Chapter 13

Accounting in Inter-organisational Relationships: The Institutional Theory Perspective

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1. Introduction

In recent years institutional theory has had a major impact on research in a wide variety of fields within the social sciences, including economics, sociology, political science, organisational theory, public administration, and also accounting. There is an extensive body of literature on institutional theory, which has been well summarised elsewhere (see for instance, Scott 2001; Brinton et al. 2001; and Nooteboom 1999). In the accounting literature three particular types of institutional theory have had significant influences on accounting research, and especially on management accounting research. These are generally referred to as new institutional economics (NIE), old institutional economics (OIE) and new institutional sociology (NIS). However, with the exception of transaction cost economics (TCE), which is a particular branch of NIE, institutional theory has not been widely used to study accounting in inter-organisational relationships. Thus,

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the primary aim of this chapter is to explore how institutional theory could be used in such studies.

As there is no agreed definition of inter-organisational relationships, we will follow Oliver (1990) who defined inter-organisational relationships as “the relatively enduring transactions, flows, and linkages that occur among or between an organization and one or more organizations in its environment” (241). However, in the literature a wide variety of terms is used to refer to inter-organisational relationships; such as alliances, strategic alliances, inter-firm networks, collaborations, co-operative agreements, co-alignments, partnerships, business groups, joint ventures. From time to time in this chapter we will refer to writers who use such terms, and so in referring to their work we will use their own terms to refer to an inter-organisational relationship.

As the research using TCE to study accounting in inter-organisational relationships is reviewed in chapter 10 of this book, we will not cover TCE (or NIE) in detail here. However, in order to distinguish the various forms of institutional theory in this chapter we will contrast NIE with both OIE and NIS. We will also discuss the ways in which, particularly NIS, has been used in organisation theory to study collaborations and inter-organisational relationships more generally, and we will discuss the small number of studies which have used institutional theory to study inter-organisational accounting. Finally, we will point
to the possibilities for future research using institutional theory to explore accounting in inter-organisational relationships.

In this chapter, we will first review the key features and differences between OIE, NIE and NIS and indicate how research within these different strands of institutional theory are beginning to merge, and we will also indicate how structuration theory fits into this field of research. After briefly mentioning how institutional theory has been used to study accounting within organisations, we will describe some of the ways in which institutional theory (more specifically, OIE and NIS) have been used to study various types of inter-organisational relationships. This will enable us to indicate the potential of institutional theory for studying inter-organisational accounting, which will be explored in more detail in the subsequent section. Although there are only a relatively small number of studies which have adopted this perspective, we believe there is considerable potential for taking an institutional perspective in studying accounting in inter-organisational relationships.

2. Institutional Theory

As we indicated above, there are different strands of institutional theory. However, they share a common recognition that organisations and decision making within organisations cannot be understood without considering the institutional context. In other words: institutions matter; but what they define as institutions differs, and to a large extent this distinguishes the different strands of
institutional theory. Below we will briefly describe the nature and origins of the different strands of institutional theory which have had a particular influence on accounting research, and then, again briefly, outline how they have been used in management accounting research. This will provide an introduction to the use of institutional theory in studying inter-organisational relationships which will be discussed in the next section.

**Old Institutional Economics (OIE):**

The origins of OIE can be found in the work of the early American institutionalists; in particular, Thorstein Veblen, Wesley Mitchell, John R. Commons and Clarence Ayres (see Hodgson 1989, Langlois 1989). Although there were important differences in their views, they were all critical of the unrealistic assumptions of neoclassical economic models and the failure of conventional economists to study change. In particular, they rejected methodological individualism and its assumptions of rational economic behaviour. In more recent times there has been a renaissance of OIE, with contemporary writers seeking to build on the contributions of those early institutionalists (see for instance, Hodgson 1989, 1993; Langlois 1989; Rutherford 1994). This more recent work is sometimes referred to as neo-OIE (Ribeiro and Scapens 2006) – but for present purposes we will continue to label it as OIE.

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1 Earlier, but less influential, work was undertaken by German and Austrian institutionalists in the last decades of the nineteenth century – see Scott (2001, p.2).
As mentioned earlier, there are various definitions of institutions – even within OIE (and the other versions of institutional theory). But for the present purpose of outlining the OIE perspective it will be sufficient to refer to an entry which appeared in 1932 in the *Encyclopaedia of the Social Sciences*.\(^2\) This referred to an institution as “a way of thought or action of some prevalence and permanence, which is embodied in the habits of a group or a customs of a people” (Hamilton 1932, 84). This definition recognises the socio-cultural character of an institution and emphasises the importance of habitual behaviour. Whereas habits are at the level of the individual, routines involve groups and as such are formalised or institutionalised habits (Hodgson 1993). Institutions impose form and social coherence upon human activity, through the production and reproduction of habits of thought and action (see Scapens 1994).

One of the criticisms of the work of the early institutionalists was that it failed to produce a coherent body of theory. It is probably fair to say that even the more recent work in OIE has still not developed a body of theory. Instead, OIE can be characterised as a methodology, rather than a theory. Nevertheless, there is now a coherent and extensive research program, which seeks to provide an alternative to traditional mainstream economics (Rutherford 2000). This research programme rejects the methodological individualism of neoclassical economic theory that portrays the individual actor as atomistic, passive and rational.

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\(^2\) The definition was cited approvingly by Hodgson (1993)
New Institutional Economics:

NIE also recognises the importance of institutions. But in contrast to OIE, rather than rejecting the assumptions of neoclassical economics, NIE has sought to adapt them in order to bring institutions into mainstream economic analysis. However, within NIE there are various strands and work has been conducted in such areas as property rights and common law, public choice processes, as well as organisations; and a number of different theoretical approaches have been developed, including agency theory, game theory and transaction cost economics (TCE). Although a detailed discussion of the various types of NIE is beyond the scope of this chapter, it is relevant to note that TCE has had a significant influence on accounting research, and more specifically on accounting research in an inter-organisational context (see chapter 10).

