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A journey towards a safe harbour: The rhetorical process of the International Integrated Reporting Council

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A journey towards a safe harbour: The rhetorical process of the International Integrated Reporting Council

Abstract

This paper investigates the rhetoric deployed by the International Integrated Reporting Council (IIRC) to legitimise itself and Integrated Reporting (<IR>) and establish its ideology. We draw on Aristotle's rhetorical appeals – *ethos*, *logos*, and *pathos* – and the rhetorical theory of diffusion to conduct a rhetorical analysis of the IIRC's initial documents. Our findings demonstrate how the IIRC's rhetorical strategies serve to: authorise and moralise the IIRC's actions through *ethos* and *pathos*; contrast certain social interests and privilege a capitalist ideology through *logos*; and establish and maintain the IIRC's authority in a way that reflects the interests of the financial community and investors, again, through *ethos*. We demonstrate how the IIRC has strategically used rhetoric to gain support and develop its authority by contrasting and resisting competing ideological pressures. We also show how a capitalist ideology emerged from this struggle as the shaping force behind <IR> at the cost of marginalising wider social interests. Examining the IIRC's rhetorical process contributes to understanding the ideological struggle surrounding <IR> and enriches our empirical understanding of the ideological turn of rhetorical strategies. Our study contributes to theory and practice by advancing knowledge on the rhetorical strategies that shape and establish dominant ideologies in accounting practice.

Keywords:

Integrated reporting; International Integrated Reporting Council; rhetoric; ideology; standard setting; authority

The IIRC's remit is to create a globally accepted framework for accounting for sustainability.

Joint press release (Global Reporting Initiative (GRI) and The Prince's Accounting for Sustainability Project (A4S), (2010, p. 1)

1 Introduction

The IIRC was born out of a necessity to create a reporting model that can tackle the sustainability challenges of the 21st century (GRI and A4S, 2010). But, arguably, the <IR> Framework abandons the original ideology of its promoters in favour of a capitalist ideology (Flower, 2015; Milne and Gray, 2013; Thomson, 2015; Tweedie and Martinov-Bennie, 2015) aligned with stock market capitalism (Walker, 2010; van Bommel, 2014). It is the ideology that managers should be intent solely on creating and maximising shareholder value to maximise economic efficiency and global welfare (Dore, 2000). Rather than developing an accounting framework for 'sustainability', the <IR> Framework "aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital" by explaining "how an organisation creates value over time" (IIRC, 2013, p.4). The current focus of <IR> is not only vastly different to what its promoters envisaged, but it also diverts corporate reporting further away from sustainability accounting and stewardship: capital market efficiency and accountability to investors still sit at the heart of corporate reporting. Thus, as Flower (2015, p. 17) argues, <IR> "represents a severe disappointment" for those who hoped for an ideological shift in corporate reporting (see also, Humphrey et al., 2017; Thomson, 2015).

The developments in <IR> and the rationale for the ideological transformation evident in its development are attracting significant interest in accounting research (e.g., Chaidali and Jones, 2017; Humphrey, O'Dwyer, and Unerman, 2017; Rowbottom and Locke, 2016). Chaidali and Jones (2017) speculate that this ideological transformation is an artefact of the IIRC's trust-building process to ensure its survival. They show that, in the IIRC's attempts to leverage the trust, authority, and reputation of professional accounting bodies and other experts, they became subservient to the capitalist ideology they now represent – a capitalism based on the stock market (Brown and Dillard, 2014; Thomson, 2015).

Rowbottom and Locke (2016) and Humphrey et al. (2017) reason the transition from a sustainability and stakeholder focus to a long-term investment and shareholder focus was an attempt to enrol support for <IR> from a wider range of stakeholder groups. Rowbottom and Locke (2016) see this shift as necessary "detours and affordances in translating actors from different reporting networks into the IR project". Humphrey et al. (2017) find it to be the by-product of a strategy to establish a boundary between <IR> and sustainability and financial reporting to avoid any perceptions that <IR> has been colonised by existing professional groups and to build more alliances. The focus of existing studies is to understand how and why the IIRC evolved over the period from its inception to the launch of the <IR> Framework, to explain the IIRC's efforts to build a coalition of supporters and advocates.

Our study, while positioned in this literature, differs from prior research because we focus on the IIRC's efforts to persuade report preparers to embrace its initiative while shifting the underlying ideology of <IR> to achieve it. Enrolling report preparers is equally, if not more, important for the survival of the IIRC and <IR> because, as Rowbottom and Locke (2016, p. 5) argue, "the <IR> framework is performative in that its application increases its recognition, and how it is perceived and subsequently adapted depends on how it is applied". Users of non-financial reporting further reinforce this perspective by highlighting that only through greater adoption will <IR> be perceived as a legitimate practice (Stubbs and Higgins, 2018). This paper explores how the IIRC as a private standard setter uses rhetoric to legitimate <IR> as a voluntary reporting framework and to manage a shift in the ideology that supports it.

To adopt <IR>, organisations should perceive it as legitimate, desirable, proper, or appropriate within some socially constructed system of norms, values, and beliefs (Suchman, 1995) – ideally as a result of some proven benefits (Beck, Dumay, and Frost, 2017). Creating <IR>'s legitimacy is likely to be hampered and "longer-term sustainability and 'game-changing' capacities of integrated reporting will inevitably be in doubt/constrained if integrated reporting is seen to be captured by the interests and demands of a stakeholder group that some claim has a good degree of responsibility for the current (unsatisfactory) shape of corporate reporting" (Humphrey et al., 2017, p. 26). Recent empirical research reveals that there is insufficient evidence to support <IR>'s claimed benefits (e.g., Beck et al., 2017; Stubbs and Higgins, 2018; van Bommel, 2014)¹, and that many users and practitioners are sceptical about its benefits (Abhayawansa, Eljido-Ten, and Dumay, 2018; Slack and Tsalavoutas, 2018). They lack trust in the IIRC (Chaidali and Jones, 2017).

This scepticism and lack of trust make it an interesting endeavour to examine how the IIRC attempts to persuade and convince organisations to adopt <IR>. How the IIRC mobilised rhetoric, while supporting a gradual shift in its ideological foundations, is a matter of interest because rhetorical strategies may shape or stifle the concept of sustainability in future accounting practice. Hence, our interest lies in the process of how the IIRC used rhetoric to seek legitimacy and to establish an ideology in service to itself and <IR>, despite whether its strategy succeeded.

Although the IIRC positions itself as the leading social actor and the sole authority for developing, promoting, and shaping <IR>, it is not a standard setter with regulatory power. However, being "a standard setter of a voluntary reporting framework, the IIRC is in a position to influence corporate reporting without traditional sources of State legitimation" (Rowbottom and Locke, 2016, p. 2), and this makes understanding its genesis important. Even without traditional sources of State legitimation, the task the IIRC intends to perform is of far greater magnitude than what accounting standard setters encounter in their ordinary course of business – notwithstanding the disruptive nature of <IR> as an innovation in accounting and its ideological controversy.

¹ Previous research highlights the urgent need for <IR> to gain legitimacy by demonstrating its actual benefits in practice. Stubbs and Higgins (2018) argue that <IR>, as a voluntary practice, will only gain legitimacy when the actions of integrated reporters are seen as desirable, proper, or appropriate. Accordingly, they conclude that "<IR> will become the reporting norm over time if left to market forces as more and more companies adopt the <IR> practice". Beck et al. (2017, p. 191) further examine this legitimacy challenge, arguing that the hurdle the IIRC faces "is to convince report preparers that adopting <IR> will positively impact on capital flow".

Prior research enlightens us, to some extent, about how accounting standard setters persuade and convince audiences about the validity, relevance, and acceptability of new standards, including their use of rhetoric in invoking power and authority as a basis for their persuasive strategies (Fogarty, Hussein, and Ketz, 1994; Hines, 1989; Young, 2003). Yet, prior studies do not provide a valid basis for making inferences about private standard setters, such as the IIRC, which has neither regulatory power nor the authority that comes from State legitimation. This exploration of how the IIRC uses rhetoric to try and achieve legitimacy for itself and <IR> is an important contribution to the standard setting literature. This study also has practical relevance given the growing influence of private transnational bodies in codifying non-financial reporting guidelines, as sometimes these guidelines constrain the work of national regulators and their lobbying activities (see also, Reuter and Messner, 2015; Rowbottom and Locke, 2016).

Our analysis builds on research into the rhetorical strategies that are used to construct legitimacy. We draw upon Green's (2004) rhetorical theory of diffusion, which "highlights the causal potency of language in shaping organizational life and behaviour" (p.665) as an explanation for how rhetoric can convince interested parties that a new practice is rational, needed, and useful (see also Green, Li, and Nohria, 2009). Rhetorical theory has been applied extensively elsewhere (e.g., Brown, Ainsworth, and Grant, 2012; Erkama and Vaara, 2010; Suddaby and Greenwood, 2005) but rarely in accounting. Its application in accounting extends from recent work by Higgins and Walker (2012) and Liguori and Steccolini (2018). In the context of private standard setters for voluntary non-financial reporting, our study highlights how rhetorical strategies are adjusted to compensate for a lack of State legitimation. Further, we shed light on how rhetoric can be used to promote an ideology in the process of legitimising an accounting practice. Thus, this paper contributes to advancing knowledge of the rhetorical process that shapes, forms, and establishes an ideology and, in turn, the ideological traits that characterise the political nature of rhetoric.

