Problematizing profit and profitability: Discussions

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Abstract

Purpose

The purpose of this paper is to report the outcome of an interdisciplinary discussion, in this AAAJ special issue, on the concepts of profit and profitability and various ways in which we could potentially problematise these concepts. It is our hope that a much greater attention or reconsideration of the problematisation of profit and related accounting numbers will be fostered in part by the exchanges we include here.

Design/methodology/approach

This paper adopts an interdisciplinary discussion approach. It also brings into conversation ideas and views of several scholars on problematising profit and profitability in various contexts and explores potential implications of such problematisation.

Findings

An interdisciplinary approach to problematising profit and profitability has a lot to offer. While profit and profitability are stigmas that corporations need to address, they tend to make invisible the collective endeavour of people who work hard (mostly in backstage) to achieve a desired profit level for a division and/or an organisation. Profit tends to preclude the social process of debating about the potential contradictions of ends and indeed the means of collective activity. An inherent message that we can decipher from the contributions to this discussion is the increasing need to worry about how managers are socialised to think that critical theory and interpretive research have no lessons for them. It is the failure of positivist researchers and practitioners to learn from the lessons that are offered by critical research in contrast to the suffocating influence of neo-liberal economic ideas. The impact of a fixation with markets and associated neo-liberal ideas that has led to a situation where organisations are strongly distrusted and in instances reviled in their attempts to make profits, at times illicitly.

Originality/value

In setting out a future research agenda, our paper fosters theoretical and methodological pluralism focussing on problematising profit and profitability in various settings. The discussion perspectives offered in this paper provides not only a basis for further research in this essential area of discourse and regulation on the role and status of profit and profitability, but also provides emancipatory potential for practitioners (to be reflective of their practices and the undesirable consequences of such practices) whose overarching focus is on these socially constructed accounting numbers.

Impact

Problematising opens-up the potential for interesting and significant theoretical insights. A much greater pragmatic and theoretical reconsideration of profit and profitability will be fostered by the exchanges we include here.

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Problematizing profit and profitability: Discussions

1. Introduction (by special issue editors)

1.1. Introduction to the discussion contributions

The purpose of this paper is to report the outcome of an interdisciplinary discussion, in this AAAJ special issue, on the concepts of profit and profitability and various ways in which we could potentially problematise these concepts. Problematising is important as there is a growing recognition that challenging assumptions and rethinking received wisdom opens potential for interesting and significant theories (Sandberg and Alvesson, 2011, p. 40). This paper adopts an interdisciplinary discussion approach to problematising profit and profitability. It brings into conversation ideas and views of several scholars on problematising profit and profitability in various contexts and explores potential implications of such problematisation. It is our hope that a much greater attention or reconsideration of the problematisation of profit and related accounting numbers will be fostered in part by the exchanges we include here.

This AAAJ special issue on 'problematizing profit and profitability' is intended to open up a wider debate on the significant issues that we feel have been somewhat lost in the contemporary accounting literature. We would like to offer encouragement to researchers and practitioners in organisations and society to challenge the conventional preoccupation with accounting numbers. Concerns about inequality, top management pay and an overreliance on profit numbers in business decisions underlies recent contributions which are critical of 'business as usual" (Lazonick and Mazzucato, 2013; Mazzucato, 2013; Sandel, 2013; Stiglitz et al., 2009) and broader social commentaries (CNN, 2019, Guardian, 2018a, 2018b, 2019a).

1.2. Organising the discussion

We designed our invitation to contribute to the discussion paper in the special issue and distributed it to our selected first round invitees in mid-December 2018. We aimed to ensure a couple of strategic and operational issues were covered over the next couple of months.

First: Invitations to contributors – We were conscious that we should not invite too many people in order to ensure the paper did not become unwieldy. This led us to think about ways to ensure or encourage diversity among the panel of contributors. Our approach developed into a two-stage invitation process broadly in which we thought increasingly carefully about how our participants might be best assembled, especially to achieve a diversity of view-points. Our conception of the debate has been significantly left behind by the enthusiasm of our contributors and their skill in sharing and communicating their knowledge. Our aim of inviting some colleagues with long-established successful careers and to complement this with exceptional mid-career people has had great impact on the final document assembled here. We considered both geography and gender in our process of identifying our contributors to ensure sensitivities to local contexts and experiences. We do not claim some ideal standard has been achieved … of course.

Second: Iteration – We also had a pragmatic concern that the debate be kept within reasonable proportions. To ensure a balanced debate and discussion, we decided on a word limit for each participant. This paper was assembled in a two-stage process. In the first stage, we introduced our invitations by noting that the purpose of the SI and requesting each contributor to come up with their views on the topic. The opening views of each contributor from the first round were then shared to all the contributors so that they could respond, add to or challenge other contributions gathered in stage 1.

We are tremendously grateful to our debate contributors for their willingness to participate but also perhaps even more importantly for the sake of the process for their timely responses and willingness to take some gentle cajoling at other times. So, while we can't say we got agreement from all the people we approached (it was close).

1.3. How the discussion invitation was couched

Invitations to potential participants began after this AAAJ SI had closed. We introduced our invitations by noting that the purpose of the SI was to foster the development of an interdisciplinary literature focussing on critical issues about profit and profitability.

As a way of outlining our proposal for the discussion we used the terminology that was adopted in the *Critical Perspectives on Accounting* debate (Ahrens et al., 2008) on the status of interpretive or qualitative accounting research. We felt the adoption of the term polyphonic would signal to our invitees what we had in mind. Our aim was to elicit ambitious contributions of several of the serious problems facing accounting research and practice in this critical area of discourse and regulation on the role, status and conceptualisation of profit and profitability (Sandel, 2013; Mazzucato, 2013). In our context, the aim was different to that of the polyphonic debate (Ahrens et al., 2008) that was initially conceived in a face to face meeting during a European Accounting Conference and was later conducted by circulating and recirculating an email thread to which contributors added their ideas in response to an opening statement. We wanted to encourage an unconstrained and critical consideration of the issues especially in the key first round of contributions where various participants staked out their key idea and concerns. Our intention was that this would take place without influence from other participants and to ensure that earlier contributors did not significantly influence later contributions.

Our guidance was limited to the AAAJ SI call and most directly to the following invocation:

That we wanted discussion to relate to the various conceptions of profit and profitability and the ways in which we might potentially problematise these concepts. We sought to collect and publish the thoughts and views of a small number of scholars on the following key questions (we posed in this AAAJ special issue call for papers).

- "What is 'profit'?
- What is 'profitability'?
- What could be potential approaches and areas to problematise profit and profitability?"

Our aim was to construct and publish a piece which would offer the views of our participants as a thought provoking collection on these three questions. We further intended to allow our participants to then engage in discussions with the other contributors. This would enable a sharing of thoughts and concerns on the key issues and questions raised. We sought to limit individual contributions to promote brevity and to ensure fairness to individual scholars and maintain the collected piece as a manageable contribution to the literature and for the reader. Overall, the outcome we have is a collection of ideas and concerns about the topic of this AAAJ special issue. This has resulted in expressions of the dangers of relying too blindly on what accounting and reporting practices reveal or make prominent and what they obscure or completely fail to account for.

We do accept the view of a paper of invited contributions we hold to is not necessarily one that all readers would necessarily approve. So we perhaps need to explain a little more carefully what our intention with this collection of contributions was intended to do. We would also note that the only other vaguely similar collection we are aware of in the interdisciplinary literature is the polyphonic debate to which we refer above. The intention and construction of the polyphonic debate was a much simpler idea which was most notable for the commentary papers it spawned rather than its own content (Armstrong, 2008). We decided we could improve on this substantially but perhaps on a slightly more carefully focussed topic. We wanted to encourage innovative and, to some extent, disparate contributions and this aim had a significant impact on the selection our of invitees. We certainly did not want to create an environment where the accounting interdisciplinary literature would be a critical emphasis.

We intended to avoid tying the invitation to contributors to the accounting literature given our belief that the topic of the SI around profitability and the social impact of profit was not especially well represented within accounting interdisciplinary research. By definition in order to justify a special issue we felt that encouraging recourse to a broader literature was a feature of obvious value. The purpose of interdisciplinary accounting research is very poorly served by the conception of a domain literature (Lukka and Vinnari, 2014; Lowe, Nama and De Loo, 2016) and the associated idea of encouraging researchers to focus of accounting theories. The latter is most suitable as a target to encourage deconstruction or efforts at problematisation while the former is simply a diversion to researchers who wish to see the accounting literature develop. In relation to many important issues that concern the use of qualitative methods and the study of organisation it is the case that the organisation theory is more theoretically developed than that in accounting. But this extends to many other well-established research streams that concern themselves with the study of organisation, social groups or more pertinently the sociology of value or economics.

In addition, as editors of this special section we do not see ourselves as qualified to say what is innovative or not in the nine contributions in this paper. Each, of the editors, would have clear preferences among the contributions but we see these in the context of the invitation to be expert commentaries. Any judgement of the relevance or importance of the contributions will have to await conclusion the reader may draw. The aim of the invitation was to secure innovative contributions from among a small number of relatively new academicians, who have already established themselves, as creative writers in the field (with something new to say) and additionally from a group of widely recognised researchers, well established over a longer period. We are very pleased with what has been achieved in this collection and we hope it will stand the test of time – but this a judgement on this will also be in the hands of the reader (Latour, 1987, p.62). We and the contributors view the contribution to the interdisciplinary accounting literature to be highly significant primarily because of the efforts in this collection to widen the, overly narrow and underdeveloped, existing debate.

1.4. Framing the discussion: Methodology

The intent of our invitation was to allow participants as much freedom as possible to encourage them to think outside the box (Sandberg and Alvesson, 2011; see also: Atkins et al., 2015; De-Loo and Lowe, 2017; Hines, 1988; Lowe, 2005). The three questions we offered in our invitation were designed to be illustrative and not prescriptive. We believe they worked well. The outcome is a very wide-ranging interdisciplinary collection across the contributions in this discussion. The objectives we did have in creating the basis for a strongly disparate collection has certainly been met. This can be judged by the extensive range of references to a variety of disciplines in the aggregated references.

We described and in part defined our intention for the SI by using the term problematisation Problematisation is a theoretical term coined in the social studies of science literature (Knorr-Cetina, 1996; Latour, 1987; Callon, 1986; Woolgar, 1988). We adopt the term in this tradition. There are several elements to problematisation worth noting here. Problematisation as used in ANT, is not only about identifying which network is being or has been established to promote particular solutions, but also about how the network works to specify the problem. Here we believe that our key concern was to search for ideas (solutions) and notably understandings (of the problem/problems). We believe that our contributors have done an excellent job in getting us somewhat beyond the typically rather narrow accounting debates on profit. Our concern was and is to broaden the debate about what concerns are created around the concepts and ideas of profit and profitability and how we might disrupt them. In this sense we do want to dispel the idea that profit is an accounting number and an economic concept when in reality it is and should be much more of a social concern.

We conceive the paper and the AAAJ SI as being about widening the debate a little more. The concerns we have over the way profitability numbers are deployed is about the economic and social damage that can be caused by representing profit in particular ways and the difficult and at times intractable problems created in society. The typical taking for granted of the importance and sanctity of profit numbers is displayed everywhere in the business media to the detriment of society as a whole. The difficulty to effectively challenge the predominant business models, issue of poverty and wealth inequality are abundantly clear (Lazonick and Mazzucato, 2013; Sandel, 2013; Stiglitz et al., 2009) and broader social commentaries (CNN, 2019, Guardian, 2018a, 2018b, 2019a). While we do accept that profit as a concept has significant linkage to accounting this does not make it less open to co-option or other forms of appropriation or colonisation.

1.5. The structure of the discussion and contributors

Table 1 below provides an overview of the main section of the paper and the various authors along with a brief précis of each contribution.

