



THE THEORY OF INSTITUTIONS AS THE METHODOLOGICAL BASIS OF ANALYSIS OF THE DEVELOPMENT OF ORGANIZATION OF ACCOUNTING

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- A** The article is devoted to the topical issues of the expansion of the research methodology of organization of accounting in modern conditions. The traditional methodology of organization of accounting does not have instruments that allow understanding theoretically changes that take place in society and economy. Expanding of the limits of research capabilities ensures an institutional approach. Application of provisions of the theory of institutions will ensure taking into account contradictory processes of the development of society, economics and politics in general and the problems, which are encountered in the process of transformation of the national accounting system.
- K** organization of accounting, institutional theory, institution, interdisciplinary approach.

ТЕОРІЯ ІНСТИТУТІВ ЯК МЕТОДОЛОГІЧНА ОСНОВА АНАЛІЗУ РОЗВИТКУ ОРГАНІЗАЦІЇ БУХГАЛТЕРСЬКОГО ОБЛІКУ

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- A** Стаття присвячена актуальним питанням розширення методології дослідження організації бухгалтерського обліку в сучасних умовах. Традиційна методологія науки організації бухгалтерського обліку не має інструментарію, який дозволяє теоретично осмислити зміни, що відбуваються у суспільстві та економіці. Розширення меж дослідницьких можливостей забезпечує інституціональний підхід. Застосування положень теорії інститутів забезпечує врахування суперечливих процесів розвитку суспільства, економіки та політики загалом і проблем, що виникають у процесі трансформації національної системи бухгалтерського обліку.
- K** Організація бухгалтерського обліку, інституціональна теорія, інститут, міждисциплінарний підхід.

ТЕОРИЯ ИНСТИТУТОВ В КАЧЕСТВЕ МЕТОДОЛОГИЧЕСКОЙ ОСНОВЫ АНАЛИЗА РАЗВИТИЯ ОРГАНИЗАЦИИ БУХГАЛТЕРСКОГО УЧЕТА

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- A** Статья посвящена актуальным вопросам расширения методологии исследования организации бухгалтерского учета в современных условиях. Традиционная методология науки организации бухгалтерского учета не имеет инструментария, позволяющего теоретически осмыслить изменения, происходящие в обществе и экономике. Расширение границ исследовательских возможностей обеспечивает институциональный подход. Применение положений теории институтов обеспечивает учет противоречивых процессов развития общества, экономики и политики в целом и проблем, возникающих в процессе трансформации национальной системы бухгалтерского учета.
- K** Организация бухгалтерского учета, институциональная теория, институт, междисциплинарный подход.

Statement of the problem. The European choice of Ukraine has caused the necessity of further theoretical understanding of changes, which happen in the national system of accounting. It has provoked the appearance of new research priorities. On the foreground of researches of organization of accounting emerged questions of changes and of consequences caused by processes of international integration, reforming of the system of accounting, creation and enhancement of legislative base of adjustment of accounting, value, role and content of subjects, which form the policy in the field of accounting.

Simultaneously with traditional approaches to the subject of organization of accounting, the directions based on scientific theories, that are studying questions of adaptation of economic systems to changes in environment and tendencies of the development of the society, are being developed. Among the most significant tendencies of the development of scientific knowledge of organization of accounting we can allocate in the capacity of main ones such organizational factors as globalization of the modern world, that causes the need to understand integration processes in the field of accounting, and increasing of number and value of

non-governmental and intergovernmental professional organizations as subjects that form the accounting policy of the state.

Both tendencies are in interrelation and are mutually conditioned. So, integration processes in accounting sphere became possible, on the one hand, owing to globalization processes in the politics and economics, on the other hand, due to the appearance and growth of the role of non-governmental professional organizations of accountants and auditors in the process of making and realization of political decisions in the field of accounting.

The specified factors, which determine tendencies of the development of scientific knowledge of the accounting organization, have caused the leading character of theoretical developments, which have practical orientation and importance and can explain the advantage of organizational factors. Neoinstitutionalism is the one that quickly develops and is the most perspective direction of modern economic thought, which is aimed at taking into account of organizational factors on economic systems. In the framework of the theory of institutes, the major one for economic growth is the establishment of the external (exogenous) and internal (endogenous) factors promoting the reforms of separate institutes, institutional environment and institutional structure of separate systems and a society as a whole. The institutional analysis is applied to establish and to explain the reasons and consequences of changes of processes and phenomena which are taking place, and changes of rates and the rules regulating these processes and phenomena. Thus, the attention is accented on growth of influence of organizational aspects, which are determined as the main condition of changes of institutes and economical development.

