



The Mainstream Focus on Sociology of Accounting and Accounting for the Social Contract in Chemical Firm Studies

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Abstract. Accounting is the method used to measure the extent of the fulfillment of the social contract by the firm. This article explains The Mainstream Focus on Sociology of Accounting and Accounting for the Social Contract in Chemical Firm Studies. The mainstream focus on the sociology of accounting and accounting for the social contract in chemical firm studies has gained prominence as researchers recognize the significance of social, environmental, and ethical considerations in accounting practices, particularly within the chemical industry. This abstract provides an overview of these two research areas and highlights their relevance in understanding the social dynamics and environmental responsibilities of chemical firms.

Keywords: Sociology of Accounting, Social Contract, Chemical Firm Studies

1. Introduction

In recent years, the field of accounting has witnessed a significant shift towards a more holistic and socially oriented perspective. This emerging trend emphasizes the importance of considering the social and environmental dimensions of accounting practices, particularly in the context of chemical firms (Li et al., 2022, Qi et al., 2022). Two prominent areas of study that have gained traction within this evolving paradigm are the Sociology of Accounting and Accounting for the Social Contract.

The Sociology of Accounting explores the interplay between accounting systems, organizations, and society. It recognizes that accounting practices are not solely technical procedures but are shaped by social, political, and economic factors. Chemical firms, as complex organizations operating in a highly regulated and environmentally sensitive sector, provide a fertile ground for investigating the sociological aspects of accounting. Researchers in this field analyze the social relationships, power dynamics, and cultural influences that shape accounting practices within chemical firms. They seek to understand how accounting systems reflect and reinforce social norms, organizational structures, and broader societal expectations.

Accounting for the Social Contract, on the other hand, focuses on the responsibility of chemical firms towards society and the environment. It recognizes that companies have an implicit social contract with various stakeholders, including employees, customers, local communities, and the natural environment. This approach emphasizes the need for chemical firms to go beyond their financial obligations and consider the broader social and environmental impacts of their operations. Researchers in this area examine how accounting practices can be used to measure and communicate these impacts effectively. They explore the role of accounting in fostering transparency, accountability, and sustainability within chemical firms, promoting responsible business practices and addressing societal concerns.

The growing mainstream focus on the Sociology of Accounting and Accounting for the Social Contract in chemical firm studies reflects a shift in the perception of accounting as a purely technical and value-neutral discipline. It acknowledges that accounting practices have far-reaching consequences, extending beyond financial reporting to influence organizational behavior, social relationships, and environmental sustainability (Cavaliere et al., 2021). By examining the sociological aspects of accounting and the social contract framework, researchers aim to contribute to the development of more socially responsible and sustainable practices within the chemical industry.

In the following sections, we will delve deeper into the specific dimensions of the Sociology of Accounting and Accounting for the Social Contract, exploring their implications for chemical firms and their potential to drive positive change in the field of accounting.

2. Literature Review

2.1 Accounting

Accounting is the method used to measure the extent of the fulfillment of the social contract by the firm. Accounting is clearly technical, but it is much more than that since how and what we account for affects everyone in society: there is a “public” interest’ at stake. Accounting is a technic used in our societies to tell the financial story of an entity. Then, its owners will pretend to use it to measure performance. For the state, the story in question would be supposed to tell the government if the firm has reached its goal and fulfill its mandate. Accounting is far from being this socially neutral, observing discipline. Accounts, those of the states or of the private organizations, are biased and oriented toward specific ends (Breton, 2018).

2.2 Sociology of Accounting

An accounting theory can be elaborated from many points of view. Therefore, because accounting is a sociological phenomenon and also a means of communication. The role of accounting communication and the purpose of this communication are said to be individual decision-making processes. From a scientific point of view, we not only can but must elaborate on the sociology of accounting. The sociology of accounting must be placed among technical sociology, a subset of general sociology. Accounting is a social technique used by many groups and individuals in the society and an object of appropriation by factions or groups for their personal uses (Breton, 2018).

