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Excellence, Success, and the Protective Function of Common Grace in Accounting

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The sustainability of the accounting profession depends on both internal goods (excellences) and external goods (successes) supported by the practices and institutions of accounting. While both types of goods matter, a virtuous organization must hold them in tension. Failure to do so risks violating the public trust and damaging accountants' integrity. The accounting profession's management of this MacIntyrean tension exemplifies the protective function of common grace. Accounting helps to protect business from the effects of sin (e.g., negligence, opportunism, and malfeasance), as well as to enable business to meet human needs through both meaningful employment and goods and services that enable human flourishing. Professionalism mitigates accounting's vulnerability to the same sins. This analysis contributes to a MacIntyrean theory of organizational virtue specific to accounting ethics. It also contributes to a Reformed Christian understanding of business by highlighting practices in the accounting profession that exemplify God's common grace and commending those practices for greater attention.

Introduction

"Accounting is a transformative practice that has the capacity to change things in the world. It can make a difference in what we choose to do."[1] With this statement, Jere Francis began his argument that accounting is not simply a value-neutral technical routine, dedicated to the reporting of objective facts, but is in fact a moral practice. Accountants make consequential choices about their representations of the financial performance of an organization and its parts, just as radiologists make consequential choices about their diagnostic representations of the physiological functioning of an organism and its parts. These representations require judgment because the information available can typically be interpreted in multiple ways depending on the diagnostic professional's assessment of its meaning or materiality. Moreover, these representations have significant implications for the lives of people. The pixels on a screen evaluated by either professional may signify either something or nothing; disease or health; the looming liability of an unfavorable legal judgment or a trivial cost of doing business. The users of that information depend on the professional to make that determination.

Human judgment about such equivocality is imperfect not only because of the limitations of human knowledge and reason[2] but also because of distortions resulting from sin.[3] That imperfection causes real harm, as is demonstrated regularly by news stories about accounting restatements or frauds that are familiar enough to need no recapitulation. Clearly, like all human endeavors, accounting is vulnerable to sin.

Yet accounting information is still essential for decision making in nearly all organizations, whether public or private, whether for profit or nonprofit or governmental. Accounting information enables an organization to measure and reward performance; fill orders, pay suppliers, and collect receivables; assess risks and invest for the future; calculate taxes owed; and attract the cooperation of outside stakeholders who invest their financial or human capital in the organization or its products. Accounting enables complex forms of organization and cooperation that in turn enrich lives with meaningful work and valuable products and services.[4] In this blessing-within-a-curse, doing well despite errors and problems both inside and out, we see God's common grace at work.[5]

To elaborate on this common grace, we characterize accounting as a practice embedded within institutions with excellences that are particular to "good accounting" (and "good accountants") but also with successes that are valuable and necessary for any institution to long survive, let alone thrive.[6] The excellences particular to accounting themselves reflect God's favor on a fallen world because they restrain the effects of sin through accountability. However, those excellences exist in tension with the need for the institutions within which accounting is practiced—professional associations, public accounting firms, private for-profit or nonprofit enterprises or government agencies—to continually maintain the various forms of financial, social, and cultural capital (i.e., successes) that give them sustenance. The accounting profession has therefore formalized a system of checks and balances that provide some protection against the subversion of "good accounting" in exchange for greater short-term success. That system of checks and balances also restrains the effects of sin through professional accountability. Thus it is also an expression of the protective function of common grace.

This twofold effect of common grace gives Christians within the accounting profession privileges and responsibilities. Demand for the profession's services is strong because the need for them to be performed competently is widespread, and accountants enjoy a degree of professional autonomy in that performance. However, without vigilance in the maintenance of the constructive tension between excellence and success—and in the professional citizenship that sustains both—the profession risks being overrun with irresponsible and opportunistic behavior, failing to prevent significant harm to many stakeholders, and losing the public trust. Therefore, we commend theoretical and practical attention to both forms of vigilance, as a Reformed contribution to accounting ethics and as an opportunity for Christians in the accounting profession to join God's work of common grace within it.

The purpose of this article is to define what makes "good" accounting "good," and to describe how good accounting is a sustainable practice that enables human flourishing through common grace. We first describe the framework of modern virtue theory that structures our understanding of the tensions experienced by the accounting profession and the specific application of that framework to the practice of accounting. Next, we unpack some attributes of the profession that evidence a similar balance before describing the doctrine of common grace that holds human possibility and depravity in tension, specifically within the field of accounting. Then we conclude by highlighting the theoretical and practical implications of our common grace description of the practice and profession of accounting.

