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THE CHANGING ROLE OF ACCOUNTING PROFESSIONALS IN BUSINESS IN SRI LANKA WITH THE COVID-19 PANDEMIC

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ABSTRACT

This explanatory case study unravels the changing role of accounting professionals in business in Sri Lanka from a ‘scorekeeper’ to a ‘business consultant’, with the COVID-19 pandemic. In accounting research relevant to professional work outside the regulatory realm of accounting, which evolved as accounting for business, has been largely neglected. However, this study contributes to it by focusing on the changing role of accounting professionals in business in a particular territory; Sri Lanka, with the crisis; of the COVID-19 pandemic. Adopting a qualitative methodological approach, data was collected from multiple sources and was analysed by thematic analysis. The theoretical framework was developed by drawing from Abbott’s (1988) writings in the sociological analysis of professions on how external forces and events occurring in the political, economic, and social spheres bring in autonomous shifts in cultural values and thereby change the demand for professional work. This paper concludes that during the COVID-19 crisis prevailed in Sri Lanka, accounting professionals in business were required to perform work as internal business consultants in multidisciplinary teams, with a business sense, and understanding of the business processes. The paper has significant practical implications in requiring accounting professionals in business to adapt their knowledge base to contextual changes with the events occurring during a crisis when performing work to bring about resilience within the business. This paper contributes to the literature by focusing on the work of accounting professionals in business.

Keywords: Accounting for Business, Cultural Values, External Forces, Professional Work

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1 INTRODUCTION

The global body which represents the accounting profession; the International Federation of Accountants (IFAC), in 2001 voiced that, the role of the accounting professional in business had changed from a 'scorekeeper' to a 'business consultant'. Burns and Baldvinsdottir (2007) have attributed the aforementioned change in role to globalisation, advancement in technology, accounting scandals, and corporate trends. Within the geographical demarcations of a particular territory, or country, the change of role could be attributed to the outcome of events occurring in the political, economic, and social spheres.

The Corona (CO) Virus (VI) Disease (D) diagnosed in 2019 (COVID-19), brought about turbulence in the business environment in Sri Lanka. Since 2020, there has been not only an economic downturn, but also political instability, and many other social issues in Sri Lanka. Affirming this, the Sri Lankan Prime Minister Ranil Wickremesinghe, stated that, other countries have recovered from the COVID-19 pandemic, but that Sri Lanka has not been able to recover, and that the country has gone into bankruptcy (Athas et al. 2022). Further, he stated that he foresees the year ahead to be a very difficult year.

The diverse issues occurring within a country due to the COVID-19 pandemic had to be addressed by professionals of various disciplines. There were such issues in the sphere of accounting too (Leoni et al. 2021). This paper elicits that, in Sri Lanka there was a changing role of the accounting professional in business, from a 'scorekeeper' to a 'business consultant' during the COVID-19 pandemic. However, the changing role of accounting professionals in business has not been empirically elicited by prior researchers. Hence, the research problem of this study is how and why there was a transformation in the role of accounting professionals in business in Sri Lanka with the COVID-19 pandemic.

The theoretical framework for this study is developed by drawing from Abbott's (1988) writings on the sociological analysis of professions. Abbott (1988) highlights that professional work should be connected to the central values in the larger culture, to gain cultural authority. Abbott (1988) further states that cultural values undergo autonomous shifts, creating a change in demand for professional work. This paper empirically elicits, how external forces and events occurring in the political, economic, and social spheres of Sri Lanka with the COVID-19 pandemic, brought in autonomous shifts in cultural values and the consequent change in the role of the accounting professionals in the business. Adopting a qualitative methodological approach in this explanatory case study, empirics will be collected from multiple sources. The collected empirics will be analysed thematically, by matching the themes emerging from the empirics, with the concepts of the theoretical framework.

Considering the significance of the study, this paper focusing on the work outside the regulatory realm of accounting, will provide an empirical contribution. The reason is that there is a dearth of studies with respect to professional work outside the regulatory realm of accounting. Further, there are no studies on protecting the existing jurisdiction from disturbances occurring external to the system of professions; events occurring in the political, economic, and social spheres, which will be the focus of this paper. Hence, it will be a theoretical contribution. There could be crises in the future too. This study elicits that, the role of the accounting professionals in business will require to change based on the prevailing context. This is a practical implication contributing to the significance of the study.