As Hodgson (1999, 34)³ noted: “it is a defining characteristic of the ‘new’ institutional economics that institutions act primarily as constraints upon the behaviour of given individuals”. As such, a key difference between NIE and OIE is that, whereas OIE sees institutions as endogenous, NIE tends to treat them as exogenous variables. However, new institutionalists criticise OIE’s focus on “behaviouristic”, rather than rational choice models, and its failure to emphasise economising and improving economic efficiency (see Coase 1983; North 1978; Williamson 1987). On the other hand, OIE writers criticise NIE as too abstract and too theoretical, and they are critical of its more extreme and reductionist

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³ This conference paper of Hodgson was cited by Dequech, (2002, 567).
approach to individualism (Hodgson 1988). Nevertheless, despite these differences, NIE and OIE both recognise that institutions are important, and that they tend to be ignored in more orthodox economics (Rutherford 1989). But whereas OIE treats institutions as “taken-for-granted” assumptions which exist as the cognitive level, NIE regard institutions as the external rules or constraints that shape economic behaviour.

**New Institutional Sociology:**

As its name suggests, NIS emerged from the field of sociology rather than economics. Nevertheless, there are clear overlaps with OIE, since both emerged as a response to the “orthodox” or “rational” theoretical approaches in their respective fields. However, the early work in NIS differs from OIE because of its focus was on the influence of the broader social, political and economic institutions. In general, NIS asks how organisations are influenced by the institutions in their environments. Much of the research documents the impact of the state and professions on organisations, and traces the diffusion of new organisational forms and practices. For this purpose, institutions are defined as “those social patterns that, when chronically reproduced, owe their survival to relatively self-activating social processes” (Jepperson 1991, 145). The focus of much of this work is on how institutions shape the patterning of organisations and lead to homogeneity in organisational fields.
According to NIS, it is the search for legitimacy and resources that explains why specific organisational forms and procedures are diffused across organisations operating in similar settings – e.g. similar environments (Scott 1992), societal sectors (Scott and Meyer 1992), or organisational fields (DiMaggio and Powell 1983). DiMaggio and Powell (1983) suggested that this process of diffusion can create pressures that lead organisations to become isomorphic with other organisations in their institutional field. Competitive isomorphism (Hannan and Freeman 1977), for instance, through market forces, is not dismissed, but the emphasis is placed instead on three types of institutional isomorphism – coercive, normative and mimetic isomorphism – that highlight the social and political dimensions of the environment in which organisations are located. The early NIS work tended to emphasise the structural nature of institutions. In other words, how organisations are moulded by institutional forces; forces which are external to the organisation. Rather less attention was given to the way in which institutions are created and how institutions change. The more recent work, however, is now beginning to explore such issues; as we will discuss below.

Although we have outlined above what might appear, and probably initially were, three different strands of institutional theory, more recently the boundaries between them have started to dissolve. Below we will indicate some of the ways in which these different strands, and specifically OIE and NIS, are coming closer together.
Practice variations:

As we indicated earlier, there has been a considerable amount of research using NIS to explore how organisations respond to pressures from the institutional environment (for a summary see Scott 2001). This research studied the convergent (isomorphic) processes through which organisations respond to institutional pressures and thereby secure legitimacy from their external stakeholders who provide their resources. The early work in NIS distinguished between the technical and institutional pressures, and focussed extensively on the loose coupling of the systems designed to secure legitimacy (i.e., to respond to institutional pressures) and the systems used to protect the technical core of the organisation (and to respond to technical pressures). In much of this work, organisations were often portrayed as passive entities seeking legitimacy by conforming to environmental pressures.

However, some writers have argued that organisations are not necessarily passive; they can act strategically in their response to institutional pressures (see Oliver 1991). As such, they may purposefully comply with external requirements by adopting specific formal structures and procedures, but in a manipulative fashion, in order to gain legitimacy and thereby secure the resources which are essential for their survival (Edelman 1992). However, the notion of decoupling these formal structures and procedures from their actual operations has been criticised in another stream of NIS research (see for example Zucker 1977). It is argued that
such decoupling conflicts with Berger and Luckmann’s (1967) definition of an institution as: “a reciprocal typification of habitualized action by types of actors” (54), on which Meyer and Rowan (1977) drew in their seminal paper. Tolbert and Zucker (1996) claim there is “an inherent ambiguity in their underlying phenomenological argument, because the definition of ‘institutionalised’ itself contradicts the claim that institutional structures are apt to be decoupled from behaviour. To be institutional, structures must generate action. Consequently, institutional theory should focus on the institutions which shape the day-to-day activities and behaviours in organisations. As we point out below, such a focus is quite consistent with the way OIE has been used in management accounting research. But before doing that we will note some of the more recent developments in NIS which are bringing closer together the concerns of NIS and OIE (more specifically, the way OIE is used in management accounting research).

In more recent years the early NIS research has been criticised for:

1. Treating institutional (or legitimacy) and technical (or economic) pressures as mutually exclusive, and failing to recognise that both types of pressures can be interdependent and confront organisations simultaneously (Scott 2001; Dacin 1997; see also Hopper and Major 2007). More specifically, economic and market pressures can be also institutionalised – i.e., taken-for-granted. For example, in public sector organisations in many parts of the world it seems to be increasingly accepted that business-like forms of management and increased competition can lead to more efficient public services.
2. Failing to recognise the processes through which institutions are created, adapted, transposed and/or discarded (Dacin et al. 2002; Scott 2001; Seo and Creed 2002). In recent years a branch of NIS has become concerned with the idea of institutional entrepreneurship (Leca et al. 2006). This work has focused specifically on how institutions can be changed and on the role of individual actors (agents) in the processes of institutional change.

3. Failing to recognise power, agency and interest at the organisational level (Scott 2001; Dillard et al. 2004; Lounsbury 2007). Recent research recognises that organisations comprise many different groups with different interest and power. So responses to institutional pressures are not an abstract ‘organisational response’, nor even necessarily a decision taken by the senior management of the organisation. They are more likely to be a complex process of social interaction between the various interest groups in the organisation (see for example see Nor-Aziah and Scapens 2007).

Following such criticisms, NIS research has become concerned with the processes within organisations through which they respond to external institutional pressures. This has moved the focus of NIS away from processes of isomorphism and questions of why organisations appear homogenous, and towards the processes which shape practices within individual organisations (and organisational fields), and give rise to organisational heterogeneity. For example, Lounsbury (2007, 2008) calls for a greater focus on ‘practice variations’. He argues that different logics can shape organisational responses to institutional
pressures and consequently there can be variations in the way they respond. This
does not mean that these responses are irrational; on the contrary, they are quite
rational given the particular logic(s) within the organisation. Such research has
notable similarities with the way in which OIE research has developed within the
field of accounting research, and especially management accounting research, as
we will see below.

