

# Chapter 21

## Sustainability, Ethics and Education: What's Accounting Got to Do with It?

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### ABSTRACT

*Accounting education has faced limitations as a highly technical and discipline-specific body of knowledge. The case presented in this chapter demonstrates and reflects on an attempt at incorporating the study of sustainability-related accounting knowledge through multiple forms of delivery and assessment. Sustainability-related material that draws from business, accounting and ethics' perspectives was included in an accounting ethics course for accounting majors at Royal Melbourne Institute of Technology (RMIT) University in Melbourne, Australia. This pedagogy has encouraged the development of students' soft skills including their emotional intelligence. Sustainability education has been found as engaging and thought provoking, albeit involving a steep learning curve for students as far as knowledge and awareness are concerned. It has allowed for the promotion of multiple and broader perspectives and education on key sustainability-related concerns, from a range of angles including ethics and accounting frameworks for sustainability as well as multidisciplinary approaches to sustainability and business.*

### INTRODUCTION

Accounting education has faced the dilemma of being excessively rigid and technical in its delivery of knowledge (Boyce, 2004) to undergraduate students who are undertaking accounting majors. "Accounting education models used by most schools are broken ... [and] they provide less

value" (Albrecht & Sack, 2000, p. 3) due to the limited discipline-specific knowledge they impart. An accounting student perceives the outputs of accounting practice as scientific and technical, and as devices that capture the financial realities of an organization, developed on the basis of views and judgements that are "true and fair" and lack bias.

Boyce (2004) suggests that there needs to be a reform in accounting education that promotes the exploration of new avenues of thinking, knowledge and knowledge application for accounting

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students. The creation and communication of novel connections among accounting, other disciplines (Howieson, 2003) and important world issues are also encouraged (Boyce, 2004; Kimmel, 1995; Diamond, 2005). McPhail (2001, p. 279) suggests that “accountancy has become dangerously dehumanised ... [that] emotion should be introduced ... [and that the way to undertake this is through] business ethics education”. It is this push to develop a non-conventional type of accounting education—that allows for and encourages broader perspectives, and students’ emotional intelligence and critical thinking from the perspective of sustainability—that is presented in this chapter.

In relation to the new types of approaches towards accounting education, there has been a substantial amount of literature on moral and ethical education. Ethics education has been encouraged for accounting students, especially since the major corporate collapses in the United States (US) and other countries in recent years (Armstrong, 1987; McNair & Milam, 1993). There are a few examples of the implementation of the new type of accounting education, especially in the area of ethics education and sustainability education. However, the focus on ethics education has been limited with the curriculum of accounting education courses (Whiteman, 2009), although student demand for this type of education has been identified (Adkins & Radke, 2004).

It is important to generate awareness about the environmental consequences of accounting in its current state as part of any ethics education for accounting students, particularly in light of the following:

*One possible, and partial, solution [for the superficial accounting knowledge and lack of ethical maturity among accounting students] may lie with social and environmental accounting, which challenges much of the traditional approach to accounting education in universities, offers a vehicle within which many of the implicit assumptions*

*of accounting and accounting education can be explored and provides a potential opportunity to enhance the ethical and intellectual development of accounting students. (Gray, Bebbington & McPhail, 1994, p. 51)*

Almost 20 years of research in the area of environmental (sustainability) accounting has resulted in the development of a sophisticated accounting framework for sustainability. Examples of pioneering work in this area include the numerous publications by Rob Gray (for example, his works in 1993 and 1994), and the work of Bebbington and Tan (1996), Jones (1996), Lamberton (1998) and Lehmann (1999). Multiple perspectives on sustainability accounting including environmental reporting, cost accounting and management accounting techniques have been developed and presented in these works. More recently, case studies based on sustainability accounting have been presented in a prominent sustainability accounting book, *Accounting for Sustainability: Practical Insights* (Hopwood, Unerman & Fries, 2010).

Sustainability embedded accounting courses can be used “to demonstrate how accounting information can be used to support corporate environmental strategy and assess environmental performance” (Grinell & Hunt III, 2000). Although there is no dearth of sustainability accounting literature and research, there has been a substantial lack of inclusion of sustainability accounting in the curriculum (Gray & Collison, 2002).

This chapter presents a potential solution for the problem of the lack of accounting ethics education and the absence of a substantial degree of teaching and learning on sustainability accounting from a critical perspective. An accounting ethics course of which sustainability accounting is a major element is explored, specifically its pedagogy, students’ learning experiences, types of assessments, and sustainability materials utilized, in order to present a case for sustainability accounting education that can encourage new awareness, learning experiences and knowledge for under-

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