

UNDERSTANDING ACCOUNTING AS A SOCIAL AND INSTITUTIONAL PRACTICE; POSSIBLE EXIST OF ACCOUNTING SCIENCES FROM THE CRISIS

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ABSTRACT

This study demonstrates the shift in accounting viewpoints in the current market conditions for organizations operating in worldwide marketplaces in a dynamic market. External factors (company scandals, financial crises, etc.) must be considered for the development of accounting as a profession. The importance of proving accounting's scientific basis is emphasised. Accounting notions regarding data networks with deep learning increasingly replacing accounting are rejected. As a result, the study aims to affirm accounting's scientific relevance and support its further growth as sociology focuses on resolving social challenges and providing a more comprehensive social context. The theoretical foundation of this work is the discovery of factors relating to the design of multiple accounting models, as a consequence of which the accounting aims are modified. Accountancy, it is claimed, is a social science that investigates the elements of the financial reporting system's function as a cultural and organizational practice. Another way out of the current dilemma is to understand accountancy science better. The causes behind the lack of knowledge of accounting as sociology among Ukrainian scholars are discussed as possible solutions. On the one hand, accounting is a result of the social context, a mechanism for representing an enterprise's economics. But on the other side, as just an instrument for structuring social interactions that occur originating from the operation of accounting as a distinct social-economic institution, it impacts the construction of society and culture.

KEYWORDS: *Accountancy Science*

INTRODUCTION

Financial systems, the extensive use of the equipment and related technologies, the beginning of socioeconomic externalized costs, and the increasing prevalence of the role of intangible assets in the development of market valuation are driving the need to transform the accounting system in the twenty-first century. Scientists have highlighted this and have called for a new accounting paradigm (Shortridge & Smith, 2009). Nonetheless, real criticisms of accounting's ability to adapt to such changed situations for the operations of corporations operating in worldwide marketplaces to a dynamic market were leveled in the 2000s as a result of business scandals surrounding accounting (Hopwood, 2007); others think of accounting as a simple group work that has evolved in response to the real concerns of industry and government. As a result, it lacks and does not require establishing a scientific foundation to accomplish its responsibilities. Simultaneously, experts in related fields of science predict that accounting will be phased out and replaced by information systems based on artificial intelligence, confirming its scientific inferiority in the face of deep public mistrust and worry about the degree of consistency of financial statements. For instance, eminent American scientist-physicist and futurologist Michio Kaku predicts that worthless intermediary occupations such as accountants will eventually disappear (Kayne & Baer, 2017).

Accounting academic standing for its ongoing development and explanation of the attempt at social sciences is necessary because it will allow the assimilation of current accounting work into social issues and a broader social context. Accounting as cultural and organizational practice research usually looks at accounting from a general viewpoint, investigating how accounting methods are applied in different social and corporate situations. That very research demonstrates that accounting is much more easily comprehended as a vibrant, social construct practice, to the juncture in which researchers have tried to argue that there is no ‘natural’ or ‘repaired’ realm to which accounting practices are. It, therefore, should be, tried to apply, nor that there is a stationary arrangement of methods that generally fall inside the way business is made (Potter, 2005). They frequently associate the implementation of accounting methods in specific organizational situations with consequences for personal actions and corporate and societal functions (McSweeney, 2000).

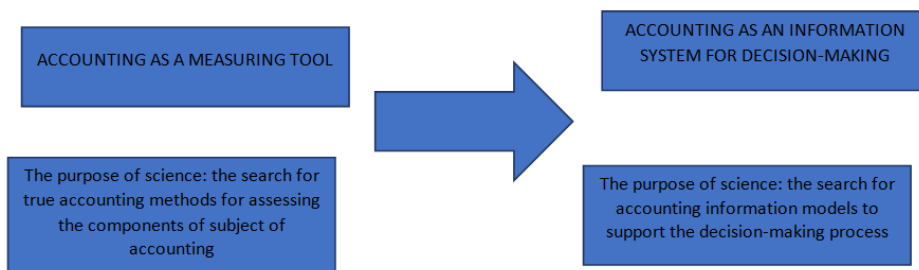


Figure 1: “Changing the Purpose of the “Accounting Science”: A Traditional Approach”.