Having given an introduction to the paper, the literature central to it will be discussed next. This will be followed by developing a theoretical framework to empirically address the research questions teased out from the literature central to the paper. Thereafter, the research

process will be discussed. It will be followed by the case which is the empirical story and a discussion. Finally, conclusions will be drawn.

2 LITERATURE REVIEW

In accounting research relevant to professional work, the mainstream has been on the accounting profession strategically gaining access to work, in the regulatory realm of accounting (Richardson 1989; Kirkham & Loft 1993; Lee 1995; Chua & Poullaos 1998; Annisette 2000; Caramanis 2002; Uche 2002; Bakre 2005; Bakre 2006; Bakre 2008; Sian 2006; Sian 2007; Edwards, Anderson & Chandler 2007; Gallhofer, Haslam & Kamla 2011; Mihret, James & Mula 2012; O'Regan & Killian 2021). Work outside the regulatory realm of accounting which evolved as 'accounting for business' has been largely neglected except for a few studies (Loft 1986; Armstrong & Jones 1992; Armstrong 1993).

Loft (1986) unravels the genesis of cost accounting in the United Kingdom (UK) and the coming into light of the Institute of Cost and Works Accountants (ICWA) with the First World War. The ICWA ancestor of the Chartered Institute of Management Accountants (CIMA), UK, was formed in 1919 to gain recognition and acceptance for the work carried out by cost accountants and cost clerks. Cost accounting was brought to the attention of manufacturers, and into the realm of public discussion, under the abnormal conditions of war. The bringing of cost accountants and cost accounting 'into the light', came as an unexpected consequence of the wartime legislation passed, with the intention of helping to prevent profiteering, and to provide a basis for setting the prices of contracts for items, for which there was no clear market price. The requirement of armaments in the First World War resulted in a major transformation in British industry. The opportunities for profiteering engendered by scarcity, and the lack of a 'fair market price' for the munitions of war, together gave birth to the notion that, the payment manufacturers should receive, should be related in some way to cost, and in acquiring such information cost accountants and cost accounting once again came into the light. At the end of the war, conditions were tailor-made for a boom in economic activity. Reconstruction began with a high level of government spending. Reconstruction was to involve a new approach to management, which was scientific management, where 'costs' were the foundation on which scientific management was built. Once again, cost accounting came into the light. In April 1920, the end of the boom was signalled. Unemployment doubled, between December 1920 and March 1921. Thus, the depression which followed the boom, brought greater interest in costing, as manufacturers looked for the most efficient way to rationalise their business.

Based on Loft (1986), it is evident that, the demand for the professional work of cost accountants and cost clerks was sustained by responding to the changing needs, within the prevailing context of a particular territory, the UK. With the COVID-19 pandemic, there were events occurring in the political, economic, and social spheres and consequently, there were diverse issues to be addressed within territories across the globe. There was a role for accounting for exceptional decision-making at the government level (Ahn & Wickramasinghe 2021) and at the organisational level (Huber, Gerhardt & Reilly 2021), and when addressing societal welfare (Andrew, Baker & Guthrie 2021). In this crisis, there have been issues relevant to profitability and liquidity in business organisations, and the accounting professionals in business have been incapacitated to address certain issues. Eighty-three business unit managers in the Netherlands responding to a survey stated that the businesses have made the budget constraints stringent to enhance profitability due to the growing negative effects of the COVID-19 pandemic, which made these managers feel emotionally exhausted (Bedford et al. 2022). Two finance directors and thirteen managers of business organisations in Nigeria when interviewed have stated that, based on their experiences traditional ways of managing working capital are not sufficient during a crisis such as the COVID-19 pandemic (Simon et al. 2021).

In Sri Lanka too, with the COVID-19 pandemic, there were external forces; and events occurring in the political, economic, and social spheres that brought about consequent diverse issues in business organisations to be addressed. However, when addressing the aforementioned diverse issues, the work carried out by accounting professionals in business is yet left unaddressed.