**Institutional change:**

As we have just indicated, recent work in NIS has begun to explore the processes
which shape practices within organisations. The studies of accounting change
which draw on OIE also seek to understand processes of organisational change
(and why organisations can be resistant to change). Although there are differences
in the NIS and OIE studies, they complement each other and are increasingly
focussing on similar issues. As we mentioned earlier, OIE developed in
opposition to the assumptions of neo-classical economics, and it recognises that
individuals operate in a specific social setting in which institutionalised rules and
values, rather than some generalised principle of economic rationality, shape
institution as “the shared take-for-granted assumptions which identify categories
of human actors and the appropriate activities and relationships” (8). Such
institutions can be located within as well as outside the organisation. In the
majority of studies which use OIE to study management accounting change, the
primary focus is on the institutions within the organisation (in the form of take-
for-granted assumptions) rather than the institutions in the broader environment which are the primary focus of studies which use NIS.

In studies of management accounting change, researchers used OIE to explore the role of routines in shaping processes of organisational change. Burns and Scapens (2000) developed a framework for studying management accounting change in which routines provide the conceptual linkage between actions and institutions. As well as drawing on such OIE writers as Hodgson (1988) and Tool (1993), this framework also drew on work from other areas such as the evolutionary economics of Nelson and Winter (1982), Giddens’ (1979, 1984) structuration theory, and certain strands of NIS (especially Barley and Tolbert 1997; see also Barley 1986). More specifically, Burns and Scapens (2000) adapted the framework which had been developed in NIS by Barley and Tolbert (1997). Both sets of writers had been greatly influenced by the work of the social theorist, Anthony Giddens, and especially his structuration theory. In view of the influence of structuration theory on some of the strands of NIS and the research which uses OIE to study management accounting change, it will be helpful to make some brief comments on Giddens’ work.

In a paper in 2002 (to which we will return later), Greenwood et al. commented that NIS research has been primarily concerned to show how organisations respond in a similar fashion to institutional norms, while “[m]uch less attention has been given to understanding how the effects of isomorphism are brought
about” (58). This was despite a paper written as long ago as 1980, in which two of the three authors of the 2002 paper contributed and in which they examined “the problem of explaining how organisational structures change over time” (see Ranson et al. 1980, 1). In that earlier paper they referred to the work of, among others, Giddens (1976 and 1977), arguing that framework and interaction (or in Giddens’ terms structure and agency) should not be seen as in opposition. Instead, they suggested that a more fruitful perspective would be to focus “upon the interpenetration of framework and interaction as expressing a relationship that is often mutually constituting and constitutive” (Ranson et al. 1980, 2). This draws on the ideas of the duality of structure which Giddens subsequently consolidated in his seminal book on The Constitution of Society (1984), which set out in detail his structuration theory.

In their 1980 paper, Ranson et al. had talked about processes of organisational structuring, but in 2002 Greenwood et al. changed the terminology to “structuration”, which they described as a “process of gradual maturity and specification of roles, behaviours and interactions of organisational communities” (59). In other words, this is the process by which institutions emerge through repeated interactions within and between organisations. As we will see below accounting researchers have drawn on both structuration theory and institution theory in management accounting research.
Institutional Theory in Management Accounting Research:

Giddens' structuration theory has been used in accounting research since the mid 1980s, primarily to study management accounting change, (see, for example, Roberts and Scapens 1985; Macintosh and Scapens 1990 and 1991; Scapens and Roberts 1993; Lawrence et al. 1997; Dillard et al. 2004; and Seal et al. 20044). In this work attention is given to Giddens modalities of structuration – namely, signification (meaning), legitimation (morality) and domination (power). For Giddens these modalities stand between agency and structure. As indicated earlier, agency and structure presuppose each other; structure constrains agency, as well as being produced and reproduced through agency. However, according to Giddens structure exists only as memory traces, although it is manifest in social practices.

Drawing on the work of Barley and Tolbert (1997), Burns and Scapens (2000) replaced Giddens’ notion of structure with institutions, and added a time dimension to provide a framework describing the process of institutionalisation. The main concern of their framework was to understand the processes through which management accounting rules and routines can come to be institutionalised within the organisation; in other words, how management accounting practices are shaped by the “taken-for-granted assumptions which inform and shape the actions of individual actors” (Burns and Scapens 2000, 8; emphasis in original).

4 The Seal et al. 2004 paper will be discussed in more detail later – see section 4.
In the Burns and Scapens’ framework, management accounting is perceived as a set of rules and routines that, together with other organisational rules and routines, allow for the production and reproduction of organisational life. As such, management accounting systems, for example the budgeting system, carry the values of rationality and financial orientation, which if taken-for-granted can become institutionalised. However, Burns and Scapens (2000) note that not all newly introduced accounting rules and routines will necessarily become institutionalised. In particular, if new management accounting systems and practices (or indeed any other new systems and practices) challenge the prevailing institutions in the organisation, they may not be reproduced and as a result may fail to become an institutionalised basis for actions and interactions. This framework has been used by various researchers to study management accounting change (see for example Burns 2000; Burns and Baldvinsdottir 2005; Busco et al. 2002, 2006; Siti-Nabiha and Scapens 2005; Soin et al. 2002).

As indicated earlier, the Burns and Scapens’ framework can be located within OIE, but it also draws on, amongst other things, ideas from NIS. A number of other accounting researchers have drawn more directly on NIS to inform their studies of accounting change. In most instances, these researchers have focused on public sector organisations and, in particular, they have explored the introduction of the ideas of new public sector financial management into such areas as education, health care, local government and more recently central government. Initially, such work focussed on the processes of normative, mimetic
and coercive isomorphism, and adopted the ideas of decoupling\(^5\). Initially, it explored the separation of systems designed to secure external legitimacy and those used to manage the organisation, but subsequently it has to sought to understand how the conflicting demands of multiple constituencies can be met and how external and internal contradictions can lead to conflict between different functional areas (examples include Johnsen 1999; Brignall and Modell 2000; Collier 2001; Modell 2001, 2003; Nor-Aziah and Scapens 2007). More recent work has begun to focus on practice variations, the way in which broader institutions can shape practices within organisations, and the role of agency (for example, see Modell 2004; Modell et al. 2007; Modell and Wiesel 2008).