Many people use the social and institutional perspective to investigate accounting as a tool for influencing how organizations and societies operate. This viewpoint confirms that accounting is no longer appropriate as a technical profession that reveals what was before components of reality or specific facts about a company (McSweeney, 2000).

Institutional theory is a method of accounting that tracks the functional and regulatory goals and procedures as they go from a pre-existing economic system to modern market reforms. It goes on accounting imperialism’s engineering dynamics, categorization, the many stages of accounting, inner actions, issues, judgment, and active preventive approaches. The actual practice of information technology in accounting establishes the primary distribution of data and numerical records that ruin the entire functioning of the regulation accountancy process, known as the institutional theory in accounting.

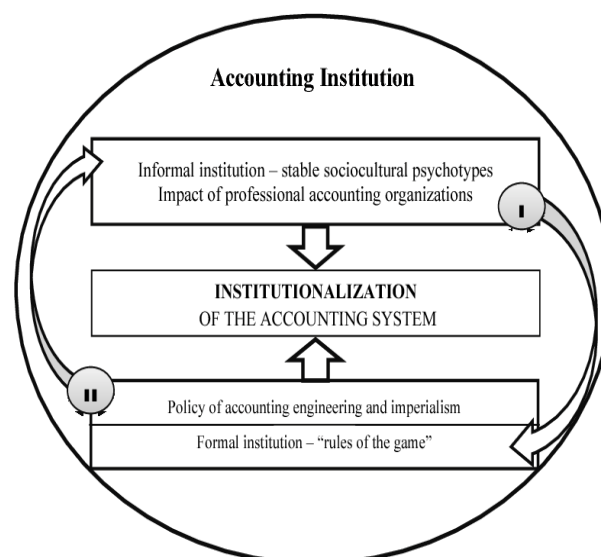


Figure 2

Irrationality, misquotation, and incomplete accountants' statements, analyses, and studies are the fundamental issues with accounting theory and practice. Inconsistencies hamper the task of putting accounting theory into practice. Accounting development science has recently acquired traction due to the recent comparison. This has transformed an economic position into a worldwide enterprise. The capitalist market and corporate judgment process have benefited financial accounting.

RESEARCH METHODOLOGY

The interviewer continually updated and amended the questionnaire form based on respondents' comments in qualitative research. All of the interviews were conducted face-to-face or using Zoom video conferencing software at times suitable for the participants. It took about an hour to complete each session. Sampling and purposeful sampling were used to recruit people. Participants acquired using two researcher helpers' social networks, and each participant was invited to propose to other participants till the necessary form was full. One of the most central themes to consider while selecting qualitative research" A total of 150 customers, ages ranging from 24 to 62, took part in the poll.

The interview is a method of acquiring detailed information related to the topic from an open-ended and resourceful participant. In-depth interviews are a qualitative research method that aims to elicit more information about a respondent's ideas, emotions, and perspectives. In-depth interviews were used to acquire knowledge. The in-depth interview is the most often used technique in a phenomenology investigation. Each interview was approximately 30 minutes long. To obtain reliable answers, all talks were verbal and fully transcribed. A competent transcription service ensured outstanding transcripts and increased data quality. The phenomenological reduction was used to analyze the data (Mason, 2017). Data is gathered from both primary and secondary sources. Secondary data was acquired from available literature, institutions, and online sources once the preliminary data had been thoroughly scrutinized. To get primary data, qualitative interviews with a moderate framework are performed.

Data Collection

Qualitative interviews were used to perform this study. Interviewing participants and collecting information through scholarly publications, web pages, and dissertations were employed in the qualitative analysis. These data sources are believed to be more efficient and user-friendly. Moreover, data collection necessitates less effort and focus (Pliakas, 2017). Every study necessitates proper and appropriate data gathering, particularly for researchers who must recognize facts, comprehend underlying issues, and find answers to the research questions. Mason (2017) cites several sources to support his claim.

The "literature review for secondary data collection" proves valuable datasets collected from related research articles. Additional databases consulted by the researcher include Google Scholar, JSOR, Sci-Hub, and Science Direct. Various websites and periodicals have identified appropriate information using long-term planning, business repercussions, airline reaction, talent management challenges, wage freezes, and pay freezes. The original study methods will be complimentary, beginning, progressive, and extension, thanks to the qualitative technique. The research will be carried out through identity inquiries based on historical data, including statements regarding variables such as accounting and cultural and organizational activities.

