

EDITORIAL

THE CURRENT STAGE OF ACCOUNTING RESEARCH IN BRAZIL AND FUTURE ADVANCES IN THE AREA

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“Research is a process of intellectual discovery, which has the potential to transform our knowledge and understanding of the world around us.”

(Ryan, Scapens, & Theobald, 2002, p. 7)

I confess that this quote above profoundly marked my academic life. I read the book of Ryan et al. (2002) during the first months of my PhD, and this definition of research caught my attention and consolidated the desire to carry out my doctorate and embrace the ‘world’ of research. Since then, I have been using this same quote in my master and doctoral classes of the Post-Graduate Program in Accounting of the Federal University of Pernambuco, perhaps in the hope of motivating new accounting researchers or to remember the time that I was younger!

Research is an activity we do to learn more about our environment/context (e.g., accounting environment) and the impact we have on it. Research has different nomenclatures, such as applied, scientific and academic, to give some examples. However, none of these nomenclatures modify the core aspect that is the fact that research is about intellectual *discovery* (Ryan et al., 2002).

Accounting is a relatively new academic subject (particularly in Brazil). Nevertheless, accounting is a rich area of study for researchers with different intellectual inclinations. Certain aspects of accounting, especially those related to the treatment of the behavior of individuals, require the application of more rigorous mathematical models; while other aspects provide challenges for those who seek to ‘unravel’ the mysteries of the legal and regulatory environments that accountants inhabit. It is not necessary to deeply master quantitative methods to contribute to advanced research in the accounting area. Accounting offers researchers with a non-quantitative inclination a broad scope for their other intellectual skills.

Research involves criticism; disagreements; chance; and trial and error. In accounting, mainly because it is a science classified as social, these four characteristics of research are abundant. One of the great attractions to do research in the accounting area is perhaps the fact that it is multidisciplinary and covers a broad spectrum of knowledge. This aspect divides accounting

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researchers into different philosophical and political stances, bringing views of the world in conflict and rooted in our social systems and uncertain and transient values. Thus, unlike natural sciences (e.g., physics and biology), in the social sciences (of which accounting is part) there are many questions and debates about the nature of truth (*ontology*), which constitutes a valid knowledge (*epistemology*), the role of empirical tests, the distinction between ‘mental’ and ‘real’ constructs/models, and so on (Chua, 1986).

Thus, research in the accounting area can be characterized by its methodological diversity that includes interpretative, critical research and traditional functionalist/positivist research (Hopper & Powell, 1985; Lourenço & Sauerbronn, 2016). This diversity makes my ‘work’ in this editorial more complex, as to describe in detail the current stage of research in Brazil would require a deepening of these different research paradigms in the different areas of accounting (financial accounting, management accounting, taxation etc.). So, I leave this task to the other papers that have specific focus on mapping this issue (e.g., Frezatti, Aguiar, Wanderley, & Malagueño, 2015; Santos, Iudícibus, Marion, & Santos, 2020; Soares, Nova, & Filho, 2020). However, I do evade from commenting that accounting research in Brazil is dominated by the functionalist/positivist research paradigm focusing on neoclassical economic theory and the use of quantitative research methods. However, in the last 10 years, there has been considerable growth in the number of researchers using alternative research paradigms (e.g., critical and interpretivism), which I particularly find very encouraging to increase pluralism in accounting research in Brazil.

That said, I would like to focus on the future. For the future of accounting research in Brazil I prospect that researchers will seek to respond to the constant and invigorated ‘calls’ to reduce the gap between research and accounting practice (Broedel & Flores, 2021; Parker & Troshani, 2022). The gap between accounting research and accounting practice has been observed for a long time and extends for many decades, both in Brazil (Guerreiro, 2022) and internationally (Rajgopal, 2021). There are several factors that contribute to this gap, which include the lack of practical relevance of research findings; failures of communication by researchers; decline of interaction between professionals and researchers; differences between the time horizons of researcher and professionals, the focus of academic journals on *rankings* and the performance evaluation systems of universities; the diverse and divergent needs of various stakeholders; the preference of professionals for professional/technical journals/reports/podcasts; and great differences between the topics researched and the concerns of the practitioners and society in general (Parker & Troshani, 2022).