3 THEORETICAL FRAMEWORK

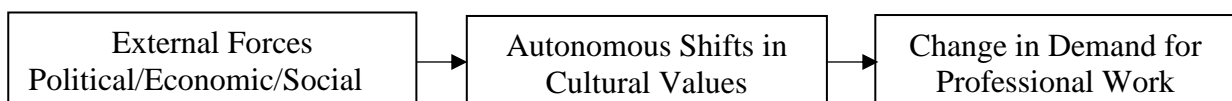
There is a common thread in the writings of the sociological analysis of professions of Larson (1977), MacDonald (1995), and Freidson (1975). They affirm that a profession has access to a knowledge base used to perform professional work. However, the relevance of the knowledge base to the prevailing context has not been considered. On the contrary, whilst affirming the access to a knowledge base by a profession, Abbott (1988) elicits the importance of the knowledge base of a profession gaining relevance in the prevailing historical and social context. The COVID-19 pandemic created unprecedented times within the historical and social context of Sri Lanka which required the profession to address the changing needs through its knowledge base. Hence, Abbott's (1988) writings gain relevance in developing a theoretical framework for the study.

According to Abbott (1988), each profession is bound to a set of tasks by ties of jurisdiction, and the strengths and weaknesses of these ties are established in the process of actual professional work. Since none of the links is absolute or permanent, Abbott (1988) states that professions operate within a system and compete within this system. Abbott (1988) also states that, from time to time, tasks are created, abolished, or reshaped within the system of professions, by disturbances caused by external forces. Moreover, Abbott (1988) states that the external forces of disturbances in the system of professions are complemented by internal forces within the system of professions themselves. According to Abbott (1988), the external forces of disturbances bring in autonomous shifts in cultural values which will create a change in demand for professional work.

Prior researchers too have drawn from Abbott's (1988) writings on the sociological analysis of professions. There are studies on expanding the existing jurisdiction (Annisette & Kirkham 2007). There are also studies on protecting the existing jurisdiction from disturbances occurring internal to the system of professions (Kurunmaki 2004).

Figure 1 illustrates the theoretical framework in diagrammatic form. External forces/events occurring in the political, economic, and social spheres, will bring in autonomous shifts in cultural values. Such autonomous shifts in cultural values will create a change in the demand for professional work. The key concepts of the theoretical framework are 'external forces', 'cultural values', and 'professional work'.

Figure 1: Change in Demand for Professional Work with Autonomous Shifts in Cultural Values



Source: Author Constructed

4 RESEARCH METHOD

Based on the qualitative approach to research, empirics for this paper were collected from multiple primary and secondary sources. With respect to the events occurring in the political, economic, and social spheres, secondary sources such as the Central Bank annual reports, magazines, reports, and newspapers were used and with respect to the business issues, and secondary sources such as the company's annual reports were reviewed. On the changing role of accounting professionals in business, empirics were collected from primary sources. The method used was semi-structured interviews, in the form of informal conversations.

The interviewees were selected based on the 'purposive sampling technique' akin to the qualitative approach to research. The purposive sampling technique was used as the focus was not on empirical generalisation but on theoretical generalisation which required a rich empirical story. As some authors were carrying out audits during their internship in the companies selected, gaining access to the company was not an issue. Companies engaged in manufacturing as well as providing services were selected. The interviewees were from six companies: two garment manufacturing companies carrying out similar operations, a carton manufacturing company, a ceramic products manufacturing company, an insurance company and a telecommunication company operating in Sri Lanka. In sum, there were thirty-two professionals interviewed from the six companies selected and sixteen out of them were accounting professionals in business and sixteen were professionals from other disciplines. Interviews were conducted in 2021 until the point of saturation to obtain insights to understand the 'changing role of accounting professionals in business in Sri Lanka with the COVID-19 pandemic', which was the 'unit of analysis'. This period was significant, due to the turbulent business environment prevailing in Sri Lanka at that time. Most of the interviews were conducted within the company. However, some interviews were telephone conversations. As the objectives of the study were explained, and confidentiality was assured, the interviewees were supportive and given the opportunity to tape record the conversation. The conversations were transcribed by listening to the recording.

The empirics collected were analysed based on thematic analysis, which is supported by the method prescribed by Huberman and Miles (1994) on qualitative data analysis which comprised three linked sub-processes, data reduction, data display and data interpretation. The empirics collected from the secondary sources were triangulated with the empirics collected from primary sources, the interviews. Any grey areas were clarified by the interviewees. The profiles of the interviewees are provided in Annexure 1. As the interviews conducted were not structured, but semi-structured in the form of conversations, it was not possible to identify common themes. Consequently, it was decided that analysing the data manually would provide a more meaningful empirical story. The themes emerging from the data collected from interviews were matched with the key concepts of the theoretical framework; external forces, cultural values, and professional work, to narrate the empirical story. It was found that the theory selected was ideal, to give meaning to the empirics. The theoretical framework developed for the study provided the route map for narrating the empirical story. The theory used provided theoretical generalisation, which made it possible to be replicated in a different context.