Current publications have been used to highlight concerns for the research to focus on contemporary challenges; for this reason, articles published between 2015 and 2021 will be examined. Convenience sampling will be utilized to choose pieces because it will provide the researcher with the most significant number of samples. As a result, the problem's solution will become more general. The essential articles will be simply accessible and economical with this sample strategy.

It is intended to select approximately 300 articles for this purpose, adhering to the keyword selection criteria to the letter. The entire data collecting procedure is expected to take 2 to 3 weeks, during which time the essential information will be gathered from the articles mentioned above.

Method of Data Collection

According to Kumar (2018), Away is a set of procedures utilized in a specific subject. The research requirements were achieved using content analysis in this study. Content research is a strategy for determining the breadth of keywords, concepts, or topics in qualitative data, according to Drisko and Maschi (2016). The descriptive study can quantify and assess the existence, relevance, and correlations of specific keywords, issues, or concepts. As secondary data, several legitimate databases were employed to find related research papers for the "literature review." Scholarly Articles, Academic and Research gates were among the other sources used by the investigator.

Strategic planning, economic implications, airline response, talent management issues, salary freezes, and wage freezes were used to find relevant data regarding different sites and publications. Other analysis techniques were employed to acquire data because it was collected utilizing qualitative methods. The material gathered from numerous articles was subjected to conversation analysis. This form of analysis benefited them in comprehending the aim of their studies, the importance of those studies, and the evidence of undertaking some research, all of which were demonstrated by these assessments. In addition, a discourse analysis technique has been invented: first, research studies' research goals will be emphasized, followed by the contexts used to construct, and finally, the information available will be provided. After studying architectural aspects by evaluating people's statements, that material will be classified.

RESULTS AND DISCUSSION

The role of accounting inside the social context is another example that demonstrates the need to learn accounting fundamentals. This is because, today, a team of scientists is trying to accuse accounting of being directly involved in the international economic meltdown (Horvat & Koroec, 2015), implying that the position of accounting throughout modern society should be reconsidered as the accounting system and Its components (fair value assessment, off-balance-sheet finance, accounting system) not only portray reality while staying neutral but also help to prevent fraud (Lev, 2003).

However, they also have a direct role in developing social reality. Accounting now is seen as a set of practices that depend on the type of current world, as well as the kind of contemporary social world, how we understand the options available to a company and people, how we organize a wide variety of activities and treatments, and how we administer the lives of others. Accounting's existence began to be recognized in the context of specific persons or organizations seeking accounting data and humanity's advancement. This allowed us to debate how accounting science, which studies these occurrences, should be considered a social science. As a consequence, it rules the business's financial results. The scientific technique portrays and produces a new social reality for consumers and companies, influencing their decision-

making processes. Accounting principles allow a specific ‘financial’ lens for seeing or ‘comprehending’ an individual’s actions and organizational outcomes,” Potter (2008) writes. As a result, such methods can be used to regulate people, organizations, organizations, and society.

Accounting became a significant management paradigm of organizational and social structures in various settings due to its ability to provide action options in companies and communities.” When opposed to individuals and enterprises employing accounting information, accountancy allows them to change and help compensate for social interactions and affect the perspectives of individual entities and enterprises. These social relationships should be included in accountancy as a discipline as well. Scientists must design and develop theoretical explanations of contemporary accounting practice as specific social and cultural phenomena that cause human relationships on the one side and is the outcome of social relationships on either hand in the framework of this greater awareness of accounting.

“In conclusion, our interest is not with the accounting system per se, but with the overall organizational structure as a societal institution when examining the accounting system’s function in mediating sociological elements in the company,” says the author. Our ultimate objective in system design should not be to construct a perfect chart of accounts in and of itself, but to create a system that generates criteria in the context it functions.” As a result, comprehending accountancy as a social science necessitates considering an external aspect in the construction of financial accounting, which is based on assessing users’ demands and evaluating trends in their potential modifications.