However, I come here not to complain about this research-practice gap, but to offer a particular way of engaged/relevant research and to outline areas where such engagement could be fruitful. Engaged/relevant research has several definitions and characteristics (Van der Stede, 2022), but, in a simpler way, relevant research is one that contributes to understanding and solving contemporary problems and troubling issues (Chua, 2022). Thus, it is essential to connect with the practitioners to find out which issues concern them, that is, ‘take their sleep away’ (Rajgopal, 2021). Thus, we advocate that accounting researchers need to address the ‘big issues’ that concern communities, governments and societies, as well as companies and non-profit organizations.

Echoing Chua (2022), two ‘big issues’ (*that take people’s sleep away*) are emerging and not resolved yet: *accounting and digitalization*; and *social and environmental accounting*. In these two themes, uncertainty is extremely high, and the debate is vigorous about what “should” be the course of action to be adopted. In this context, the research can explore less mapped ‘territories’, questioning sensationalist narratives of possible futures and testing the plausibility of different options.

The term “digitalization” is not new, but it has recently become an “emerging” theme in society in general and, in accounting, specifically (Leitner-Hanetseder, Lehner, Eisl, & Forstenlechner, 2021). In fact, digital technologies are already having a profound impact on our lives and are changing the ways we work and live at a fast pace. (Petani & Mengis, 2021; Skrbiš

& Laughland-Booÿ, 2019). There is growing literature showing that the use of new digital technologies is reshaping the ways in which organizations offer their goods and services, which ultimately has the potential to disrupt existing markets. (Kronblad, 2020). As such, scanning can be expected to change the "traditional" business models that affect all types of operations and supply chains, along with support functions such as accounting (Bhimani, 2021). Möller, Schäffer e Verbeeten (2020) conclude that digitalization has the potential to disrupt and force changes in all the accounting areas. Undoubtedly, accounting will be affected by new digital technologies that will be part of the business environment and will change the forms of data collection and analysis (Bhimani & Willcocks, 2014). However, in addition to the fascination with new digital technologies, uncertainty and ambiguity currently reign over what accountants do (or should do), which means being an accountant (or what the accountant will become) and even if the accounting profession will survive or become obsolete (Frey & Osborne, 2017; Heinzelmann, 2018; Quattrone, 2016).

After decades of being neglected by the accounting research community (of course with honorable exceptions), there is finally a growing recognition of the importance of social and environmental accounting. Environmental and social issues are constant concerns in public debate, activist representations and media coverage. In addition, the impacts of global warming and climate change are self-evident. The Covid-19 pandemic further reinforced the importance of social responsibility of governments, public/private/non-profit organizations for public health and well-being. So, for accounting researchers, accounting and *accountability* issues for social and environmental impact have actually arrived. This is also evident in the professional environment, we recently saw the creation of task forces in regulatory bodies and accounting associations, such as the International Sustainability Standards Board (ISSB), and the Brazilian Committee of Sustainability Pronouncements (CBPS). The research topics in the area of social, environmental and sustainability accounting are inviting and challenging. They include accounting and reporting engagement with the United Nations 'Sustainable Development Goals' (SDGs); the impact of corporate activities on carbon emissions and climate change; and the preservation of biodiversity and the protection of the environment, among others (Bebbington, Larrinaga, O'Dwyer, & Thomson, 2021).

These two research topics suggested in this editorial are just examples of topics with great potential to generate engaging/relevant research. Potentially, there are several other topics with this capacity, such as: the growing importance of public sector services and their *accountability*; and the accounting and *accountability* implications with the transition to hybrid work. Remember, the important thing is to connect with practitioners and society in general to contribute to the issues that concern them, so that we may generate theoretical debates about the functioning and effects of accounting.

Finally, I wish good 'discoveries' for all researchers and we rely on you to "*transform our knowledge and understanding of the world around us*"!

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