Alas poor Critical Accounting, we knew him, Karl

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Eulogy

Here - at this final hour, in this quiet place – Academics have come to bid farewell to what was, for some of them, their brightest hope -extinguished now, and gone from us forever. It was born in recognition of this imperfect, unscientific world, it struggled for the ‘other’, the dispossessed, the disadvantaged and it fought to gain some measure of equity and fairness for all - its home of homes was unashamedly the University, where its heart was, and where its people are - and it is, therefore, most fitting that we meet once again - in the University - to share these last moments remembering... Farewell Critical Accounting.

The future of critical accounting in our academic syllabus is at best uncertain and at worst foregone. Changes within the university and the student population in Australia would appear to render it increasingly difficult to introduce and teach it effectively as a subject. The paper begins to explore these issues of change in general through the lens of a specific threat to critical accounting at an undergraduate level.

What Was and Might Have Been

Critical accounting stems from a long history of ‘critical’ disciplines, all of which question the hegemony of the dominant social view; understand that society is forever fluid; and, acknowledge that any pretensions of stability in social dynamics are merely illusionary. Most often linked back (rightly but superficially) to Marx but with a richer philosophical heritage (through Plato, Hegel, Kant etc) and a much more developed one as well (Horkheimer, Adorno, Foucault, Habermas etc). Gouldner (1980) argues that critical theory as we know it has arisen from a schism in Marxism. A split that has given rise to two conceptions of Marx’s philosophy, one conceived as ‘critique’, the other ‘science’, “grown up around the nuclear tension between voluntarism and determinism, between freedom and necessity” (Gouldner, 1980, p.34). Gouldner (1980, p.60) acknowledges that these two conceptualisations share a core vision of emancipation but that the way in which this is to be achieved varies for Critical Theory, the aim is “to preserve human culture and certain transcendental values, to reinvigorate human morality, and restore men (sic) to a life in an integral
community” whilst moving on from the limiting nineteenth century preoccupation with the economics of materialism.

Critical theory has been used to develop, explore and support a range of perspectives, in just the accounting literature: Gender (Ciancanelli et al., 1990); Political Economy (Cooper and Sheerer, 1984); Reality & Morality (Hines, 1988; and, Francis, 1990 & 1994); Colonialism (Tinker, 1980); and, Indigenous People (Neu, 2000). This list is not meant to be exhaustive nor representative. It indicates the varied nature of critical research, what links these disparate perspectives is that they are “overtly anti-positivist, and [argue] that science and its strategic ideologies of technicism and efficiency have subverted more ethical forms of decision making” (Welch, 1996, p. xv).

Critical accounting theory has been distinguished from Mainstream (Positive) and the Alternative (Interpretive) theories (for a detailed analysis of underlying Epistemologies and Ontologies see Chua, 1986). In broad terms, critical accounting theory has a two-fold aspect, in keeping with general critical theory in its application to accounting. The first, a contextualisation of the practice of accounting within a wider domain (society, history, organisations (Lodh and Gaffikin, 1997)), “While it is acknowledged that a great deal is known about the technical aspects of accounting, it is argued that little is understood about either accounting’s social roots or the interconnection and interrelationship between the social and the technical” (Laughlin, 1987, p. 479). Part of this contextualisation is the recognition that accounting is not a science, but a human endeavour (Arrington and Puxty, 1991; and, Francis, 1990).

The second aspect of Critical Accounting Theory is a call to action, to participate in an actual transformation of ‘the system’. “It is the view that the present is not satisfactory, that reality could be better than it is” (Laughlin, 1987, p.482). It is this final aspect that so clearly distinguishes critical accounting research from traditional positivist research (Tinker, 1988). Though no-one pretends that seeking out and attaining this better world through accounting will be easy in practice, particularly as it is so deeply “embedded in the prevailing system that the potential for change is highly constrained other than is dictated, or allowed, by the system” (Dillard, 1991). Efforts have been made however; see, for example, Tinker et al. (1991) and Neu et al., (2001).

Given the nature of Critical Accounting it is almost a surprise that it does not seem to have appealed to the next generation of accountants. This despite the fact that
it acknowledges their idealism, their striving for a better world than that which their parents had inhabited. Critical accounting in the tertiary syllabus should have provided an opportunity for students to develop their ability to think critically about the system in which they would one day work and to question the way that they contributed to an ethical and just society. And surely this is the role of accounting if it is to hold itself out as a profession.