Excellence and Success in Accounting

What Makes People, Products, or Organizations Good?

People across cultures routinely talk about people, products, and even organizations as "good."[7] Thanks to common grace that enables all people to perform works of creativity and civic righteousness,[8] there are many ways that a person can be conventionally good. These ways are commonly called the virtues.[9] Scripture contains multiple catalogs of virtues along with exhortations for believers to put them into practice (cf. Gal. 5:22–23 and 2 Peter 1:5–7). Aristotle,[10] and later Aquinas,[11] wrote treatises on the meaning and structure of the virtues, elaborating on the four cardinal virtues of prudence, justice, temperance, and courage and the three theological virtues of faith, hope, and love. Contemporary psychological research has detailed a set of six virtues (wisdom and knowledge, courage, humanity, justice, temperance, and transcendence) and twenty-four subordinate character strengths.[12] All of these not only contribute to but also constitute the good life for a human: "the state of being well and doing well, of a man's being well-favored himself and in relation to the divine … a complete human life lived at its best, [of which] the exercise of the virtues is a necessary and central part."[13] Theological and secular virtue theorists, virtue ethicists, and positive psychologists have long worked to explain what it means for a person to be good, but what does it mean to call a product or an organization good?

According to modern virtue theory, there are two kinds of goods that pertain to an organization and its products or participants: external and internal,[14] which Moore and others have found in popular business parlance to correspond roughly to excellence and success.[15] These are produced by practices and institutions, respectively.[16]

External goods are those that contribute to the sustenance of an institution. They are "characteristically objects of competition in which there must be losers as well as winners,"[17] and their readily transferable value is indispensable for inducing the cooperative efforts needed to keep an organization functioning.[18] Bourdieu's three forms of capital[19] usefully describe the range of external goods:[20] (1) financial capital encompasses money and financial instruments; (2) social capital encompasses the set of relationships across which favors may be called in, whether requests for material, administrative, or symbolic help, or simply requests for information; and (3) cultural capital encompasses within a given field both the accoutrement of status (like one's dress, the location of one's office, or the financial health of an organization as evidenced by its financial statements), and the knowledge of both what things mean and how to give them that meaning (sometimes called "human capital"). An organization may use some combination of these forms of capital to preserve itself and pursue its interests. For example, many interns may gladly work for no financial capital at all if they derive large stocks of social capital from their jobs; creditors may agree to extend more favorable borrowing terms if an organization's independent auditors' report resulted in an unqualified or clean opinion; and, of course, financial capital settles accounts, makes payroll, and provides investors with a return on their investment. External goods are important, and successful organizations tend to accrue a lot of them.

An institution may be any form of organization, formal or informal, that sustains itself through the production of external goods.[21] For-profit firms clearly organize and combine factors of production to create economic value (i.e., financial capital) for their owners, and potentially for other stakeholders as well, along with social and cultural capital that may be important or incidental to those stakeholders. A bakery, for instance, that fails to sell its scones and sandwiches at a profit eventually succumbs to an inability to make payroll, pay dividends, produce quality products, or otherwise sustain itself. Nonprofit organizations also produce value, though characteristically they consume financial capital and produce social and cultural capital that their donors and volunteers value enough to subsidize. For instance, people with a taste for such things find a symphony orchestra performance elevating. Therefore, its ticket sales and donations fund the purchase of music; the payment of leases and utilities for rehearsal and performance spaces; and, in professional orchestras, the salaries of the musicians. Even a voluntary association such as a reading club is an institution in that it must produce enough social or cultural capital to induce its members to continue bearing the costs of participation.