As we indicated earlier, a number of accounting researchers have used NIE, and in particular TCE, to study management accounting change and more specifically accounting in inter-organisational relationships. But as this is addressed in other chapters of this book it is not covered here. As we will see later, there are relatively few studies which have drawn on OIE and/or NIS to study accounting in inter-organisational relationships. But before turning to those studies, we will review some studies which have drawn on NIS to explore inter-organisational relationships. Although not explicitly exploring the role of accounting, these studies will enable us to appreciate the potential ways in which NIS could be used to study accounting in inter-organisational relationships.

\(^5\) Some number of these studies used Orton and Weick’s (1990) distinction between loose coupling and decoupling.
3. Institutional Theory in Studying Inter-organisational Relationships

In the previous section we reviewed the different strands of institutional theory and also mentioned how they have been used in management accounting research. In this section we will explore how institutional theory, and more specifically NIS, has been used to study inter-organisational relationships. We will start by exploring how collaborations have been studied from an institutional perspective. The term ‘collaborations’ covers a broad range of inter-organisational relationships and their study from an institutional perspective emphasises the diversity of influences which shape such relationships. As we mentioned earlier, NIS has highlighted the importance, for organisations operating in an institutional environment, of securing legitimacy by conforming to environmental pressures. Here, we will look at the importance of legitimacy in inter-organisational relationships and also explore the role of trust and power. In so doing we will seek to draw out the implications of this research for studies of inter-organisational accounting.

Collaborations:

As indicated above, in studies informed by institutional theory, collaborations encompass a broad range of inter-organisational relationships. For example, Philips et al. (2000) defined a collaboration as “a co-operative relationship among organizations that relies on neither market nor hierarchical mechanisms of control” (24). They argued that institutions supply the rules and resources upon which a collaboration is built, while the collaboration itself provides the context
for the ongoing procedures of structuration that maintain the institutional (or organisational) field. Thus, to fully understand and explore the dynamics of collaborations (or inter-organisational relationships), it is crucial to examine the institutionalised patterns of rules and routines that are shaped by the institutional environment(s) of the partners. The early research, which adopted an institutional perspective to study collaborations, was inclined to emphasise the objective, external aspects of the institutional environment, and to view “institutional forces [as] another group of pressures that can either promote or impede collaboration” (Sharfman et al. 1991, 185). But as we will see below, the later research has been more concerned with the way in which institutions can shape collaborations and their structuration.

Through their analysis of the formation of a new collaboration in the garment industry, Sharfman et al. (1991) observed that institutional forces can be more important, than any explicit cost/benefit incentive. They concluded that the institutional field of a specific inter-organisational relationship comprises not only competitive pressures, but also institutional forces, either of which can promote or prevent the creation of new relationships. So, although TCE might explain the formation of inter-organisational relationships when they are due to competitive motives, it is unlikely to be sufficient for understanding the institutional forces which shape the nature of collaborations.
Philips et al. (2000) argued that “institutional rules and resources can be critical elements in the negotiations that constitute collaboration” (30). Although their paper was analytical, and lacked empirical examples, it provided a structured theoretical framework that highlighted the importance of institutions in studying collaborations. Building on this framework, Lawrence et al. (2002) explored how the characteristics of a collaboration can transform existing institutional fields. Through a longitudinal case study of a small Palestinian non-governmental organisation, they demonstrated that a collaboration can play a critical role in promoting change in the institutional field through the creation of “proto-institutions”. Proto-institutions are new practices and rules which stem from a specific collaboration, but can come to constitute new institutions which shape subsequent collaborations provided they diffuse appropriately. Lawrence et al. (2002) emphasised that the interaction, structuration and information flow of each collaboration can have significant effects on the degree to which a collaboration can initiate the creation of “proto-institutions” and thereby lead to the formation of new institutions. Similarly, Imperial (2005) argued that the shared policies, social norms and rules that govern collaborations can become institutionalised and then reproduced in new collaborations. If the participants in every new collaboration had to determine new forms of governance, it would be a very complex and problematic matter, and so the institutionalised practices are likely to be reproduced.
In a study of international alliances, Parkhe (2003) adopted an institutional perspective to explore how relationships can be integrated even when the partners are drawn from widely dispersed institutional fields. In such relationships, he argued, the more diverse the institutional fields from which the partners are drawn, the greater the challenges that the inter-organisational relationship has to face. In his paper, Parkhe (2003) distinguished between social (meta), national (macro), corporate-level (meso) and operating level (micro) influences to categorise the exogenous and endogenous institutional influences that can shape inter-organisational relationships. This emphasises the complexity of the process of institutionalisation, and also the diversity of the institutional influences which need to be recognised when studying inter-organisational relationships.

This institutional research into collaborations demonstrates the importance of institutions in shaping the nature of collaborations. The institutionalised patterns of rules and routines provide the context in which collaboration becomes possible. However, this is not a one-way process. The practices and norms of existing collaborations can become institutionalised and thereby create the institutions which shape new collaborations. Thus, we should not see institutions simply as the objective external aspects of the institutional field, but instead recognise their structuration through the interactions which take place in ongoing collaborations. However, this can be a very complex process, with the interaction of meta, macro, meso and micro level influences. As such, studies of inter-organisational relationships need to look beyond the economic context, and explore the
complexity and diversity of the institutions which shape, and which are shaped by those relationships. Lawrence et al. (2002) emphasised the importance of information flows in the shaping and structuration of the inter-organisational relationships. This suggests a need for studies of inter-organisational accounting – in its broadest sense. Such studies could look at the flows of information, as well as processes of accounting control. However, there are relatively few such studies; we will discuss the available studies in section 4. However, in the institution theory literature rather more attention has been given to the legitimacy of the relationship. This probably reflects the legacy of the early research in NIS (described above) which tended to focus on the search for legitimacy in institutional environments. Nevertheless, this work emphasises the importance of legitimacy for inter-organisation relationships.

**Legitimacy:**

A substantial part of the institutional research into the various types of inter-organisational relationships is concerned with the issue of legitimacy. Such research recognises that the legitimacy of the relationship is critical to its success and can be a source of competitive advantage. For example, Human and Provan (2000) explored how legitimacy is created through the evolution of inter-organisational relationships and argued that it is crucial to their success. They studied multilateral networks which involve direct interactions among many member organisations which may have never interacted with one another before. These networks also often involve an administrative entity that coordinates the
interactions between the member organisations. Defining legitimacy as “a generalised perception that the actions, activities and structure of a network are desirable and appropriate” (328), Human and Provan (2000) observed that different networks adopt different strategies to secure legitimacy in their institutional environments. By analysing two case studies of the formation and evolution of networks in the same industry, they found that networks can achieve legitimacy either through internal (inside-out) legitimacy building – i.e., within the network (the more successful case) or through external (outside-in) legitimacy building – i.e., in the institutional field (the less successful case). They argued that legitimacy building is critical to network success. Networks have to establish their legitimacy, and even though the inside-out strategy is likely to be the more successful, all networks have to address both internal and external factors, through a dual legitimacy-building strategy which creates legitimacy both inside the network and within the wider institutional field.