Expansion of traditional methodology of organization of accounting at the expense of application of the theory of institutes gives us a clue to understand its problematic aspects, and allows to establish internal contradictions of accounting system and to reveal influence of exogenous and endogenous factors, which are the source of non stable nonlinear development of the accounting system. The analysis of organization of accounting on the basis of the theory of institutes makes possible not only the determination of tendencies, but also shows conceptual directions of solving the problematic aspects of its development.

Analysis of recent researches and publications.

Application of the institutional theory concerning an accounting phenomenon is being extended. In Ukraine in the first decade of the XXI-st century the scholars have started to research a possibility to apply institutionalism in accounting. However, there are not so many

significant works of Ukrainian scholars and scholars of countries of the Commonwealth which are devoted to institutional aspects of accounting. Researches on possibility of application of the theory of institutionalism in accounting was conducted by Zhuk V., Zadorozhnyi Z., Kantsurov O., Kireitsev G., Lovinska L., Metelitsa V., Petruk A. In spite of the fact that certain steps have been taken recently in the direction of synthesis of the theory of institutionalism to solving of key questions of accounting, the institutional analysis of the development of organization of accounting was not carried out. The institutional direction of scientific understanding of accounting is at a formation stage in Ukraine. Despite practical importance and its urgent character, and existence of enough big file of the special literature on institutionalism, the systematic purposeful implementation of provisions of the theory of institutions to organization of accounting were not conducted in Ukraine. Nowadays, problems of organization of accounting with the use of methodology of the institutional theory in Ukrainian special literature were not researched systematically, complex studies of influence of the institutional environment were not conducted. There are no generalizing scientific works, textbooks, education manuals, monographs, which purposefully spotlight institutional bases of organization of accounting.

The goal of the article. The urgency of the analysis of the development of organization of accounting under conditions of reforming of accounting system, instability of environment and growth of integration processes on a basis of institutionalism, which was not applied earlier, has determined the direction, the goal and the tasks of the given research: to prove the necessity of application of the interdisciplinary approach to research of organization of accounting and the expediency of application of the institutional theory to the analysis of its development.

Presentation of the basic material of research.

Specific character of institutionalism contains the understanding that social development is considered in the framework of institutes. The direction name "institutionalism" goes from a word "institute" from Latin institutum "the device, the organization, the principle". The Roman Law used the concept institutio (institutiones) – that meant "textbook". In the Ukrainian language, the institute was borrowed from French «institute» or German «institute».

The institutional aspect of functioning of a society is a traditional area of the research of sociology, political science, jurisprudence. It was the object of discussions of G.Spenser, O.Kont, E.Djurkgejm, M.Veber, T.Parsons, etc. who considered as the institutes the social,

political and economic events: the state, a family, a private property, corporation, monetary circulation system, social movements. In modern understanding, the concept of institute has been considerably extended. In sociology it was formed a direction – institutional sociology (institutionalism) the representatives of which state that the social behavior of people is in a close connection with the system of social acts and the institutes acting for a certain time and which origin is historically regulated.

A variety of approaches to determination of categories of personnel has determined availability of various schools of institutionalism. The modern version of the institutional theory – neoinstitutionalism represents the doctrine, which allows to explain a condition and tendencies from the position of interaction of the basic actors and system of standard-and-legal regulation. General for all neoinstitutionalists is a position that social institutes have their importance, they are subjects for the analysis by traditional instruments of micro-economics; the social behavior of people is in a light connection with the system of social statutory acts and the institutes acting for a certain time and which origin is historically regulated. Such approach allows to research standard-and-legal provision of accounting and to consider features of subjects in accounting sphere, to analyze their motives and behavior.

In Ukrainian economic science a question of the institutional theory was studied by Gaidai T., Geits V., Zadorozhnyi G., Lipov V., Lozinska L., Lukyanenko D., Mamchur V., Odiagailo B., Pahomov U., Pustoviit R., etc. In these works institute is studied from social, political and legal aspects:

- social interpretation, social institute is supposed as a collective behavior of people, rules of living activity which due to permanent repeating and established restrictions lead to appearance of the social phenomenon;
- juridical interpretation, juridical institute previews organizational form of consolidation of people or formalization of social institute by means of formal norms and rules;
- economic interpretation, political institute represents a kit of formal and informal norms and rules regulating behavior of juridical and physical persons in economic sphere of activity;
- political interpretation, political institute determines behavior and activity of people and their consolidations created for achievement of a definite purpose by means of established principles and norms.