Weber believes that the contemporary logical structure of a capitalist firm cannot be envisioned with two key components: separation of the enterprise from home and closely associated accounting statements. This idea of accounting as a social science stems from Weber’s work. The writer attempted to demonstrate the interconnectedness of accounting rules, norms, and unfettered capitalist social values by emphasizing the necessity of accountancy in a capitalist society. Depending on this strategy, establishing a comprehensive accounting system should consider its impact on the current societal social system (social organizations and people) and its concurrent reliance on values created in the social context.

The above data persuasively demonstrate the necessity of treating accounting as just a social science; nevertheless, as a review of recent research revealed, Ukrainian scientists do not make such claims. The following factors can explain the current condition: Modifying the scientific community’s and society’s general perceptions of accounting are challenging because it necessitates the transformation of fundamental accounting principles, as well as ancillary theories and ideas piled on top of them, that can lead not only to non-acceptance of the strategy but also deliberate opposition to the use of. “Constructing a research strategy that interweaves accounting with the social constitutes a significant task,” Walker (2016) writes about this topic.

Accounting research is a legacy that Soviet heritage feels in the domestic study, Despite the broad adoption of modern accounting concepts by standardization and harmonization of the national accounting system. As a result, even though the accounting system has been in use in Ukraine for a long time, few though research has examined the effect of professional judgment and transactions and accounts on users and organizations of accounting data. A few researchers can be identified among domestic studies in this field who work to deepen these notions. Yukhymenko Nazaruk focused on specific concerns connected to the impact of an accountant’s professional judgment on the choices of accounting information users (2014).

It should also be emphasized that, due to the economic stagnation of the domestic financial sector, The dispute over the importance of a social and behavioral focus on accountancy growth has sparked little interest in researchers among Ukrainian specialists. Vysochan and Lutsyuk (2017) and Vysochan (2017) look into the impact of behaviorism on domestic accounting scientific knowledge, the basic assumptions that behaviorist (financial reporting) theory of accounting is based on, preconceived notions as a socio cultural trend, and the influence on just receivers' misguided belief of accounting information. Often these scientists' comprehension of accounting as a social science is limited, specific to financial reporting reflective thinking using conventional techniques such as social projects in the sense of a company's current socially responsible behavior, which is an instance of the introduction of the idea of accounting and social going to report, which would be proffered in fragmentary form in the appears to work of several Ukrainian scientists. Due to the emergence of norms underlying the development of integrated thinking ("The International Accounting Standards Board, Incorporated Reporting, Sustainable development Reporting Requirements," etc.), another of the components which would be the social or cultural capital of the venture, this area of science investigation became even more popular recently.

At the same time, researchers tend to overlook the issue of accounting's effects on the growth of the outer social world, concentrating instead on the sequence in which specific communally indicators and socially significant firm operations are represented in accounting and reporting. Explicit, in the works of) Korol, the concerns of introducing the new trying to report concept in the context of organizational reform in Ukraine are illustrated through the study of trying to measure and predicting the possible dangers of economic, social, and ecologic conversations of product lines and culture through metrics of knowledge management (2017).

In recent years, the increased adoption rate of digital accounting technology in SMEs could be attributed to organizational practices from business relationships and regulators. Emerging needs for billing, monitoring, and data transfer by governments, large corporations, and organizations are critical variables that will undoubtedly impact future innovation and rapid adoption. Furthermore, as explained by, clear evidence of coercive and mimetic effects may be detected. According to a previous study, external institutional forces, such as copycat and authoritarian behavior, and the economy appear to influence the later proliferation of digital accounting techniques (Malmi 1991). However, no evidence of harmonization or legitimacy emerged during the study years. *Acta Wasaensia* 40 Because the transition to digital accounting procedures looks sluggish, and the restraining factors have had a more significant impact than the diffusion boosting factors thus far. One of the challenges in implementing digital accounting technologies is that the total value of the technology can be realized if a sufficient critical mass of research and data transfers is obtained. To meet the supply side's requirements, it is stated that information accounting technologies must function as cross-systems with high network interrelatedness.

Accounting businesses will be unable to implement modern technology if their business partners lack access to it or refuse to accept it. Accounting service companies and their business associates who are SMEs have limited time and budget and are concentrated on their primary business. Furthermore, in global trade, existing disparities in rules, cultures, and practices among nations appear to slow and prevent the global spread of digital accounting techniques.