This paper has four further sections. Section 2 describes the theoretical framework and the motivations for this study. Section 3 presents our research methodology – the rhetorical analysis framework and the discourse analysed. Section 4 outlines our results and discusses the phases of the IIRC's rhetorical process. Finally, Section 5 provides concluding remarks, theoretical contributions, and practice and research implications.

2 Theoretical framework and prior research

2.1 The rhetorical theory of diffusion

Rhetoric is a means to persuade audiences through speech, language, and stylistic techniques (Aristotle, 2007). Actors use rhetoric to justify and rationalise new practices, to achieve legitimacy, and to institutionalise new ideas (Green et al., 2009, p. 11). Using the three Aristotelian forms of rhetoric – pathos, logos, and ethos – Green (2004, p. 660) argues that institutionalising "highly diffused managerial practices" relies on a rhetorical strategy "starting with pathos, followed by logos, and ending with ethos" as a process to shape common beliefs and persuade an audience that an innovation is rational, useful, and needed.

Pathos appeals to the audience's self-interest and elicits emotions and feelings, such as anger, sadness, or happiness, and excites their imagination (Green, 2004). By creating pragmatic

legitimacy, one can engender support for practices by aligning them with the audience's self-interest and wellbeing (Dumay, Frost, and Beck, 2015; Suchman, 1995). Emotional appeals encourage audiences to move away from the status quo and help overcome an individual's resistance to change or desire for group conformity – traits that tend to hinder efforts like adopting <IR>. Pathos effectively captures an audience's attention and overcomes social inertia as an obstacle to accepting new practices (Green, 2004, p. 659). However, while capable of eliciting strong initial reactions, pathos appeals tend to dissipate quickly.

Logos appeals to logic by persuading an audience through reason. By eliciting “methodical calculations of means and ends” (Green, 2004, p. 659), it gives a sense of rationality to an innovation that lacks logical justification. Like pathos, logos produces pragmatic legitimacy because it affects the logical part of the mind. It elicits “methodical calculation of means and ends to achieve efficiency or effectiveness” (Green, 2004, p. 659). Thus, it helps to overcome the social rejection of new practices that have been temporarily accepted as a result of emotional (pathos) appeals. While not as powerful as pathos, logos is slower to persuade but sustains its persuasiveness for longer (Green, 2004, p. 660).

Ethos persuades audiences by appealing to social norms and etiquettes (Green, 2004). While pathos and logos build pragmatic legitimacy² by aligning new practices with the audience's self-interest, ethos produces moral legitimacy where new practices are judged based on whether they are proper (Green, 2004). Moral legitimacy derives from “a positive-normative evaluation of an organisation and its activities” – a form of legitimacy that is not based on the benefits to self but rather on “judgments about whether the activity is ‘the right thing to do’” (Suchman, 1995, p. 579). Therefore, the effectiveness of ethos in achieving legitimacy depends on the author's character and the moral values underlying their credibility. Green (2004) argues that ethos appeals to sacrificing self-interest for the interests of a collective, which is more enduring and persuasive than pathos and logos. However, ethos also takes longer to persuade the audience because the focus is on ‘what's good for the whole’.

The three forms of rhetoric produce pragmatic and moral legitimacy. Their combined and effective use allows a practice to become taken-for-granted though the production of cognitive legitimacy (Green, 2004; Suchman, 1995). Therefore, legitimating a new practice is theorised as a dialogical and persuasive process resulting from different forms of rhetoric.

2.2 Rhetoric, ideology and legitimation strategies

Green's theory helps us understand how rhetoric can change an audience's beliefs and legitimise new practices (Brown, Ainsworth, and Grant, 2012; Green and Li, 2011; Suddaby and Greenwood, 2005). Legitimacy relies on human judgment, which is influenced by individual cognitive processes and common beliefs in an institutionalised context (Alvesson, 1993). Hofer and Green (2016) argue that the audience's decision about accepting or rejecting a new practice is also affected by presumptions,

² Pragmatic legitimacy is defined by Suchman (1995) as the support for an organization based on the alignment of its actions and behaviors with the self-interest of the organizations' constituents.

and presumptions result from rhetoric and institutionalised beliefs. When speakers “share their interpretations and persuade other actors about the validity of their interpretations”, they transform “private discourse into public discourse” (Hoefler and Green, 2016, p. 133). They translate their presumptions into rhetorical arguments and then into institutionalised beliefs. Thus, rhetoric is a process that can change a person’s or group’s judgement about a new practice depending on the order in which the rhetorical arguments are presented. However, as Higgins and Walker (2012, p.205) outline “questions about whether some persuasive strategies are more effective than others in shaping discourses remain”.

While Green’s (2004) theory explains how rhetoric can form legitimacy, recent theoretical advances made by Hoefler and Green (2016) highlight the importance of understanding how a speaker adjusts their rhetoric according to the audience’s beliefs and ideology. Ideology is “a set of ideas or perspectives which reflect the interests of a particular social class or group” (Baker, 2005, p. 692). Ideology brings together people who share the same values and interests under an umbrella of justifiable beliefs. By this, ideology facilitates social integration within a group (Ricoeur, 1978), legitimises those shared interests and beliefs, and explains how authority emerges for those who choose to take up the mantle of representing the group’s interests.

As Berlin (1988) argues, rhetoric is always ideological, and any ideology is rhetorical. The ideological implications of rhetoric are best illustrated when rhetoric is used to resolve social conflicts and political contradictions (Ryan, 1989). One could argue that any legitimising strategy has a rhetorical or discursive structure that favours certain social, economic, and political interests over others. ‘Over others’ is important because it reflects the competition between ideological claims inherent in rhetorical discourse (Barrett, Heracleous, and Walsham, 2013).

Prior research shows how certain rhetorical strategies have specific ideological effects in seeking legitimacy, as they are aimed at persuading specific social groups for political purposes. Liguori and Steccolini (2018, p. 162) demonstrate how the legitimisation strategies of authorisation (logos) and moralisation (ethos) are used to exercise power, which is also a form of legitimisation. Among the legitimisation strategies, ethos is frequently associated with a moralisation strategy because it is about persuading through credibility, moral authority, or tradition, while authorisation, rationalisation, and normalisation strategies are usually executed through logos (Liguori and Steccolini, 2018; Suddaby and Greenwood, 2005).

Pathos is usually considered as a standalone legitimisation strategy that relies on the audience’s emotion but can also help moralise the speaker’s actions. While ethos relies on the audience’s moral evaluation (Lefsrud and Meyer, 2012), pathos can influence and shape the audience’s moral decisions (Gusfield, 2011), even through irrational judgement (Braet, 1992). Pathos is able to create social integration and garner wider support because its influence “depends upon putting the hearer into a certain frame of mind” and “its influence rests on the fact that the *pathe* (emotions) into which the judge is plunged [...] influence his judgment” (Braet, 1992, p. 314). As Liguori and Steccolini (2018, p. 163) observe, these legitimisation strategies are often intertwined and “embedded within specific social contexts, and what counts as a legitimate argument may differ across different settings”. Therefore, there is further scope for an understanding of how rhetorical strategies affect and fit ideology in the context of emerging accounting practices, such as <IR>.

2.3 Rhetorical theory and accounting practice

Research into rhetoric is not new in accounting (e.g., Nahapiet, 1988). Prior studies explain how rhetoric shapes impression management strategies (Brennan, Daly, and Harrington, 2010) and strategies for social and environmental reporting (Brennan and Merkl-Davies, 2014; Higgins and Walker, 2012). Scholars have also investigated how rhetorical devices are used to introduce and disseminate accounting innovations, such as budgeting controls (Berland and Chiapello, 2009), administrative practices (Covaleski and Dirsmith, 1995), public sector budgeting, and accounting reforms (Hyndman and Liguori, 2016).

Recently, Liguori and Steccolini (2018) analysed the rhetorical strategies politicians employ to debate public sector accounting reforms in Italy. They demonstrate how rhetoric, dominated by authority and morality, are used to exercise power and legitimise or de-legitimise accounting reforms. These studies provide insights into the rhetorical strategies that underpin how changes in new accounting practices are constructed, legitimised, and institutionalised. How persuasive language shapes the legitimation strategies for enacting accounting change and forging political power is, thus, a significant topic that is attracting the attention of accounting researchers.