5 THE CASE

The COVID-19 pandemic spread to Sri Lanka in March 2020 and the country experienced three waves regarding the spread of the virus. The first wave was from March to May 2020, the second from October to December 2020 and the third began in April 2021.

5.1 External Forces

The external forces and events occurring in the political, economic, and social spheres of Sri Lanka, with the COVID-19 pandemic and thereafter, will be discussed next.

5.1.1 Political sphere

In late 2019, the newly elected President Gotabaya Rajapaksa, carried out populist tax cuts, which reduced government revenues devastating the economy (Masih 2022). It is evident that, with the COVID-19 pandemic spreading to Sri Lanka in March 2020, the economic crisis brought about by the politicians was aggravated. Based on the fiscal policy and government finance, highlights of 2022, to cover the budgetary deficit, the government resorted to tax financing, debt financing and printing money. Whatever strategy that was implemented, it was a burden on the people. The political crisis which reached a climax in 2022 was due to the power struggle between the government headed by President Gotabaya Rajapaksa and the people of Sri Lanka (Masih & Shih 2022). This was fuelled by the anti-government protests and demonstrations by the public which was witnessed in Sri Lankan media. The Sri Lankan Speaker of the Parliament made a statement to the local media on 14th July 2022 that, President Gotabaya Rajapaksa had resigned officially (Farzan 2022). After Prime Minister, Ranil Wickremesinghe resumed duties as the President, the politicians with vested interests continued to engage in bribery and corruption driving the country to bankruptcy (News First 2022).

5.1.2 Economic sphere

The annual report of the Central Bank of Sri Lanka in 2020 witnessed the lowest Gross Domestic Production (GDP) of 9.3% after gaining independence from the British in 1948. The contraction of the economy, with unemployment and a decline in business revenue and a decrease in consumer spending, would be inevitable in such circumstances. A PricewaterhouseCoopers (PwC) report (2020) stated that, due to the impact of the COVID-19 outbreak, Sri Lanka could not attract tourists. According to the annual report of the Central Bank of Sri Lanka 2022, the country's trade deficit reached USD 5,185 million, from USD 8,139 million in 2021 due to the larger decline in imports, compared to the decline in exports. Due to the foreign exchange crisis, the imports of non-essentials were curbed, which was imposed by the Monetary Board of the Central Bank of Sri Lanka. There were months of protests in Sri Lanka occurring over soaring inflation, food shortages long fuel queues and lengthy power cuts, which were witnessed in the Sri Lankan media. Sri Lanka was in a foreign debt crisis and defaulted over USD 56 billion in 2022, according to the Sri Lankan development update of the World Bank (Kaluthotage 2023).

5.1.3 Social sphere

The local media in Sri Lanka announced on 11th March 2020 that, the first COVID-19 patient in Sri Lanka was identified (Writer 2020). The government was prompted to take immediate safety measures such as imposing social distancing rules and prohibiting public gatherings, closing schools and higher educational institutions, and introducing the practice of working from home which was announced to the public through the local media. This was followed by an island-wide lockdown and border closures with a view to controlling the rapid spread of the virus announced in the local media. The interviewees explicitly stated that there emerged social issues regarding online transactions for grocery shopping, payment of bills and consulting doctors. According to the World Bank (2021), Sri Lankan development update on the

‘Economic and Poverty Impact of COVID-19 in Sri Lanka’, households focused on fulfilling basic needs due to the limited disposable income due to the economic downturn.

It is evident that there have been events occurring in the political, economic, and social spheres, since mid-2020 to early 2023, which have led Sri Lanka towards unprecedented times, creating a turbulent business environment.