It is planned and managed by people (people who are part of the company at the enterprise and members of the congress accounting system), for whom the interactions with the other members of the community may determine the fate of the accounting system's operating (for example, a tax system); it is organized and conducted by people (members of the company at the enterprise and elected members accounting system (Gullkvist, 2011).

Accounting should be viewed as a device for representing an enterprise's economics. That would be a tool for shaping social structure as a tool for molding social links and operations that come from accounting's functioning as an independent socioeconomic organization. According to this strategy, the method of developing accounting data, in particular by attempting to implement an accounting rule, has a clear political undertone since it protects the interests of specific sets of people while also going to act against the self - the welfare of others, as demonstrated by an investigation of agency problem in accounting, that also presumes the aesthetic of moral hazard as well as moral hazard instances. This area of accounting advancement in Ukraine is currently in its infant stages due mainly to factors: 1) a lack of customer perception of the results of such studies, which would be induced by the domestic assets market (particularly the stock industry's) inadequate developmental level; and 2) a lack of desire, capacity, and tradition of trying to conduct of that kind research among members of the Ukrainian financial reporting science establishment. This does not suggest that study in this area is still helpful or perhaps vital in Ukraine nowadays (Walker 2016).

CONCLUSION

Given a need to prove accounting's scientific validity in the context of the financial reporting game's transformation, it's critical to consider it as a social restraint that analyses the qualities of accounting's operation as a social and institutional practice, which is a novel approach for representatives of the Ukrainian accounting science institution. Accounting is a scientific discipline that necessitates treating it as a set of values, methods, laws, and theories for the organization's working purposes and values, methodology, rules, and ideas for the organization's management causes. First and mainly for managerial choices, but also as a field that investigates the relationships between social groupings and members of society about the usage and influence of accounting data. According to this perspective, accounting is a product of the social context on only one side, and it affects the development of its production on another. Alternatively, it could be an example of how accounting theory research can go ahead of current accounting practice, laying the groundwork for improving accounting's standing as a distinct social and institutional discipline. In a hybrid conflict, accounting, for example, is being used to achieve political objectives.

As a result, examining the relationship between accounting information and actions made by political power subjects is a pressing concern. Accounting permits the political establishment to explain the need to initiate or maintain a military engagement by implementing an information role. They can use control to affect the subject in armed meetings while also influencing the order of combat activities.

Because accounting is now recognized as social science, it is conceivable and required to perform interpretive, critical, and behavioral studies to advance it. The actions of entities responsible for developing an accounting system of regulation (laws, guidelines, instructions), subjects of preserving and organizing accounting at a venture (management, accountants), attempting to make accounting professionals' judgments (accounting choice), and transition points ought to be the concentrate of their awareness.

Overall, this will allow not only for a greater understanding of the aspects of modern accounting system's operating and also for a better knowledge of the complex issues that financial reporting is a part of and for suggestions on how to resolve people, taking into consideration the role that accounting tries to play in its operating.

Accounting as a method, accounting reasonings, and the accounting subject are the three. This has made it easier to comprehend the procedures by which accounting change can take place in certain situations. It is painful to discredit conventional or 'formal' accountancy interpretations typically predicated on conceptions of progress or improvement. Insights obtained from this literature were also used to develop a broad thematic framework to guide academics in future investigations of accounting reform. This paradigm may be applied to the accounting transformation in three key areas (institutions, specialists, and international episodes). While there are some exciting and worthwhile research topics, such initiatives, like most research approaches, should be considered with caution. There are three significant points to consider. First, interpretative and critical particular instance research that considers cultural and organizational perspectives is typically done in a subjective, holistic manner. The researcher must maintain a high level of alertness to examine various local, moment aspects that influence the subject or incident under investigation. These would be difficult to distinguish. Second, there will almost always be no one or general reason or reason for the unique occurrence or event under inquiry, forcing the researcher to rely on feasibility, likelihood, and evaluated believability to come up with an answer. As a result, research on the same historical material may give different, sometimes even contradictory, stories or conclusions. Finally, as with practically all research projects, there is a question about the generalization of the findings. In this vital cold and calculating profession, accounting is used as a social and institutional activity to increase our insight into the underlying drivers of the various growth elements.

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