Table 1: List of contributions and brief description

Contri-bution	Author	Page
1	***Alice Bryer*** **- An anthropological perspective on profit and profitability** A project to problematize notions of profit conjures potential for a particular kind of reflexivity. Reflexivity not only in questioning the taken for granted character of 'profit' in organizations and societies – understood broadly as 'economic' forms of surplus – and related accounting measures. To extend the critique of neoliberalism and accounting, and work to achieve practical impact with emancipatory potential, reflexivity also includes exploring the possibilities for genuinely alternative visions and enactments of profit. Working with alternative organizational actors, in particular, such as cooperatives and social movements might support more collective, pluralistic, and inclusive visions of profit.	
2	***Nihel Chabrak*** **- Accounting for the quality of growth** Critical researchers in accounting and management have pointed out the role of accounting and profit measurement in nurturing an unsustainable model of growth. To shift the current business models, we must acknowledge complementarity and cooperation between the different forms of capital in use by the business firm to fulfill its long-term goals. Developing different forms of capital may help to develop a sense of ownership to shift firms' priorities from creating shareholder value to producing a quality of growth.	
3	***Claire Dambrin*** **- Profit as an "indic-actor" producing gendered invisibilities**	

	While profit has been insightfully theorized as a hyperreal indicator with the ability to travel across organizational boundaries, it is important to remember that it creates specific (in)visibilities while travelling. These (in)visibilities are gendered because profit is embodied in a few, mostly male, organizational stars and because profit "indic-actors" tend to ignore the contribution of lower-level workers in profit generation. Feminism offers a way to unpack the discrimination, selection and exclusion processes at play in the design and consumption of profit-related indicators.	
4	***Ingrid Jeacle*** **- Profit as a Commensuration Process** Profit can be considered as the outcome of a commensuration process. It transforms and collapses a range of diverse actions into a single number. Counter to the traditional model of profit maximisation, profitability is one of the stigmas that global corporations have to address. They need to be profitable without profiteering. They need to put on a credible performance that will deflect attention away from the less socially caring aspects of their business model and highlight their social conscience. These strategies are already well underway.	
5	***Johnny Lind*** **- Inter and Intra-business accounting measures** Accrual profit measurement is often the backbone of many business deals. This can, however, be challenging when the profit measurement method only captures the short-term value of resource combinations and not the long-term consequences. Profit in this situation is an outcome of a negotiation process between the buyer and supplier. Measuring and defining customer profitability is a difficult task and it is hard to know if a customer is profitable or not. The company still needs to prioritize between its customer relationships and customer profitability analysis will be useful in this process.	
6	***Philippe Lorino*** **- A pragmatist perspective** The notions of "profit" and "profitability", beyond technical intricacies, appear as "ready-mades" of managerial thought and practice. The pragmatist approach to profit suggests that managers and researchers should consider valuation processes as collective, pluralist, and situated inquiries. This requires repositioning the notion of "profit" more humbly, as an instrument mediating the collective and dialogical process of valuation. This reframing of the "profit issue" recognises the plurality of valuation perspectives and the complexity of their relationships then become inescapable. Trying to ignore this exposes the organization to serious risks, not only of being unfair, but also of failing practically.	
7	***Keith Robson and Chiara Bottausci*** **- Abstracting, producing, distributing: On the changing constitution of accounting profit** The nature and significance of the concept of profit is not self-evident but is fabricated amid an interlinked set of shifting and contested practices. Far from being a timeless category, 'profit' has a history in which technical developments, new economic abstractions, and changing processes of accounting production and logics of distribution have defined and redefined the forms, meanings and effects of accounting profit calculation. Central to this history are also the shifting assemblages of material practices, temporal visioning, and distributed sites and agents of expertise that provide the conditions of possibility and change for accounting profit and assessments of profitability	
8	***Crawford Spence and Chris Carter*** **- What does 'profit' point us towards?** The clearest path to a critical consideration of notions such as 'profit' and 'profitability' leads us to the writings of Karl Marx. At the heart of Marx was a materialist understanding of social relations. According to Marx logic, economic structures engender concomitant social, cultural and symbolic forms in society. The value of the research we propose would be in taking individual acts of profit-taking and situating them within the social and cultural contexts that make them possible: How profits are made possible for a particular social activity? Who privatises these gains through the form of profit? How are these deemed legitimate?	
9	***Ekaterina Svetlova*** **- Profit numbers and the investment chain** One of the possible ways to problematize profit is to understand it as a part of the social debating and negotiating process that takes place in the investment chain.	

	Financial numbers such as, profit and profitability ratios travel between different logics and readings of accounting; they are subjects to translations and interpretations by professional communities that are connected by various links in the investment chain. Reliance on the investment chain concept has methodological consequences. If we agree that profit and profitability metrics evolve in a wide range of localities that are interlinked, then longitudinal multi-sited ethnographies might become the tool of choice.	

This paper is organised as follows. The next section presents nine contributions (see table 1) from our discussion participants on problematising profit and profitability. The final section summarises the discussions and highlights key ideas to frame future research and offers some concluding remarks.

2. Contributions

2.1. Alice Bryer: A reflexive project

2.1.1. Seeking reflexivity on profit and other accounting measures

A project to problematize notions of profit conjures potential for a particular kind of reflexivity. Reflexivity not only in questioning the taken for granted character of 'profit' in organizations and societies – understood broadly as 'economic' forms of surplus – and related accounting measures. Accounting researchers have made progress in critically assessing the social and political underpinnings of these constructions, particularly in critiquing neoliberal concepts of profit and accounting, and their many iterations. Outside of this literature, however, assumptions about the natural, objective, and technical character of accounting persist. Critical accounting researchers have long lamented the failure to impact on practice (Hoffman et al. 2019).

To extend the critique of neoliberalism and accounting (Berland and Chiapello, 2009; Cooper, 2015), and work to achieve practical impact with emancipatory potential, reflexivity also includes exploring the possibilities for genuinely alternative visions and enactments of profit in organizations and societies. The following brief discussion points to scope for more collective, pluralistic, and inclusive approaches to profit. Pluralistic here refers, not to temporarily connecting a range of competing and distinct interests (e.g. workers, managers, shareholders), in accordance with neoliberalism, but pluralism on an ontological level (Butler, 2015; Latour, 2016). That is, profit as a means of enabling every-body to fulfill their distinctive potential as actors in social worlds. The benefits may be to open up what accounting is and who does it.

2.1.2. Extending the critique of neoliberalism

Many people in neoliberal societies may feel that profit has little to do with them. They may accept the narrative that profit is a 'thing', which (predominantly male) top managers make (Dambrin, this discussion), and shareholders own (Chabrak, this discussion). Maximizing shareholder profits, and keeping the market 'happy', are the motors that keep society going, according to the neoliberal story, allowing social benefits to 'trickle down' (Friedman, 1979).

Accounting measures and concepts of profit can embody and reinforce this exclusionary vision of human agency, with deleterious social effects (Cooper, 2015). They do this when they are understood technical devices used by a select few, according to the 'laws' of economics.

Researchers drawing on a range of theories from the wider social sciences have worked reflexively to challenge assumptions about the technical neutrality of accounting. A common view is that accounting measures and concepts encourage organizational members to act in ways that affirm neoliberal narratives about organizations and their members (Cooper, 2015; Miller and O'Leary, 1987; Miller and Power). Another is that accounting measures of profit are ideological, constituting a distorted view of social organization that that makes exploitative social relations appear natural and inevitable (Cooper, 2015; Cooper and Hopper, 2005).

Interdisciplinary accounting research has made less progress however in challenging assumptions about 'who' uses accounting. This is not only about exploring beyond the 'managers', 'accountants' and 'consultants' that normally populate accounting research. More profoundly it means seeking to open up our understanding of the kinds of agency that might take shape through accounting, not only the types of decision or action people might take, but also the kinds of 'being' they may become.

2.1.3. Arenas for problematizing profit and profitability

"If we are not, in fact, calculating individuals trying to accumulate the maximum possible quantities of power, pleasure, and material wealth, then what, precisely, are we?" (Graeber, 2001, xii).

One source of inspiration to look for alternative approaches to economic surplus comes from anthropology. Since Karl Polanyi (1944), anthropologists have sought to explore beyond the formal meaning of economics, as the logic of rational action and decision-making, to develop the substantive meaning, as the study of how people make a living interacting with their social and natural environment (e.g. Carrier, 2001; Graeber, 2001; Gudeman, 2001; Suzman, 2017). Detailed ethnographies of livelihood practices around the world reveal many stories that depart radically from neoliberal narratives of homo-economicus. Human beings can, for example, see surplus as a means for social bonding (Graeber, 2001; Gudeman, 2001), and prioritize free time to learn about the world and have fun over utility maximization (Suzman, 2017).

Inspiration and evidence also comes from the many alternative organizations, such as worker cooperatives and social movements, currently developing around the world, as highlighted by a large and expanding interdisciplinary literature (see King and Land, 2018; Parker et al. 2014; Reedy et al. 2016). The members of cooperatives may often see profit as a means to finance wider actions that meet with the concerns of their wider community (Parker et al. 2014; Reedy et al. 2016). To sustain and develop an alternative form of agency, against the pervasiveness of neoliberal economization processes (Chiapello, 2015; Dambrin, this discussion), however, may require reflexive practices.

2.1.4 Reflexive practices

Cooperatives are not island utopias. Embedded in neoliberal societies, cooperatives and their accounting may reproduce many of the practices that accounting researchers have found in other settings, constructing their organization and their members as distinct economic entities. Cooperative members may have greater opportunities for reflexivity however due to their generally more collective and democratic character.

A focus on cooperatives highlights the specific importance of accounting as a potentially reflexive practice. Through engaging with accounting measures of cost and profit, members throughout the organization may come 'face to face' with the contradiction between their collective organization and the need to focus on the survival of 'their' business as an economic entity. Accounting practices may articulate tensions related to this contradiction, and potentially help the actors to counter and work through the difficulties. Calculative features, such as the social materiality of targets (and their comparability), and the planning, future-orientated dimensions of budgets, could help the actors to reflect on the 'bigger picture' (Goworek et al. 2018) and consciously develop their actions accordingly.

The consciousness implied by reflexive work may be embodied and improvisational (Butler, 2015), rather than resembling the deliberate actions of rational economic beings. Not working within neoliberal rules (cf. Briers and Chua, 2001), but creating something new, as the members give greater attention to their social relations. The following vignette helps to suggest these points.

Jessica, Bruno, and others discussing a budget on a tea break in an editorial cooperative (Argentina). "Sure the campaign is important, of course" said Bruno. He was referring to an environmental activist group's campaign to protect forests in the country. "But I'm concerned about whether we can really make this a long term project, the danger isn't going to go away after one protest". Looking sheepish, Bruno added, "Just like everyone else, I've got to think about people at home, I'm the only one with a job, so profitability is important…(.)" "I feel that too, but we're not isolated," responded Jessica. "It's true, how can we budget and plan if we can't even rely on our own conditions, and the land? … I mean, the materials we use everyday". Jessica suggested: "We could involve independent media groups to raise awareness, that way we keep our costs down, and we can ask for collaboration, to build a stronger project". Bruno was nodding cautiously. He reflected, "Actually I've been talking about ordering bulk with editorial Nerja (another cooperative) …(.) So that way we get better prices, and yes, more profits for the project". Further discussion lead the members to agree a plan of support, including some members travelling to the affected region, sponsorship of sustainable reforestation projects, and collaborations with independent media.

We can see in the vignette that some organizational members may feel reliant on profitability for their survival (Berland and Chiapello, 2009). Nevertheless, the vignette also indicates the possibilities for other members to intervene reflexively in the practice, drawing attention to a wider context that means they are "not isolated". It suggests how referring to the budget could make this supportive context compelling, evoking the organization's reliance on their natural eco-system. Jessica's reflexive work apparently helps to foster commitment to increasing the profits available for supporting the campaign to protect forests in Argentina.

2.1.5 Implications

Attending to the ways in which reflexive accounting practices may problematize profit could have substantive importance, particularly for understanding how organizations could respond to the challenge of sustainability. Sustainability in the broad sense of sustainable development (Gray, 2010) challenges organizations to question their dependency on profit as an external thing, to develop practices that recognize their dependency on the efforts of their members and on their wider social and natural worlds. It is clear that accounting may be "permeable to other bodies of expertise" (Miller, 1998, 619). Yet, we know little about how ways of engaging with accounting measures of cost, for example, could support capacities to rethink internal processes or supply-chains that prioritize short-term profits over the welfare of organizational members and eco-systems.

Exploring the possibilities for reflexive practices might enlarge understanding of accounting's performativity, revealing "contrary and alternative currents" to economization processes (Chiapello, 2015, 33). Questions that merit attention include the kinds of accounting calculations that may be more or less likely to enact reflexive capacities. It may be, for example, that more 'financialized' modes, such as net present value and probability-based estimations of value (Chiapello, 2015), are less likely to help actors critically assess their social relations than traditional management accounting measures. Another question is the extent to which more democratic and egalitarian conditions may be necessary for reflexive practices to develop or, alternatively, how far interactions between organizational members and accounting calculations can encourage such conditions?

Finally, attending to reflexive practices could help to fulfill the long-standing project to have emancipatory impact on accounting practice. Accounting academics are not alone in seeking to problematize profit. Reflexive practices create scope to work through persistent dichotomies between 'experts' and 'non-experts', towards socially productive outcomes. Working with alternative organizational actors in particular might enable accounting researchers to contribute to bringing more collective, pluralistic, and inclusive visions of profit into being. The research could help organizational actors in other settings to problematize profit.

2.2 Nihel Chabrak: Accounting for the quality of growth

2.2.1 The problems with profit

Critical researchers have pointed out the role of accounting and profit measurement in nurturing an unsustainable model of growth, while today we need quality of growth. Mlachila et al. (2014), states that such growth needs to be strong, stable and sustainable, which increases productivity and leads to socially desirable outcomes, such as improved standards of living and poverty alleviation. This requires preserving the full range of factors that make life worth living (UNU-IHDP and UNEP, 2012). Accounting has a major role in distorting decisions (Stiglitz et al., 2009), which has led to increasing levels of environmental degradation and social inequalities with a direct effect on quality of life. If accounting can better counter social injustice and environmental degradation and contribute to quality of growth, we need a new way of seeing it. We should problematize the mind-set of accounting as narrow technical control (Chabrak et al., 2019).

2.2.2 The proprietary view, exploitation and inequality

Traditional accounting is, according to Paton (1922), saturated with the proprietary view of the firm where disclosure of proprietor's capital was the main task. In this approach, expenses broadly reflect costs and debts, which reduce owners' invested wealth, while any residual income constitutes an increase of that wealth (Biondi, 2012; Chabrak, 2018). As the outcome of a commensuration process assorted with covering techniques to manage stigma (see Jeacle, this discussion), the traditional accounting model hides the extractive and exploitive processes of human and natural capitals by the business firm and consecrates its role as an instrument which exists solely to create wealth for shareholders. Social and environmental impacts are no longer borne by the business firm, despite being responsible for environmental damage and inflicting harmful working conditions on labour. Negative externalities on the social or natural environments are transformed into profits levied by capitalists. The accounting profit that measures corporate performance is not the (social) value actually created (destroyed) by firm's activities, but a subjective measure of the surplus extracted through the hidden processes of greater inequality, social division and uneven distribution of wealth (Corning, 2011). The concept of profit should be problematized to temper the relentless pursuit of Shareholder Value Maximization (SVM) by the business firm and to reciprocate by contributing a proportionate share to the collective wellbeing in return for the benefits it receives from this collective dimension (Corning, 2012). Our task is to question the proprietary view of accounting that gives foundation to the traditional accounting model.

The proprietary view does not support the depersonalization of ownership and the objectivation of the enterprise (Berle and Means, 1932). Profit in the traditional accounting model ignores a reality in which the firm is functionally autonomous and legally distinct from its owners (Blair and Stout, 1999; Stout, 2012). It is an entity, which is more than a mere aggregate of associated members (Lang and Littleton, 1935) that goes on over time to serve long-term interests, which assumes serving many stakeholders including managers, shareholders, customers, employees and society in general, and where accountability is broader than making money for shareholders (Dodd, 1932). The performance of the entity requires creating conditions for “workability”, that is the state or condition that constitutes the available opportunity for something or somebody or a group or an organization to function, operate or behave to produce an intended outcome, i.e. to be effective; or the state or condition that determines the opportunity set from which someone or a group or an organization can choose outcomes, or design or construct for outcomes (Erhard et al., 2009, p. 41). To maintain workability which will result in preserving the opportunity set for its performance, the entity needs to consider the fundamental concerns of the relevant parties in its decision making that should lead to social value creation.

2.2.3 Re-defining the business entity

To reflect its contribution to social value creation, accounting measurement of firm performance should make visible the various business decisions and their economic, social and environmental impact. This requires a new concept of profit that is based on the entity theory of accounting (Littleton, 1934). Paton (1922) called for a more economic concept of profit measurement whereby revenues are compensation for the services provided by the firm, while expenses represent the cost of obtaining such revenues. This income will not be accrued to the owners or creditors (Paton, 1922). This “income” is what belongs to the entity and not to the shareholders. It represents what is available to be re-invested in the business, or to be distributed to all recipients – the stakeholders (the relevant parties) including the shareholders, and which allocation is to be decided consensually by the board of directors (Chabrak, 2018). In this accounting model, interest payments and dividends should be considered as distributions of profit rather than being considered as expenses in the first case and owners’ withdrawals of capital in the second case (Paton, 1922).

This reform should make no conceptual differentiation between shareholders, creditors and providers of natural and human capitals since any business needs to ensure workability which requires considering the fundamental concerns of the relevant parties by preserving all forms of capitals for its going concern status. For Paton (1922) and Littleton (1934), both assets and liabilities are those of the entity, which reports to all stakeholders who supplied the business firm with different forms of capital and as such they are all claimants against earnings and residual assets according to the terms of their respective contracts. Therefore, the entity view of accounting requires creating a new equity account for the entity that would contain three sub-accounts for the financial, human and natural capitals, which have accrued, temporarily or indefinitely, to the business firm. The shareholder equity account is only a sub-account and should be separated from the entity equity account. Shareholders' equity contains all the residual interests accrued to shareholders and account for their outstanding claims against the business firm (Chabrak, 2018). As suggested by Lorino (this discussion), the valuation of the new human and natural sub equity accounts should be solved through collective, pluralist, and situated inquiries, which requires egalitarian conditions to enable more sustainable practices. This entails humans to be more likely to treat their relations with others and their natural world as the aim, rather than seeking to accumulate personal wealth and power as explained by Bryer (this discussion) which has led humans to always secure power over other humans in a class-based society (Spence and Carter, this discussion) or over nature by extracting from nature and transforming nature into an object (Chabrak et al., 2019).

To support the accounting shift we describe above, an inclusive governance is necessary to acknowledge complementarity and cooperation between the different forms of capital in use by the business firm to fulfill its long-term goals. An expanded form of co-determination grants the representatives of the different forms of capital the proper rights of access to run the business and to develop a sense of ownership to be able to shift the firm priorities from creating shareholder value to producing a quality of growth.

2.3 Claire Dambrin: Profit as a hyperreal "indic-actor" producing gendered invisibilities

2.3.1 Profit as an outcome of quantification

The position taken in this contribution sees the "problematizing profit and profitability" as shaped by an overall perspective that sees profit and profitability as products of quantification, not as objective reflections of a reality, but as social constructions based on conventions and the production of measures.

In the first part, I note that profit and profitability have been insightfully described as hyperreal indicators in previous accounting research, suggesting that Baudrillard's works and post-modern studies help us to problematize the conventional view which presumes that profit reflects a company's performance.

In the second part, the concept of the "indic-actor" is used to describe profit, arguing that this indic-actor supports the production of gendered invisibilities. Feminism offers a way to unpack the discrimination, selection and exclusion processes at play in the design and consumption of profit-related indicators. It also relevantly reminds us that debate is a methodological prerequisite to problematize profit in organizations.

The conclusion examines the potential for side-lining profit and profitability by other types of indicators which perhaps better feed our contemporary neo-liberal societies' appetite for optimization of human capital.

2.3.2 Profit as a hyperreal indicator

Profit, like other accounting signs, has been analysed as self-referential. In their influential work based on Baudrillard, Macintosh et al., (2000) emphasized the progressive loss of connection between profit and its referents. In the Middle Ages, profit was "the result of liquidation", measuring "the net of a closed venture" (Littleton, 1968, p. 290 quoted in Macintosh et al., 2000) for each trade. With the introduction of double-entry bookkeeping, periodic calculations of income, real and nominal accounts and accruals, income began to correspond to a "sign that 'played' at reflecting the real" (Macintosh et al., 2000, p. 21). When the industrial revolution and mass production came along, income "absorbed the referent" (the profit of a business) to become an "exchangeable commodity, serially produced and used to facilitate the allocation of capital in an exchange market" (Macintosh et al., 2000, p. 27). In today's post-modern society, "the sign is now its own pure simulation" (Macintosh et al., 2000, p. 27); and no longer has any connection with reality. The profit indicators currently used are not modelling reality, but "modelling other models". Earnings management is a well-known illustration of this self-referential process. Companies use a variety of profit manipulation strategies to meet the financial markets' expectations, such as postponing the effect of an operation to another period by changing the measurement methods, speeding up a sale or delaying a purchase (Lambert and Sponem, 2005). Companies' reported earnings mirror analyst forecasts almost perfectly, while analysts seek constant guidance from companies to frame those forecasts, leaving everyone aware that reported earnings do not refer to "real" earnings. Accounting signs like reported earnings thus circulate in a world of hyperreality. Their circulation is eased by the combinability of accounting inscriptions (Robson, 1992). Profit and Loss accounts and profitability ratios travel all the more easily across organizations and their stakeholders because they are aggregates. Robson (1992, p. 699) argues that:

> "Rather than simply view the inscriptions within one company's accounting statements, financial analysts and investment fund managers summarise and aggregate such statements by combining them with others, thus creating a new tier of inscriptions that can stand for and replace the previous inscriptions".

2.3.3 Profit as a producer of gendered invisibility

While profit has been insightfully theorized as a hyperreal indicator with the ability to travel across organizational boundaries, it is important to remember that it creates specific (in)visibilities while travelling. Profit is a frontstage indicator, an **indic-actor**. Like the person playing the starring role, it tends to monopolize all the attention and its aura spills over onto a limited number of individuals. As Jeacle (this discussion) reminds us, profit is dramatized and publicized. When profit indicators are publicized, they make all the backstage efforts invisible, because profit figures attract the audience's interest more than the efforts deployed to attain a certain level of performance. To put it differently, the complexity of activities is eliminated and ignored in objects like profit and profitability (Lorino, this discussion). I would like to extend the implications of profit as an indic-actor and argue that the **invisibilization of human efforts to support profit generation is gendered**.

It is **gendered because profit is embodied**. As accounting scholars, we are used to teaching our students that there is a difference between the profit of a business segment (product line, geographical areas, etc.) and the performance of the same business segment's manager. For instance, an apparently unprofitable product line may appear profitable if reference is only made to the controllable factors used to calculate the profit attributable to the manager of the product line (e.g. by dropping uncontrollable costs such as allocated overheads). That said, beyond the theory, a less subtle use of the "profit" indic-actor can be observed in the daily life of organizations, since individual managers' performance is generally taken to mean the same thing as the performance of the business segment he/she manages. A good result on product A becomes attached to A's product manager (Dambrin, Lambert, 2017). This idea is expressed by Marvin, a brand manager in a global leading cosmetics company, when he explains that *"for years [he] will remain in everyone's minds* *as the guy who had a record hit with the launch of Sweet Love fragrance"* because *"if the product does brilliantly, you do brilliantly".*

To take this idea further, invisibilization of human efforts to support profit generation is **gendered because profit embodiment tends to exclude lower-level workers**. The "we" of a team becomes a "he" in people's memory, as Marvin, already quoted above, highlights when describing the creation of a buzz around sales records:

> "*you know what,* ***we*** *broke the record, 7 million in sales for Sweet Love, the biggest launch.' Then the guy goes back to his office, 'Shit, you know what, I saw the guy from Sweet Love.* ***He****'s made 7 million, it's doing brilliantly."*

So, it is not only the quantification work that is made invisible by abstract quantities like profit (Desrosières, 1993; Espeland & Stevens, 1998; see also Svetlova, this discussion), but also the collective endeavour to raise the performance beyond the figure alone. Figures are easily attached to highly visible individuals and tend to create tacit exclusion of everybody else.

To further illustrate this point, I will use another empirical example based on an important component of profit: revenue. Cashiers in B to B retail are one example of the lower-level workers who contribute to revenue generation. The work done by cashiers on customer billing, customer balances and customer credit analyses is part of what could be valued in the organization, as it makes sure that bills turn into receipts. Clavijo and Dambrin (2019, p. 5) observe that:

> *… all that is measured, all that anyone cares about… [is] turnover. Well, guess what, turnover has to come in. When you calculate the ratio of defaults to total turnover, it's extremely small. The reason it's that small is because cashiers have done a lot of checking of customer balances so that the cash comes in.* (Female Accountant at a builders' supplier). (Ibid., p. 5)

Although it is important for profit generation, all the work done by the cashiers as supporting players to the "profit star" is invisible in the final "turnover" figure shown in the supplier's profit & loss account. It is also unacknowledged in the shop's performance review meetings, to which the cashiers' manager is not even invited. Profit does not hang out with supporting roles, especially when the actors concerned are female.

In the end, everyone remembers Marvin as "the guy from *Sweet Love* who has made 7 million" and no one cares about the cashiers' contribution to the supplier's profit, because it is deemed so indirect and insignificant in relation to the final figure that it literally does not count. It is by no means incidental that Marvin is a man, while cashiers are predominantly women. But I want to go beyond a criticism of profit indicators as a creator of mostly male stars. I believe that feminism can help to highlight exclusion processes in general, beyond the realms of "female" / "male" occupations. In particular, feminism can help to decenter the figure associated with an illusory, dramatized, often male, single producer. It can certainly help us to look beyond the hegemony of profit indicators that tend to brush aside collective efforts, and instead adopt intersectional perspectives that emphasize the contribution of many anonymous lower-level workers who are generally ignored because of their sex, race, sexual orientation, religion or economic capital. Feminism also reminds us that dissonance and debates are valuable in organizational spaces to problematize profit as a figure and as a process. In France, the MLF (*Mouvement de Libération Féminine*), a national feminist movement born in the wake of the American Women's Lib in the late 60's, called for horizontality, networks, and decentralized decision-making, and was a pioneer in participative democracy (Dorion, 2017). Although the

MLF was not free from internal contradictions, it denounced the contradictions of the French New Left, highlighting the sharp contrast between its alternative ends and its conventional means (centralized, authoritarian, sexist structures). Questioning of the coherence between means and ends in organizations is part of the DNA of feminist movements, and could inspire fruitful debates on the coherence between means and ends in profit generation.

2.3.4 Conclusion

I have proposed the metaphor of acting here to think about the gendered invisibilities created by profit. But the **question** arises of **whether profit and profitability are still stars**. Companies and their stakeholders have long been aware that profitability ratios like ROS (Return on Sales) ignore the amount of capital needed to raise a given level of profit. Being profitable does not necessarily mean being efficient in capital employment. In the 1990s, return on investment ratios, like Return on Equity (ROE), or Return on Capital Employed (ROCE) were used in addition to profitability ratios to assess the performance of a company. Companies and analysts also referred to other ratios incorporating the investor risk. New stars had been created by the end of the decade, in the form of value creation indicators like EVA (Economic Value Added), which are supposed to assess a company's ability to offer investors a return that is greater than the opportunity cost of their investment in the company.

Profitability is still present as a component of those new aggregates, but seems to have left the frontstage due to its poor capacity to address issues like capital employment efficiency and investor risk. Profit indicators have thus been transformed by a trend of financialization in valuation processes (Chiapello, 2015). This trend is not confined to the business world. In our biopolitical societies (Foucault, 2004a, 2004b; Fleming, 2014), profit is increasingly being supplanted by the ideology of asset optimization. In other words, return on investment and risk management are becoming pervasive aims that structure the behaviours of every citizen, be she in pursuit of "optimization" of her home, her health, her sleep or her knowledge. A personal commitment (investment) is deemed profitable when it not only passes the conventional "cost-benefit analysis" test, but also promises the individual better use of so far under-optimized assets.

2.4 Ingrid Jeacle: Profit as a commensuration process

2.4.1 Commensuration

Profit can be considered as the outcome of a commensuration process. Commensuration involves converting "different qualities into a common metric" (Espeland and Stevens, 1998, p.314). It transforms and collapses a range of diverse actions into a single number. From this perspective, profit can be viewed as the unique number that captures all the activities of an endeavour over a specified time period. It is the summation and aggregation of all the transactions, deeds and exploits associated with a venture into one single quantitative form. Miller (2001, p. 231) recognises the power of accounting in this regard:

> The calculative practices of accountancy have one defining feature that sets them apart from other forms of quantification: their ability to translate diverse and complex processes into a *single financial figure.*

If we think of the annual corporate report, the final net profit figure effectively seeks to reflect a year's worth of corporate activity: hiring and firing of staff, new growth strategies, new product launches and all the multiple aspects of organizational life. It is therefore important to recognise the vast calculative infrastructure that lies behind the concept of profit. Calculative technologies create this single financial figure. And it is a figure which simultaneously reveals and hides so much about the organization. On the one hand, profit is a powerful symbol of corporate success, a market based validation of the decisions of the board of directors. On the other hand, the commensuration process can conceal a myriad of unsavoury machinations in the creation of profit. As Chabrak (this discussion) has argued, profit has the capacity to hide exploitation while at the same time consecrate shareholder wealth.

Commensuration facilitates comparison and ordering (Espeland and Stevens, 1998; Espeland, 2001). In other words, the transformation from qualitative to quantitative form creates relationships between the numbers produced - for example, allowing the largest and the smallest number to be identified. This is why the concept of profit is such a useful performance measure in a capitalist context. It creates relations across time and space. It provides a relatively simple way in which to compare and contrast profit levels from differing endeavours: the profit from an engineering works can be evaluated against the profit from a retail chain, the yield from an agricultural venture can be considered against the surplus from a scientific initiative. As Espeland (2001, p. 1839) has argued, “we notice commensuration most when it creates relations between things that seem different to us”. There is of course, a potential downside to such a commensuration process. While we gain simplicity and ease of comparison, we lose the qualitative dimensions inherent in valuing collective action. Lorino (this discussion) argues convincingly that the taken for granted nature of profit and profitability, have effectively removed the rich, pluralist, controversial and exploratory inquiry that valuing organizational activity requires.

Commensuration helps us deal with uncertainty by providing a standardised metric to assist decision making (Espeland and Stevens, 1998). It reduces everything down to the number – the ‘bottom line’ in the case of profit. In this sense, the quantification produced by commensuration enables decisions and judgements to be readily made. It allows “governing by numbers” through the creation of centres of calculation (Miller, 2001). Measuring profit has been a longstanding method of managing the disparate parts of an organization (the chain store, the branch, the division). It renders these units, and those who are responsible for them, calculable and comparable. In this manner, profit, similar to other accounting technologies, helps to create the self regulating individual (Miller, 2001). It internalises a profit mentality. Whether such a course of action is ultimately profitable for the organization is questionable. Profit as a performance measure is inherently narrow in scope. It ignores a range of other increasingly important factors to achieving corporate success such as product quality, customer satisfaction and environmental reputation. And yet, despite the recognition of these alternative performance measures (e.g., through a variety of balanced-scorecard initiatives), profit arguably remains the most dominant form of performance measure in corporate life.

The process of commensuration often bestows a form of legitimacy on the quantities so produced (Espeland and Stevens, 1998). Numbers are often invested with a neutrality and objective logic which encourages trust to be placed in them (Porter, 1995). Accounting scholars however have long recognised that calculative technologies are not neutral, rather they have powerful social and organizational consequences (Hopwood, 1983). As Miller (2001) has argued, accounting technologies are inevitably linked to the programmatic ambition of the entity. Consequently, profit can be viewed, not as the rational and impartial outcome of calculation, but rather as reflective of the political strategies of the organization. This stance is reflected in the respective contributions by Lind and Svetlova (this discussion) who similarly recognise that profit is ultimately defined and determined through a process of negotiation, a process in which the relative power of the actors concerned impacts the final profit narrative.

Before concluding this consideration of profit, it is important to recognise that the concept need not necessarily be a monetary value. Traditionally we may think of profit as the net result of accounting procedures, the outcome of debits and credits and the application of accounting standards. In other words, the terms 'profit' and 'loss' are intrinsically associated with the corporate world and are invested with monetary connotations. However, profit may also reflect other forms of quantitative surplus or excess (e.g., the number of units produced or the kilos of produce harvested over and above a certain criteria). Or indeed, contra to what has been argued above, perhaps the concept of profit can also be used to express more abstract and unquantifiable criteria, such as one's state of happiness or serenity in the reckoning of a life. But what we do know about the process of commensuration though, is that that which gets measured gets counted: a failure to commensurate can render something invisible or irrelevant (Espeland, 2001). Profit therefore invariably draws its power and significance from its quantitative form.

2.4.2 The Stigma of Profitability

Profitability is about more than simply making profits. Profitability is also about delivering a good *impression* of profitability. It is as much a social construction as it is a technical calculation. Drawing on Goffman's (1959) dramaturgical framework, one can view profitability as the grand finale to a successful performance. All the backstage work of a host of organizational actors has ultimately paid off. With the aid of props, of which the annual corporate report is one, a 'front' is presented to the audience which delivers a particular impression regarding the profitability of that organization. So profitability is not a quiet concept. By contrast, it is generally loudly heralded in a public fashion and it is aided in this process by market mechanisms. Quarterly announcements, twitter feeds and annual reports are the vehicles through which the 'good news' of profitability is proclaimed. As Dambrin (this discussion) aptly observes, profit is a star that likes to steal the limelight.

But does profitability always deliver 'a good' impression? According to the economic model, the maximisation of profit is always the desired outcome. Profitability implies a stable (or growing) share price in line with the objectives of the organization's financial stakeholders. Profitability also connotates corporate success, reliability and resilience. But could profitability be something other than positive? Could profitability be associated with adverse or negative impressions such that it is even becomes a stigma for the organization? Consider, for example, the PFI (Private Finance Initiative) that pillages the public purse. Or the pharmaceuticals giant that profits from life saving medication. Consequently, too much profit may seem obscene, it can be tainted with corporate greed. Increasingly it can prompt questions regarding how those profits were made. Was there exploitation of workers? Were they paid a living wage? How were partners in the supply chain treated? Was damage done to the environment in creating this profit? So profitability is not just an economic indicator. As Zelizer (1994, p.18) has argued, money is not neutral, it has a social meaning, it is "profoundly influenced by cultural and social structures". Consequently, profitability can communicate a powerful message, and sometimes that message is an embarrassment to the organization.

Goffman's (1968) work on stigma management is insightful here. Goffman (1968, p.13) defines the term stigma as "an attribute that is deeply discrediting". He distinguishes between three types of stigma: abominations of the body, tribal stigma arising from race or religion, and blemishes of individual character (such as addiction). While Goffman was writing about stigma from the perspective of the person, his thoughts have been applied more generally by social theorists to explain a wider set of interactions in everyday life. Applying it here to the context of the corporate entity, can provide an alternative way of understanding profitability and the impression it communicates to an audience.

One of the techniques that Goffman describes for managing a stigma is "covering" (Goffman, 1968, p.125). The objective of covering is to ease the social tension surrounding the stigma.

Efforts are made to avert attention from the stigma through, for example, the use of levity, serious discussion or some other means of deflection. One can argue that this is a strategy that organizations increasingly engage in today in order to meet the demands of a socially and environmentally concerned audience. As Bryer (this discussion) has observed, the pressure to address sustainability issues for example, has prompted organizations to move beyond the pure pursuit of profits and to embrace initiatives that showcase their social integrity. Whether through the corporate website or the annual report, organizations seek to deliver their key messages in a manner that highlight what they want to say while simultaneously skirting over the less savoury aspects of corporate life. They engage in tactics that cover or hide their stigma by focusing on other issues.

Strange as it may seem, and counter to the traditional model of profit maximisation, profitability is one of the stigmas that global corporations now need to address. They need to be profitable without profiteering. They need to highlight their social conscience, and they need to do this is a very public manner. They need to put on a credible performance that will deflect attention away from the less socially caring aspects of their business model. This strategy is already well underway. Consider the annual report of any publicly listed organization - profitability projections are tempered by declarations regarding low carbon emissions, social enterprise initiatives, engagement with disadvantaged communities and respect for workers and supply chain partners. There is a stigma to profitability in the 21st century. It is no longer enough to be profitable, profitability confers obligations to the wider social community. Profitability is an impression that needs to be carefully managed.

2.5 Johnny Lind: Inter and Intra-business accounting measures

2.5.1 What is profit?

The challenge of how to define and measure profit is conducted across many areas of society. An example is interorganizational relationships. Here profit measurement is often a critical ingredient in business deals that direct monetary flows in the buyer-supplier relationship. A business deal is a negotiated agreement "regarding what the parties shall contribute and what they will receive in return from activities addressed by it" (Håkansson and Olsen, 2015, p. 212).

Accrual profit measurement is often the backbone of a business deal. This can, however, be challenging when the profit measurement method only captures the short-term value of resource combinations and not the long-term consequences (Baraldi and Lind, 2017). These challenges will increase where resources are heterogeneous and where the value in use of a resource is dependent on the resources it is combined with (Alchian and Demsetz, 1972). Waluszewski and Wagrell (2013) showed how public purchasing policy made it impossible to introduce a new innovative treatment method for patients. The profitability measurement they identified only supported arms-length transaction whereas the new treatment needed a broader measurement of profitability. Additionally, it needed an extended time horizon and to include the indirect effects to make the treatment profitable.

Hence, business deals that rely on profit measurement for determining monetary transfers between involved companies must handle at least two conflicting challenges. The profit measure must be easy to understand to guide the business deal and, simultaneously, be able to mirror the complexity of the long-term value creation in the inter-organizational relationship. A profit measurement emphasizing comparability and verifiability is more useful where it facilitates the understanding of how obligations and rewards are materialized into actual monetary flows.

The business deal and associated profit measurement create stability and predictability for the involved companies in the buyer-supplier relationship (Håkansson and Olsen, 2015). Stability and predictability make it more attractive for the buyer and supplier to invest in the relationship despite the uncertainty and complexity that often characterize the relationship. However, the stability can also create rigidity in the buyer-supplier relationship and lock in a company in a relationship with an outdated business deal and associated profit measurement. As an example, profit measurement might not mirror the value creation process because of unexpected events that occurred after the business deal was made. Such rigidity hinders the involved companies to establish new prosperous relationships with a content that is blocked by the previous business deal.

So, what is profit in interconnected buyer-supplier relationships when it is associated with a business deal. Profit in this situation is an outcome of a negotiation process between the buyer and supplier. It can be assumed that the involved actors' power will influence how profit is defined and measured.

2.5.2 How to measure profitability?

Profitability is often used to evaluate different objects within a company such as organizational units, products, customers and projects. The profitability figures can thereafter be used by actors within the company to prioritize resource use. How can actors prioritize between all organizational units, products and customers? One example that illustrates the challenges in such a process is long-term customer profitability in a business to business setting (Lind and Strömsten, 2006).

The common method to measure customer profitability is to individually evaluate each customer based on accrual accounting. The key is to trace revenues and costs to each individual customer based on costing methods such as full absorption costing or Activity Based Costing. Profitable customers should be prioritized, and the company should work with the unprofitable customers and try to make them profitable (Kaplan and Cooper, 1998). If some customers still are unprofitable then the company need to end these relationships.

However, some of the customers that, based on the accrual customer profitability analysis, are perceived as unprofitable could be the most important and profitable customers for the company. This is often the situation with customers that the company for a long time has had an intensive collaboration with. A collaboration that has resulted in large adaptations of activities and resources between the companies. The customer can contribute with significant knowledge in product development. Sometimes the companies even jointly develop a product to solve some particular problems for the customers. The jointly developed knowledge and the product can later be sold to other customers.

Long-term collaborative customer relationships create mutual interdependencies that sustain relationships. They are expensive to establish and equally expensive, hard and time consuming to break up. These customer relationships are important for the company's short-term performance, but even more important for the company's long-term performance. It is a risk that a company that evaluates and prioritize customers based on accrual customer profitability analysis will end these long-term collaborative relationships. Thus, it is necessary to evaluate these customers with a customer profitability analysis with extended time horizon. An appropriate method would rather trace all cash flows related to the life time of the customer relationships and discount them to the time of customer evaluation. This type of life time profitability analysis will prioritize long-term collaborative customer relationships.

The discussion of measuring and defining customer profitability shows that it is hard to know if a customer is profitable or not. However, a company still needs to prioritize between its customer relationships and customer profitability analysis will be used in this process. These customer profitability analysis figures will be used by middle managers in different negotiations processes. It will despite its shortcomings be one key ingredient in business deals and its associated profit measurement.

Dambrin's (this discussion) stimulating argument that profit measurement has lost its connection to reality has great significance to today's business practices. The profit measurement of a company is interpreted by many stakeholders such as company management, analysts, investors, customers, suppliers, competitors, labour union, tax authorities, and journalists who all have their own agendas. Stakeholders have significantly different time horizons and differing views on how to interpret profit measures (some are interested in long-term profit while others are focused on short-term results). Stakeholders who are more interested in short-term profit emphasize the importance of the quarterly reports. One such influential stakeholder group is that of the analysts who need to give buy, hold, or sell advice for their clients. Consequently, they are interested in a profit measurement that captures a time horizon of the upcoming twelve to eighteen months. In addition, the analysts focus on items in the income statement that can be influenced within the time horizon that matters for them. Hence, the analysts tend to be interested in profit measures such as EBITDA (Earnings before interest, taxes, depreciation and amortization). The individual analysts profit forecast are compiled into a consensus profit forecast that is used by investors and journalists and act as a benchmark for company performance. An indication of the importance of the company/capital market interface is the emergence of a new function – investor relations – that takes responsible for that interface within the company.

It seems that profit calculations are increasingly challenged. This development raises some critical questions for the accounting practitioners and scholars: (1) Why should anybody bother to prepare profit measures based on accounting standards if as it seems possible it has increasingly lost its connection to reality? (2) Why should students invest time and resources in accounting education in such a situation?

The future seems to be dark for accounting. However, is the disconnection between profit measurement and reality a universal problem? I think the answer to that question is yes to some extent. However, it also depends on the situation in which the profit measurement is used. In the discussion above, the focus is on profit measurement in quarterly reports for companies on the stock market. In such a situation, many stakeholders are involved in interpreting the profit numbers and it can be hard to connect the profit measurement to reality. In contrast to that situation, the measurement of profit or valuation that supports deals in a business relationship often involve only two companies. This gives possibilities for the companies to connect the measurement to the reality of how they create benefits and use resources. Such a situation involves fewer stakeholders that have an interest to impact profit measurement than the that concerning a quoted company responding to the vagaries of stock market valuation.

2.6 Philippe Lorino: A pragmatist perspective

2.6.1 A value-loaded, performative and static concept

In organization and management studies, the notions of "profit" and "profitability", beyond technical intricacies, appear as "ready-mades" of managerial thought and practice. In the mainstream perspective, the concept of "profit" appears as:

Value-loaded: Etymologically, "profit" comes from the Latin word "profectus", which means "progress, advancement, success, getting closer to the attainment of objectives". "Profit" and "profitable" thus convey a rather positive judgment of value: Personal as well as corporate activities *should* be profitable.

Performative: "Profit" simultaneously refers to an economic concept, an accounting measurement and therefore a calculative practice, and standard managerial practices, such as profit planning and profit controlling. The social phenomenon (the capacity of a social group to progress towards the attainment of specific goals) and the accounting measurement that refers to it are most often fused: The phenomenon becomes the measurement and, reciprocally, the measurement is supposed to enact the social phenomenon.

Static: In research and practice, profit is supposed to be, once and for all, defined and regulated, while, for example, the notion of "value(s)" is inherently debatable. This permanency makes it a convenient tool to communicate, compare scenarios and promote swift decision-making and action.

2.6.2 A pragmatist re-wording of the problem

To put the concepts of "profit" and "profitability" into perspective, in the light of Charles Peirce's famous pragmatist maxim (a concept is nothing more than the sum of its conceivable practical effects: Peirce, 1998, p. 135), let us replace the definitional question: "What *are* the concepts of profit and profitability?" with the practical question: "What *do* the concepts of 'profit' and 'profitability' *do*?" This exploration will find a key source of inspiration in the works of pragmatist thinkers Charles Peirce and John Dewey. Peirce theorized action as a meaning-making process mediated by signs (languages, instruments: for example, in organizational life, financial indicators). Dewey criticized the univocal logic which uses "profit" as a notion that precludes the social process of debating about the ends of collective activity, while he developed a theory of valuation as an active and open pluralist process.

In Peirce's semiotic perspective, accounting figures such as « profit » or « profit rate » can only impact situations as semiotic mediations of social activity, amongst many other types of mediating signs (such as financial and non-financial figures, speeches, texts and images), in a "triadic" understanding of "mediation": Signs do not *represent* organized activity as a mirror and neutral image, in a dyadic view (couple signifier / signified, image / reality), but they represent activity *with respect to…,* in a specific meaning-making and action perspective (Peirce, 1998), such as capital accumulation or customer satisfaction. This triadic framework allows overcoming dualisms that are very usual in management studies, such as true/wrong, visible/invisible, stable/moving, complex/simple. In such a Peircian perspective, many of the characteristics of profit and profitability measurements underlined by other participants in this discussion derive from this semiotic status and are shared with other types of semiotic mediations in organizational action. For example, signs always respond to specific viewpoints; in our case, profit and profitability measurements "are linked to the programmatic ambition of the entity" (Jeacle, this discussion); signs also instantiate a temporal and social trajectory (past and future of the situation, connection with other actions occurring elsewhere) within the here and now situation (Jeacle, this discussion: profit "creates relations across time and space"; Svetlova, this discussion: "profit numbers are a part of the ongoing conversation of companies with stakeholders" and other social actors situated in distant locations). Semiotic mediations complicate and simplify at the same time: By "collapsing a range of diverse actions into a single number" (Jeacle, this discussion), an extreme form of simplification, profit and profitability measurements simultaneously complicate the situation by opening new potentials to action and giving access to calculation, "commensuration, comparison and ordering" (Jeacle, this discussion). Such semiotic mediations as profit numbers delineate visible and invisible aspects in a situation (Dambrin, this discussion).

Profit and profitability measurements owe this mediating role to their ambivalent and double nature: They point to an institutionalized social concept expressed in accounting calculation rules and norms, and they simultaneously materialize as specific numbers in the singular situation, within specific space and time boundaries.

"Profit" and "profitability" share these semiotic properties with other financial, operational or even non-economic types of value measurements. However, what makes them unique forms of mediation is the social recognition of their transcendent quality, as a kind of "meta-measurement" of value, the ultimate semiotic mediation that tacitly underlies other mediations. For example, local machine productivity and inventory turnover often prove contradictory indicators of factory performance: Maximizing productivity frequently leads to stockpiling. The tradeoff between them depends on an explicit or tacit judgment about the impact of machine fixed costs and inventory carrying cost on profitability, perceived as the ultimate judge of performance.

2.6.3 Dewey's analysis of the practical effects of the "profit" and "profitability" notions

In Dewey's practical perspective, the notions of "profit" and "profitability" involve two major effects. First, they skip the multiplicity and potential contradictions of activity ends and resulting values, by naturalizing the notion of profit as a taken for granted technical response to the questions: "What is the economic goal of our activity? How could we valuate it?", or, more generally: "What should be the final end of our collective activity?" The notions dispense with any exploratory inquiry aiming at valuating organizational activity: "Business calculation is obviously of the kind where the end is taken for granted (Dewey, 1922, p. 215)". In Peircian terms, the triadic view of meaning-making ("profit with regard to...") is thus replaced by a dyadic "automatic" judgment ("the" profit/profitability of the activity).

Second, since the final end of activity is tacitly determined as profit or profit rate, this naturalization dispenses with pluralist debates between stakeholders' respective perspectives on activity valuation and significantly reduces the controversial dimension of corporate governance. Goal fixation and activity valuation can then be reduced to standardized calculative practices: "It followed that the office of reason is only to enlighten the search for good or gain by instituting a more exact calculus of profit and loss" (Dewey, 1922, pp. 213-214).

2.6.4 The critique of the means-ends dualism

Dewey bases his critique of financial logics on the philosophical critique of the "means-ends" dualism. In rationalist approaches, valuation is thought to start with the stable establishment of final ends that transcend situations. Final ends and the corresponding “system of values”, (e.g. the profitability imperative) are then considered as static components of any situation, because they are viewed as a scientific truth rather than a contingent mediation. Dewey (1988) questions this view, by arguing that social activities involve the ongoing and *simultaneous reappraisal of means and ends*, which cannot be separated: “The object finally valued as an end to be reached is determined in its concrete makeup by appraisal of existing conditions as means (…) within *an ongoing stream of events* (p. 213). Also, that “the distinction between ends and means is temporal and relational (Dewey, 1988, p. 229).” Activity has distant purposes, but action here and now adjusts to *an end-in-view*, that guides action by hypothetically translating final ends into the present singular situation. Ends-in-view must be reassessed in view of their practical effects throughout the guided activity, in a mutual process of cross-translation between ends and activity (Lorino, 2018).

Valuation appears then as a situated, pluralist, and exploratory inquiry. Dewey rejects the “foolish quest” (1988, p. 242) of evaluation rules that dictate *a priori* and ideal values, as the semantic identification of profit with the “P&L bottom line” would do. Valuation is not a process situated *outside* of activity, as the mainstream financial and accounting view would suggest, but it is the process of “thinking value within the work activity itself” (Vatin, 2009, p. 30). In this view, “profit” becomes an active valuation tool when it is internalized by individual or, more frequently, collective “self-regulating” actors, all along the chain of production (Jeacle, this discussion) or the “chain of investment” viewed as a continuous process (Svetlova, this discussion).

2.6.5 Valuation as the engineering of activity, profit management as taking activity for granted

The process of valuation designs, maintains and reengineers collective activity (Lorino, 2018), its “purposes, plans, measures, and policies” (Dewey, 1988, p. 243). This is achieved by translating general purposes into the flow of operations: “A radical distinction exists between deliberation where the only question is whether to invest money in this bond or that stock, and deliberation where the primary decision is as to the *kind* of activity which is to be engaged in” (Dewey, 1988, p. 217) and its methods. The de facto elimination of the valuation process operated by the abstract and generic identification of value with an accounting “profit” figure amounts to eliminating the concrete engineering of collective activity from management missions. It creates the illusion of exempting managers from the technical and qualitative understanding of field operations, while actors need to explore the conditions of activity and experiment new ways of doing things (Dewey, 1988).

Actors’ search is collective and generally involves multiple perspectives, external and internal to the organization, as highlighted by Svetlova (this discussion): “There is always investors’ and other stakeholders’ gaze that co-determines which profit number is finally reported”. Reducing the pluralist deliberation to an issue of mathematical amount does away with the qualitative analysis of multiple options in designing collective action. In Peircian terms, it substitutes a dyadic representational view of profit and profitability measurements (mirror images of activity) for their triadic view (a mediating instrument to support exploration, meaning-making and action).

2.6.6 An alternative approach suggested by the pragmatist concept of valuation

To take into account the complexity of activity and of the final needs it is supposed to fulfill, the social practice of valuation must be much more complex than scalar evaluation. An alternative conception of profit would address the question: “what is profit?”, or “what should we valuate, and how?”, not as a general and abstract matter, but as a practical issue, here and now, within the situated course of action.

Valuation then appears as a controversial process of inquiry, open to all significant stakeholders, primarily to field operators, the best experts of their own activity, and to customers/final beneficiaries, the best experts of their own needs. The “bottom line”, among other accounting measurements, can then be a useful mediating tool rather than a reified definition of value, and value deliberation “would not (be) identical with calculation of loss and gain; it would proceed in the opposite direction. It would make accounting and auditing a subordinate factor in *discovering* the meaning of present activity” (Dewey, 1988, pp. 214-215, my emphasis). The design of valuation methods and devices is itself one subject-matter of the valuation inquiry. Designing and using accounting models and figures are two intricately entangled types of activity throughout the valuation process (Vollmer, 2007; Lorino et al., 2017). The “circulation of accounting numbers across various contexts and social ‘sites’” (Svetlova, this discussion), beyond “circulation”, becomes then transformation and redesign.

2.6.7 Conclusions

The pragmatist approach to profit and valuation suggests that managers and researchers should consider valuation processes as collective, pluralist, and situated inquiries. This requires repositioning the notion of “profit” more humbly, as an instrument mediating the collective and dialogical process of valuation, rather than the decree of unquestionable calculative devices. This reframing of the “profit issue” does not only respond to fairness and ethical reasons, as those highlighted by critical studies (Chabrak and Dambrin, this discussion), but also to practical reasons. As soon as the technical and organizational characteristics of activity are at stake, the plurality of valuation perspectives and the complexity of their relationships become inescapable and require dialogical explorations. Trying to ignore it exposes the organization to serious risks, not only of being unfair, but also of practically failing.

2.7 Keith Robson and Chiara Bottausci: Abstracting, producing, distributing: On the changing constitution of accounting profit[1]

2.7.1 An alignment of interests, and institutions

In the 1970s, a new accounting measure of the wealth created by the firm, Value Added, established a claim as an alternative performance indicator to the calculation of ‘profit’ and its associated connotations (Burchell, Clubb, and Hopwood, 1985, p. 399). As a novel form of representation of value and value creation, Value Added was deemed to put profit into a proper perspective vis-a-vis the enterprise, expressing the surplus of the firm as a collective effort by capital, management and employees. Through its technical and social rationality, the Value Added Statement (henceforth, VAS) was held to reveal the social character of production, "something which is occluded by traditional profit and loss accounting" (Burchell et al., 1985, p. 388). Behind and beyond its ascribed functional roles, the VAS emerged and gained traction via a fragile alignment of overlapping fields ("arenas") of action, interests, and institutions, which determined the character of the discourses bearing the category 'Value Added' and its problematizations of 'profit'.

2.7.2 The ideology of accounting calculations

The history of the emergence or demise of alternative configurations of 'profit' or 'value' bears upon discourses, ideals and rationalities that abstract from and intersect with accounting practices to posit symbolic or ideological roles and effects of accounting calculations. The nature and significance of the concept of profit or value added is not self-evident, but its sense is rather fabricated amid an interlinked set of shifting and disputed practices. The three practices are: (1) *theorizing* and *abstraction*; (2) appropriate procedures of accounting *production;* and (3) *distributive* rationales and consequences of calculations (usually, calculations of 'surplus').

The first of these practices involves the role of *theorization* in the practical development of accounting and its calculative practices. VAS can be seen as the outcome of a specific abstraction of accounting calculation that envisions the wealth created by an organization's activities as the consequence of the combined efforts of a number of agents in a cooperating team. Once calculated, this *collaboratively* generated surplus - the 'value added' - can be accounted for as an outflow distributed between shareholders, lenders, workers and Government. In such a context, statements of value added can be seen as a "means of vision" (Burchell et al. 1985, p. 388) that forwards a change in action. Advocates of the VAS conceived of it not simply as a particular 'representation' of organizational relationships, but more: VAS was also *imagined* and promoted as an 'intervention' (Burchell et al., 1985; Hacking, 1983) that could affirm and strengthen those relationships by offering a symbolic visualization of, and a means of action for, a kind of 'corporatist' political viewpoint (Schmitter, 1974).

Second, the rise of interest in the VAS, and its appeal across distant fields of political and economic action, turned upon the existence of an infrastructure of accounting instruments and procedures upon which the *production* of VAS could be embedded. The various arenas of the 'value added' constellation were formed around the promise for a VAS that would supplement traditional Profit and Loss statements in ways that could be comfortably accommodated within existing accounting standards, policies and practices. While the VAS would offer a new addition to extant financial statements, its production would work effortlessly within the mechanisms of recording and inscribing transactions and events into accounts. New professional rules, regulations, and guidelines to define and format a VAS would, of course, have to be written. And as Burchell et al. (1985) suggested, there was flexibility contained within the definition and realization of a VAS. However, while the Value Added statement might suggest a new accounting statement, in many ways the VAS shows accounting's plasticity (Mennicken and Power, 2015) in its emergence from a reconfigured *production* of existing accounting traces; one that could lead to a 'profit' and/or a 'value added' calculation.

The third practice development enabled a key difference between the VAS and conventional Profit and Loss statements to be established. The re-imagining of the 'bottom line' (or lines) and its *distributive* logic. For a Profit and Loss accounting this might be gross and net profit - and its realization into, for instance, 'retained earnings'. In contrast, the VAS calculated an organizational surplus, the 'value added' generated by the productive entity, and disclosed how this surplus was distributed - value added to the owners, to the government, to the employees. In line with its co-operative ideals, the VAS offered an accounting representation of the organizational surplus as a *collaborative production* with an accompanying *shared distribution*. This could be contrasted to the rendering of the organization surplus, or of the organization, that is expressed by profit.

2.7.3 An alignment of interests, and institutions

Of course, a clear contrast between Value Added and Profit is longevity and embeddedness. Part of our purpose in choosing first to discuss Value Added and its 'genealogy of calculation' (Miller and Napier, 1993) is that its historical footprint is relatively transient. There is no 'practice stabilization' of Value Added (Power, 2015). To read of the VAS is to understand the importance of time and place in the rise and fall of accounting calculations. Indeed, it seems almost beyond current imagining to anticipate what might need to happen in the global economy and polity before Value Added would make a return visit to corporate accounting[2]. 'Profit' is taken-for-granted (Hines, 1988; Lukka, 1990); its calculation has become institutionalized in ways that Value Added has not (Pong and Mitchell, 2005).

Yet, perhaps, in this taken-for-grantedness we lose a sense of what profit has been, and, therefore, what it is now and might become. We risk forgetting what it has taken to reach a modern idea of accounting profit, the shifting character of such idea, and the changes that have occurred, and which continue to accrue to it. Again, quoting familiar lines from an earlier Burchell et al. paper (1980), accounting has "no essence" and has frequently "become what it was not" (Burchell et al., 1980). Rather than being a timeless category, 'profit' has a history in which technical developments, new dominant economic abstractions, and changing processes of accounting production and logics of distribution have defined and redefined the forms, meanings and agencies of accounting profit.

To these aspects of the constitution of accounting we would add three further considerations: (1) *materiality*; (2) *temporal orientation;* and (3) *organizational sites of expertise and production*.

First, *material* and technical adjustments provided the conditions of possibility for a calculation of profit (Hoskin and Macve, 1986; Lee, 1975) and its circulation as a self-referential accounting 'sign' (Macintosh, Shearer, Thornton, and Welker, 2000; Fujita, 2002). As Hoskin and Macve (1986) noted in their dazzling genealogy of the disciplinary power of accounting, the emergence of double-entry book-keeping and the attendant calculations of venture surplus required the development of a new material textuality, an alpha-numeric grid to interrelate words and numbers. New techniques for rewriting texts into new configurations included the organization of lists into alphabetical order, the imagining and expansion of visual layouts for texts such as rubrics, paragraphs, font sizes, and systems of reference making texts and collective memory more accessible. This "grammato-centrism", in turn, enabled linkages between book-keeping and processes of accountability, as accounting practices became centrally implicated in the constitution of calculable subjects. Only by the gradual accretion of these changes is a system of inter-locking accounting entries, aggregations and calculations a possibility in realizing both entity-control (venture, organization, organizational actors) and a notion of 'surplus' as we now conceive it.

Second, *temporal orientation* – relates to a crucial turn in the journey from double-entry record-keeping towards a modern conception of profit is *temporal orientation*: profit abstraction has moved from historical score-keeping towards decision-making and the future. 'Accounting for profit' of the twentieth century started with the critiques of historical cost conventions and associated historical valuations. Questions of how to improve or replace historical cost accounting in the construction of financial statements emerged and later developed into measures that stretched and compressed the time span of profit's calculation (Levy, 2014). Since then, a new forward-looking notion of 'profit' has found its conditions of possibility in modern *economic abstractions and discourses* that provided the contexts for accounting elaboration and change (Hopwood, 1992). As Beckert (2016, p. 36) notes, "[i]n the past thirty years the catchphrase "history matters" has been a rallying cry across the social sciences". Yet, since the early twentieth century, the "catchphrase" in economics has been that "the future matters" (Beckert, 2016, p. 37).

This shift in the temporal visioning of economics has continually shaped and re-shaped "what profit is". Studies of accounting calculation as an economic problematic, as Napier (1996a; b) has shown, began in the early twentieth century US with the "business economics" tradition inspired by the work of, among others, Fisher (1906) and Clark (1902). As Nelson noted (1973), the mid-twentieth century experienced a "Golden Age" of *a priori* theorizing in which the purposes of accounting profit and accounting valuation were subject to exploration and theorization through the terms and categories of neo-classical economics (cf. Mouck, 1989; Gaffikin, 2003). Taking, for example, the work of Ray Chambers, we note how accounting theorists absorbed the "decision-usefulness" theme of a future-oriented accounting system (Clarke, Dean and Persson, 2019, p. 208) in the attempt to specify what Chambers termed the "premises", or what Mattessich called "theorems", Moonitz "postulates", and Ijiri "axioms" of accounting theory. With post-war interest in inflationary accounting, Tweedie and Whittington (1984; 1990) followed a line of academics whose abstractions of accounting forwarded economic concepts premised upon future valuation, making the practice of calculating profit what it was not.

This is not to say that accounting profit became or is reducible to economic income (Robson, 1999). As any history of 'accounting theory' would show, the problem of realizing economic income through accounting profit has had many turns and disputes (Parker et al., 1986). More recently, the debate over the 'correct' way to measure accounting profit continues among accounting theorists and business economists, including debates surrounding stakeholder theory and corporate social responsibility (Baker, 2016, p. 22). Part of the ongoing concern with accounting abstraction and "fundamentals" is exemplified by concerns with Conceptual Frameworks and the like (Hines, 1989; 1991). Standard-setting bodies seek legitimacy in the assemblage of accounting abstractions that assert a coherence to the underlying principles of financial statements. Yet, despite a considerable degree of conceptual under-determination in moving from "principles" to accounting practices (Hayoun, 2019), close attention to the shifts in the principles claimed to be embedded in such frameworks, such as privileging 'relevance' and discarding 'prudence' or 'conservatism', signal the temporal repositioning and proprietary orientation of profit calculations.

Accompanying this movement to “decision relevance” and “the future” is a recasting of the *distributive* rationale of profit. Where it was once possible to talk of accounting and profit in terms of an entity or a stakeholder logic, it is now widely understood that profit signals an individualized ‘return on risk’ for the investor/owner (Williams, 2000; Levy, 2014). In accounting research, the term ‘value’ is now dominated by an association with the notion of shareholder value. As Young (2006) shows so well, our abstractions of profit operate in the name of, and, in effect, *perform,* a ‘made up’ user for whom accounting calculations are constructed and to whom distributions of organizational surplus are made (cf. Stenka and Jaworska, 2019). The modern vision of profit and the conceptual ties between profit calculation and ‘value to the owner’, ‘decision-usefulness’, and ‘fair value’ are points on a trajectory wherein the calculation of accounting profit has become embedded in the “imagined futures” and “fictional expectations” of the economic theories' that help drive capitalist economies (Beckert, 2016). Accounting profit has come to be realized through ‘made up futures’ for ‘made up users’ (Beckert, 2016; Robson and Young, 2009; Stenka and Jaworska, 2019).

Third, *expertises and sites of production* - the shift in ‘users’ has also been accompanied by a shift in the ‘producers’, *expertises and sites of production* of accounting calculations of profit. Since the mid 1980s, the economization of the firm, and its accounting practices, in the name of finance and ‘Financialization’ has repositioned the notion and calculation of ‘profit’ within agencies, instruments, and conventions coming from the realm of finance and outside the boundaries of the firm. The expansion of financial practices of valuation and securitisation in domains of life that were previously deemed either ‘productively economic’ or ‘non-economic’ has recast definitions of ‘value’, ‘profit’, and ‘profitability’, in terms of ‘financial’, ‘market’ and ‘investment’ logics (Levy, 2014; Zhang and Andrew, 2014). As non-financial corporations began to invest into financial instruments or assume roles of financial service providers (Milberg, 2008), traditional notions of ‘productive income’ have been problematized and complemented by a focus upon ideas of ‘financial’ or ‘comprehensive’ income (Müller, 2014). The changing calculation of ‘profit’ now signals the growing share of corporate surplus generated by financial activities and the corporation’s primary objective to create value for common equity investors.

2.7.4 Financialisation and shareholders value

For the new financial orientation of the language and sources of profit, the calculative practices that construct its accounting measures have also become increasingly financialised. From the 1990s onwards, the idiom of ‘shareholders value’ has been drawn upon by business consultants promoting financial metrics and proprietary models, such as Economic Profit or EVA™, that, while reducing the notion of ‘value’ to a single accounting metric, are said to help corporate managers deliver higher returns for shareholders (Froud, Haslam, Johal, and Williams, 2000). Whilst in the course of promoting ABC, in *Relevance Lost*, Kaplan and Johnson (1987), forwarded the idea that management accounting was being subsumed by financial accounting logics, policies, and rationales. At the level of organizational practices, instruments and forms of analysis incorporating models and representations specific to finance and financial mathematics, such as discounting cash flows and financial modelling, have shaped valuation and accounting processes by carrying the premises and conventions of the financial market within the firm (Chiapello, 2015; 2016).

As Huikku, Mouritsen and Silvola (2017) have shown in the context of goodwill impairment measures under IFRS, accounting calculations are co-constructed within a network of corporate executives, auditing firms, external consultants and financial advisors, as they demarcate and negotiate the numbers and narratives that form and support these calculations. In this collective process, company measures of 'value' emerge from an assemblage of traces, such as historical financial data, industry benchmarks and economic forecasts, selected for different purposes and from various places, inside and outside the firm and its financial database. Whereas this distributed arrangement contributes to legitimize and stabilize accounting calculations, external actors, such as auditors and valuation experts, appear to be 'more expert' than financial accountants in defining what can or cannot enter into the calculation. Huikku et al. (2017, p. 68) state that "seeing the value of a firm requires actors to look elsewhere", in ways that makes measures and judgments of profitability and profit dependent upon normalised trends and institutionalized agencies that span across organisations, the market, and the economy.

2.7.5 Conclusion

In summary, in the name of a future imaginary of the market, financial and management accounting choices, such as measures of profit, and how these will come to be adjudicated through distributed judgments and traces that exist beyond the corporation. The field of accounting production has enlarged considerably. Accounting calculations of 'value' are co-produced between *dispersed sites* and *distributed agencies* that, in aggregation and negotiations, qualify, validate, and construct the financial statements of the firm and assessments of its profitability. The framing of corporate targets and results is now a collective endeavour in which distant actors, such as stock-market analysts, media and business writers, can authorize, adjust or contest company narratives of accounting numbers as success or failure (Froud, Johal, Leaver, and Williams, 2006).

While, unlike Value Added, accounting profit is established in terms of its framing in legal and professional rules and structures, the stability of accounting practice is never concluded. There is continuing change in theory, rules of production, and distributive consequences that ensues from the work of regulatory bodies and the interpretations of their outputs (Cooper and Robson, 2006). The temporal orientation of accounting has shifted and the expertises that take part in its construction are now distributed beyond the corporation. These notes, we hope contribute towards a thinking of not 'what profit is', but what makes it possible to calculate and to talk and think of 'profit', and the many changes that have occurred in reaching the institutionalization and the level of 'practice stabilization' (Power, 2015) that we now see.

2.8 Crawford Spence, and Chris Carter: What does 'profit' point us towards?

2.8.1 Capital and surplus value

"the economic field is, more than any other, inhabited by the state which contributes at every moment to its existence and persistence and also to the structure of the relations of force that characterise it' (Bourdieu, 2005, p.12).

The clearest path to a critical consideration of notions such as ‘profit’ and ‘profitability’ leads us to the writings of Karl Marx. At the heart of Marx was a materialist understanding of social relations. In other words, capitalism led to a division between the owners of the means of production – capitalists – and those that sold their labour – the proletariat – to capitalists. Capitalists aimed to accumulate economic capital, which was achieved through the extraction of surplus value from labour. This dynamic both necessitated and created certain types of social relations, most obviously a class-based society. According to this logic, economic structures engender concomitant social, cultural and symbolic forms in society. In short, capital accumulation changes the world but, according to Marx, it is also haunted by the inexorable tendency of the rate of profit to fall, ‘the most important law of modern political economy’ (Marx, 1973, pp. 748-9). It is this that makes capitalism a fundamentally unstable form (Sennett, 2006).

If Marxist thought draws attention to the ways in which the economic is enmeshed with the social and cultural spheres, Bourdieu raises the question of whether Marx had put the cart before the horse in terms of attaching primordial importance to the economic? If Bourdieu is right, where might such a recognition take us in terms of our understanding of profit and profitability? We will try to edge towards this latter question.

2.8.2 Symbolic capital versus cultural capital

Bourdieu’s argument broadens economics towards a greater appreciation of its social, symbolic and cultural dimensions. In short, he posits that the economic follows from the symbolic. Otherwise put, his is a ‘materialist theory of the symbolic’, a line of thinking that reaches its zenith in his magisterial Collège de France lectures *On the State* (2014). His argument is that material structures, whether these be the physical structures of the state or the economic infrastructures of capital markets, are preceded by the accretion of symbolic goods. The accumulation of symbolic capital is therefore a prerequisite for the accumulation of economic capital. Symbolic capital, for Bourdieu, is a capital ‘based on belief’ (Bourdieu, 2014, p. 252). Consider, for instance, taxation: the ability of a state to raise tax from its populace and business organizations rests on the accumulation of symbolic capital for raising taxes (Bourdieu, 2014, p.193), so that taxpayers find it thinkable and legitimate that they pay a share of their income to the state. In the first instance, this is expressed in the relationship between the market and the state:

> “The market such as we know it, which economists accept as universally given, as nature, is in fact an artefact largely constructed by the state” (Bourdieu, 2014, p. 225)

While economists view markets as natural and universal, Bourdieu highlights that the pursuit of profit is only made possibly by the many interventions of the State. In turn, the State itself is understood as the historical coagulation of myriad struggles over legitimacy, status and authority. We thus see a historical sequence: symbolic struggles > state structures > economic field > pursuit of profit. The creation of an economic field is invested with symbolic power, as social actors submit to the pursuit of being profitable. In this sense, markets become important ‘instruments of thought’ (Bourdieu 2014, p. 163), where profit and profitability are key concepts. This conceptual throat clearing is necessary in order to put economics and attendant economic notions such as profit firmly in their place. That is, the economic sphere should be understood as embedded in social relations (Granovetter, 2017) and cultural forms (Alexander, 2003) rather than the economic base shaping deterministically these latter spheres.

2.8.3 Profit and profitability

Profit and profitability are words that are scattered throughout Bourdieu's (mostly earlier) writings and tend to refer to the ability of actors to yield advantages of both material and symbolic forms in different fields (see, *La Distinction* in particular). For instance, actors might generate gains in cultural, social and symbolic capital, as well economic ones. Bourdieu relativizes capital and makes the point capital is arbitrary in that it only has value if others value it. Bourdieu points to how the term 'profit' has become deeply embedded in social relations and conjures up a fascinating dualism whereby profit is *pure* and a *loss* is impure; one is sacred, while the other is profane.

We do not, however, see this as the most [sic] profitable strategy to pursue from a Bourdieusian perspective. Rather, we think that a materialist theory of the symbolic draws attention primarily to the societal structures that make different forms of profit seeking legitimate and possible. In this respect, specific acts of profiteering invite researchers to trace these back to the state structures and practices that allow such acts to flourish and to consider the genetic lineage of said structures and practices in the form of the symbolic struggles and cultural norms that pertain within a particular society or transnational space.

Bourdieu's (2005) analysis of the housing market offers one illustration of how such an exploration might be carried out, although it could be rejigged for the era of algorithmic capitalism. Such an analysis could commence by examining the role of the state in creating the housing market, for instance, through understanding the policies and commitments made around housing – is the state committed to possessing a stock of social housing? To what extent does it control planning regulations strictly? To what extent does it dictate the quality of housing? What are the rules it sets relating to rental properties? How is property taxed? One would explore the role of finance in creating, maintaining and expanding the housing market, particularly through the development of financial products that provide the funding for the construction and purchase of properties. The role of the construction industry and property developers in building and converting properties would be studied. All of this would be underpinned by an understanding of the doxa relating the property market; how are properties viewed: as homes? Investments? Sources of value? This would lead us to understand how the housing market has been constructed. It also helps understand how markets are historically sedimented and how they have been shaped through struggles. It would understand how profits and profitability relate to different parts of the housing market.

2.8.4 Conclusion and research agenda

The value of such research would be in taking individual acts of profit-taking and situating them within the social and cultural contexts that make them possible: how profits are made possible for a particular social activity? Who privatises these gains through the form of profit? How are these deemed legitimate? Such questions necessitate an expansion of methodological parameters to the point where society is viewed as a totality, but where the symbolic is given primordial position, pace Marx, over the economic. Bourdieu's sociological imagination affords deep insights into both profit and profitability. We view the concepts of profits and profitability as inextricably wrapped up in societal relations. This is ultimately anchored in the organization of the state. As a consequence, we commend interdisciplinary accounting researchers to engage with Bourdieu's work on economic sociology in particular, before extending out to concerns with theories of the state.

2.9 Ekaterina Svetlova: Profit numbers and the investment chain

2.9.1 What could be potential approaches and areas to problematize profit and profitability?

One of the possible ways to problematize profit is to understand it as a social construct, or, following Lorino (2018, and this discussion), as a collective, pluralist and situated inquiry and as a part of the social debating process.

Profit can be seen as a dramatic simplification that is supposed to depict the company's past and future in one number (Gill, 2009). Profit can be calculated and presented in many different ways. Each company specifies and reports a set of numbers at the end of the reporting period, which can be Ebitda, Ebit, net profit, or adjusted net profit. Furthermore, specific profitability ratios are calculated to put the reported profit figure into context. There are countless choices behind each number so that everybody knows that the final figures could be different (they are not pre-determined). Moreover, companies guide investors on what they expect for the next quarters and years in terms of profit and profitability.

The most interesting questions are then: Why these numbers? Where do these different "profit numbers" come from? Under which circumstances are they created and what impact do they have?

2.9.2 Profit numbers travel in the investment chain

The answer to these questions goes beyond accounting technicalities. Financial numbers have *biographies* and follow *travel routes in the investment chain* (Arjaliès et al., 2017) that co-shape them. Profit numbers are calculated in the internal divisions of a company not from scratch. They are a part of the ongoing conversation of companies with stakeholders. The available numerical choices for profit are compared to the company's guidance for the quarter (and for the year) and to the analysts' estimates. The constant gaze of investors and other stakeholders means that companies co-determine with stakeholders which profit number is finally reported, which narrative is developed around it and how the profit number is staged and justified to various audiences. The reported profit is then challenged and interpreted by journalists, security analysts and fund managers in conference calls, one-on-one meetings and company reports. The stakeholders' gaze also has an impact on the exact profitability metric used for a particular company at a particular point in time. For instance, Beunza and Garud (2007) illustrate the battle over profitability measures in case of Amazon in 1998. The negotiated and interpreted versions of profit and profitability become an input for analysts' models and travel to fund managers directly or through analysts and brokers calculations and recommendations becoming a base for investment decisions. Furthermore, how profit numbers flow through and are perceived in the investment chain influences the company's business (e.g., through the share price) as well as profit expectations and thus profit numbers in the future.

To understand how profit numbers are constructed, we have to follow the flows of numbers, information, trust and money in the investment chain. This will give us insight in how profit and profitability are torn between: *mobility* (travel); *stability* (conventions, numerical expressions); and *combinability* (changing contexts) (Robson, 1992).

One might say "But we know it already. The social studies of finance and accounting have told us this." But did they really? What we've had so far is a range of empirical studies that focus on *either* preparers (e.g., accountants, investor relations etc.) *or* users (e.g., financial analysts) and on how financial numbers are created and/or utilized. Extant capital market research has paid attention to the quantitative relations between profit/profitability of a company and its share price but abstained from digging into the circulation of accounting numbers across various contexts and social sites.

The overarching concept of an investment chain allows us to zoom out from the disparate case studies, regressions and word counts and to concentrate on companies and multiple intermediaries that shape each other's practices. In the process exchanging information, observing each other, channelling flows of money and calculations, and ultimately forming audiences for each other's performances of financially competent or expert selves. This is not about the expanding of the research to new sites or comparison of professional groups, but about connecting them to grasp profit and profitability in the making. "Sociology of profit" is more than sociology of accounting profession (Breton and Caron, 2008).

2.9.3 Conflicting logics of profit within the investment chain

In January 2019, Henkel - the European consumer goods group, announced heavy spending in the years to come. The company framed the spending as a necessary investment in marketing, branding and digitalisation, inevitably admitting, however, that profit will suffer first but increase long-term. While this news travelled from the company to markets, the framing changed and 'investments' became 'costs'. The future spending to enhance brands and foster digitalization were *translated* into P&L investments and the cost of growth and presented as cause for profit margin reset in the analysts' reports published immediately after the announcement.

Also, the processing of information in the investment chain shifted the temporal focus from the long-term to the short-term perspective. In the Henkel's conference call with analysts, the first question to the company's management was in which phase of 2019 the intended EUR 300m will be spent: "Is it more at the beginning or back end-loaded?" Obviously, analysts were eager to get their quarterly profit forecasts right. Indeed, the whole discussion was about cost development and the EBIT margin growth throughout various quarters of 2019, without any detailed discussion of 2020 and beyond, the time namely when profit increase and profitability improvement should come through. The share price dropped to the lowest level in the last three years and remained depressed (Riordan, 2019).

This example illustrates that companies and analysts are not necessarily caught in the spirals of self-referentiality, manipulation and hyper-reality while blindly mirroring each other's expectations (Dambrin, this discussion). Rather, profit numbers and profitability ratios travel between different logics and readings of accounting. Understanding of those logics is crucial for problematizing profit and profitability. For example, as Chabrak (this discussion) correctly notes, an important question might be: Whom does profit belong to - the company, shareholders or other capital providers? If companies subscribe to the entity theory of accounting and consider "income" and "profit" as sources of investments necessary for their growth, this "logic" might clash with the shareholder value concept according to which all generated income and profit belongs solely to shareholders and each investment is just the reduction of the profit ready for distribution. Attention should be paid to such translations and interpretations of profit numbers and profitability ratios.

2.9.4 Theoretical resources for problematizing profit and profitability

The idea to follow the profit numbers' journey through the investment chain could be fertilised by the *biographical approach* to epistemic facts (see: Appadurai, 1986; Howlett and Morgan, 2011). Similar to this approach, we might trace the origination and circulation of profit numbers and profitability ratios across various contexts and uses while following their travel patterns. We might also ask what happens to profit and profitability at boundaries, interfaces and frontiers of overlapping accounting practices and how the related time horizons clash (e.g., short term versus long term). Furthermore, profit and profitability could be investigated as “accounting facts” (Gill, 2009), as social conventions that command the general agreement of a given community. An interesting question is then how conventions of using specific profitability numbers to assess the companies in particular industries come about (e.g., net income margin for banks and price/cash flow for oil companies). At the same time, as “accounting facts” travel from community to community, their social status and validity might change or be questioned.

Moreover, when facts travel, they have companions: techniques, expertise and visuals (Howlett and Morgan, 2011). An important companion of accounting facts such as profit and An aim of a company’s story told in annual reports, earnings calls and one-on-one meetings is not just to inform investors or report numbers but also to promote a desired interpretation of past and future profit numbers (i.e., to “educate” the market and the stakeholder) and to make them share the company’s narrative about the its profit and profitability. In case of Henkel, the overall storyline was that higher investments are necessary to increase long-term profitability. However, the market did not read it this way. In other words, the story that the company tried to convey to the shareholders might be not believed or accepted. The company’s narrative enters a complicated and fragile conundrum of power relations, persuading efforts, disbeliefs and trust.

Multiple possible storylines in form of quasi-companies (Hägglund, 2000), phantastic objects (Tuckett and Taffler, 2008) or fictional expectations (Beckert, 2016) are developed by CEOs, investor relations, analysts and fund managers and become elements of the ongoing collective story-telling efforts around a particular company. Thus, an emergent strand of literature dedicated to the role of narratives and their staging in accounting and financial markets (Beckert, 2016; Tuckett, 2018; Åhblom, 2017) becomes another interesting theoretical resource for problematizing profit and profitability.

If company’s narratives have to be convincing, how do people start – and stop – believing in them? How do they get convinced? Which stories stick with investors and which pass unnoticed? The current research on storytelling argues that conviction narratives consist of two interrelated parts: literary, emotionally-laden fictions and numbers (such as profit and profitability ratios). The latter provide for scientificity and objectivity, and grant authority for the communicated stories. They also produce an illusion of certainty and repel doubts and anxiety (Tuckett, 2018). This interplay of accounting numbers, narratives and capital markets requires rigorous empirical investigation in its own right.

2.9.5 Consequences for methodology

Reliance on the investment chain concept has methodological consequences similar to ones discussed in science and technology studies (Hyysalo et al., 2018). If we agree that profit numbers and profitability metrics (similar to modern technologies) are hardly shaped in a single setting, but rather evolve in a wide range of localities that are interlinked, then longitudinal multi-sited ethnographies might become the tool of choice. This would mean simultaneously observing and interviewing various kinds of actors while paying attention to what happens in channels and interstices. Such research would go beyond the surveying of how important particular communication channels are for various groups of accounting users (e.g., are annual reports more informative than earnings calls? Do fund managers listen to sell-side analysts or prefer to talk to CEOs directly?). The object of inquiry will be not an isolated channel or a professional group but a segment from the number's biography, for example, a reporting season of a particular company.

This approach would require multiple researchers investigating the choices discussed and the surrounding narratives developed within the company itself, the coverage and expectations of analysts, the communication in investor conferences and earnings calls (i.e., the staging of profit or its lack) and the follow-up analysts' reports and fund managers' investment decisions. Only then will we be able to approach the shaping and the meaning of "social life" of profit and profitability in the adequate depth.

3. Concluding remarks (by special issue editors)

3.1. A brief overview of how our contributors problematise profit numbers

Debate and discussion are methodological prerequisites to problematise profit and profitability in organisations and society (Dambrin, this discussion). The discussions from our contributors exhibit theoretical and methodological pluralism. Inspired by Peirce, Lorino (this discussion) asks us to think about "what *do* the concepts of 'profit' and 'profitability' *do*?" (italics in original). The effects of profit and profitability within organisations and society are multiple. While profit and profitability are stigmas that corporations need to address (Jeacle, this discussion), they tend to make invisible the collective endeavour of people who work hard (mostly in the backstage) to achieve a desired profit level for a division and/or an organisation (Dambrin, this discussion). Profit tends to preclude the social process of debating about the potential contradictions of ends of collective activity (Lorino, this discussion). Also, as Lorino notes, the social phenomena that leads to the attainment of specific (profit) goals and the accounting measurement that refers to it are generally fused.

Our contributors identify several ideas to frame future research. While Dambrin suggests we might resort to Feminism theories to unpack the selection and exclusionary processes at play in the operationalisation of profit and profit like indicators, Lorino inspired by pragmatist perspectives, suggests repositioning the notion of profit as an instrument mediating the collective and dialogical processes of valuation. Other suggestions have been to take up an anthropological frame alongside reflexive accounting practices (Bryer, this discussion). Bryer draws on her expertise in anthropology and the anthropologically informed case study work she has conducted. She also draws heavily on the notion of economization (Chiapello, 2015). There are clear links in this contribution to those by Chabrak, Dambrin and Lorino (this discussion). Accounting measures including profit are constructed through economizing calculations, as an external thing, which is made by (predominantly male) top managers (Dambrin, this discussion), and possessed by shareholders (Chabrak, this discussion). Chabrak takes a pragmatic approach but expresses similar concerns. She argues that accounting is often implicated in distorting decisions (Stiglitz et al., 2009), which has led to increasing levels of environmental degradation and economic and social inequality.

Lorino is motivated by a pragmatist perspective drawing on Charles Peirce and John Dewey. This perspective takes issue with the fundamental conception of how profit is conceived. Lorino notes that Dewey criticized the univocal logic which uses "profit" as a notion that precludes social debate tending to curtail collective activity. There are also shades of Jeacle's contribution in the affinity with Peirce's semiotics. Peirce argues that signs, like profit, do not reflect organizational activity in a mirror like or a neutral manner.

In taking a much more conventional view, Lind notes both the ubiquity of profit and profit measurement as fundamental across many areas of society. He discusses the example of interorganizational relationships. Here profit measurement is often a critical ingredient in business deals that direct monetary flows in the buyer-supplier relationship. Lind in characterising a business deal argues that the measurement of profit as part of a negotiated agreement will only become increasingly more difficult, if not impossible, as resources become recognised to be more heterogeneous and where the value in use of a resource is dependent on the resources it is combined with. Here there are parallels with Dambrin's argument that profit measurement has lost its connection to reality.

Robson and Bottausci's representation of VAS feels a little like a reflection of contemporary efforts to reign in unrestrained capitalism in the 2010's. Now, campaigners against wealth inequality speak anxiously about the multiples of average staff/worker salary that are fair for the management team and/or CEO. Is it 100 or 2000? It seems now as if VAS was designed for a simpler time when fairness and equity might still ensure unions and workers a 'fair go'. VAS, as depicted by Robson and Bottausci (this discussion), was a product of its time. While we can allow ourselves nostalgia for one of the few successes of academic accounting thought in a policy setting, VAS was ultimately a failure. It has no place in the new internet-based world of low asset companies often with very few human workers. Bigtech (CNN, 2019; Guardian, 2018a, 2019a), big data and notably Big Finance (Guardian, 2018b) (have problematised issues around the distribution of value added and profit out of the reach of accountants. While VAS suited its era of the waning of unions faced with liberal economic reform … capitalism has moved on to a very different playing field where there is little or no doubt about the pre-eminence of finance and the continuous tweaking of financial product 'innovations' (CNN, 2019; Guardian, 2019a, 2019b).

3.2. Final thoughts

We explained our intentions for this invited collection on problematising profit in section 1. The most important idea was to go beyond the accounting literature in order to curate, at least a formative, interdisciplinary debate from relevant literature outside accounting. When planning the intention and call for papers for the SI, we felt that conceptualisations of profitability and the social impact of profit were not well represented within the accounting interdisciplinary literature. Our aim became to broaden the debate and encourage recourse to a wider literature. Our contributors, in this paper, draw from anthropology, economics, feminist ideas, organisation theory, sociology and other niche social theories. We also note that in spite of our authors drawing from different disciplines and literature the interactive format we used for the construction of the collection has enabled interaction among our authors who point to similarities among their ideas with those of the other contributors.

We also note earlier some of distractions that have been provided in the interdisciplinary accounting literature including those of creating ab allegiance within the research community to domain theory ideas about the need for distinctively accounting as opposed to social theories. These are nit ideas to which we subscribe. Our feeling is that progress in understanding the social effects of accounting practices are best, and most likely achieved by adapting theories that have been successful in related fields like those noted above. This is especially true in the many, especially qualitative fields that study organisations and associated societal impacts of economic growth and development.

The invited contributions offer innovative ideas from contrasting perspectives and we believe provide an enviable collective account of the concerns we should be foregrounding in accounting interdisciplinary research. We expect the contributions to be of interest to a range of scholars and to widen the current debate within the accounting literature.

A broad message that we would pick out across the contributions to this discussion paper is the need to worry about the way managers are educated and socialised to think that critical theory and interpretive research have no lessons for them. It is the failure of positivist researchers and practitioners to learn from the lessons that are offered by critical research that is problematic. The decline of Keynesian economic ideas and the indoctrination of top managers (including in academia) by neo-liberal ideas (Freedman, 1962/2002) has led us to a situation where organisations are strongly distrusted, and in some instances reviled. The idea that theory and ideas derived from the greatest social philosopher of the last two centuries have no lessons for managers and organisations is absurd (NYT, 2018; see also Lazonick and Mazzucato, 2013; Mazzucato, 2013). It is precisely these kinds of misconceived comments from influential researchers that cause the lack of progress and relevance of accounting research. Critical studies do provide relevant managerial insights whether management heeds them is another matter.

The concerns expressed about what might be seen as recent developments of capitalist excess are of clear significance in accounting and to the relevance of accounting calculations. As we strive to better reflect the impact of economic development on the planet, we need to worry about: What we are accounting for? For who we are accounting and to whom do we owe accountability. There is no ethics or morality free accounting, in spite of what has been laid out by earlier theorists in accounting and liberal economics. If accounting numbers continue to serve the interests of the few and the degradation of the planet we will all lose.

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[1] Thanks to Chris Napier and Alan Lowe for their comments and suggestions.

[2] In academe, John Williams, Karel Williams and their associates drew creatively upon calculations of value added in assessing the decline of the UK motor industry (Williams, K., 1994). Still today, the VAS, and its potential, has its academic advocates (Haller and van Staden, 2014).

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Response to reviewers - ID AAAJ-10-2019-4223.R1

Reviewer 1

1. … my main suggestion is that – as well as clarifying the targets at times (e.g. that 'typically narrow' debates refer in particular to positivist accounting research), the authors add just a brief paragraph or two to the introduction that states very directly and explicitly how the discussion contributes to interdisciplinary and/or critical accounting research in particular. So, for example, is the motive for the discussion that the challenges to profit and profitability that prior interdisciplinary and/or critical papers develop have lost currency, impact or influence in contemporary debates? In a different context, for instance, Axel Honneth (2007) interprets ideology as a kind of *forgetting*, and Contributor 7 also alludes to this issue (p. 26). So is the primary motive that interdisciplinary accounting research has lost sight of some its own foundational insights, and that the discussion retrieves and advance these conversations?

We have responded to R#1 and R#2 by adding some further explanatory text to the introduction section 1.3. In this new text we also say more about the interdisciplinary strengths of the paper and what we see as its contribution to the interdisciplinary accounting literature. We hope this does not distract too much from the main intention of this section – but we did not find a better location. We have tried in this text to emphasis our role in this collection paper (independent discussions) as curators of expert views. We do not believe that it makes sense for us to evaluate such a broad set of contributions. Our aim was to elicit different views (which is what we have in the nine contributions) and to obtain as broad a set of interdisciplinary contributions as possible. We believe the paper offers this and we hope that table 1 provides as good a guide to the orientation of the contributions as is possible in a few words.

While we do accept that some interdisciplinary accounting research is innovative we do believe that a focus on profit and profit numbers has been lost or has been neglected. We are not suggesting nothing new can be found in the existing literature simply that a focus on the damage that accounting numbers do is still insufficiently emphasised in many of the well-respected fields in accounting research. In this respect we ae not certain that Positivist research is doing so badly. Positivist research is often lacking in depth and granularity but in terms of concerns about immoral or fraudulent activity this is a focus of both streams.

2. … is the point that prior interdisciplinary research has already established limits of accounting numbers, but that interdisciplinary accounting scholars need to make the case more publicly (so a call to *enact* themes already evident in research), or more focused on the specific dimensions of profit rather than numbers in general? Or, is the argument that contemporary events (e.g. the spike in the extent of, and social resistance to, economic inequalities) give these 'older' insights new meaning(s) and urgency, which interdisciplinary researchers should mobilise to understand, critique or challenge novel social injustices? Or is the motive some combination of these points and concerns: Or something entirely different?

We accept that each of these points has relevance but we do not believe that we can effectively respond to these ideas in our introductory remarks (please see out remarks about the new text in s.1.3 above). The space we have to do this without distracting from the individual contributions is insufficient in this paper. But this is an issue we'd like to take up in a further contribution

Smaller points.

1. Since the term problematisation has a wider currency and meaning though, could the abstract indicate this specific intent upfront (e.g. that the aim is to problematise, as defined by ANT, etc.)

We hope that it is sufficient that we say what we intend around the term problematisation. Given the term originates in ANT and its wider uses tend to have some similarity we do not feel that it is necessary to try to encompass other meanings that are typically undefined.

2. … the concluding remarks to emphasise that the focus on manager's education and socialisation is the editor's analysis rather than a theme contributors raise directly, could the findings section of the abstract also be rephrased to reflect this point

We have now downplayed this in the conclusion

3. Thank you to Contributor 1 for addressing prior research more directly. However, I am still a little unclear on the 'gap' this particular discussion identifies. Has prior critical research (e.g. on accounting and gender) really not made progress in challenging 'who' uses accounting? It seems to me from the rest of the discussion that the main contribution – and a valuable one – is more about extending prior research on reflexivity to address profit in particular. So might it be clearer – and less contestable – to phrase the contribution more alone these lines (e.g. while prior research has critiqued the ideology of profit, the significance / role of reflexivity about profit in…etc.).

Here our view is that given the invitation to our contributors was very open we'd like to leave this as is. There is certainly a huge literature on reflexivity (outside of accounting) that could be used more in the interdisciplinary accounting literature. But it is worth remarking that we do not see homogeneity of views in the literature on reflexivity by a stretch and so we are comfortable to accept the reviewers view and that expressed by contributor 1 in a space restricted contribution. A great positive of the collection is that so many interesting points are made, or signalled, and valuable citations are provided.

Reviewer 2

General

This iteration is improved but I am still struggling to see a clear articulation of the paper's contribution.

a. In this instance … many of the discussions which form the body of the paper are not individually situated in the broader literature, and the necessity of the contribution of the overall paper to be articulated is therefore heightened. As I said in my previous review

This is a matter of definition (of what the broader literature is). If we do not wish accounting to develop as many in the inter-disciplinary community believe is should then we could ask for an all-encompassing emphasis on the rather meaningless concept of domain literature (in accounting). We now refer to this idea in s.1.3.

Our conception of this invitation to leading scholars in the field (writ as broadly as possible) to contribute was precisely intended to get perspectives beyond the 'boxed-in' research that is often decried in the interdisciplinary community and yet are still prevalent in the highly repetitive nature of some qualitative contributions. Please also so the new paragraphs at the start of s.3.2 (p.35).

b. I applaud methodological innovation, but such innovation is not an end in itself – it is therefore incumbent on the special issue authors to tell us what this innovation has achieved.

We do not accept this view of this collection of an invited contributions paper. We as invitees – do not feel we are qualified to say what is innovative or not in the nine contributions (see of s.3.2 – where we try to explain our approach further). We feel that this can only be appropriately done by a much wider audience of readers. It was never our intention to interrogate or recast the individual contributor's text (and is why we offer table 1 as a summary of the contributions in the author's own words). Our aim was to obtain innovative contributions from among some relatively new academicians in the field (with something new to say) and also from a number of widely recognised, expert and innovative writers. We are very pleased with what has been achieved in this collection and we hope it will stand the test of time – but that's not on or hands either.

We feel as we indicate (now more fully) in section 1.3 of the paper that the role of this paper is to broaden the perspectives that might be considered by interdisciplinary accounting researchers in a more fundamental way by adopting ***interdisciplinary perspectives*** *from a much broader range of relevant literatures. This is a way for accounting to become more effectively interdisciplinary while also making a potentially much more useful resource from which to develop the research agendas we wish to encourage.*

1. In the introduction, a clear articulation as to what literature the paper intends to advance. For example, in the first paragraph the authors state that problematising profitability is important and this paper adopts an interdisciplinary discussion, with the hope that greater attention or reconsideration of profit will be fostered by these exchanges. Fair enough, but why is this discussion necessary in a single paper as opposed to the more usual practice of positions being presented in stand-alone papers? Has prior literature suggested that some voices are not being heard? Is it that writing shorter pieces might encourage more original and/or radical ideas? Is it that the interactive element between authors might spark new ideas? Is prior literature 'stuck' in some way that adopting this different approach might be able to overcome? Whatever it is, the intended contribution of this particular paper (as distinct from the overall special issue) needs to be convincingly argued.

Some of this is answered in the additional text we have added to s.1.3. (p.3-4) where we now say more about the design and contribution of the paper. We have also added text to indicate what we feel to be the limitations of our role as curators of the paper and we understand by interdisciplinary.

2. In the conclusion, a clear articulation as to what the contribution actually is. From the editors perspective, how have these discussions, considered collectively, moved our understanding forward? What insights have emerged that were not previously known or underdeveloped? What contrasts or convergence between the positions presented in the discussions were most interesting? As a corollary, it would also be valuable to comment on how successful the methodological experiment has been. Should this approach be adopted in relation to other topics of interest to SEA researchers, and if so are there some modifications that might be made to optimise it based on the learnings of this paper?

In the conclusion we now say more about the latter Qs raised here about the methodological experiment and our view of the value of this collection of perspectives. Again we strongly believe that what is reflected in the collection offers a sensible strategy to foreground where research might develop. We believe that the collection offers much to early career people who may just read a few papers and draw conclusions where here they might get a more rounded idea of the many facets of this complex debate. We would also note the interaction among our authors who write from contrasting perspectives but also point to corollaries among their contributions.

We have sought to answer these points in the additional text we have added to s.3.2. (p.35/36) where we now say more about the intended contribution of the paper, the limitations of the existing accounting literature in terms of interdisciplinary and our hopes about how a debate on these issues may develop around this collection.