5.2 Change in Cultural Values

In the companies that were selected for this study, it was found that, with the restrictions in force, the companies had to adapt to the evolving scenario since physical interaction with customers was not possible while the presence of employees in workplaces had to be severely curtailed. These companies had to focus on technology as it played a pivotal role in resolving social issues of the customers as it was required to carry out online transactions. These companies had found that changes occurring within the social sphere in Sri Lanka were considered as the ‘new normal’ and these changes in the lifestyle of the people continued even after the COVID-19 pandemic subsided. In the new normal there were opportunities to be seized by business organisations. On the contrary, threats were emerging.

There is commendable unanimity among the accounting professionals interviewed that, before the COVID-19 pandemic, the accounting professionals were engaged in transaction processing, reporting and control, with no significant contribution towards decision support. Hence, the role of the accounting professional in business was more of a ‘scorekeeper’ rather than a ‘business consultant’. However, with the effects of the COVID-19 pandemic and Sri Lanka going into bankruptcy, the role of the accounting professional in business changed to that of a business consultant.

5.3 Professional Work

The role of the accountant in business as an internal business consultant in the following manufacturing and service providing companies is discussed next.

Garment manufacturing

In Sri Lanka, the garment industry catering to the export market was adversely affected by the COVID-19 pandemic. An export-oriented garment manufacturing company in Sri Lanka recorded USD 51 million in sales for the financial year 2019/2020 and USD 44 million in sales for the financial year 2020/2021, which is a 14% drop in terms of export sales. The accounting professional in business was expected to perform a broader scope of work. The Chief Financial Officer of this company said (Int. 1):

“We need accountants who can work as collaborators and partners with executive teams, who can leverage technology and data and identify risks, and who can effectively communicate the risks within the greater business function.”

In yet another garment manufacturing company focusing on the export market, the Chairman said (Int. 5):

“As an entrepreneur, I have experienced many disruptions to business in the past. However, the COVID-19 challenges were the most challenging, that I have faced in my entire professional career.”

Under these predicaments the accounting professionals in business played a business partnering role using their knowledge base to bring in cross-functional connectivity among all functional areas such as marketing, human resource management, supply chain, and manufacturing, to enhance the profitability and liquidity of the company. In this garment manufacturing company, the accounting professionals in business, liaising with the other professionals, carried out scenario planning and strategy development towards enhancing profitability. To increase the liquid asset; cash, the working capital cycle was managed by the accounting professionals in business, focusing on receivables from customers, payables to suppliers, and using the production capacity in an optimum manner for high inventory turnover. The accounting professionals in business also focused on reducing the fixed costs which had a significant effect on the company's breaking even. Through collaborative work in multidisciplinary teams, the accounting professionals in business ensured that all strategies proposed led the company in an economically right direction as well as not create adverse effects on the environment and did not bring discrimination among people within and outside the company. The initiatives taken by the company were to maintain resilience. The Group Human Resource Director said (Int. 6):

"During our worst financial period (2020), we gave our best Voluntary Separation Scheme package, ranging between 6 to 24 months of the salary."

The company also provided seed funding to the most deserving entrepreneurs, including those with disabilities, persons with conflict-affected backgrounds and women-led families, through a stringent selection process. The company's resilience contributed to the country's economy by bringing in lucrative foreign currency, contributing towards the country's trade balance deficit.

Carton manufacturing

A leading corrugated carton manufacturing company in Sri Lanka had a broad customer base from various industries such as tea, packaging, garment, food and catering, ceramic, agriculture, rubber and medical, carrying out over 50% of the production for the export-oriented market. With the COVID-19 pandemic, as the country did not have adequate foreign currency reserves, the company could not import raw materials. With the import restrictions imposed, the cost of production increased due to the company buying raw materials from the local market at a higher price. The company Sales Manager said (Int. 15):

"The company lost its key customers due to the increase of sales prices and quality issues of locally purchased raw materials..."

The company Production Manager said (Int. 14):

"The total carton production in Sri Lanka is 240,000 metric tons per year. There are over fifty corrugated carton manufacturers on the island, out of which seven companies control more than 70% of the market. Those companies have adequate storage facilities than our company and had imported raw materials stored. These companies had the financial resources to purchase high-quality raw materials locally."