Kumar and Andersen (2000) also argued that legitimacy is important for the success of inter-organisational relationships. They explored the connections between legitimacy and meanings. By meanings they refer to the “interpretative significance” (238) of the relationship to each partner. They identified three types of meanings (pragmatic, moral and cognitive), and related each of these to three types of legitimacy (also pragmatic, moral and cognitive). Pragmatic legitimacy refers to the recognition that the relationship is in the interests of the partners; moral legitimacy refers to the recognition that the relationship is the ‘right’ thing
to do; and cognitive legitimacy refers to the recognition that the relationship is both natural and necessary. A subsequent paper by Kumar and Das (2007) developed these ideas further. Defining inter-partner legitimacy as “the mutual acknowledgement by the alliance partners that their actions are proper in the developmental processes of the alliance” (1426), they argued that different types of inter-organisational relationships require different types of legitimacy and different levels of effort to attain legitimacy. Using the specificity of the investment, the extent of mutual dependence, and the chances of opportunistic behaviour (see Das and Teng 1998) to distinguish between different types of inter-organisational relationships, Kumar and Das (2007) argued that joint ventures require the highest level of effort to attain all three types of legitimacy, followed by minority equity alliances, and the least level of effort is required by non-equity alliances.

Dacin et al. (2007) also studied the importance of securing legitimacy in an inter-organisational relationship; but they identified five different types of legitimacy: market legitimacy, relational legitimacy, social legitimacy, investment legitimacy and alliance legitimacy. Market legitimacy relates to the rights and qualifications to conduct business in a particular market; relational legitimacy to the worthiness to be a partner; social legitimacy to conformity to social rules and expectations; investment legitimacy to the worthiness of the business activity; and alliance legitimacy to the validity or appropriateness of the relationship (see Table 1 in Dacin et al. 2007, 171). They argued that without legitimacy in all these five
respects partners are likely to be denied access to crucial markets, and consequently the competitive advantage of the relationship is likely to be jeopardised.

These studies highlight (1) the importance of the legitimacy of the inter-organisational relationship for both the partners within the relationship and the other actors within the wider institutional field, and (2) the different types of legitimacy that are needed for a successful inter-organisational relationship. The interesting questions for accounting researchers are whether inter-organisational accounting can enhance legitimacy within and/or outside the network, and whether inter-organisational accounting can particularly enhance specific types of legitimacy. For example, is inter-organisational accounting more likely to enhance pragmatic legitimacy within the network, and/or its moral legitimacy outside the network (Kumar and Andersen 2000), or is it more likely to enhance market and investment legitimacy (Dacin et al. 2007)?

However, as Kumar and Das (2007) have pointed out, it is important to distinguish between legitimacy and trust. The fundamental distinction is that, while legitimacy implies a sharing of values and norms, trust implies the predictability of behaviour. Thus, “legitimacy, unlike trust, provides a more durable foundation for success, as a relationship founded on legitimacy is embedded in a shared view that the relationship is a proper one” (Kumar and Das
2007, 1432). Nevertheless, trust remains an important concept in the study of inter-organisational relationships as we will see below.

**Trust and power:**

Social mechanisms, including trust, are generally regarded as important elements in business relationships (see, for example, Sako 1992; Zucker 1986); as they determine the balance between cooperation and competition. Some writers link the concept of trust with power, as both can promote or limit the potential for cooperation (Lane and Bachmann 1997). However, the existing literature provides few theoretical analyses that combine trust and power, and even fewer that provide empirical evidence in the context of inter-organisational relationships. An exception is the work of Lane and Bachmann in 1997, which highlights the role of institutions and trade associations in the creation and shaping of inter-organisational relationships. Building on the work of Luhmann (1979), they considered trust to be a code of social interaction, and power the “functional equivalent” of trust. Drawing on data from the British and German kitchen furniture and mining machinery industries, they argued that in cases where ‘strong’ institutions exist (e.g., industrial associations and legal regulations) trust can become a social mechanism for coordination. In contrast, in environments where there are only ‘weak’ institutions, power may substitute for trust, since “system-power is a precondition for system-trust, rather than a different mode of regulation of interaction” (250).
Marchington and Vincent (2004) went further and explored the role of trust and power at both the institutional and the interpersonal levels, and how trust and power influence inter-organisational relationships. Testing their framework through a case study of a manufacturing company, where they studied both its supply chain and its outsourcing activities, they argued that different factors encourage the inter-organisational relationship and its day-to-day management. They proposed a theoretical framework that comprises forces at three distinct, but interrelated, levels: institutional, organisational and interpersonal. At the institutional level, which they argued is generally neglected in the literature on inter-organisational relationships, Marchington and Vincent (2004) drew on NIS to explore the influences that trade associations and government regulations have on inter-organisational relationships. In addition, they recognised that inter-organisational relationships can be influenced by institutions at the industry level. However, they stressed that these (external) institutions may be modified within organisations (i.e., by organisational level forces). The final level of forces, which influence the shape of inter-organisational relationships, stem from “backstage interpersonal dynamics”, where “boundary-spanning agents” deal with day-to-day issues of management. This, again, emphasises the importance of recognising the influence of the diverse institutional forces (both internal and external) when studying inter-organisational relationships.

So, for accounting researchers, there are interesting questions concerning the roles of inter-organisational accounting (and information flows more generally) in
shaping the nature and structuration of inter-organisational relationships. More particularly, questions could focus on the role of inter-organisational accounting in enhancing the legitimacy of the relationship, both to the partners in that relationship and to the other actors in the organisational field, and in securing and maintaining the trust and/or power needed to enable the relationship to emerge and survive. In addressing such questions it is important that the complexity and diversity of the institutional setting, which has been revealed in the studies outlined above, is fully recognised. As we will see in the next section, these institutional influences have not been widely studied in the management accounting literature, although there are some studies of inter-organisational accounting which have adopted an institutional theory perspective. However, as we will point in section 5, there is much which remains to be done.