Research examining the rhetorical strategies adopted in accounting standard setting (e.g., Fogarty, Hussein, & Ketz, 1994; Masocha & Weetman, 2007; Young, 2003) and related lobbying activities (Hoffmann and Zülch, 2014) is relevant for understanding <IR>'s emergence because accounting standard setters use rhetoric to construct a social context and ideology for accepting their own actions. Young (2003, p. 622) demonstrates that the Financial Accounting Standards Board (FASB) has continuously worked to persuade institutions and practitioners that its work is needed. As such, the FASB constructs its identity as a 'good' standard setter to persuade constituents "a specific standard is 'good'". Through rhetoric, the FASB presents its standards as technical products and maintains "the myth of accounting objectivity" (Young, 2003, p. 621).

Accounting standards setters need to persuade companies and institutions about the validity, relevance, and acceptability of new standards (Masocha and Weetman, 2007). Their rhetoric is designed to affirm its role and power as a rule-maker (Hines, 1989). The regulating function of standard setters manifests implicitly in their power and authority (Young, 2003). Fogarty et al. (1994, p. 33) argue that accounting standard setting cannot be separated from power, because "the formalization of knowledge and the acquisition of power are mutually reinforcing phenomena that, while not casually limited, are pervasive strategic, intentional and calculative". Thus, accounting standard setting is a political process where rhetoric helps to establish, spread, and maintain power and ideologies.

Young (1995, p. 174) argues that accounting standard setters define and shape accounting problems by offering new interpretations and "channelling people's thought in specific directions". A standard setter's success depends on convincing others their work is correct, and the new standards are superior. For example, Masocha and Weetman (2007) and Young (2003) demonstrate how standards setters use serious and silencing rhetoric to resist making changes during the consultation process. However, while these studies demonstrate how accounting standard setters use rhetoric, our knowledge about which devices and strategies they use, to what extent, and in what order, is still limited. Considering that the IIRC is not a standard setter with regulatory power, a worthy research

question to ask is how rhetorical devices worked to legitimise <IR> practice and substantiate the IIRC's authority in developing and promoting <IR>.

The above discussion and the gaps in research lead to the following research questions, which we explore in this paper.

1. How does the IIRC use rhetorical strategies to seek legitimacy for <IR> and its position?
2. How do rhetorical strategies work to navigate the ideological shift pervading <IR>?

3 Research method

To explain how the three rhetorical appeals of ethos, logos, and pathos serve to produce legitimacy for <IR> and enable the IIRC to navigate the ideological shift in promoting <IR>, we draw on Green's (2004) rhetorical theory of diffusion. As Green's theory has seen limited application in accounting research, the case of <IR> is an opportunity to employ Green's theory within an accounting practice and to extend it to understanding the IIRC's rhetoric in seeking legitimacy and establishing its underlying ideology. To investigate the IIRC's rhetoric, we employ rhetorical analysis as an interpretative research method. Rhetorical analysis goes beyond a meaning-oriented investigation of language because, while hermeneutics focuses on interpretations of text to understand and search for meaning, rhetorical analysis studies language for its persuasive use and its impacts on people in a positive-normative order (Heracleous and Barrett, 2001).

3.1 Analytical framework

Table 1 displays how we framed, detected, and analysed the IIRC's rhetorical arguments. The framework has two dimensions, which refer to instrumental language use. Dimension 1 reflects the semantics of the discourse, i.e., the message's meaning. Dimension 2 reflects the persuasive characteristics of the rhetoric. Together, these two dimensions describe a text from both a hermeneutic and a rhetorical perspective.

Heracleous and Barrett (2001, p. 760) observe that "rhetoric and hermeneutics share a constructive as opposed to an instrumental view of language" because "speaking (identified with rhetoric) and understanding (identified with hermeneutics) are basic human capacities that are interdependent and inseparable". Thus, analysing the hermeneutics associated with rhetoric complements our rhetorical analysis. Dimension 1 was built through an open-coding process because *a priori* categories are not applicable. We coded text by labelling the contents in the documents (a sentence, a picture, or a table) according to their semantic function and then aggregated them into broader categories (core codes) (Parker and Roffey, 1997).

[Insert Table 1 here]

To capture Dimension 2, we adapted Higgins and Walker's (2012) framework by enriching it with relevant constructs found in the literature. Our analysis focuses on Aristotle's three rhetorical appeals (Aristotle, 2007), rhetorical strategies, and persuasive appeals to construct a list of stylistic and symbolic rhetorical devices (Nørreklit, 2003). These devices include: vocabulary, syntax, and semiotics (Bauer & Gaskell, 2000; Leach, 2000), such as figurative language (e.g., metaphors and metonymies); figures of speech (Aristotle, 2007; Nørreklit, 2003); and myths (Aristotle, 2007; Bauer & Gaskell, 2000).

3.1.1 *Ethos*

Ethos is the rhetorical appeal through which a speaker constructs and uses their credibility to obtain audience approval. *Ethos* can be shaped using the following rhetorical devices (Higgins and Walker, 2012, p. 198).

- *Ingratiation and similitude* signals similarities between the speaker and the audience, conferring the impression of cohesion, harmony, and community. This is usually identified by using ‘we’, ‘you’, and ‘I’.
- *Deference* refers to the author’s respect for the rights and feelings of the audience and is usually indicated by phrases like ‘with your permission’, ‘in my opinion’, ‘join me’, or ‘if you would’.
- *Expertise* occurs when the reader’s attention is drawn to the issuer’s qualifications, judgement, experience, and knowledge.
- *Self-criticism* suggests the honesty of the author by admitting to their mistakes or shortcomings.
- *Inclination to succeed* draws attention to past accomplishments or forecasts future successes.
- *Consistency* results from the coherence of a speaker’s actions and assertions.

Additionally, we added ‘authority’ to this list as a rhetorical device of *ethos*, where a speaker assumes the authority to support their claim or uses a third-party authority to develop their credibility. Arguments appealing to authority help shape *ethos* and have important implications for persuasive strategies in constructing a speaker’s authority (Nørreklit, 2003). Nørreklit (2003, pp. 596, 611) observes that, in using authority in scholarly texts, “what seems to gain acceptance as a true or false theory in a field of research depends on the institutional network”. For example, Nørreklit argues that Kaplan and Norton’s association with the Harvard Business School adds authority to the balanced scorecard (Nørreklit, 2003).

3.1.2 *Pathos*

Pathos is a rhetorical appeal that affects the emotions of an audience (Aristotle, 2007) through pleas to self-interest. To operationalise *pathos*, seven rhetorical devices are used to stimulate the reader’s emotions or evoke personal experiences: drama, metaphor, analogy (and simile), myth, metonymy, synecdoche, and irony.

Drama is the symbolic narration of facts or events perceived by an audience as a problem to solve. Drama can be used to justify the need for new practices (Deighton, Romer, and McQueen, 1989; Jackson, 1996). Deighton et al. (1989, p. 335) assert that effective drama is assessed based on subjective criteria and processed empathically by evoking “more expression of feeling and verisimilitude, and less counterargument and less direct elicitation of belief than with effective argument”. For example, they outline how drama is used in commercial advertising to construct claims about why a particular toothbrush brand is less abrasive than others. Drama leaves people to interpret the message according to their subjective beliefs and feelings by evoking their personal experiences (Jackson, 1996).

A metaphor is a stylistic device that turns on the meaning of a single word (Aristotle, 2007). Metaphors, together with analogies and similes, are used as cognitive figures to explain a new

concept or phenomenon. By using association, metaphors allow the speaker to appeal to their readers' emotions (Higgins and Walker, 2012). Metaphors describe something figuratively (one thing 'is' another thing) – 'turning' the meaning of a single word (e.g., Achilles is a lion). Similes and analogies are figures of speech involving several words (e.g., Achilles rushed like a lion) (Aristotle, 2007). The object in a simile is usually something the reader or audience has great familiarity with, and, as Nørreklit (2003, p. 596) argues, "such an association often arouses feelings in us which greatly influence our value judgments". However, metaphors are not mere linguistic embellishments; they also are cognitive tropes to explain new scientific insights (Morgan, 1983), for example, a physicist's concept of a black hole (Hines, 1988, p. 253). They are a form through which human beings engage, organise, and understand the world (Morgan, 1983), and a way for humans to create ideas that shape common thinking through cognitive associations with a certain phenomenon (Hines, 1988). As such, metaphors have a crucial function in the process of constructing, theorising, and perceiving the world.

A myth affects and is rooted in the audience's beliefs and perceptions. According to Hoffmann and Zülch (2014, p. 710), a myth is "a sign or symbol to speak about or represents an object to be signified". Barthes (1972, p. 117) defines a myth as a semiological system of communication involving a "constant game of hide-and-seek between the meaning and the form". Even though some myths seem rational, a myth belongs to the pathos appeal because the perception of rationality is socially constructed by embedding the myth in the audience's common beliefs formed within a particular institutionalised environment (Boiral, 2007; Suchman and Eyre, 1992). The rhetorical power of myth lies in the significance and interpretation the audience attributes to the message according to their institutionalised environment.