The garment industry, which was the main customer, failed to settle the company dues on time causing working capital issues within the company. In the manufacturing of cartons, a large amount of capital expenditure was required. However, finding loan capital was an issue as the country had not recovered from the COVID-19 pandemic. With the COVID-19 pandemic, new

business opportunities had to be seized to increase revenue. Consumer habits were changing significantly with demand for home deliveries, creating new demand prospects in the packaging industry. The owner of the company held discussions with all department heads to discuss the existing issues. It had been decided to prepare a future business plan for the next five years as the first step. This business plan required budgeting, financial analysis, SWOT analysis, marketing plan etc. The Assistant Marketing Manager of the company said (Int. 13):

“The accounting department plays an important role in forecasting future business and making future plans...”

Accounting professionals in business had to consider how to increase revenue, reduce costs, resolve working capital issues, and fund capital expenditure during the COVID-19 pandemic and thereafter.

Ceramic products manufacturing

A ceramic products manufacturing company operating in Sri Lanka had a production capacity of six million pieces per annum. The company exports its products to nearly thirty countries and designs products according to United States (US), UK, and European quality standards. With the COVID-19 pandemic, many countries across the globe experienced a recession. Though there was a demand for essential products, there was a drop in the demand for the company's export sales, as the company product was not essential. The Head of Finance, an accounting professional in business explained, how the issue of reduced demand was addressed. He said (Int. 18):

“Our export sales revenue decreased by nearly 14% - 15% due to the unpredicted pandemic. By discussing with other professionals, I was able to suggest launching innovative products to the global market which would be profitable. According to the global trends, we were able to develop porcelain ceramic products and we provided customised products to the customers as per their requirements. By that, we were able to increase the demand.”

He also said (Int. 18):

“After the company considered the global trends and the profitability, we realised that producing non-tableware porcelain products has a high demand. We discussed as a team and prepared production plans. I prepared cost budgets and forecasted sales to identify the profitability.”

The company which focused on porcelain and customised export sales of ceramic products, commenced focusing on local sales. The factory accountant said that products were sold at discounted prices to local customers and that, these sales were carried out in over twenty outlets opened by the company and through an online platform. This helped to increase the company's sales revenue. Moreover, to be cost-effective, the company commenced using locally manufactured clay for some products. All these initiatives were the outcome of the collaborative discussions led by the Head of Finance with the other professionals in other sections within the company. The company continues to be in operation and contributes to generating foreign currency through the revenue generation process which will have a favourable effect on the revival of the country's economy. Based on the management reports of the company, the company reported a drop in the gross profit from Rs. 368 million in 2020 to Rs. 200 million in 2021 but was able to obtain an increase in the gross profit to Rs. 275

million in 2022. This is evidence of the success of the company strategies implemented to increase the profitability within the company.

Insurance services

An insurance company in Sri Lanka experienced a reduction in revenue with the COVID-19 pandemic, due to the increase in the rate of unemployment, which resulted in a reduction in the disposable income of households. A Branch Manager of the insurance company said (Int. 25):

"The paying capacity of customers has decreased considerably. They make their insurance premium payments only if they have money left after meeting their basic needs. As a result, our revenue has plummeted, as we had to cancel several insurance policies."

A Zonal Manager said (Int. 22):

"Some customers chose not to renew their vehicle insurance policies, owing to the country's travel restrictions."

With the COVID-19 pandemic, there have been restrictions imposed on the import of vehicles by the Sri Lankan government since March 2020. Consequently, there was a decrease in the demand for motor insurance which made the largest contribution towards the revenue of the company. The Senior Manager of Finance said (Int. 26):

"We were not able to meet our sales targets for the year 2020, owing to the country's vehicle import restrictions. In contrast to prior years, there were no new vehicle insurance policies from customers in 2020."

It is evident that the company's revenue was decreasing, bringing in consequent financial losses. The company never anticipated these financial losses to occur. Accounting professionals in the company worked with marketing professionals to devise strategies to attract customers from competitors in the insurance industry, as a step of maintaining a sufficient level of demand. The Senior Manager of Marketing said (Int. 27):

"A number of strategies were devised, including offering higher discount rates than competitors, extending the period of insurance premium payment, interpreting insurance conditions regarding pandemic exemptions leniently, and attempting to resolve customer disputes amicably."

This had a favourable effect on the revenue generated by the company. With the COVID-19 pandemic, inhibited social interaction, and working from home, digitisation gained momentum in many companies including this company. The accounting professionals in business of this company liaising with the other professionals, revised the existing internal controls to streamline the company operations to avoid loopholes caused by digitisation. The aforementioned initiatives were taken by the company led by the accounting professionals in the business to continue its business operations smoothly even during the difficult period.