However, there is more to all institutions than just the creation of value in one of the three forms of capital: They must also sustain practices that produce internal goods (i.e., excellences). The nonprofit symphony orchestra must sustain the performance of music that is its reason for being; the reading club must facilitate the reading and discussion of interesting books; and the bakery must produce loaves and cakes worthy not only of being purchased but also of being eaten. Even a trading company that seemingly has no products or services of its own other than exchange must have its affairs managed.[22] The activities that are housed within institutions have excellences of their own,[23] such as sonorous beauty or the delight of new ideas or flaky wholesomeness, quite aside from their profitability or sociability or status. Those excellences are best known by people who are well-acquainted with them:[24] musicians, or the literati, or people who make a habit of eating pastries for breakfast, though they can also be appreciated in a limited way by novices. Producing those excellences requires not only knowledge, equipment, and raw materials, but also it requires (for instance) self-discipline, good judgment, and—as many a novice baker can attest—hope, that is, virtues. Institutions in which these virtues are lacking, in which the activities that are central to their reason for being deteriorate, often either fail or "sell out" to economic opportunism.[25]

Those activities that are valuable in and of themselves, not solely because of the exchange value of their outputs, are termed "practices." A practice is

> any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity.[26]

The excellences of a given practice are the outcomes that are characteristic of a practice done well: virtuosic music, edifying discussions, or delicious pastries. These are internal goods because they are internal to their respective practices:

They are produced within those practices, accessible to participants in those practices, and not fungible without first being converted into external goods. These excellences may describe the perfection of a practice or a practitioner through the exercise of virtue within that practice.[27] We may speak of a virtuosic performance or a virtuosic musician.

Internal and external goods exist in tension. Although both are goods, external goods have the advantage of fungibility. Institutional tradeoffs between internal and external goods therefore often favor external goods because those contribute readily to the sustenance of the institution. Internal goods contribute more indirectly because their absence is not readily missed in the short-run, and then primarily by the few people who genuinely understand and appreciate the practice. For instance, a bakery that uses lower-quality ingredients or sells products that are less-than-fresh will enjoy immediate financial benefits, while some patrons will not notice the difference; others will forbear it, hoping that the quality fade is only temporary; and likely only a subset will complain or defect to another bakery. Moreover, in many for-profit businesses, unceasing pressure to raise financial returns to investors and incentive pay to managers creates a "tendency to avarice"[28] that favors external goods by default. The practice of management that exists within every institution must therefore itself involve the exercise of virtues including prudence and temperance to avoid trading away the internal goods and eventually the other practices that an institution houses.[29]

Finally, a practice and its supporting institutions must have a good purpose to qualify as being good: They must contribute to a society's common good, which in turn enables the individuals therein to live well.[30] A bakery that furnishes meaningful work, income, and human relationships to its employees as well as delicious and nutritious products to its customers would seem to qualify. Some practices may diminish human capabilities for exercising virtue or for living well, even as they exercise other virtues. Overemphasis on habits that would otherwise be virtuous[31]—diligence stoked into workaholism or obsession—may be good practices gone bad. Some internal goods may erode certain virtues while exercising others; the production of debasing entertainment content may require considerable creativity or diligence or prudence on the part of its creators, even as it effaces the self-control of its audiences and sometimes even its creators. A practice or institution may be characterized along a continuum of purposes ranging from viciousness to indifference to virtuousness proportional to "the extent to which the internal goods of the practice at the core of the organization … contribute to the overriding good of the community."[32]

What Makes Accounting Good?

Accounting is itself a practice[33] that in turn contributes to the practice of management in many institutions. It is complex and collaborative, even at so basic a level as the separation of responsibilities. It requires the exercise of virtues, not least the diligence needed to learn the practice in the first place,[34] and it attempts to achieve standards of excellence (i.e., internal goods) that are particular to itself. Accounting exists within and is sustained by institutions, including public accounting firms, other for-profit or nonprofit organizations, the government, and various professional boards and associations. Accounting generates external goods for those institutions, including financial capital such as fees or dues, cultural capital such as financial statements or attestation reports, and social capital such as status and access to decision makers inside and outside of the profession. Managers of those institutions must themselves resist the tendency to avarice, which risks subverting the integrity of the practice of accounting, and its specific internal goods. Fortunately, accounting's status as a practice, rather than simply as a skill, means that it can itself be good, that it can contribute to the virtues of the people who practice it,[35] and that its institutions can themselves be virtuous.

