

Reasons behind Accounting Information Tools Adopted by Portuguese Third Sector Organizations: Institutional Theory versus Rational Choice Theory

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Abstract : The purpose of this study is two-fold: on the one hand, to identify the accounting information systems implemented in third sector organizations, as well as its components, its tools and the decisions and control purposes they serve; on the other hand, and by confronting these two theories - institutional theory versus rational choice - we intend to go further by understanding the reasons behind the adoption of the aforementioned tools. Data has been collected from third sector organizations operating in Portugal. Our sample includes all juridical types of organizations such as foundations, cooperative, associations or private institutions of social solidarity. The questionnaire contained sixteen close-ended questions and four open-questions. Results confirm the theoretical perspective of institutionalism. Most third sector organizations operating in Portugal implemented only traditional accounting tools like standard accounting statements, cost accounting, budgeting. Moreover, there is clear evidence that the decisions about the implementation of these tools were coercive oriented. With this study it is intended to contribute to a better understanding of the context of third sector organizations in Portugal, in particular the role that accounting plays in this sector, with a special focus on management accounting tools, and the factors that influence their use and the degree of their usefulness in the process of decision making.

Keywords : third sector, accounting tools, institutional theory, Portugal, descriptive research

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