Yet just as accounting has started to make some final steps on its long journey out of the book-keeper role the jumping of one of the last hurdles may be thwarted by changes within the university and its students.

A new era for tertiary education

The nature of tertiary education in Australia has changed. This change is not, in many ways, to be lamented. The ivory tower has, to some degree, crumbled or perhaps more accurately the populace have been allowed into the galleries. Even within the 10 year period 1989 to 1999 total student numbers in universities grew by around 55% (Department of Education, Training and Youth Affairs, 2000). This is to be applauded, and the purpose of this essay is not to wail and gnash teeth about the loss of ‘liberal education’, that artefact of elitism (Tilling, forthcoming). The start of the new university era was met with much excitement. People came to university because they wanted to be there, to experience the new found opportunity to gain an education. Things have changed. University is now viewed by few students as an opportunity to expand one’s horizons, instead it is little more than a necessary step to claw one’s way into some middling career. For example, the gate has been thrown wide open in France, allowing participation rates in the high 50% range, and a degree is now a requirement for employment as a post-‘person’ (The Australian, 2002).

Over the last 10 years the nature of students at the university has significantly changed. Although the statistics show some small drop in the number enrolled full-time in Australian Universities (reference) the anecdotal evidence points to a situation where increasing numbers of students treat the university as a part-time activity. An activity to be fitted around work. An activity that is deemed necessary for advancement, not for an education. The change to a ‘student as customer’ focus by universities, promoted by Australian Government reform of the higher education sector (Bennett, 1998), appears to be a world-wide phenomenon (Davies and Thomas, 2002) and reinforces the change in students’ attitudes. In business schools
credentialism rules, and few and far between are the students who are genuinely interested in an education because knowledge is independently valuable.

The education system in Australia was changed dramatically after the release of the White Paper in 1988 by John Dawkins, the then Labour minister for education (Dawkins, 1988). The ensuing structural changes removed the three tier system that existed until that time. Prior to the change the tiers were made up of the Technical and Further Education (TAFE) colleges that concentrated on trade skills and apprenticeship training; the Colleges of Advanced Education (CAE) and Institutes of Higher Education/Technology, which dealt mainly with training for the quasi-professions such as nursing, teaching and accounting; and the Universities, which concentrated on the more traditional areas of medicine, law, science and the arts, although incorporated some wider business education including some accounting.

Dawkins’ changes meant the removal of the middle tier (CAEs and Institutes) and converting these to Universities. While the changes had numerous effects, the one of significance to this paper was the sudden increase in competition between the ‘new’ and ‘old’ Universities for students. In response, many traditional universities found that they had to increase their business offerings and lower their admission requirements.

In conjunction with these changes there have also been continual cuts to University funding by Federal Governments. The increasing need for alternative funding and the increased competition for students has meant that there has been a significant shift in the focus of the university from a belief in the provision of pedagogically based, high quality, education, to a ‘customer focussed’ provision of the type of education demanded by the increased number of students – that with a purely vocational emphasis. The government argued that the changes were necessary, and that education “for all who qualified, knowledge for its own sake, and a protected, diversified, autonomous higher education system were not longer affordable, efficient or practical” (DeAngelis, 1996, p. 4). “Numerous commentators lament the product of the so-called reforms. “As a place of learning, the university struggles to maintain its responsibilities for scholarship, critical inquiry and the maintenance of cultural tradition” (McIntyre, 2001).

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1 For those who are interested Australia now broadly defines its university into three tiers, the old ‘Sandstone’ universities, the newer ‘Gum Tree’ universities, and the institutes which changed to Universities ‘redbrick’.
A New Breed of Student

The changes to the education system in Australia have contributed significantly to a rethink by students about University study. While in the past, many of those who wished to gain a ‘professional qualification’ would have attended CAEs or Institutes, they now all attend universities. Anecdotal evidence points to the fact that students do not want critical theory (or even any theory), they want practical skills that they will use on the job. Many just want the degree as quickly and simply as possible as a large proportion do not gain employment in the area of their degree but use the ‘credential’ to gain employment elsewhere.