Metonymy, synecdoche, and irony are devices of pathos that can have a serious impact on institutionalisation (Sillince and Barker, 2012). Irony is a momentary rupture of serious discourse and enables de-institutionalisation (Sillince and Barker, 2012). It shows how the reality is different from what something appears to be: "irony contrasts the inspiring, potential ideal with the disappointing, actual reality... contradiction is the main device" (Sillince and Barker, 2012, p. 27). As Green and Li (2011, p. 1682) argue, metonymy and synecdoche are tropes "to represent a particular style or mode by which subjective phenomena are transformed or 'turned' into or out of objective fact". Specifically, while a metonymy "takes the whole and reduces[sic] it to constitutive parts", a synecdoche results in a "part-whole substitution" in which a part, as a representative label, stands for the whole (Sillince and Barker, 2012, pp. 10–11). An example of metonymy is using the name of a place like the White House (the whole) for indicating the US President and all the staff working there – the parts. Whereas, an example of synecdoche is using the word sail (the part) to refer to the whole ship. Thus, as with metaphors, metonymy, and synecdoche "shift attributes and characteristics from one thing to another" and work "alongside appeals to pathos" (Leach, 2000, p. 217) to elicit imagination and feelings.

3.1.3 Logos

Logos is the rhetorical appeal to rationality supported by logical arguments and reasoning (Aristotle, 2007). Nørreklit (2003, p. 595) asserts that it "appeals to the recipient's rational commitment" and covers "everything humans are able to establish through reason" by using deductive, inductive and

abductive arguments. However, as Higgins and Walker (2012) also note, logos can persuade through both actual and apparent rationality.

The ability to distinguish between the actual and the apparent relates to the soundness of logos. Logos arguments are not always sound because the soundness of an argument depends on using unbiased and solid data (Nørreklit, 2003). Sound arguments rely upon the structuralist perspective of Toulmin's argumentation theory, which asserts that three elements – claim, data, and warrant – shape the anatomical structure of a logical argument (Toulmin, 2003). As depicted in Table 1, rhetorical arguments appealing to logos can be sound or unsound. While sound arguments are characterised by valid data (facts, quantitative data, and empirical evidence) and warrants if applicable (Nørreklit, 2003; Toulmin, 2003), unsound arguments are typically characterised by 'abstract and imprecise concepts', 'paratactic and asyndetic elements' (Nørreklit, 2003), 'silencing' (Masocha and Weetman, 2007; Young, 2003), and, in general, the absence of adequate data, warrants, and evidence.

Paratactic text is characterised by short, simple sentences without coordinating or subordinating conjunctions. In asyndetic text, "the relation among the sentences has been omitted or is not explicit" (Nørreklit, 2003, p. 604). The features of this type of text can create an impressionistic text with incoherent labels that force readers to find logical linkages on their own (Nørreklit, 2003). In this way, parataxis and asyndeton are textual features providing an apparent logic to arguments. Hackley (2003, p. 1335) argues that "one of the important features of rhetorical analysis concerns what is not said" because rhetoric "takes up space and asserts an implicit viewpoint". Therefore, the unsound logical arguments attempt to construct apparent rationality derived from the interpretation of arguments that forces audiences to find logical reasoning where there is none.

3.2 Data source and coding process

We analysed the documents issued by the IIRC pertaining to the technical development of <IR> and their commissioned reports. The IIRC solely authored some reports, while Black Sun, a public relations company, co-authored other reports. We collected the documents from the IIRC's website (<http://integratedreporting.org/>) as of June 16th, 2015 (see Table 2). The documents relate to introducing and developing the <IR> Framework and the consultation process. We did not include other documents issued by independent third parties or external institutions, such as the Chartered Institute of Management Accountants or the World Intellectual Capital Initiative, because they do not represent the IIRC's voice.

[Insert Table 2 here]

We first read the documents to obtain an overall understanding of them. Second, one co-author used a sub-sample of documents for a pilot analysis to test and refine the coding criteria. That co-author discussed the coding with a second co-author to ensure that the coding was consistent and reliable, then the first co-author conducted the main analysis.

Using NVivo, we created two hierarchies of nodes according to the two dimensions of the analytical framework. The nodes pertaining to Dimension 1 were developed through open coding of the text, pictures, and tables to uncover the main themes underpinning the IIRC's rhetoric. The text was labelled according to the themes and later aggregated into broader categories. The categories in Dimension 1 were mutually exclusive. The nodes for Dimension 2 represent rhetorical devices.

However, because a coding unit can contain more than one rhetorical device, some units were coded to more than one category of Dimension 2. For example, while a text unit can fall into logos because of its structure (i.e. claim and data), it can also contain phrases belonging to pathos (e.g., drama or analogy). Ambiguous coding decisions were discussed between co-authors and amended to support analytical reliability.

4 Results and discussion

This section presents our results on the rhetorical strategies the IIRC used to seek legitimacy and to support its underpinning ideology. Understanding the IIRC's rhetorical strategies over time is important because 'temporality' in a discourse connects pieces of communication so an audience can interpret them in a specific context (Heracleous and Barrett, 2001). Aristotle (2007, p. 193) highlights the importance of *taxis* (*disposition* in Latin or "the ordering of the conventional parts of an oration"), arguing that effective speech depends on the time, audience, and context. Green (2004) elaborates on rhetorical sequencing and describes how pathos, logos, and ethos are ordered to persuade an audience in a way that ultimately leads to cognitive legitimacy.

Figure 1 highlights three main themes that were identified as occurring over time (Dimension 1), measured in terms of percentage of words per year. Figure 2 shows the rhetorical appeals (Dimension 2) according to frequency, also measured as percentage of words per year. Together, these two dimensions provide a distribution of the main themes and rhetorical appeals in the IIRC's rhetoric. The charts illustrate how, initially, the IIRC used ethos and pathos extensively to achieve legitimacy and to justify the need for a change in corporate reporting. Then, the focus shifts to logos to address the technical issues associated with the <IR> Framework. Lastly, ethos is combined with logos to demonstrate <IR>'s efficiency and validity.

[Insert Figure 1 here]

[Insert Figure 2 here]

Next, we discuss the phases that characterise the IIRC's rhetorical process by chronologically examining the appeals and devices used in the IIRC's rhetoric. This analysis is based on statistics, textual data, and evidence collected through the coding process. We identified four main phases in the IIRC's rhetorical process. The following sections are organised in that order. They include:

1. Leaving the shore – the need for an International Integrated Reporting Council (ethos)
2. The journey of butterflies (pathos)
3. Charting a course – giving a sense of rationality to the <IR> Framework (logos)
4. Safe harbour – exercising and maintaining authority (ethos)

Each phase comprises two subsections. The first is dedicated to the results of our rhetorical analysis; the second discusses the IIRC's rhetorical strategies and their ideological effects.

4.1 Leaving the shore – the need for an International Integrated Reporting Council (ethos)

4.1.1 Results

Initially, the IIRC makes extensive use of ethos justifications to introduce <IR> as a new practice. The IIRC appeals to ethos to legitimise its role, garner public consensus to operate as an international institution, and to develop a new reporting approach that “will meet the needs of the 21st century” (IIRC, 2011, p. 1). The report *Towards Integrated Reporting: Communicating Value in the 21st Century* was the IIRC’s first publication. Here, the IIRC introduces itself, its initiatives, and the <IR> concept. The IIRC asserts that its task is to “forge a global consensus on the direction in which reporting needs to evolve, creating a framework for reporting” (IIRC, 2011, p. 7). Here, the IIRC is persuading its audience to believe that there is a need for both a new corporate reporting framework and a new transnational body with a mandate to develop that framework.

To gain legitimacy, the IIRC uses ethos-based rhetoric, incorporating the rhetorical devices of ingratiation and similitude, deference, the inclination to succeed, and authority. For instance, ingratiation and similitude are used to create a sense of community and belonging with its audience. In the discussion paper, the IIRC presents itself as a coalition of

world leaders from the corporate, investment, accounting, securities, regulatory, academic, civil society and standard-setting sectors to develop a new approach to reporting (IIRC, 2011, p. 1).

The IIRC expresses its intent of bringing together key organisations and a variety of stakeholders in developing <IR>. In doing so, the IIRC demonstrates its intention to work with a diverse group of stakeholders, reinforcing its original focus of developing an accounting framework for sustainability as evidenced by the following statements:

work with others to support the development of emerging measurement and reporting practices relevant to Integrated Reporting. (IIRC, 2011, p. 3).

[...] engaging with key civil society interest groups and will utilize existing guidelines, codes, etc. throughout the development of the Framework (IIRC, 2011, p. 24).

With this, the IIRC attempts to build a sense of community with its stakeholders to solicit their support and create an image of authority that stems from a mandate by stakeholders that represents a wide set of interests.