We believe that such outcomes require detailed understanding of, and attention to, the excellences particular to accounting. Shaw has proposed that

> the chief excellences of an accountant would be integrity, independence, and honesty. Other virtues, essentially social virtues such as friendliness and cooperativeness have their place as well … [and] of course the accountant's "work ethic," i.e., the self-discipline that characterized the educational process, would be a virtue and would continue to serve that person for a lifetime. The virtues of an individual accountant, written large, are the virtues of the practice or profession of accountancy. Beyond that, however, the virtue of commitment or loyalty to the practice provides an essential link among all accountants.[36]

This Aristotelian approach is individual in scope, unlike the modern virtue theory described above and below; the virtues of the profession are nothing other than the virtues of the professional, and good accounting is nothing other than accounting that is done by good (i.e., virtuous) accountants. We agree with all of the virtues that Shaw has proposed, but would add that more can and should be said about the excellences of the practice itself.

Francis[37] has suggested that the internal goods of accounting include honesty, concern for the economic status of others (i.e., stewardship), sensitivity to the value of cooperation and conflict (i.e., an unwillingness to impose consensus where none exists), communicative character (i.e., the willingness to reflectively "choose what to account for, when to account for it, and how to account for it"[38]), and dissemination of economic information (i.e., the provision of financial information that meets the needs of all its users). These, too, are helpful, especially with respect to making the practice of accounting critically self-aware of its own moral responsibilities to serve its users.

We prefer to characterize the excellences of accounting in terms of its principles and standards because they specify most clearly what is good about the routine practice of accounting itself, that is, the production of financial information through the exercise of virtue on the part of the accountant. In particular, excellent accounting produces financial information that aligns with qualitative characteristics set forth by the standard setters. Both the Financial Accounting Standards Board (FASB), in FASB No. 8,[39] and the International Accounting Standards Board (IASB), in *The Conceptual Framework for Financial Reporting*,[40] chapter 3, set forth standards regarding the qualitative characteristics of financial information. The qualitative characteristics as set forth by the FASB and the IASB are relevance, faithful representation, comparability, verifiability, timeliness, and understandability.

Relevance is fundamental to the quality of financial information. Information is relevant if it has either predictive value or confirmatory value for decision making; the financial information either aids the decision maker in selecting from among alternative courses of action or it provides feedback regarding past decisions.[41] For example, for a baker to make a good decision about how much to charge for cookies, the baker must know things such as the average sales for that product line and the cost of flour.

Also fundamental to financial information is faithful representation. Financial information should report economic events appropriately; to achieve a faithful representation, financial information must be complete, neutral, and free from error.[42] A representation of production costs that ignores indirect materials, for instance, would be incomplete and would understate those costs. Moreover, that understatement would disproportionately favor products or processes that consume relatively more indirect materials. Such an incomplete representation might result from an error, or it might result from a bias toward one of those products or processes. Either way, the information provided is not faithfully represented and therefore is misleading rather than useful for business decision making.

Both the FASB and the IASB include four additional qualitative characteristics of financial information beyond these fundamentals: comparability, verifiability, timeliness, and understandability. Comparability allows for two or more items to be evaluated side-by-side because the underlying methodologies used to compile the information are similar.[43] For example, if a US publicly traded company wanted to compare its financial health with that of a competitor that is also a US publicly traded company, it could do so because both companies are required to prepare and present their financial statements in accordance with US Generally Accepted Accounting Principles established by the FASB. Information that is verifiable can be confirmed by a third party as to whether or not financial information contains certain features, thus contributing to the reliability of the information.[44] Financial information that is recorded and reported in a timely manner contributes to the usefulness of the information.[45] Finally, although financial information may be complex, presenting such information in a clear and straightforward manner enhances the reader's understanding of the information.

These internal goods result from the exercise of virtues in the practice of accounting, but that alone is not enough to qualify accounting as being good. The practice and its institutions must have a good purpose. Shaw notes that

> the focus of the larger good will be on achieving a balance of material, moral, intellectual, and other goods that foster the development of the individual capacities of all members of society … Good accounting fosters good management, but it might touch only tangentially or not at all on other practices … however, good accounting touches day care centers and barber shops just as it does the practice of medicine and law; it touches and supports engineering and scientific endeavors as it does municipalities, state and federal government, and even the ministry.[46]

Accounting contributes to the well-being of society by providing information that can be confidently used for consequential decisions in many varied contexts. Accounting at its best facilitates both rationality and responsibility in organizational life, which enable resources to be deployed in ways consistent with the values of their owners (notwithstanding the potential sinfulness thereof; serving a bad organization with good accounting hardly qualifies as virtuous but that problem does not demean accounting in general). Accounting allows for financial transparency between an organization and its stakeholders, increasing public trust of the information that is reported. It promotes a system of effective internal control and corporate governance that insists on accountability at all levels of an organization. Rationality and responsibility in organization life in turn facilitate the contributions of capital, labor, and other resources to rational and responsible organizations.[47] Accounting at its best requires the exercise of the virtues that Shaw mentioned above. Altogether, it is a practice that can be considered to be virtuous,[48] and its institutions can also be considered virtuous when they sustain that practice.