Among the specified interpretations of institutes, economic and juridical institutes occupy the determining place as having basic value for the potential of the development of economy. At the same time, such

development fosters certain reforms and transformation of political institutes. Political institutes, their reforms and improvements, evoke a quality of economic policy of the country and its separately taken spheres, and also the necessity to take into account and overcome inertness of social institutes. That is, on the one hand, institutes are formed as a result of behaviour of people (social institutes). On the other hand, institutes represent gears of transformation of collective activity of people (economic, political and legal institutes).

Ambiguity of interpretation of the category “institute” when on the one hand it is considered in narrow sense – institute as the organization, and also in wide (neoinstitutional) understanding – institute as “game rules” which have formal and informal character, causes the necessity to underline the approach chosen in this research: institutes are considered as formal norms and rules regulating the accounting as a whole in order to research the development of organization of accounting.

It is necessary to notice that institutional theory was created in the beginning of the XX-th century. Proceeding from this for long enough period of its development, it has passed through some stages and changes of paradigms. However, the given research does not set as the purpose to study the genesis of institutionalism or to estimate and destroy its basic rules. The institutional approach is an administering principle of studying of organization of accounting.

The basic rules of neoinstitutional theory, which are applied in the process of studying of organization of accounting, are:

- interdisciplinary approach to the analysis of the phenomena and processes and the usage of set of various categories of social studies (sociology, political science, law etc.);
- historical, evolutionary principle of studying of processes and phenomena in development;
- empirical approach to the analysis of processes and phenomena with the usage of the fact data;
- research of totality of objective and subjective factors, civilizational laws, national features as preconditions of the development of the national system of accounting;
- critical approach to studying of processes and phenomena, the establishment of possible contradictions and tendencies;
- research of transformation of institutes as the main motive factor of system transformations in the sphere of accounting and the instrument of coordination of the activity of institutional subjects, which form and implement the policy in the sphere of accounting.

Before we pass to studying of application of institutional bases in the accounting organization, it is

necessary to identify accounting as economic, political and social phenomenon and to determine the main tasks of application of the institutional analysis concerning the national system of accounting.

The scientific understanding of the main features, inherent to modern national system of accounting, allows to characterize accounting as an economic, political and social phenomenon, namely:

- accounting represents the phenomenon which is reflected in public consciousness as acceptable and socially significant aspect;
- accounting covers the majority of people with economic relations in between;
- accounting is the highest impersonal instance, no other structures and the authorized persons can cease its existence;
- norms and the rules regulating accounting are unequivocal, clear and structured;
- information which is given by accounting, promotes the economic growth of the country due to the development of commercial, financially-credit, agrarian, private, noncommercial and other sectors of the economy;
- sphere of influence of the system of accounting is not limited by the national borders.

All these characteristics of accounting allow us to agree with the conclusion of Zhuk V., which was made by him as the result of the study of the institutional nature of accounting: «accounting, providing and regulating economic relations, is described by characteristics which identify public institutes. It means that it is possible to define the accounting as independent and important institute for the development of the society» [3, p. 14-22].

From the position of institutionalism, formation of the basic types of institutes is taking place either in evolutionary way of continuous gradual transformation or in revolutionary way which is accompanied by fundamental transformations. The changes here have endogenous character, gradual under the influence of internal factors, or exogenous character where external factors prevail.

Formation of institutes of accounting in a historical retrospective approach can be characterized as gradual process of formalization of rules of behavior (activity) of individuals at microlevel to the establishment of principles and norms which determine them at macrolevel, in the form of standard-and-legal provision and the organization. In other words, accounting has passed a historical way from purposeful registration of facts of economic activities 6 thousand years ago and the first attempts of understanding of the essence of accounting and formation of versatile accounting systems in different countries of the world.

Identification of the most important functions of institutes concerning the national system of accounting provides research and reception of results concerning a wide spectrum of questions, close to organization of accounting, among which it is possible to allocate:

- research of the development of the national system of accounting as the object of organization of accounting in a historical retrospective;
- revealing of tendencies and rules of the development of the national system of accounting of Ukraine under conditions of international integration;
- specification of intermediate institutes, subjects and agents which provide functioning and development of the national system of accounting under conditions of international integration;
- determination of ways of development of the national system of accounting: observance of extreme positions – to create national institutes and standards, or to borrow the developed international institutes and standards, or to adapt for national realities already existing institutional forms, or to combine these processes (creation, borrowing and adaptation) on the basis of their gradual application taking in account the readiness of the system of accounting and situation in the economy;
- establishment of imperatives to enhance standard-and-legal provision of accounting in Ukraine;
- establishment of methods of control on accomplishment of rates of the legislation on conducting accounting and methods of organization of monitoring of processes of adaptation of the system of accounting with international standards of accounting.