Such claims are supported by the changing demographics of students enrolled in business degrees at universities. Many students find employment before or during their studies and as such view their study as a ‘chore’ – something that must be completed to remain in their job, gain promotion or change employers. Part of this situation can also be attributed to the changing attitude of the Australian government to providing funding to support students in tertiary education. This attitude appears similar to the earlier US experience, as outlined by Collins (1979, p. 18), who comments that

“Business schools are increasingly used as a recruitment channel for managers, but their level of instruction is not generally high. Most business schools prepare their students for a particular first job rather than teaching skills that may be useful throughout the career. Moreover, the particular training taken often turns out to be irrelevant, as most graduates find jobs outside their own specialty”.

The Australian trend certainly appears indicative of the international situation. More recently in the USA, the Higher Education Research Institute (2001) found that students in their freshman year were less interested in becoming an authority in their field than ever before. The desire for affluence has increased at the expense of any desire for status or authority.

As mentioned earlier, there has been some increase in the number of students doing part time study (see Tables 1 and 2), however, anecdotally, numbers of students have indicated that they work on a full time basis and study full time as well. A survey of a first level accounting topic offered in 2001 (170 students), 16% of
students were enrolled part time while working full time, and a further 14% were studying full time and working a minimum of one full day per week. A second level topic in accounting in the same year (135 students) showed 19% of students were studying part time.

Table 1*: Commerce Degrees
(% of part time total enrolments)

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* data from one Australian University used as representative information

Table 2*: Commerce Degrees
(% of part time commencing enrolments)

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Credentialism over Education

The end of the millennium brought to a head a debate that has been around for some time, the tension between student as client and student as customer (Sharrock, 2000). This loss of sight that academics are part of a profession, not members of a service industry, is evidence of this changing expectation of students.

Interestingly, in 1979, Collins in *The Credential Society* wrote about similar problems in the American education system. His answer was a radical concept called “credential abolitionism” (Collins, 1979, p. 197). Such a system would remove the currency value of any professional degree by making formal credential requirements for employment illegal. He provides a powerful justification for his position by quoting evidence that formal tertiary education does not provide any skills that could not be gain on the job, and that access to credentials is discriminatory. This seems particularly true of the accounting profession. Such a radical solution can be justified on the same grounds 20 years later, but many would say this is simply a pipe dream.

Another interesting question is whether we are in fact justified in deciding for others what their education should be. If the majority of students want vocational
education are we not failing to meet society’s needs by continuing to include traditional ‘university’ ideals? Politicians face the same dilemma in a representative democracy – do they do what they consider is ‘right’ or follow the majority view on certain ‘moral’ issues such as abortion, human rights, etc? Once argument against following the majority in every situation is that it results in pandering to mediocrity. But can we make the same argument for education, where students making the demands are supposedly the more intelligent section of society?

**Reports of my death may have been exaggerated**

The changing nature of the university and our students does not bode well for the future of critical accounting. When entire non-vocational disciplines are being removed from university curricula (McIntyre, 2001), can we really expect critical accounting to survive?

The game has changed. Just as we were finding our feet, moving accounting out of the trades into the professions, it is dragged back by a society content to accept that this is the best of all possible worlds (Tinker, 1988). Critical accounting is not comfortable. It is not certain. It is not ‘easy’ in the sense that the answers are not straight forward. Critical accounting has no immediate value in a world so focussed on tangible return for input. An employer is not going to be happy to set a task for our students to ‘do this’, and have a discussion about the underlying implications and assumptions of doing so.

And because employers and professional bodies do not value this critical accounting perspective (despite whatever lip service they may pay to the activity), students do not value it. And because students do not value it and they are our clients who must be satisfied the schools do not value it. And, alas, Critical Accounting may be dead. Struck down, perhaps not in its prime, but just as it was finding its feet, and offering the potential to make a difference in the way information is presented and in the way individuals view the role of accountants in society.

If we are to breathe life back into critical accounting, its proponents must face some difficult challenges:

- Can we show society why critical accounting is important even in degrees that provide a credential for a particular vocation? And if so, how?
Can we justify the teaching of concepts that our customers (society?) don’t appear to want?

And thus, the hour of departure has arrived, and we go our ways – Critical Accounting to die and Credentialism to live? Which is better, God only knows.

References:


