

REVIEW

RESENHA

Branicki, L., Brammer, S., Linnenluecke, M., & Houghton, D. (2023). Accounting for resilience: the role of the accounting professions in promoting resilience. *Accounting and Business Research*, 53(5), 508-536. <https://doi.org/10.1080/00014788.2023.2219148>

Burnet, C. (2023) 'Accounting for resilience: the role of the accounting professions in promoting resilience' A practitioner view, *Accounting and Business Research*, 53(50), 537-540, <https://doi.org/10.1080/00014788.2023.2219149>

ABSTRACT

This review examines the works of Branicki et al. (2023) and Burnet (2023). Both articles address the importance of accounting in promoting resilience during the COVID-19 pandemic. The former provides a theoretical foundation, while the latter highlights practical application. Both studies explore the need for transparency, communication, and rapid adaptation during crises, challenging the traditional view of accounting and emphasizing its vital role in society, extending beyond tangible assets to consider intangible assets such as resilience.

Keywords: *accounting for resilience, role of the accounting professions*

The articles "Accounting for resilience: the role of the accounting professions in promoting resilience" by Layla Branicki, Stephen Brammer, Martina Linnenluecke, and David Houghton (2023), and "Accounting for resilience: the role of the accounting professions in promoting resilience - A practitioner view" by Catherine Burnet (2023), offer complementary perspectives on the role of the accounting profession in promoting resilience during the COVID-19 pandemic. Both highlight an innovative aspect of accounting by addressing resilience promotion by the profession, challenging pessimistic forecasts suggesting its decline or obsolescence. After reading these articles, accounting is understood as intrinsically resilient, being vital for the existence and continuity of businesses and, consequently, society, especially in times of crisis.

Branicki et al.'s (2023) academic research provides a robust theoretical basis for understanding the role of accounting in resilience, while Burnet's account highlights the practical application of these concepts in a company (KPMG), demonstrating how theoretical strategies can be translated and implemented in the real world of the accounting profession. Together, these articles offer a comprehensive and complementary view of how the accounting profession has played a vital role in promoting resilience during the COVID-19 pandemic, providing both theoretical and practical foundations for understanding and implementing effective resilience strategies within the accounting field. It is thus appropriate to address each of these studies.

Firstly, Branicki et al.'s (2023) study examines in detail how accounting plays a crucial role in promoting resilience at individual, organizational, and social levels during crises. They explore how the accounting profession facilitated effective crisis responses, supported adaptation, and anticipated future crises. The article proposes a theoretical model describing the ways in which professions, particularly accounting, contribute to resilience at different stages of crises.

The theoretical model proposed in the article addresses the contribution of the accounting profession to organizational resilience in the face of extreme events such as the COVID-19 pandemic, highlighting the importance of organizational resilience defined as the ability of organizations to adapt and recover from adverse events while maintaining their performance and essential operations. Furthermore, it identifies how the accounting profession contributes to this resilience by providing financial support, guidance, and expertise during crises. The model describes specific actions

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taken by the accounting profession, such as specialized consulting, effective communication of financial information, and collaboration with other stakeholders. It also considers the impact of this contribution on society and the economy, emphasizing how accounting practices can influence post-crisis recovery and sustainable growth. Finally, it suggests the existence of “accounting resilience,” which represents the ability of the accounting profession to support organizations and communities in overcoming challenges and building a resilient future (Branicki et al., 2023).

On the other hand, Burnet’s (2023) article offers a practical insight into how the company KPMG, within the context of the accounting profession, addressed the challenges of the pandemic. It highlights how the company quickly adapted its working practices, supported its employees, and collaborated with clients to overcome challenges, emphasizing the importance of transparency, open communication, and effective use of technology.

Layla Branicki, Stephen Brammer, Martina Linnenluecke, and David Houghton, hailing from different institutions in the United Kingdom and Australia, explore how the increased frequency, diversity, and severity of extreme events threatening businesses and society have generated interest in strengthening resilience against these threats. However, the authors point out that there is little research on how accounting can contribute to resilience at different scales and levels of analysis (Branicki et al., 2023).

For their investigation, the authors conducted qualitative, inductive, and grounded-theory research, as proposed by Fendt and Sachs (2008) and Gehman et al. (2018). The research was qualitative, involving the collection and analysis of non-numeric data, such as texts, to understand complex phenomena in their natural context. The approach was inductive, allowing researchers to focus on the collected data rather than testing pre-existing hypotheses. In terms of Grounded Theory, the authors followed the principles of this qualitative methodology, seeking to develop theories directly from the data rather than applying previous theories to the data. This allowed patterns and concepts to emerge organically, without theoretical impositions.

Regarding the research conduct, the researchers utilized a database with over 26,000 publications on social media from key professional accounting bodies in the UK context (ICAEW, ACCA) and ‘Big 4’ accounting firms based in the UK (PwC, Deloitte, EY, and KPMG), along with user engagement with these publications. These data were analyzed to identify patterns and emerging themes related to the promotion of resilience by the accounting profession during the COVID-19 pandemic. An iterative approach was adopted, with constant review and refinement of the data to gain a deeper understanding of the role of accounting in promoting resilience. The analysis process involved data categorization, identification of emerging themes, and synthesis of these themes into a theoretical model describing how the accounting profession contributes to resilience. Through this approach, the authors were able to explore the role of accounting in promoting resilience in the face of extreme events such as the COVID-19 pandemic (Branicki et al., 2023).

Based on the literature review, the researchers proposed a new model that characterizes the ways in which professions can contribute to resilience, offering insights into the role of accounting in addressing crises and strengthening the ability to face these extreme events. The model represents resilience as a function of performance decline and subsequent recovery - a decline in the ability of professional organizations to fulfill their roles and functions in society. Direct or indirect adversities can significantly stress any organization and cause a decline in performance, referred to as impact. Resilience is seen as the ability to maintain performance in response to immediate impact and the speed at which it can be recovered after an extreme event, i.e., the speed of response and recovery (Branicki et al., 2023).

Furthermore, the model proposes possible stages (pre- and post-impact) that affect the resilience of professional organizations. Previous literature suggests that resilience can be enhanced before adversities occur through the implementation of risk mitigation activities, such as monitoring the external environment and improving capabilities for detecting, interpreting, and acting upon signals indicating potential adverse developments. However, the precise interpretation of such signals and corresponding actions is limited due to the large number of possible threats and typically limited resources to prepare for each. For example, before the COVID-19 pandemic, scientists warned about the possibility of a future pandemic, but many organizations did not act - the threat was considered unlikely, and its implications were underestimated (Branicki et al., 2023).

Based on the limitations surrounding risk mitigation, the authors emphasize that much of the existing resilience research has focused on collapse and recovery phases, citing Linnenluecke and Griffiths (2012). This includes resistance to impact and the ability to quickly recover from the organization. For professional organizations, resilience critically depends not only on the resources, capabilities, and actions that can be employed to maximize their own robustness and speed but also on the actions and consequences for the profession and its members. For example, organizations require social resources, such as networks of organizational actors, to respond to adverse impacts. Additionally, effective response capacity depends on the availability and sharing of information, effective communication, leadership, decision-making, and learning from previous outcomes. Previous studies have shown that so-called ‘slack resources’ - those that an organization possesses beyond what is needed for its normal operations, which may include financial capital, excess production capacity, additional trained personnel, among other assets not fully allocated to daily operations - can help organizations absorb adverse impacts and recover more quickly (Branicki et al., 2023).

Finally, the study discusses and concludes from a specific case, proposing a broader framework on how professions, especially accounting, can contribute to resilience in different phases of crises. The proposed model divides the phases into immediate response, adaptation, and anticipation of future crises, emphasizing the contribution of professions at each stage using essential resources and skills. During crisis response like the pandemic, professions use their specialized

knowledge to shape policy responses and provide reliable guidance. In the adaptation phase, they focus on considering post-crisis scenarios and empower their members to deal with changes. And in preparation for future crises, they seek external legitimacy and alert about potential threats, keeping society vigilant (Branicki et al., 2023).

The pioneering study addressing the role of professions in resilience highlights relevant implications for future policies, practices, and research. It emphasizes the need for a broader view of the role of accounting in resilience, going beyond audit quality. However, it acknowledges methodological limitations and underscores the importance of additional research to better understand how professional practices contribute to resilience in diverse contexts (Branicki et al., 2023). The findings underscore the increasing importance of exploring the role of professions in promoting resilience during extreme events, highlighting the ongoing need for research for a more comprehensive and applicable understanding.

On the other hand, Catherine Burnet's study (2023) offers a complementary practical view to Branicki et al.'s (2023) study on the contribution of the accounting profession to resilience during the COVID-19 pandemic. Burnet addresses how the KPMG company tackled the crisis through three main aspects: adapting employees to travel restrictions and hybrid work, utilizing technology to adjust to the new work formats imposed by the pandemic, and assisting clients in navigating their own challenges, influencing their current working methods (Burnet, 2023).

The author explores the difficulty of preparing for an unprecedented scale and speed crisis like COVID-19. The immediate challenge faced was ensuring that the company's 18,000 employees adapted to the new restrictions, working from home or wherever they were confined, and ensuring access to essential systems for efficient and secure business operation. Transparency and open communication with employees were crucial to overcoming the crisis. According to Burnet (2023), the company was prompt in providing clear guidance based on government information, even with frequent updates, and in providing additional support to employees to deal with well-being issues.

Burnet also highlights the importance of technology in business transformation during the pandemic, emphasizing how virtual platforms strengthened employee connection, facilitated communication, and leveled hierarchies, promoting a better understanding of the challenges faced by all. Additionally, she emphasizes how the pandemic altered the way of working with clients, leading to adaptations in audit practices to become more digital and focused on high-risk areas, ensuring greater effectiveness and positive impact on service quality. The researcher concludes by emphasizing that despite the challenges faced, the pandemic allowed the company to enhance its practices, showing that, thanks to investment in technology and the collaborative effort of its employees, they are achieving better performance, serving clients more efficiently, and making the difference they aspire to make daily (Burnet, 2023).

Thus, Burnet's (2023) practical account complements Branicki et al.'s (2023) study, demonstrating how the KPMG company adapted and promoted resilience during the pandemic, offering a practical perspective on the strategies and actions implemented in a real business context. However, it is worth noting as a gap in the article that the author did not specifically explore accounting practice, addressing it more broadly. Such lack of focus on accounting practice, therefore, limited the understanding of the nuances and challenges faced by the accounting profession during the pandemic, hindering a more in-depth analysis of the specific role of accounting in promoting business resilience during crises.

Both articles converge in highlighting the importance of transparency, effective communication, and rapid adaptation as essential elements for promoting resilience during crises. While Branicki et al.'s (2023) study provides a broad theoretical framework on resilience to understand the role of accounting in resilience, Burnet's practical account offers tangible insights into how these theories are applied and implemented in a real business environment.

As an overall analysis, both articles are excellent in terms of form and content, offering a perspective on accounting that contradicts the news and predictions circulated in the media. The accounting profession is often mentioned in lists of careers that are supposedly going to disappear in the near future. However, these articles explore a social function of accounting that underscores the importance of its existence. They go beyond the traditional scope of accounting, which is limited to corporate assets, and expand it to also consider intangible and immeasurable assets, such as resilience, especially during times of societal crisis.

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