4. Institutional Theory and Accounting in Inter-organisational Relationships

As mentioned above, although there are various studies which use institutional theory to explore intra-organisational relationships, there are very few studies which focus on inter-organisational accounting. Following a general Google Scholar search, and a more targeted search of Accounting, Organizations and Society; Management Accounting Research; and Accounting, Auditing and Accountability Journal over the period 2000 to 2008 we identified only two papers which explicitly use institutional theory to study inter-organisational accounting (and control). However, we also identified a further study which explores the way in which trust is constituted in inter-organisational relationships.
As trust is an important issue in institutional theory we will also review that paper in this section. We recognise that there have been far more studies which have used transaction cost economics to study inter-organisational accounting, but as these are discussed in chapter 10 we will not review them here. The limited number of studies which we identified in the existing research literature leaves considerable scope for using the forms of institutional theory described in this chapter to study accounting in inter-organisational relationships (as we will discuss in the next and final section of this chapter).

The studies that we review below indicate the direction in which such research could progress. The first study asks how inter-organisational cost management practices emerge, drawing on (and developing) some of the ideas of old institutional economics (OIE) described above. This study explores the evolutionary processes within the focal organisation and both its suppliers and its customers; although it does recognise that organisational activity is embedded in the wider social cultural beliefs and values. The second study, however, looks at the wider institutions and reflects on the new institutionalised practices stemming from governmental initiatives on inter-organisational relationships. It shows that inter-organisational accounting can comprise a set of institutionalised practices, which are viewed as ‘expert systems’ by the participants in inter-organisational relationships.
In the first paper, Coad and Cullen (2006), adopted what they term “evolutionary thinking” to explore the emergence of inter-organisational cost management. Drawing on the works of Veblen (1898, 1909), Penrose (1959), and Nelson and Winter (1982), they identified three central concepts in evolutionary economics; institutionalisation, capabilities, and learning and change. Using these concepts they extended the Burns and Scapens (2000) framework, to explore organisational capabilities to facilitate learning and change. In the context of inter-organisational relationships these capabilities “might include rules and routines for inter-organisational budgeting and performance measurement systems, target costing, value chain analysis, activities-based costing and open-book accounting” (Coad and Cullen 2006, 349-50). These rules and routines will be linked to the structural properties of institutions and can become the taken-for-granted assumptions which inform the actions of the actors who take part in inter-organisational relationships.

Based on a longitudinal case study of a small UK-based company that produces and markets customised school clothing, they studied how inter-organisational cost management (IOCM) practices emerge over time. They defined IOCM practices as the common efforts of buyers and suppliers aimed at reducing the cost and increasing the value of the product or activity of the supply chain. In their research they studied both sides of the supply chain: suppliers and customers of their focal company.
This study highlights the institutions and capabilities that underpin the emergence of IOCM practices, the organisational routines which promote (or prevent) them, and the role of agents in the change process. Coad and Cullen showed how the introduction of a simple heuristic, based on value chain analysis, provided the basis for search routines which eventually led to ‘unpredictable’ modifications to activities, cost and organisational boundaries – i.e., modifications which could not be foreseen at the start of the search process. The first stage relied on imitation. By drawing on process mapping and activities management practices previously employed in another company, the management successfully reduced their own costs and this encouraged them to explore their use for IOCM. The search routines developed the organisational capabilities and provided the basis for learning and change in cost management practices which were subsequently replicated across the supply chain.

In contrast to the more traditional economic approaches, which focus on opportunity costs and marginal analyses of known alternatives, the heuristic approach illustrated in this study explains how unknown (i.e., unpredictable) outcomes can emerge. Coad and Cullen recognised the importance of path dependency, but argue that it lacks explanatory power, and hence greater consideration should be given to heuristics in explaining evolutionary approaches (363). Their paper also illustrates the blurring between intra- and inter- organisational phenomena. The company studied by Coad and Cullen first
mimicked the practices of another company, and the routines which it developed internally were subsequently replicated elsewhere in the supply chain.

Another significant point raised in their paper is related to the stability of inter-organisational relationships. In contrast to previous studies (such as van der Meer-Kooistra and Vosselman 2000; and Dekker 2003), which attribute stability in inter-organisational relationships to the existence of trust and information sharing among the partners, Coad and Cullen argued that such stability is possible where potential conflicts and issues of power and politics are suppressed within the institutionalised routines; as “institutional routines facilitate a truce in inter-organisational conflict” (365 – see also Scapens 1994). However, they also emphasised the need to recognise the relative power of the individual actors, which they derived from the wider institutional context. They also acknowledged that they did not study the broader social, regulatory and legislative influences in which organisational activity is embedded; they contrasted their study with the study of Seal et al. (2004) which, amongst other things, reflected on the new institutionalised practices stemming from government initiatives on inter-organisational relationships. It is to this study that we now turn.

Seal et al. (2004, 73) “submit that a fruitful way of understanding inter-firm [inter-organisational] accounting is to see it as involved in the wider changes in the social relations of production that are characteristic of modernity.” They proposed a theoretical framework that applies an institutional perspective to the
study of strategic behaviour of key actors in inter-organisational relationships. In contrast to the existing literature, they shifted our attention to how inter-organisational accounting techniques can come to be embedded in a firm’s institutionalised practices. Drawing on Giddens’ structuration theory (see 1984), and his subsequent work on modernity (see Giddens 1990, 1991), they analyse inter-organisational accounting as an expert system that mediates the interaction between actions (of supply chain actors) and wider social institutions over time.

Seal et al. (2004) argue that institutional arrangements are particularly important in supply chains as managerial action takes place outside and between conventional hierarchical organisational structures. Furthermore, as outsourcing often involves disembedding concepts of industrial organisation, strategic alliances and other forms of supply chain management can be interpreted as attempts to reembed the relations of production. In this process, they argued, inter-organisational accounting can become an expert system that is produced and re-produced through the interactions between the supply chain actors and the wider institutional influences. For example, in their case study we see the influence exerted by a governmental agency (the Department of Trade and Industry - DTI) through their encouragement of regional networks of firms, consultancies, training agencies, universities, etc., which were aimed at equipping local firms to cope with the demands of increasingly global markets.
Through a case study of a company in the UK electronic industry, Seal et al. explored how techniques of inter-organisational accounting are shaped by, and can become institutionalised practices. Their study followed the changes made in the company as severe market pressures led to attempts to improve its productive efficiency. In particular, it focuses on the creation of a cost management group (CMG), which was composed largely of accountants. This group was initially established to reduce costs by improving procurement activities though closer relationships with suppliers, but its scope broadened over time as it took on production, commercial, organisational, and change management roles. Seal et al. argued that in this process the CMG came to represent an expert accounting system which operated across boundaries both within the company and outside it, as it was increasingly the repository of expert knowledge and the centre of a network of supply chain practices both within the company and its suppliers.