2.3 Accounting for the Social Contract

Rousseau (1964) says the origins of power clearly lie within citizens as a group, now to believe that the cement that holds our society together takes the form of a social contract. Hobbes (2000) said that the state is an artificial animal created by humans. Every social institution - and business is no exception - operates in society through a social contract, expressed or implied, whose survival and growth are based on: 1. The delivery of some socially desirable goals to society in general and, 2. distribution of economic, social benefits , or politics for the groups from which it derives its power.

The social contract is managed by the state. It evolves following the beliefs and the interests of those who can impose beliefs. It contains not only principles and procedures but also a kind of program coming from those beliefs (Janrosl et al., 2022). This program implies some level of education for the people, of social security, and of all a series of actions tracing the limits of state intervention. This program also implies the existence of institutions like schools, universities, courts, and so on, which are charged to conduct, in the field, the great missions of the state. Accounting has imposed itself as a measure of the social performance of the firm. Key concepts from accounting are used to evaluate the measure in which the firm has reached its specific objectives and mandates, therefore its part of the social contract (Breton, 2018).

2.4 Sociological Perspective Classification

Based on the sociological assumptions of four perspectives directly associated with accounting (Kusumaningtias, 2018), namely: 1. Functionalist Perspective (Positivism), this perspective believes that objective reality independently presents humans and makes them something that can be mastered. 2. Interpretivist Perspective, This perspective emphasizes the role of language, interpretation and understanding of social reality. This approach tends to pay attention to the nature of individual subjectivity to continuously create social reality in order to interact with others. Reality in the interpretive view is only a label or name of a group consensus. 3. Critical Perspective (Radical Structuralist and Radical Humanist), this perspective is related to the development of an understanding of social reality in the form of criticism of something that has been established. The purpose of this perspective is not just to understand, but also to liberate and make changes. 4.

Postmodernist Perspective, through this paradigm, accounting theory can be used to awaken individual awareness deeper towards a higher reality. In addition, this perspective is also open to synergizing various approaches, because it is relative.

2.5 Stewardship Theory

Stewardship theory has psychological and sociological roots that are designed to explain a situation in which the manager acts as a steward and acts in the interests of the owner. In stewardship theory, managers will behave according to common interests. When the interests of stewards and owners are not the same, stewards will try to work together rather than against them, because stewards feel that shared interests and behaving in accordance with the owner's behavior are rational considerations because stewards look more at efforts to achieve organizational goals. Stewardship theory assumes a strong relationship between organizational success and owner satisfaction. The steward will protect and maximize the organization's wealth with the company's performance, so that the utility function will be maximized. An important assumption of stewardship is that managers align goals with those of owners. However, this does not mean that stewards do not have the necessities of life (Olson & Wu, 2015).

3. Research Methodology

This study used qualitative methods. Qualitative methods was conducted by reading tables or descriptions of the result of previous research regarding the topic under study. The research sample includes previous research papers from 10 papers listed in Accounting Journal from 1986-2017. This paper is a selection of several papers that are easily accessible to researchers and closely related to the Sociology of Accounting and Accounting for The Social Contract which is the focus of this research.

4. Result and Discussion

Based on the results of a review of research regarding the discussion of the Sociology of Accounting in various studies from 1986 to 2017.

Table 1. The Relevant Studies

No.	Journal	Author	Title	Result
1	American Accounting Association	James C. Gaa (1986)	<i>User Primacy in Corporate Financial Reporting: A Social Contract Approach</i>	Investigate the logical foundations of the user primacy principle, not to advocate it. It is based on contemporary work in ethics and social and political philosophy, in which humans are regarded as rational decision makers, and in which principles governing individual and group behavior are the result of rational decisions.
2	Interpretive Sociology and Management Accounting	Wai Fong Chua (1988)	<i>Interpretive sociology and management accounting research-A critical Review</i>	To determine the influence which interpretative sociology has had on management accounting research, and to evaluate this influence critically.
3	British Accounting	Robin Roslender (1990)	<i>Sociology And Management</i>	This paper emphasizes the need to align the interests