Through deference, the IIRC shows respect for the readers’ perspectives and opinions. The first two documents contain several sentences that invite the readers to express their opinions on <IR> and join in supporting the IIRC’s cause (see Table 3). Such invitations are reinforced with rhetorical devices that evoke an inclination to succeed, outlining the IIRC’s agenda and its willingness to lead breakthrough changes in corporate reporting practice. These appeals to ethos often mobilise scenarios and opportunities that potential stakeholders may find hard to resist (see Table 3). For example, invitations to participate in developing the rules that will govern reporting over the coming decades or, better yet, invitations to participate in developing a framework that will become the focal point for harmonising current standards. These are morally compelling propositions stakeholders cannot easily reject because they reflect desires, problems, and social beliefs that are acknowledged

by the wider community and resonate with a rationale for sustainability accounting. Even the name “integrated reporting” reflects a strategy to gain wide consensus because ‘integrating’ many disparate reports addresses the expectations of multiple stakeholders that is, for many, a step forward from the previous reporting practices (Eccles and Krzus, 2010).

[Insert Table 3 here]

Signalling authority is an essential attribute of ethos-based rhetoric. Something can be made right or true because it comes from an authoritative source. In this type of rhetoric, the IIRC uses third parties to assert authority, showing that it has the endorsement of other established accounting institutions, such as the International Accounting Standards Board (IASB), the Global Reporting Initiative, the World Intellectual Capital Initiative, the Climate Disclosure Standards Board, and the UN Global Compact. For example, the IIRC report *Towards Integrated Reporting. Communicating Value in the 21st Century* includes, inter alia, the following statements from the Chairman of the IASB and the President of the International Federation of Accountants, respectively, endorsing the work of the IIRC and relating it to the work carried out by their organisations.

The case for globally consistent financial reporting standards is well understood and accepted. It is appropriate to apply the same global approach to other aspects of corporate reporting. This initiative [integrated reporting] represents an important step on that journey (IIRC, 2011, p. 27).

The goal of the IIRC is not to increase the reporting burden on companies and other entities. Rather, it is to help them and all their stakeholders make better resource allocation decisions. All of us have a stake in a sustainable society (IIRC, 2011, p. 27).

References to external authorities represent an attempt to portray the convergence between the IIRC’s work and the work of established standard setters (see for example IIRC, 2012, p. 8) including those with an interest in sustainability accounting. By using ethos-based arguments and the authority of other international institutions, the IIRC attempts to convince its audience that its work is legitimate and will serve the interests of a broad group of stakeholders, not just investors. But no supporting data or justifications for those claims are provided.

Arguments justifying the need for the IIRC have common propositional structures. First, the IIRC is the appropriate organisation to develop the framework (claim). Second, some problems and gaps affect corporate reporting practice (data 1), and there is a need for action and coordination to solve this problem (data 2). Finally, because the IIRC has the support of other organisations, it can respond to this need (warrant). The following quote from the report *Towards Integrated Reporting. Communicating Value in the 21st Century* highlights this structure:

The world has changed. Reporting needs to keep pace. While reporting has expanded and evolved, it has also become increasingly complex. Critical interdependencies are not brought to light and disclosure gaps remain. Coordinated, international action is needed now. The IIRC has brought together key organizations in response. (IIRC, 2011, p. 5)

4.1.2 Discussion and critical reflections: Ethos for authorising the IIRC's position

In this stage, the IIRC's aim was to build authority and legitimise its role. It uses ethos to convince its audience that its work is necessary, good, and desirable, and, as such, the IIRC should be perceived as legitimate. The IIRC's rhetoric is typical of accounting standard setters – extensive use of ethos and laden with implications of some form of regulatory power (Durocher, Fortin, and Côté, 2007; Hines, 1989; Young, 2003). Authority, as a source of power, is one of the essential conditions that allows standard setters to assume legitimacy and establish standards and norms (Durocher et al., 2007).

The IIRC aims to build its authority by seeking consensus from a wide group of stakeholders. It does this by appealing to an ideology that reflects pluralistic interests in sustainable development, which has wider support in business and society. The IIRC promises to build and foster a new reporting framework for sustainability and stakeholder accountability to resolve the alleged weaknesses of multiple reporting practices. Through ethos-based rhetoric (i.e., ingratiation and similitude, deference, and inclination to succeed), the IIRC presents itself as a new authority drawing on an ideology that reflects wider social interests.

Interestingly, the IIRC's ethos-based strategy of attempting to gain operating authority differs from the authorisation strategy adopted by traditional standard setters and regulators (see Liguori and Steccolini, 2018). An authorisation strategy is usually associated with logos and refers to “authority of tradition, law and figures upon which authority of some kind has been bestowed” (Liguori and Steccolini, 2018). Adopting a rhetorical strategy based on ethos is needed because the IIRC does not have any formal authority to develop the <IR> Framework, so it bestows authority on itself.

4.2 The 'journey' of butterflies (pathos)

4.2.1 Results

The IIRC also makes use of pathos in the early stage of promoting <IR>. In its first two years of operation, pathos-based rhetorical devices, such as drama, myths, metaphors, and analogies, are found commonly in the IIRC's texts. The IIRC dramatises the social and economic consequences it intends to address to justify the need and societal demand for its constructs. These include: <IR>; a framework for <IR>; and a new organisation to coordinate the international effort to develop that new framework. Again, *Towards Integrated Reporting. Communicating Value in the 21st Century* serves as a good example of using drama:

The world has changed due to globalization and resulting interdependencies in economies and supply chains, advances in technology, rapid population growth and increasing global consumption. This has had a significant impact on the quality, availability and price of resources, including water, food and energy. It also puts increasing pressure on ecosystems that are essential to the economy and society. ... (IIRC, 2011, p. 4)

Coordinated, international action is needed now. The information available to management, investors and other stakeholders, and the way in which it is presented, have a fundamental impact on decision-making. The time has come to step back and rethink what information is needed to provide a clear, concise picture of performance, impacts and interdependencies. The IIRC was established in 2010 in recognition of the need to move towards an International Integrated Reporting Framework that is fit-for-purpose for

the 21st century (IIRC, 2011, p. 5)

A “dramatizing communication creates social reality for groups of people” which is instilled in their “culture, motivation, emotional style, and cohesion” (Bormann, 1972, p. 396). The power of drama implies its ability to reach groups of people and change their behaviour by leading them to “respond emotionally to the dramatic situation” and demonstrate their commitment (Bormann, 1972, pp. 397; 399). The IIRC highlights problems, such as resource scarcity, environmental concerns, and the global financial crisis as consequences of the current business-reporting model (IIRC, 2011, pp. 2; 23). Within this narrative, <IR> is proposed as a solution and is endowed with social value to elicit an emotional reaction from readers.

The IIRC’s rhetoric is also characterised by myths. The power of myths depends on whether they are ‘taken-for-granted’ as surrogates for rationality, rather than true rationality (Alvesson, 1993; Meyer and Rowan, 1977). The IIRC’s myths are based on highly institutionalised and taken-for-granted concepts and paradigms, such as knowledge, knowledge-based intangibles, and international harmonisation. The IIRC connects itself with these myths to justify its action as shown by the following statements:

... exploring opportunities for harmonising reporting requirements with national, regional and global policymakers, regulators and standard setters (IIRC, 2012, p. 10);

The Framework will help to elicit consistent reporting by organisations, provide broad parameters for policymakers and regulators and provide a focus for harmonising reporting standards (IIRC, 2012, p. 3).

Thus, the IIRC uses the myth of harmonisation as a means of persuasion – a myth that is institutionalised and rooted in international financial reporting practice. However, while there are several espoused positive effects of accounting harmonisation, there are also criticisms. The criticisms concern competition among standards, political agendas behind harmonisation (Collett, Godfrey, and Hrasky, 2001), and the prevailing economic objectives behind accounting harmonisation being inconsistent with sustainable economic growth (Saravanamuthu, 2004).

The IIRC’s communication about <IR> in the early stages mainly focus on its definition. We find that metaphors and analogies are often used to describe the process. An integrated report is often defined as a “picture” of a business, a representation of a “business’s story”, a “single source of truth”, a “board’s view”, a representation of stocks and flows of capitals, an “entry point” for detailed information. Metaphors and analogies are prevalent in the Black Sun’s research report *Understanding transformation*, in which many pictures, texts, and slogans are used to exemplify the process of change through <IR>. Specifically, <IR> adoption and development are metaphorically portrayed as a journey. For example, in the executive summary of the Black Sun report, there is an implicit reference to the notion of a journey: “It’s not about the speed; it’s about the right direction...” (Black Sun, 2012, p. 2). This is emblematic of the notion of change that is the focus of the IIRC.

Make sure you have a clear sense of the journey for your organisation; know where you are going and what you want to achieve. (Black Sun, 2012, p. 11)

Black Sun also uses analogies from the natural world in their research report. To resemble the change process associated with adopting <IR>, and the evolution of a new corporate reporting practice, Black Sun presents the analogy of chrysalises transforming into butterflies (see Figure 3). The embryonic stage of <IR> is associated with the chrysalis, while five coloured butterflies represent the claimed benefits of <IR> in practice: “connecting departments”, “improved internal processes leading to a better understanding of the business”, “increased focus and awareness of senior management”, “better articulation of the strategy and business model”, and “creating value for stakeholders” (Black Sun, 2012, p. 3).

[Insert Figure 3 here]

Managers frequently use metaphors and analogies from the natural world to promote new practices. For example, many metaphors are rooted in an agricultural context, and frequent references to Aesop's fable of the goose and the golden egg are employed by the management guru Stephen Covey (Jackson, 1999, p. 366). Metaphors and analogies from biology are also common in the field of organisational change and are used in change management literature to provide a useful approximation of change to an adaptive process in creatures and organisms (Smith and Graetz, 2011, pp. 58–60). The butterfly's life cycle analogy emphasises change but, intrinsically, it has very few logical similarities with <IR>. Although this analogy does not reflect the reality of <IR>, it persuades the audience emotionally to perceive <IR> adoption as a smooth process, and that <IR>'s benefits may occur for them as naturally as butterflies form their colours.

4.2.2 Discussion and critical reflection: Pathos for moralising IIRC's action

The IIRC's use of pathos is aimed at moralising its actions by promoting the view that changing corporate reporting to one that upholds sustainability and stakeholder accountability is righteous. The IIRC uses dramatic messages to portray <IR> as a solution to global concerns, such as resource scarcity, environmental damage, and the global financial crisis (IIRC, 2011, pp. 2; 23). Further, adopting <IR> is metaphorically constructed as a journey that companies should embark on to attain <IR>'s benefits. These benefits are portrayed through the analogy of a butterfly's life cycle that likens <IR> to the natural evolution of a company's reporting practices. This rhetoric portrays the process of change underpinning <IR> as a metamorphosis through ideas that evoke emotions in its readers.

The metaphorical construction of the <IR> journey goes beyond a mere stylistic purpose. The feelings arising from metaphorical associations have a significant influence on our value judgements, and, for this reason, their use is appropriate only if the similarities are reasonable (Nørreklit, 2003). Such emotional appeals act as a mode of persuasion since “human beings' judgment is not entirely a rational act” (Aristotle, 2007, p. 39). Metaphors have a key function in knowledge construction and “influencing others' thinking and behaviour” (Brennan and Merkl-Davies, 2014, p. 609). Their abstractions elicit and capture the audience's imagination by allowing personal experiences to take an important role in interpreting a phenomenon.

Using the metaphor of a journey and its related analogies, the IIRC leads adopters and potential adopters to perceive <IR> as a journey to undertake, rather than a mere process of change in reporting practices. It is noteworthy that adopting <IR> is akin to a journey because it stretches over time like any other process. However, it has no specific, distinguished, or logical similarities to a

journey. Due to the lack of rational similarity, such a metaphorical construction only aims to create an emotional experience. This pathos-based rhetorical strategy opens up <IR> to individual interpretations based on personal experiences.

Similar to ethos, the IIRC's pathos-based rhetoric aims to reflect an ideology that brings together a wide set of social interests. Introducing metaphors with ecological connotations is arguably effective in gaining the attention of sustainability stakeholders. Thus, the IIRC's pathos-based rhetoric constitutes a legitimation strategy aimed at gaining acceptance from stakeholders, and at the same time avoiding the criticisms and challenges that would likely emerge with an explicit and prescriptive definition. Instead of defining <IR>, this rhetorical strategy attempts to gain wider acceptance of <IR> by avoiding potential conflicts arising from contrasting voices and interests. Rather than resistance, the result is a debate over a contestable definition.

4.3 Charting a course – giving a sense of rationality to the <IR> Framework (logos)

4.3.1 Results

Logos-based rhetoric is prominent in the third stage of promoting <IR>. Here, the IIRC focuses on the technical aspects of <IR>, such as report content and guiding principles, as part of the final <IR> Framework development. Logos is the rhetorical appeal to logic, which aims to create a sense of rationality (Higgins and Walker, 2012; Nørreklit, 2003). Through logos justifications, the IIRC demonstrates the rational underpinnings of the technical aspects of <IR>.

As shown in Figure 4, the IIRC uses both warrants and data (e.g., quantitative data, empirical evidence, extracts from case studies, practical examples, and logical examples) to construct sound logical arguments that appeal to rationality. In the publications released in 2013, warrants or logical justifications act on a normative level since they do not draw on empirical evidence and facts but merely rely on syllogistic reasoning. A syllogism is a form of logical argument based on deductive reasoning, “drawing a conclusion from stated or implied premises” (Aristotle, 2007, p. 21). It is an artistic form of persuasion as it does not need to be supported by direct evidence or realistic assumptions. Thus, in this stage, the IIRC sustains its technical justifications through an apparent logical reasoning without empirical evidence and data.

[Insert Figure 4 here]

Green et al. (2009, p. 16) argue that during the early “stages of the institutionalization, new material practices are supported with syllogistic” arguments, and only in the later stages do syllogisms become simple claims that need no justification because they are taken-for-granted. After the release of the <IR> Framework, there was a decrease in discursive justification of <IR>'s technical aspects. Existing claims were taken-for-granted, and, therefore, used as a premise to construct new arguments and claims. In the later phase, there is a change in the structure of the logos arguments. The new claims refer to the benefits and effects of <IR> (see Figure 2), and they are supported by data and empirical evidence (see Figure 4).

While the use of sound logos increased over time until 2015 (see Figure 2), the IIRC's efforts to provide a logical base for its discourse also involved extensive use of unsound logos. Such rhetoric,

made by ‘unsound arguments’, ‘silencing’, ‘abstract and imprecise concepts’, attempts to construct apparent rationality. Unsound arguments are assertions and claims constructed without solid supporting data or warrants. They are untenable and subject to rebuttal, especially when referring to the <IR>’s benefits. For example, in the following statements, the IIRC introduces the concept of integrated thinking, which is neither defined nor tested for its effects, to argue for benefits associated with <IR>.

<IR> is consistent with numerous developments in corporate reporting taking place within national jurisdictions across the world. International <IR> Framework, [...] will accelerate these individual initiatives and provide impetus to greater innovation in corporate reporting globally to unlock the benefits of <IR>, including the increased efficiency of the reporting process itself. (IIRC, 2013, p. 2).

Integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short, medium and long term. [...] The more that integrated thinking is embedded into an organization’s activities, the more naturally will the connectivity of information flow into management reporting, analysis and decision-making. (IIRC, 2013, p. 2).

There is evidence that the IIRC’s use of unsound arguments is not only unsupported but sometimes the arguments are supported by biased data. The following extract from Dumay et al. (2016) highlights the questionable nature of the assertions made in the Black Sun’s research reports:

... regardless of the veracity of Black Sun’s research in support of <IR>, it cannot be considered rigorous academic research nor is it unbiased as Black Sun admits in the back pages of the Methodology section of both reports (Black Sun, 2012, p. 26; Black Sun, 2014, p. 26): “As all the participants are already working towards <IR>, their responses are likely to be more positive about it as an approach than those of a random selection of organizations would be”. Thus, by relegating the positive bias of the respondents to the back pages the major research limitations are left to the fine print of the research reports. (p. 177)

When promoting <IR>, the IIRC extensively uses abstract and imprecise concepts, such as value, business model, stability, market stability, transparency, integrating/integrated, non-financial factors, non-financial activity, connected/connectivity, and sustainable/sustainability. The IIRC often fails to clarify the meaning of these terms within the context of their use (see examples in Table 4). For example, the terms “connecting” or “connected”, and “integrated” or “integrating”, are used in many parts of the text where they become abstract and do not carry a clear meaning. In addition to the examples in Table 4, the quote below indicates how abstract concepts such as business model, value, and connectivity are used to define each other:

An organization’s business model is the vehicle through which it creates value. [...] assessment of an organization’s ability to create value in the short, medium and long term depends on an understanding of the connectivity between its business model and a wide range of internal and external factors. (IIRC, 2013b, p.6).

Such ambiguity opens the IIRC’s technical arguments to varied interpretations, and the lack of clarity forces readers to find logical connections on their own. The terms ‘sustainability’ and ‘value’ are particularly significant because their ambiguity exemplifies how the IIRC conceals its ideology

to gain and maintain support from both sides of the sustainability fence – from stakeholders who are likely to resist a capitalist ideology as well as those who would support it.

[Insert Table 4 here]

The ambiguity in the meaning of “value” and “sustainability” embodies the ideological shift in the <IR> Framework. The terms sustainable and sustainability have different meanings depending on the context, especially when used in reference to economics and organisations as opposed to the environment or society. For example, the <IR> Framework refers to “financial stability and sustainability” (IIRC, 2013, p. 2) and the Black Sun’s (2012) report makes ambiguous references to sustainable business, sustainable development, sustainability and “the long-term sustainability of the business” (Black Sun, 2012, p. 3). A statement in the *Basis of Conclusion* report exemplifies the obfuscation strategy where sustainable businesses are portrayed as a prerequisite for a sustainable planet:

<IR> helps direct financial capital to sustainable businesses; a sustainable planet and a stable economy require sustainable businesses (IIRC, 2013a, p.6).