The case study is divided into three phases; each representing the different relationships that the company had with its suppliers. Phase one, which was before the company was taken over by a Japanese conglomerate, it was seen as an ‘easy’ customer by many of its suppliers – mainly because of the lack of any formal assessment of supplier performance. However, in phase two, after the takeover and several accompanying administrative changes (including the appointment of a new Procurement Director), relationships with its suppliers changed. New management practices and a new supplier performance assessment system were introduced. During this phase the new practices, which encoded the
new owner’s philosophy and the actions of newly appointed managers, the focus was on reducing supply chain costs through the benchmarking of suppliers, value engineering, the identification of total costs of ownership and the development of a sophisticated Supplier Management Programme. However, during the third phase the emphasis shifted to efforts to improve the management and performance of the entire supply chain for the mutual benefit of all of its members. This was achieved through collaborations which were encouraged and supported by the DTI initiative mentioned above.

By interpreting this case through structuration theory, the authors were able not only to identify mimetic influences from the company’s institutional environment, but also to explore the impact of the strategic actions of key players in the supply chain. Although, they did not find evidence of the types of techniques often advocated for inter-organisational accounting (such as open book accounting – see Mouritsen et al. 2001), they argued that accounting could be seen as “a set of institutionalised practices that may be employed both within and between firms” (89). The argued that the rhetoric of close relations in supply chains, which usually accompany discussions of such techniques as target costing and open book accounting, “has obscured the longstanding role of accounting in enabling transactions that are distanced through space and time” (90). This recognises that accounting practices (even if not overtly inter-organisational accounting) are part of the institutional context which shapes the nature of inter-organisational relationships.
In drawing on structuration theory to study inter-organisational relationships, Seal et al. raised an important issue concerning the role of trust. While some parts of the inter-organisational literature have debated the relationship between trust and control (see for example Dekker 2004; van der Meer-Kooistra and Vosselman 2000; and Tomkins 2001), Seal et al. pointed out that structuration theory does not dichotomise trust and control, but instead sees trust as a generalised faith to abstract systems. This draws an important distinction between trust in abstract systems and trust in specific individuals or even in a particular inter-organisational relationship. Such trust (in abstract systems) can contribute to the stability of inter-organisational relationships. This is somewhat similar to the point made by Coad and Cullen that “institutional routines facilitate a truce in inter-organisational conflict” (2006, 365; see above). Whereas the case studies of Coad and Cullen and Seal et al., seem to portray some form of trust in the inter-organisational relationship, even through trust *per se* was not the focus of the study or an issue raised by the participants in the inter-organisational relationship, our third study in this section (Free 2008) illustrates that explicit attempts to build trust can have unanticipated consequences.

Although Free (2008) did not explicitly draw on institutional theory (as discussed in this chapter), it is concerned with “the organizationally embedded social context for trust and the complex relationship between trust and accounting practice” (630). This is similar to the notion of institutions within organisations,
as studied by the OIE inspired work in management accounting, and it uses this notion to study the supply chains of large UK supermarket retailers. Furthermore, Free referred to the work of such institutional writers, such as Oliver and Zucker, and he described system trust as an institutional phenomena. He also discussed trust in abstract systems (cf. Seal et al. 2004). In terms of the discussion of trust in the chapter, Free provides some important cautions.

In reviewing trust in the existing accounting literature, Free concluded that “there is a tendency to treat trust as a blanket concept … rather than one that is highly context specific” (635). He drew on Giddens’ structuration theory and notions of modernity, to study a long-term relationship between a supermarket and one of its core suppliers. He referred to trust as a discursive resource and discussed how it can be manipulated. Even though the studied relationship dates back 20 years, it was jeopardised after the supermarket introduced the practice of category management. Although there is no single definition of category management, it comprises an array of techniques designed to increase the competitive advantage of the supply chain and to allow the retailer to deal with fewer, but more sophisticated suppliers. It is usually promoted as the catalyst for ‘new’ supplier-retailer relationships in which trust may be expect to play an important role.

However, the focus of the supermarket in this case seemed to be on improving financial measures through the implementation of category management, and this was not greatly appreciated by its supplier. As a result, the trust which had been
established over the years was replaced by instability and tension. Free commented that despite much ‘trust talk’, relations where shown to be inherently fragile as the new practices where absorbed by the supplier. Consequently, accounting practices, which (at least rhetorically) promoted trust, actually damaged trust in buyer-supplier relationships. To use Giddens notion of ‘trust in expert systems’ it could be concluded that in Free’s case study the new accounting practices did not become embedded in the supplier-retailer relationships and consequently there was an absence of system trust. This contrasts with the study of Seal et al. (2004) where the use of inter-organisational accounting was trusted as an expert system. Thus, more research is needed to explore why and how some systems of inter-organisational accounting can become embedded (or institutionalised) and a trusted basis for inter-organisational relationships, whereas in other cases such practices can damage trust.

In this section we have reviewed the few studies which have adopted as institutional perspective to examine inter-organisational accounting. We believe there is considerable potential for adopting such a perspective for future research in this area, as we will describe in the following and final section of this chapter.

5. Summary and Implications for Future Research

The research using institutional theory to study inter-organisational relationships, discussed in section 3, emphasises the complexity of the institutional context of these relationships. For example, the work on collaborations illustrates the
importance of understanding both the internal and external institutions of the partners in the relationship (see Philips et al. 2000). As we indicated earlier, from the perspectives of NIS and OIE, institutions are the recurring social patterns and taken-for-granted assumptions which give meaning to the actions and thoughts of the partners in an inter-organisational relationship. However, they should not be regarded simply as constraints which shape the nature of the relationship. The relationships themselves can shape the institutions and thereby influence the character of new relationships. Thus, it is important to be aware of the processes of structuration and institutional change when studying inter-organisational relationships.

