particular cases but also for studies which combine the historical method explicitly with a particular theoretical approach, as has been seen in most, if not all, the papers in this special issue. The papers employ very diverse theoretical perspectives and this is to be welcomed and developed further within accounting history research, whilst at the same time, recognising the value of detailed historical studies of accounting. Such theoretical perspectives may include biography, cliometrics, content analysis, hermeneutics, oral history, prosopography and actor network theory to name but a few.

The exploration of the role of agents / actors within accounting and organisational change, exploring both the role of key individuals and how they are able (or not able) to influence others, both within and external to the organisation, to enact change is an area where accounting history can continue to contribute. This includes studies which explore how accounting and organisational change unfolds – both studies of attempts, some successful, some not, to implement accounting change and studies which explore how accounting responds to changes in the wider social, political and economic context or to other organisational and governance imperatives. Changes that are seen are sometimes as intended but often unfold in unintended, unpredictable, complicated and convoluted ways, sometimes leading to changes actually implemented being disconnected from intention and/or policy. Within this process, the exploration of how different interests arise and interact to influence (or not) those involved in accounting and organisations and the process of change including how this is conceived, implemented and/or resisted in a range of different organisations and at different levels within organisations is certainly of interest to the wider accounting community.

In terms of particular topic areas, as well as extending accounting history to different organisational contexts and time periods, potential areas of study include adding a greater focus on management accounting as well as financial accounting and reporting for example management accounting techniques and practices and the management accounting profession. And finally, in relation to widening the current focus of accounting history research we also reiterate Napier and Carnegie's (2002) call for more international, comparative accounting history, an area which still remains of interest.

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