The Profession of Accounting

While accounting is a practice, it is also institutionalized as a profession or set of professions. A professional is distinguished from other service providers by the facts that "the professional professes something (a body of knowledge and experience), on behalf of someone (or some institution), and in the setting of colleagues."[49] In particular, a professional acts on behalf of clients who are unable to reliably evaluate the professional's work efforts or outcomes because those clients lack the requisite knowledge or experience; professionals are therefore in a position of trust with respect to those clients.[50] That trust is bolstered not only by certification that a professional has the profession's requisite knowledge but also by the specification and enforcement of standards of good practice among members of the profession.[51] Such standards guide professionals' behavior and shape professional identity, define the profession's boundaries, let the public know what they have a right to expect from their professionals, enhance the public trust, and deter unethical behavior.[52]

These expectations of accounting professionals are defined and enforced through professional associations such as the American Institute of Certified Public Accountants (AICPA), the International Financial Reporting Standards (IFRS) Foundation, the National Association of State Boards of Accountancy (NASBA), the Certified General Accountants Association of Canada (CGA), and the Institute of Management Accountants (IMA). Such organizations act as gatekeepers. They define their subject matter domains, require and provide continuing education with respect to those domains, promulgate standards of conduct, and punish violations of those standards. Government oversight boards and committees also exist to promulgate standards of conduct and punish their violation; these include the Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB).

The standards of the accounting profession explicitly address the tension between excellence and success, chiefly through the requirement of independence for those in public accounting but also through standards such as the ten Generally Accepted Auditing Standards (GAAS) in the United States, as originally established by the Auditing Standards Board and adopted by the PCAOB. Those standards include the need for public accountants, in the role of auditors, to be competent, including having the requisite and often specialized training necessary to perform auditing procedures; to exercise due professional care and use professional skepticism, which involves a questioning mind and a critical assessment of audit evidence obtained; and to appropriately plan the audit and supervise the audit team; and to obtain sufficient, appropriate audit evidence.[53]

These generally accepted auditing standards are designed to dissuade auditors from subverting the internal goods of relevance, faithful representation, comparability, verifiability, timeliness, and understandability in return for the time and cost savings of shoddy work, or the client appreciation (i.e., the financial or social capital) that could be garnered in exchange for advantageously shoddy financial information. When an accountant subverts the aforementioned internal goods for the abovementioned external goods, she or he risks the loss of membership in the profession. For example, in December 2014, the Securities and Exchange Commission sanctioned eight audit firms for violating independence rules when they prepared financial statements for brokerage firms that were their audit clients. “To ensure the integrity of our financial reporting system, firms cannot play the roles of auditor and preparer at the same time,” said Stephen L. Cohen, Associate Director of the SEC’s Division of Enforcement. “Auditors must vigilantly safeguard their independence and stay current on the applicable requirements under the rules.”[54] In preparing financial statements for their audit clients, the audit firms may have subverted the internal goods of faithful representation and verifiability in exchange for financial capital (i.e., fees). The internal good of verifiability was also tainted when a large public accounting firm “failed to properly evaluate a material component of the [client’s] financial statements—its sales returns reserves.”[55] Perhaps the successes of financial capital (e.g., savings on the cost of the audit engagement) or social capital (e.g., the appreciation of some staff at the client organization that had something to hide with respect to its sales returns reserves) were garnered by the firm in exchange for incomplete or unverifiable financial statements.

The accounting profession’s mechanism of institutional accountability upholds the public trust in the profession by helping to prevent the hollowing out of the practice in favor of assorted benefits to its institutions and its participants. Even so, the tension remains between accounting excellence and the temptations of success because subversion opportunities abound and must be resisted on an ongoing basis. While accountants sometimes fail in this, the profession endures. It is to this paradox of blessing-in-fallenness that we now turn in our consideration of common grace.