	Review		<i>Accounting Research</i>	of various stakeholders in financial reporting, including regulators, auditors, management and investors. The social contract approach provides the basis for achieving this alignment by defining each party's rights, obligations and expectations.
4	American Accounting Association	Robert James Bricker, Gary John Previts (1990)	<i>The Sociology of Accountancy: A Study of Academic and Practice Community Schism</i>	Identify some important 20th century schisms of their profession and examines schisms between the practice and academic accounting communities.
5	Economic sociology_the european electronic newsletter	Andrea Mennicken, Peter Miller, Rita Samiolo (2008)	<i>Accounting for Economic Sociology</i>	Developments at the boundary between economics and sociology lend additional support to the concern with culturally specific forms of economic computation. Research is being done on the historical nature of categories of economic discourse, and attention is beginning to be paid to the formative effects of certain calculation techniques and their relationship to economic policy.
6	Issues In Accounting Education	Sridhar Ramamoorti (2008)	<i>The Psychology and Sociology of Fraud: Integrating the Behavioral Sciences Component Into Fraud and Forensic Accounting Curricula</i>	Will be used to highlight theories and explanatory variables that may be useful in understanding the sociology and psychology of the fraudster (e.g., lying and misrepresentation, social engineering, the science of persuasion, industrial psychopaths, heuristics and biases in decision making)
7	Accounting, Auditing & Accountability Journal	Marcia Annisette and Alan J. Richardson (2011)	<i>Justification and accounting: applying sociology of worth to accounting research</i>	Introduce some of the major contours of this impressive though challenging body of work. The paper will first give a general framework of the SOW as advanced by B&T by discussing some of

				building blocks.
8	E-International Relations	Jason Neidleman (2012)	<i>The Social Contract Theory in a Global Context</i>	The fundamental difference in this alternative approach to international social contracts lies in the nature of the parties to the contract. Whereas for Rousseau, Kant, and Rawls, the parties to an international social contract are the state or people, for Nussbaum, Pogge, and Beitz, the social contract theory makes the most sense at the international level when the parties to a social contract are imagined. become a human individual. Only when imagined in these terms, these authors argue, will the social contract be construed in such a way as to satisfy the basic principles of liberal justice. Therefore, the two-stage model favored by Rawls is replaced by a single initial position, in which the individual human being is bound by a set of human rights that are not limited by the contingencies of any particular state conception.
9	Critical Perspectives on Accounting	Keith Robson, Chiara Bottausci (2017)	<i>The sociology of translation and accounting inscriptions: Reflections on Latour and Accounting Research</i>	Examine and reflect upon the influence of Latour's work upon accounting research. The essay will focus upon the effects of work that have been most keenly felt, rather than the more recent inquiries.
10	Handbook of Management Accounting Research	Peter Miller (2017)	<i>Management Accounting and Sociology</i>	To examines a further stage, characterised by the elaboration of a range of methodologies from approximately 1980 onwards that had as their concern to analyse the social and organisational aspects of accounting. The

				final section considers one particular strand of the recent economic sociology literature, that which concerns the calculative capacities of agents and their embeddedness in social networks.
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5. Conclusions

In conclusion, the mainstream focus on the sociology of accounting and accounting for the social contract in chemical firm studies has emerged as a significant area of research within the field of accounting. This focus reflects the growing recognition of the importance of social, environmental, and ethical considerations in accounting practices, particularly in industries such as the chemical sector.

The sociology of accounting and accounting for the social contract also highlight the potential conflicts of interest and power imbalances within organizations that can influence accounting practices. By studying these dynamics, researchers aim to uncover the mechanisms that drive or impede the adoption of socially responsible accounting practices in chemical firms.

In conclusion, the mainstream focus on the sociology of accounting and accounting for the social contract in chemical firm studies reflects the evolving nature of accounting practices in response to societal concerns. By understanding the social and environmental dimensions of accounting in the chemical sector, researchers and practitioners can work towards developing more sustainable and responsible accounting practices that contribute to the well-being of both organizations and society as a whole.

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