Telecommunication services

With the COVID-19 pandemic, the largest telecommunication company in Sri Lanka was in a dilemma. The Chief Financial Officer said (Int. 29):

“The company did not know whether the demand for the company’s telecommunication services would increase or decrease with the COVID-19 pandemic. Hence, through scenario planning, strategies were developed, by liaising with the professionals from other disciplines, to address the increase or decrease in demand for the company’s telecommunication services.”

However, with the COVID-19 pandemic, the company was in an advantageous position. There was a significant increase in the demand for telecommunication services. The COVID-19 pandemic caused phenomenal changes in the Sri Lankan lifestyle, working habits and teaching-learning methods resulting in a growth in demand for telecommunication services. The Chief Operating Officer said (Int. 28):

“Prior to the outbreak of the COVID-19 pandemic, the company had already entered a period of transition from a ‘traditional business model’ to a ‘digitised business framework’, under the strategic direction of its mother company.”

Therefore, the company was in an advantageous position. However, the company was not complacent as new issues were emerging that had to be addressed. The accounting professionals in business introduced the zero-based budgeting technique instead of incremental budgeting for better cost control and thereby reduced company expenses. In the zero-based budgeting process, with the support of all professionals within the company, many cost-reduction initiatives were introduced. With the escalating demand for the company’s telecommunication services, there were supply chain issues arising owing to foreign currency shortage and depreciation of the Sri Lankan rupee. Initially, the government considered the company’s imports as non-essential. The company with the assistance of the accounting professionals in business was able to negotiate with the government to consider company imports as essentials. This was done strategically. Considering it as the company’s corporate social responsibility, the company supported the government by financing government initiatives. Moreover, the company was facing working capital issues due to the customers not settling their dues on time. To make the customers pay their dues, easy settlement methods were deployed. A Vice President of the company said (Int. 31):

“The accounting professionals in business played a pivotal role along with the other employees to enable all employees to earn their bonuses for the year.”

Amidst umpteen uncertainties looming large, the company remained committed to advancing the country’s digital infrastructure to bridge the digital divide in society with its financial strength.

6 DISCUSSION

The paper began with the research problem of how and why there was a transformation in the role of accounting professionals in business in Sri Lanka with the COVID-19 pandemic. In Sri Lanka with the COVID-19 pandemic, events were occurring in the political, economic, and social spheres which Abbott (1988) considers as external forces. These external forces have brought about contextual changes creating autonomous shifts in cultural values as highlighted in the empirical story. This supports Abbott’s (1988) writings on changes in external forces creating autonomous shifts in cultural values. These shifts in cultural values required accounting professionals in business to address emerging diverse business issues within the companies. When addressing the aforementioned diverse business issues, the accounting professionals in business as Abbott (1988) states had to perform professional work adapting

the knowledge base according to the prevailing historical and social context. When performing professional work these accounting professionals in business had to work as internal business consultants in companies, accounting professionals in business were compelled to work in multidisciplinary teams with a business sense, requiring an understanding of the business processes to increase the profitability and liquidity of the companies.

When considering the contribution to the literature, as stated at the outset of this paper, the IFAC in 2001, voiced the changing role of the accounting professional in business, from a 'scorekeeper' to a 'business consultant'. The IFAC being a global body representing the accounting profession, has focused on the changing role of accounting professionals in global business organisations. Burns and Baldvinsdottir (2007) attribute the changing role of the accounting professional in business from a 'scorekeeper' to a 'business consultant' in global business organisations to globalisation, advancement in technology, accounting scandals and corporate trends. However, based on four manufacturing companies and two service-providing companies operating within a territory; Sri Lanka, this paper empirically elicits that, external forces; the events occurring in the; political, economic, and social spheres of Sri Lanka, with the COVID-19 pandemic, have brought about a change in the role of the accounting professional in business. As elicited by Loft (1986), the demand for the professional work of cost accountants was sustained by responding to the changing needs within the prevailing context; the First World War of a particular territory; the UK. It is evident from this study that, with the COVID-19 pandemic, within the Sri Lankan territory, in the six companies selected for the study, the demand for the professional work of the accounting professionals in business was sustained. This supports the findings of Loft (1986). From this study, it is evident that, within the Sri Lankan context in the companies selected the accounting professionals in business have been able to address the diverse business issues emerging with the COVID-19 pandemic based on their knowledge base and maintain the resilience of the companies and retain their jurisdiction. However, the prior studies carried out by Simon et al. (2021) and Bedford, Spekle and Widener (2022) elicit that, accounting professionals in the business have not been able to address the emerging issues with the COVID-19 pandemic.