As we saw above, the early NIS work distinguished between the institutional and the economic pressures on organisations. But more recent work has recognised that these pressures act simultaneously on organisations, and that economic pressures can themselves be institutionalised. Furthermore, these institutional pressures can be experienced at a number of different levels: meta (social), macro (national), meso (organisational) and micro (operating) levels (see Parkhe 2003). Thus, understanding the diverse institutional pressures which can influence inter-organisational relationships is a complicated, but very important issue. It is important because success of the relationship is likely to depend on whether it can gain legitimacy: i.e., general acceptance both within the network (among the partners), and within the partners’ own organisations, that the relationship is both desirable and appropriate. However, what is considered legitimate will be subject
to institutional pressures at various levels. As we saw earlier, Dacin et al. 2007 referred to five types of legitimacy: market, relational, social, investment, and alliance. Thus, the nature and influence of institutions on inter-organisational relationships are complex, and inter-related. Given this complexity in the institutional context of inter-organisational relationships, what are the roles of management control and accounting techniques? And, how should institutional theory inform research into inter-organisational accounting and control?

Whereas NIE continues to adopt (albeit in an adapted form) the assumptions of neoclassical economics, an OIE (and/or an NIS) perspective would seek to understand the origins, nature and implications of the taken-for-granted assumptions of the individual participants in the inter-organisational relationships. As such, NIE continues to rely on the behavioural assumptions of economics to analyse inter-organisational relationships, while the broader institutional perspective outlined in this chapter seeks to understand how the partners in inter-organisational relationships make sense of the nature of the relationship and their role, and of the role of the others, within it. For example, how do they handle the potential paradox involved in, for instance, cooperating with competitors and, in so doing, how do they come to re-define their own interests, and what is the role of trust in such relationships.

As mentioned earlier, the recent TCE research has added the role of trust to the analysis of transaction costs. But as argued by Marchingham and Vincent (2004)
it is important to look at trust at three interrelated levels – institutional, organisational and interpersonal. But, whereas TCE explores trust at the organisational and interpersonal levels, little attention has been given to the institutional level. Furthermore, much of the TCE work on inter-organisational relationships tends to focuses the transaction costs of each specific relationship and, by treating each relationship as independent, TCE ignores the influence of the institutional environment, as well as any prior interactions between the partners. Such past interactions can affect the choice of partners and/or the governance of the relationship (Gulati 1998). In addition, TCE is concerned primarily with cost minimisation, whereas the purpose of many inter-organisational relationships is value maximisation (Gulati 1998). Moreover, TCE does not recognise all the many benefits that the partners can gain through inter-organisational relationships; such as learning from partners, resource pooling and reduction of environmental uncertainty (Faulkner and de Rond 2000).

However, in their study, which adopted an (evolutionary) institutional perspective to explore the emergence of inter-organisational cost management, Coad and Cullen (2006) argued that institutionalised routines can create stable relationships by the facilitating a “truce in inter-organisational conflict” (365). In other words, the routines of cost management could be acceptable to the various parties to the relationship, even though they have quite different interests and aims. This is likely to be the case where such routines are to be found in other existing or previous inter-organisational relationships in which the parties have been involved.
or of which they are aware – in other words, if the routines have become institutionalised. Thus, cost management routines, and potentially other accounting techniques, could become part of the broader institutional context which helps to give order to the complexity created by the diverse institutional pressures that influence the nature and character of inter-organisational relationships. More research is needed to explore the way in which accounting and cost management techniques can become embedded in the broader institutional context, and how such embedded techniques can shape the form and nature of future inter-organisational relationships.

Thus, drawing on both OIE and NIS, future research could explore why some accounting practices become institutionalised in inter-organisational relationships, while others do not. In contrast to the Coad and Cullen (2006) case, where inter-organisational cost management was replicated across the supply chain, in the case study reported by Free (2008) the attempts to introduce category management as a catalyst for new supplier-retailer relationships damaged the existing relations of trust and the new accounting techniques did not become embedded in the relationships. To study how some accounting routines become institutionalised (whereas others do not), future research could usefully draw on the work Greenwood et al. (2002) and Parkhe (2003), the Burns and Scapens’ (2000) framework, as well as Coad and Cullen (2006) evolutionary framework. Such research could explore the evolutionary processes through which management accounting and control practices develop, are maintained and
become embedded in inter-organisational relationships, and how they can change over time.

In so doing, such research will need to be aware of the interaction between (micro and meso) institutions within the organisations (that are partners in the relationship) and the broader (macro and meta) institutions of the institutional field(s) in which the relationship is set. As we indicated above, the study by Seal et al. (2004) reflected on the influence of government initiatives on the development of inter-organisational relationships, and the way in which accounting, as a set of institutionalised practices, can come to be viewed as a trusted expert system – i.e., as an institutionalised set of practices that can be drawn on by the participants in inter-organisational relationships. If accounting practices are viewed as an expert system, there is likely to be overlap between their use within the individual organisations and their use within the inter-organisational relationships in which those organisations are involved. As Coad and Cullen (2006) observed, there can be a blurring of intra- and inter-organisational phenomena. However, as we know relatively little of the relationship between the accounting practices used within the organisations which are participants in inter-organisational relationships, and their use of inter-organisational accounting, further research is needed in this area.

As just mentioned, Seal et al. (2004) recognised the importance of looking at the influences of broader institutions, but although they explored the impact of
government initiatives, they did not explore in any depth the wider social cultural beliefs and values of the participants in the supply chain that they studied. However, as Parkhe (2003) pointed out (see section 3 above), this can be particularly important when the partners in inter-organisational relationships are from dispersed institutional fields; for example, in international alliances. Furthermore, it is important to recognise the meta and macro institutions when studying inter-organisational relationships in different countries. For example, emerging economies and economies with different socio-legal systems are likely to have quite different approaches to accounting for inter-organisational relationships; shaped in large part by their institutional environments. This institutional diversity is frequently ignored by TCE approaches to studying inter-organisational relationships.

Thus, much remains to be done and we believe that the institutional perspectives discussed in this chapter can have an important role to play in studying accounting in inter-organisational relationships. Such research can explore the legitimacy of inter-organisational accounting in diverse institutional contexts, and how institutionalised (embedded) accounting practices can themselves facilitate the formation of inter-organisational relationships. However, it will be necessary to recognise the complexity and diversity of the institutional settings of the inter-organisational relationships. It is hoped that this chapter has helped to give some insights into this complexity and diversity, as well as pointing to opportunities for further research.
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