Common Grace

According to John Calvin,

> we ought to consider that, notwithstanding of the corruption of our nature, there is some room for divine grace, such grace as, without purifying it, may lay it under internal restraint. For, did the Lord let every mind loose to wanton in its

> lusts, doubtless there is not a man who would show that his nature is capable of all the crimes with which Paul charges it.… Thus God, by his providence, curbs the perverseness of nature, preventing it from breaking forth into action, yet without rendering it inwardly pure.[56]

Following Calvin, Abraham Kuyper observed that common grace is that grace "by which God, maintaining the life of the world, relaxes the curse which rests upon it, arrests its process of corruption, and thus allows the untrammeled development of our life in which to glorify Himself as creator."[57] It is a form of God's favor and forbearance, shown to all people, that "causes his sun to rise on the evil and the good, and sends rain on the righteous and the unrighteous" (Matt. 5:45 NIV) and prevents sin from having its full and deadly effects under the sun.[58]

Kuyper states that all things are directed toward an ultimate goal; nothing lacks an ultimate purpose or what philosophers have called a *telos*. Through common grace, humans have the ability to think some of the thoughts of God after him, and in our lives and works can unfold creation according to the ultimate goals intended by God from before creation.[59] Similarly, as Albert Wolters put it,

> In every cultural … custom is something of the good of God's creational structure. At the same time all of it, to some degree is misdirected by a shared cultural idolatry. The mission of God's people is to discern and embrace the good creational insights and structure, and at the same time to reject and subvert the idolatrous distortion.[60]

Theologian Herman Bavinck agrees that within all human practices there is at least some remnant of their created intention.[61] The potential to recover, or uncover, God's intended structures for the full range of human activities, despite their sinful distortions in a range of directions, is a key Reformed idea.

The idea that humans, whether we realize it or not, are being guided by God's providence and enabled by God's common grace to bring about the purposes he originally intended in creation diverges from the strong assumptions of human agency prevalent in most fields. For example, Francis reflects a commonly held view of accounting only as a human invention when he states that "God did not include any laws of accounting when creating the universe nor did Moses bring down any accounting commandments from Sinai … accounting language is of neither natural nor supernatural origin. We invented it."[62]

Even aside from the fact that Leviticus contains several passages related to the valuing of homes, lands, and other property, whether with respect to the Year of Jubilee (Lev. 25) or with respect to their dedication to the Lord as offerings

(Lev. 27), Francis's point is mistaken. It sets up a false dichotomy between things that were created by God and things that have been or are being created by people. By contrast, God's ultimate creative purposes, in accounting and other domains, are being realized in the work of people through common grace. Business and accounting are parts of God's creation, and his intentions for them are being worked out over time.[63] The principles and standards of accounting are themselves expressions of God's providence.

Clearly, all is not as God intended. Accounting information is not always a faithful representation of the activities of an institution, and accountants are not always virtuous. Herein lies the protective function of common grace that allows the practice and institutions of accounting and of business to function in an orderly and life-sustaining way. Ever since the invention of double-entry bookkeeping, the genius of accounting has been in its systematic recording of information that allows errors to be tracked, whether they be honest or dishonest.[64] Ensuring the integrity of financial information has made that information more valuable and has increased the returns and therefore temptations to manipulating it. In turn, the field has professionalized, introduced audits, and inspired layers of government regulation. Accounting seems to be an example of common grace in that its very logic and organization with its surrounding institutions protects users of financial information from some of the effects that human sinfulness would otherwise have. That sinfulness is inescapable and leads to disturbingly frequent reports of accounting scandals and the infinite-regress problem of "who audits the auditors?" Truly, accounting's role in ensuring the excellence of the financial information used for consequential decisions is a manifestation of grace that blesses outwardly even if it cannot regenerate a person inwardly.

If Christian accountants are to participate in the elaboration of God's purposes and are to embrace the paradox of being both alienated pilgrims and engaged witnesses,[65] then understanding and participating in the protective function of common grace in the profession will be important. Cultivating the internal goods of the practice of accounting is protective in that these enable accounting information to be used for accountability and decision making. Protecting those internal goods against subversion to the external goods of the institutions of accounting is also a protective result of common grace because resisting the tendency to avarice[66] helps to maintain the integrity of the practice. Finally, participating responsibly in the institutions of the profession itself is a protective common grace ministry because the profession elaborates on and upholds the standards and systems that define the practice. Less-than-vigorous participation in the interest of those standards and systems makes them vulnerable to co-optation or marginalization.