7 CONCLUSION

This paper makes an empirical contribution to the work outside the regulatory realm of accounting by eliciting the role of accounting professionals in business, within a particular territory; Sri Lanka, during a crisis, the COVID-19 pandemic. The crisis has brought about contextual changes due to the events occurring in the political, economic, and social spheres creating autonomous shifts in cultural values. The accounting professionals in business, have been able to adapt their knowledge base to these changes, when performing professional work, thereby creating a demand for it. This supports the writings of Abbott (1988) which is a theoretical contribution of the study. It is evident that the role of accounting professionals in business has changed based on the changes occurring within the prevailing context. There could be crises in the future too. Therefore, professional accounting bodies should groom accounting professionals in the business to adapt their knowledge base to the prevailing context. This is a practical implication drawn from the study.

Considering the limitations of the study, as this study was an 'explanatory case study', based on six companies, empirical generalisation was not possible. The companies selected were all success stories with respect to the resilience to the COVID-19 pandemic. However, in Sri Lanka, there could be companies that have unsuccessful stories which have not been considered in this study which could also be considered as a limitation. In the data collection and data analysis there were researcher interpretations, hence, subjectivity was inevitable, which was a limitation.

Considering areas for future research, business organisations could be resilient to the external forces that bring in contextual changes through strategies developed by accounting professionals in business. Hence, the ‘social relevance’ of research should be enhanced in future research in the sphere of accounting, by strengthening the dialogue between social researchers and the accounting professionals in business.

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Annexure 1-Interviewee Profiles

Garment Manufacturing Company I

Int. No.	Date	Interviewee	Duration
1	25 th November 2021	Chief Financial Officer	35 minutes
2	25 th November 2021	Finance Manager	20 minutes
3	26 th November 2021	Factory Accountant	30 minutes
4	27 th November 2021	Production Manager	30 minutes

Garment Manufacturing Company II

Int. No.	Date	Interviewee	Duration
5	13 th March 2021	Chairman	35 minutes
6	10 th April 2021	Group HR Director	20 minutes
7	12 th May 2021	Manufacturing Director	30 minutes
8	13 th May 2021	SBU CEO	30 minutes
9	1 st June 2021	Group Finance Director	30 minutes
10	2 nd June 2021	Group CEO	30 minutes

Carton Manufacturing Company

Int. No.	Date	Interviewee	Duration
11	27 th November 2021	Accountant	30 minutes
12	27 th November 2021	Assistant Accountant	20 minutes
13	29 th November 2021	Assistant Marketing Manager	20 minutes
14	3 rd December 2021	Production Manager	20 minutes
15	20 th December 2021	Sales Manager	20 minutes

Ceramic Products Manufacturing Company

Int. No.	Date	Interviewee	Duration
16	26 th November 2021	Accounts Executive	30 minutes
17	7 th December 2021	Factory Accountant	30 minutes
18	10 th December 2021	Head of Finance	30 minutes
19	20 th December 2021	Production Manager	20 minutes
20	21 st December 2021	Head of Finance	30 minutes
21	23 rd December 2021	HR Manager	30 minutes

Insurance Company

Int. No.	Date	Interviewee	Duration
22	24 th November 2021	Zonal Manager	35 minutes
23	24 th November 2021	Assistant Manager	20 minutes
24	24 th November 2021	Field Executive	20 minutes
25	24 th November 2021	Branch Manager	20 minutes
26	27 th November 2021	Senior Manager-Finance	35 minutes
27	20 th December 2021	Senior Manager - Marketing	30 minutes

Telecommunication Company

Int. No.	Date	Interviewee	Duration
28	13 th June 2021	Chief Operating Officer	35 minutes
29	30 th June 2021	Chief Financial Officer	20 minutes
30	15 th July 2021	Accounts Executive	30 minutes
31	18 th July 2021	Vice President	30 minutes
32	19 th July 2021	HR Manager	30 Minutes

Source: Author Constructed