The precise character of the listed aspects allows to considerably promote not only in the direction of the development of the institutional theory of organization of accounting, but also in understanding of the processes taking place in the national system of accounting.

Categories and concepts of jurisprudence are used in consideration of the system of accounting: this proves the application of methodological instruments for the institutional theory of organization of accounting. Terminology of the law and legal norms allows to realize researches in the context of real relations in which the economic activities of subjects of managing are taking place. This can be explained in the following way. The institutional theory assumes that a primary factor of changes in the economy and in the society is not the market, but institutes and human relations. Therefore, the main attention in the frameworks of institutionalism is paid to jurisprudence. Norms and rules of behavior of institutes and separate persons in the market determine the law and standard-and-legal regulation.

The institutional approach to studying of organization of accounting provides application of numerous methodological principles based on inclusion to the analysis of institutes in sphere of accounting of economic conditions, the historical, social, political, cultural factors, which taking into account allows to solve the problem aspects of the development of the system of accounting. The understanding of organization of accounting on the basis of the institutional theory it is grounded on the principles of the institutional theory: the principle of universalism, principles of historicism and methodological individualism.

The interdisciplinary approach (the principle of universalism) provides for the analysis of problems of the development of institutes in the sphere of accounting not only in the frameworks of a certain economic science or even economic sciences, but demands to consider all spectrum of the factors, forming the social environment where the institute functions.

The historicism principle allows to specify tendencies and the development of organization of accounting at the expense of estimation of its genesis, as well as to design stages, to figure out institutional changes, their reasons and consequences.

The principle of methodological individualism assumes that the behavior of individuals is in the heart of processes in the national system of accounting.

The institutional approach as an administering principle of research, using methodological principles, which are included into the research field, estimation of a wide range of economic and noneconomic factors, allow to study features of the organisation of accounting at various levels of the organisation: the nationwide and the level of a single enterprise. It allows to expand borders of research of possibilities and formulate conceptual grounds of the institutional analysis of the organisation of accounting:

1) the national system of accounting is researched as a whole as the object of the macroeconomic organisation, but in interrelation between the whole and its parts – business entities;

2) research has complex interdisciplinary character with application of methodology and categories of sociology, political science, economy, macroeconomy, jurisprudence, accounting, etc.;

3) research with observance of a principle of a historicism with acknowledgement of a direct connection of existing position of the organisation of accounting and a historical basis of its development and formation;

4) the main attention in research is devoted to essential changes and transformations which are taking place in the national system of accounting under the influence

of objective processes in Ukrainian both economic and political environment and society, paying no attention to disordered facts and changes.

Findings of this study and recommendations for further research in this area.

During the justification of processes which occur in the national system of accounting it is necessary to aspire to taking into account of last achievements of the economic theory and practice, first of all in the institutional approach. Consecutive and systematic studying of organization of accounting on the basis of the institutional theory allows to explain availability of various models of accounting in the world due to the analysis of features of accounting systems of different countries, to estimate a historical way of reforming of accounting in Ukraine during the time of independence, to give conceptual bases of the development of the organisation of accounting and the solution of problem aspects of the system of accounting, which are specified as the object of the given research. Application of the institutional analysis can be useful in this work. The subject of institutionalism is the studying of essence of institutes, process of their formation, functioning and development, influence of activity of subjects, technology and conditions of the institutional environment. Wide application of these factors forms a new view on the problem aspects of the development of the national system of accounting.

However, it is necessary to underline that speaking about application of the theory of institutes to the organisation of accounting we have to recognize that the national system of accounting reacts anyhow to environment changes. Therefore, if we speak about theoretical understanding of changes of the organisation of accounting under conditions of especially complicated political processes, the political forecasts are impossible because of the constant changes of the external world. Therefore, possible reproaches on the fact that the research should contain real calculations and forecasts concerning the development of the organisation of accounting in a short-term or a long-term prospect are not fair. The matter is that understanding of the condition and the development of the organisation of accounting and the forecast of its development – are not identical things. Under complicated and instable political conditions the direction of the further development of the organisation of accounting seems to be extremely uncertain. It is necessary to recognize that too many not predicted factors have the impact on the registration system, therefore the organisation of accounting can develop in quite opposite directions.

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Submitted: 23.04.2015