Implications

The concept of common grace has both theoretical and practical implications for the practice and profession of accounting.

Implications for Theory

The MacIntyrean practices-and-institutions framework, with its tension between internal and external goods, has enjoyed considerable development in the field of business,[67] despite MacIntyre's own distrust of management.[68] We elaborate on a framework that extends the work of Francis[69] and Schickel[70] in characterizing accounting as a MacIntyrean practice by specifying the internal goods of accounting in terms of the quality of financial information produced by the practice. This elaboration has the advantage of identifying the routine and ongoing excellences of accounting, instead of assigning moral virtue principally to the accountant. Specification of accounting's excellences is useful for subsequently identifying the threats to them; therefore, a broadly applied MacIntyrean concept of accounting ethics could conceivably be used to highlight and critique the behaviors, strategic trends, or technological, regulatory, and process changes that would damage the practice of accounting.

Our interest, however, is not merely critical. Our MacIntyrean perspective also identifies positive opportunities for Christian accountants, especially Reformed ones, to participate in common grace ministries, that is, to join in God's renewing work in his creation to protect humans from the full effects of the fall. Reformed business ethics can be seen as participation with God in his purposes within business institutions, including "arrest[ing] its process of corruption, and thus allow[ing] the untrammeled development of our life in which to glorify Himself as creator."[71] The practice of accounting itself enables accountability within organizations and between an organization and its stakeholders; it thereby helps to deter or detect some of the abuses of power or people or resources that a lack of accountability fosters. Moreover, the practice of accounting itself enables rationality within organizations and between an organization and its stakeholders; it thereby helps decision makers to make stewardly use of the resources of creation and to meet the needs of the people within it. However, these outcomes are only possible to the extent that accounting professionals uphold the internal goods of that practice.

Implications for Practice

Christian accountants ought to devote a significant share of their professional energies to seek the excellences of the practice of accounting and to defend that practice against subversion to the successes of its institutions. That will require familiarizing themselves with those excellences, which will help them to recognize related threats. These threats may include slapdash recording or reporting of information because of carelessness, laziness, misunderstanding, or inadequate time or system resources. Threats may also be found in insufficient testing or review during an audit because of the same factors, pressure from cost-conscious managers, or appeals from dishonest clients. Misleading tax reporting in order to minimize an organization's effective tax rate, or distortion of the costs of a project or process that is favored by oneself or by a powerful manager may also rise to the level of threats. Christians who can recognize these and other subversions and articulate why they defeat the purposes of accounting may help to prevent such errors.

Accordingly, faithful Christians in accounting should prepare to appeal to others in compelling terms when those excellences are threatened because such preparation helps to ensure that an appropriate response is ready in the moment that the threat is recognized.[72] Those appeals can be multifaceted. They can note the importance of those excellences to the long-term viability of accounting institutions (i.e., enlightened self-interest); the enforcement mechanisms that exist to protect them within a given institution, the profession, or the government (i.e., an appeal to self-preservation); the well-being of the users of that information (i.e., prosocial motivation); the integrity of the accountants themselves (i.e., moral identity); and the intrinsic beauty and goodness of those excellences. A multifaceted defense, along with an understanding of common rationalizations and their logical weaknesses, can be effective in convincing others[73] to support accounting's excellences.

Christian accountants should also actively engage in the institutions of the profession. Those institutions, like the institutions in which accounting is practiced, also experience pressure to subvert the excellences of accounting for their own successes. Christians may contribute to the protective function of common grace by encouraging these institutions to focus on the excellences of the practice by teaching and promoting them to a range of stakeholders from scholars to students and practitioners to regulators. Opportunities to safeguard those excellences, through changes to accounting standards or regulations or educational requirements, should be seized by professionals who watch for them. Finally, Christians should also remain vigilant about threats to those excellences within the institutions of the profession, particularly when vested interests work to weaken or obscure them through their own changes to standards, regulations, or educational requirements.[74]

Conclusion

Christian accountants who embrace an understanding of common grace can join in the elaboration of God's purposes for their field by protecting the internal goods that make the practice of accounting excellent, even as they work for the success of the institutions in which they participate. Thereby they can bless the accounting profession and the rest of the world.

Notes

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