Flower (2015, p. 8) also highlights how the IIRC uses the concept of sustainability in several ambiguous ways, referring to the implicit links made by the IIRC between sustainability and the concepts of capital and value creation. In the IIRC’s rhetoric, the term ‘sustainability’ is a rhetorical device to persuade and achieve consensus because its ambiguity forces readers to use their interpretation of the meaning of ‘sustainability’.

Similarly, the IIRC does not define the term ‘value’ in its initial documents. Instead, it sought the views of the public in its invitation to comment on the <IR> Framework’s discussion paper by requesting an answer to the question ‘value to whom?’ Should it be “...value to the organization, to investors, to other stakeholders, or to society at large” (IIRC, 2012, p. 5)? The IIRC’s acknowledgement that <IR> is primarily for investors is evident in the consultation draft of the <IR> Framework:

Materiality is determined by reference to assessments made by the primary intended report users (paragraphs 3.23-3.24). The primary intended report users are providers of financial capital. (IIRC, 2013b, p.2)

The IIRC’s response to the commentators on their answer to the question about ‘value to whom?’ takes the form of an evasive and silencing strategy aimed at justifying investor supremacy in <IR>.

There was no specific question in the Consultation Draft about value, but it was clear from responses that there was some confusion around: what is value, what is value creation, value for whom, and does value/value creation need to be quantified? (IIRC, 2013a, p.7)

Reports aimed at the information needs of a broad range of stakeholders tend to deal with impacts (which is more within the ambit of sustainability reporting), rather than value creation (which is the purpose of <IR>). (IIRC, 2013a, p.6)

This is not to be misunderstood as saying that integrated reports lack interest for other stakeholders, or that an organization’s relationships with other stakeholders are unimportant. On the contrary: Many stakeholders are interested in the ability of an

organization to create value over time. Integrated reports are of benefit to them. (IIRC, 2013a, p.6)

Thus, in the final <IR> Framework, value was ultimately defined by the IIRC as value to investors (see for example IIRC, 2015a). The above texts exemplify how logos is employed to contrast the IIRC's capitalist ideology from other competing ideologies that initially backed <IR>. Even this concept of value remains vague because the notion of value for socially responsible investors is different from that of other investors who are solely concerned with economic returns.

4.3.2 Discussion and critical reflections: Logos and the ideological inscription

Logos is the main rhetorical appeal used to address technical matters concerning <IR>. While some appeals to logos used by the IIRC are underpinned by sound reasoning and logical arguments, a large number of unsound and questionable arguments are also proffered. A rhetorical strategy based on such unsound logos creates apparent rationality or a mere perception of rationality because the lack of clarity forces the readers to seek rational and logical reasoning on their own. These unsound logos are constructed using abstract and imprecise concepts, vague arguments, and biased evidence.

The rhetorical feature of "silencing", which concerns "what is not said", usually "asserts an implicit viewpoint" that stifles other contrasting views (Hackley, 2003, p. 1335). The lack of clarity and the vagueness reflects rhetorical silence, which seeks to persuade readers by avoiding debate and leaving them to adopt their preferred viewpoint. Despite the IIRC's clarifications of the terms integrated thinking and value creation and the attention these concepts have received in the literature (Dumay and Dai, 2017), their actual meanings are still unclear and vague (Dumay, Bernardi, Guthrie, and La Torre, 2017). By introducing ambiguity, the IIRC avoids any problems associated with contrasting views of sustainability or other such abstract terms. It creates agreement and union among stakeholders because most stakeholders want to be sustainable, according to their definition, and, likewise, they want corporate reports to be integrated.

The use of abstraction and vagueness can be a deliberate rhetorical strategy aimed at facilitating the acceptance of concepts (Nørreklit, 2003) by avoiding rebuttal from stakeholders in the early stages. By being imprecise and abstract, the IIRC has also been able to gradually shift the meanings of concepts to suit their changing ideology without attracting much notice from the audience. The IIRC first deploys the terms sustainability and value to create the illusion that <IR> is for advancing sustainability accounting and a pluralistic approach to accountability. But then, the same terms are used to channel its efforts towards privileging a narrower class of users by upholding the interests of investors, the accountancy profession, and the multinational enterprises that control the IIRC (Flower, 2015). In doing so, it deceives the sustainability stakeholders who enabled the IIRC to establish its authority in the first place, while still relying on the same concepts.

We argue that a capitalist ideology is embedded in <IR>'s concept and definition of value, which was informed by the converging interests of particular social actors – specifically, those who make up the IIRC. Competing perspectives, interests, and pressures affect people's perceptions of value in the context of business. Bourguignon observes that "the objectification of value sustains a fallacious argumentation, which also tends to dissuade any debate" (p. 353). It "prevents any dispute and further maintains social domination" (p. 374). Accordingly, by not defining value, the IIRC can invoke the readers' implicit views about the concept of value, which satisfies their self-interest to

create the perception that <IR> will be beneficial to all stakeholders (IIRC, 2013b). Initially avoiding defining value and then maintaining vagueness in the definition later provided illustrates a game of ‘hide-and-seek’ played by the IIRC to manage the ideological struggle manifest in the development of <IR>.

The IIRC contributes to the reification of ‘value creation’ with a capitalist ideology. Reification is “an ideological concept in the Marxist sense of the term” implying the conflict and relationship between dominating and dominated classes (Bourguignon, 2005, p. 358). It consists of masking reality and results from four phases: “(1) a shift from subjectivity to objectivity, (2) resulting in the masking of the real subjective world and, further, its potential conflicts, (3) which prevents social dispute, (4) which finally aims at maintaining social order” (Bourguignon, 2005, p. 358). In the reification of value creation, the absence of a precise definition enhances the vagueness of this concept, which, in turn, aims “to dissuade any debate” and “prevents any dispute and further maintains social domination” (Bourguignon, 2005, p. 374). Thus, similar to the previous use of pathos, the IIRC continues to abstain from providing explicit and clear definitions to obscure contrasting pressures from stakeholders that hold capitalist and pluralistic ideologies. Hence, the IIRC maintains support from both sides of the ideological divide. However, in this third stage, the IIRC reaches a turning point by choosing and unveiling its new ideology, which is disappointing to stakeholders whose expectations were built up through ethos and emotional appeals in the previous stages.

4.4 Safe Harbour – Exercising and maintaining authority through ethos

4.4.1 Results

Having used ethos in the initial stages of promoting <IR>, ethos-based rhetoric, again, becomes dominant in later years – especially in the discourse surrounding the aims and effects of <IR> in practice (see Figures 1 and 2). While, in the initial years, the IIRC sought to construct authority and legitimacy, in later stages, the IIRC uses the authority it had already assumed through ethos-based arguments.

Just after issuing the <IR> Framework, most of the IIRC’s rhetoric becomes authoritative and self-referencing. Authority manifests in the IIRC’s discourse through arguments with an authoritative style, which is formed by “imperatives and deterministic statements” having “high centripetal force of the request for action” and imposing certain actions on readers (Nørreklit and Scapens, 2014, p. 1295). An authoritative speech genre tends to create a socially constructed relationship between authors and readers, in which the authors are “self-assured and commanding individuals who are in possession of powerful systems”, while readers are “obedient receivers of the communication” (Nørreklit and Scapens, 2014, p. 1287).

The persuasive power of an authoritative text, such as the <IR> Framework, is rooted in the IIRC’s authority, which can make its claims credible and imperative. In the ‘Basis for Conclusion’ (IIRC, 2013a), the IIRC uses its authority to defend its position and reject the requests of respondents. When reconciling contrasting opinions, the IIRC invokes its authority through assertive phrases such as ‘the IIRC decided ...’, ‘the IIRC concluded ...’ or ‘the IIRC noted’. For example:

The IIRC concluded that, on balance, the term material/materiality should continue to be used as it is well understood in the reporting community and its particular application in the case of an integrated report is adequately explained in the Framework. (IIRC, 2013a, p.7)

The IIRC decided, therefore, that those charged with governance should, in time, be required [...]” (IIRC, 2013a, p.8)

These statements show a disregard for reason and evidence in making assertions.

The IIRC also makes extensive use of the names and opinions of international networks of influential actors supporting <IR> to gain symbolic authority to establish and enhance its and <IR>'s legitimacy. These actors include eminent international organisations and regulators, such as the International Corporate Governance Network, the Harvard Business School, the Financial Stability Board, and the International Organization of Securities Commission. References to external authorities are particularly prevalent in the last two documents, where the IIRC shows that <IR> is the desired practice for a wide network of actors, both investor-focused and sustainability-focused. Two clear cases of such rhetoric that align actors from both camps are shown below:

Given the impact that <IR> can have on decision making, the benefits of its adoption clearly extend beyond pure reporting. This is certainly the view of Bertrand Badré, Managing Director and World Bank Group Chief Financial Officer. (IIRC, 2015b, p.25)

A Harvard Business School study in 2011 found that “high sustainability” companies enjoyed better stock performance [...] (IIRC, 2015a, p.17)

The purpose of the last report, *Creating Value. Value to investors* is to demonstrate that “stock exchanges and capital markets authorities see the value of <IR>” (IIRC, 2015a, p. 25). To this end, the IIRC refers to the support garnered from regulators, such as the Securities and Exchange Board of India and the Brazilian Stock Exchange (IIRC, 2015a). By leveraging the symbolic authority garnered through aligning <IR> with the views of organisations and personalities that have authority and reputation in the capital market as well as in sustainable development, the IIRC dissuades competition between ideologies of different groups.

