Institutional Logics in Global Accounting Standard Setting

Masatsugu Sanada
Graduate School of Business, Osaka City University
Email address: sanada@bus.osaka-cu.ac.jp

ABSTRACT
This study primarily aims to examine the changes in the organizational structure of the International Accounting Standards Board (IASB) from an institutional logics approach. Specifically, we develop two ideal types of institutional logics of the International Accounting Standards Committee (IASC) and the IASB, and then we identify further changes in institutional logics by investigating the revisions of the IASB Constitution after 2000 based on these two ideal types. We find that there are two conflicting logics in global accounting standard setting—the representation logic and the expertise logic—that cause legitimacy dilemmas between representation and expertise. In addition, we find that the consecutive revisions of the constitution and consequent organizational changes from 2000 onwards were implemented to absorb political pressure to enhance the IASB’s public accountability, but these changes suggest another shift in institutional logics to the accountability logic and further legitimacy dilemmas between expertise and accountability. Overall, this study shows the reflexive mechanism of organizational changes and identifies the changes in institutional logics as causes of organizational changes, and vice versa. This study extends our knowledge of organizational-level institutional logics and the legitimacy of organizations and institutions.

Keywords: institutional logics, representation, expertise, accountability, IASB