The IIRC's assertions appealing to authority are usually opinions based on expectations, desires, beliefs, and subjective reflections of facts – for example, “we fundamentally believe that successful investment strategies will increasingly require consideration of factors beyond financial capital” (IIRC, 2015a, p. 5). The IIRC also uses opinions from third parties to support its claims. Such opinions are generally about the expected future benefits of <IR> (see Black Sun, 2014, p. 13), but reflect a narrow and subjective perception of reality, as found in such statements as “investors alongside other stakeholders will benefit from <IR> as embedded in its Framework” (IIRC, 2015b, p. 16). As can be seen from the quotes, this type of rhetoric is also underscored by a message that, in <IR>, stakeholder interests are aligned with shareholder interests and sustainability is aligned with organisational value creation. All of this provides further evidence of the ideological work underpinning rhetoric. Opinions appealing to authority are subjective views, and the persuasiveness of such opinions rely upon propositions that emphasise the author's authority and power. Despite being mere opinions and not facts, the IIRC's use of rhetoric creates the impression of credibility in the minds of readers because they emanate from the IIRC or other influential actors.

4.4.2 Discussion and critical reflections: Ethos and authority

In this stage, the IIRC exercises the authority it secured during the previous phases of its rhetorical process and again uses ethos, this time with the support of deterministic, imperative, and self-referential statements. Further, the IIRC makes extensive use of the authority of third parties by incorporating the opinions and viewpoints of eminent international organisations and regulators into its rhetoric, rather than facts, to demonstrate support for the IIRC and <IR>. Using references to external authority, the IIRC “brings friends in” (Latour, 1987, p. 31) to build its authority. Latour (1987, p. 31) asserts that “when an oral dispute becomes too heated, hard-pressed dissenters will very quickly allude to what others wrote or said”. To leverage the authority of capital market actors and regulators, the IIRC embraces their capitalist ideology and transposes it into <IR> practice (Humphrey et al., 2017; Rowbottom and Locke, 2016).

The IIRC’s assumed authority is leveraged in its rhetoric to affirm <IR> as the corporate reporting norm and the new capitalist ideology that underpins it. Using authority allows “power to take precedence over reason”, so that “the authors do not have to make much of an effort to win the reader’s trust” because “they already have it” (Nørreklit, 2003, pp. 611, 598). Appeals to authority help the IIRC to gain support for subjective viewpoints that reflect the capitalist ideology underneath <IR>, which would otherwise be rejected at the outset. Hence, through the external authority-eliciting rhetoric, the IIRC attempts to maintain and reinforce its own authority by demonstrating its ideological base, which is supported by the financial community, the accounting profession, and investors. Also, by demonstrably aligning stakeholders’ interests with shareholders’ interests through authority-eliciting, ethos-based rhetoric, the IIRC dissuades a competition between ideologies. Instead, a path of least resistance is forged that helps to establish <IR> as the corporate reporting norm and promote the capitalist ideology within.

5 Conclusion and future research

Our study is motivated by the IIRC’s need to seek legitimacy for <IR> given insufficient evidence of its benefits, a controversial shift in its underpinning ideology, and a lack of traditional sources of regulatory power and legitimation. We examine the IIRC’s rhetorical process with a view to understanding the ideological work carried out by the IIRC to navigate the struggle underlying the journey towards legitimising <IR> and establishing the IIRC’s authority.

In responding to Research Question 1: “How does the IIRC use rhetorical strategies to seek legitimacy for <IR> and its position?”, we show that the IIRC used a sequence of rhetorical strategies consisting of different aspects of ethos, pathos, and logos at different stages of its promotional work. The sequence of rhetorical strategies adopted by the IIRC serves to first authorise (*ethos*) and moralise (*pathos*) the IIRC’s action to gain wider stakeholder support. A sense of rationality is then proffered (*logos*) and certain social interests are contrasted to privilege a capitalist ideology with ambiguous, controversial, and reified meanings of “value” and “sustainability”. The capitalist ideology is maintained through a constructed authority that reflects the interest of the financial community and investors (*ethos*).

These rhetorical strategies unveil the relationship between rhetoric and ideology, thereby responding to Research Question 2: “How do rhetorical strategies work to navigate the ideological shift pervading <IR>?” Revealing the role of rhetoric in legitimising strategies helps understand how

ideology manifests and is constructed in a political process through the “language of persuasion” (Fogarty et al., 1994, p. 30), and how rhetoric and ideology were used to support each other in an attempt to gain legitimacy for <IR>. We demonstrate that the IIRC strategically uses specific rhetorical strategies to gain certain stakeholders’ support and build its authority by contrasting and resisting competing ideological pressures to establish the capitalist ideology that now shapes <IR> practice and has influenced the IIRC’s agenda over time.

Prior research reveals the ideological struggle underlying the sustainability concept of <IR> (e.g., Brown and Dillard, 2014; Flower, 2015; Milne and Gray, 2013; Thomson, 2015), leading scholars to question the interest inscribed in the <IR> Framework and the IIRC’s authority (Reuter and Messner, 2015; Rowbottom and Locke, 2016). By unveiling how the IIRC has navigated the ideological shift in establishing <IR>, this paper contributes to further theorising the ideological work of the persuasive use of language. Thus, it contributes to advancing knowledge on the rhetorical strategies that have shaped and established the dominant ideologies in accounting practice, along with the ideological traits that characterise the political nature of rhetoric. The following section explains the ideological effects of rhetoric in depth to answer our second research question and to provide insights for theoretical advances.

5.1 The ideological work of rhetoric

Our study enables an evidence-based understanding of the supportive work of rhetoric in contrasting, resisting, and promoting the acceptance of ideologies to establish <IR>. As we show, rhetoric is designed and deployed to persuade, and gain the support of, specific interest groups (e.g., society overall, investors, or the financial community), and each rhetorical strategy has its own ideological effect. Our findings demonstrate that ethos and pathos can gain wider acceptance by authorising and moralising the IIRC’s actions – two common strategies for facilitating the exercise of political power (Liguori and Steccolini, 2018). Then, logos and authority-based ethos are used to dissuade contrasting ideological pressures and, finally, to impose a capitalist ideology in support of the IIRC’s authority. Hence, in addition to demonstrating the ideological effects of rhetoric, our findings enrich the understanding of how the speakers adjust their rhetorical strategy to fit specific ideologies.

In its early stages, the IIRC used ethos to gain wider support by showing deference and inviting different stakeholder groups to join the IIRC’s agenda to improve sustainability accounting and accountability. Pathos targets a wider audience because it invokes emotions and channels people towards changing and accepting the speaker’s ideology. Hence, ethos and pathos work well when the speaker aims to gain wider acceptance for their ideology as the audience relies on the speaker’s sense of morality. Logos and authority-based ethos reveal the actual ideology supporting the speaker’s actions, which reflects the interests of a narrow group of stakeholders and their capitalist interests.

Logos enacts the ideological conflict surrounding <IR>, which is masked, contrasted, and dissuaded by abstract and vague arguments. Then, the prevailing ideology is unveiled using the assumed authority developed through ethos-based rhetoric. The Aristotelian concept of ethos is drawn from the author’s “moral or ethical sensibilities” since the speaker’s credibility depends on their moral actions (Green, 2004, p. 659). It is an appeal based on “the right thing to do” (Barrett et al., 2013, p. 205). However, Aristotle, unlike Socrates, does not consider the speaker’s authority as a source of persuasion (Aristotle, 2007, p. 39). Our findings show how ethos does not always need to draw on

morality, but it can be based on ideology. And when ethos relies on authority, its persuasive power is drawn from the same ideology that legitimised that authority in the first place (Baker, 2005, p. 699). Similar to accounting standard setting, the IIRC's rhetoric aims to build the speaker's authority. In turn, the persuasive power of ethos is the artefact of an authority reflecting the ideological and political base of standard setting. Accordingly, understanding ethos helps to discover a social group's interests, the ideology held by the authority, and the source of the author's credibility in persuading an audience.

We argue that <IR> is an ideological artefact that is shaped by a rhetorical process to privilege a capitalist ideology at the cost of marginalising wider social interests. The IIRC strategically uses arguments about who are the privileged users of <IR>, being a broad group of stakeholders in the early stage, then, specifically, the providers of financial capital. Again, the role of report users is used and abused as a rhetorical argument to justify the usefulness of accounting practice (Hopwood, 1994; Young, 2006). In financial accounting standard setting, users are seen "more as hypothetical readers of financial statements than as actual readers" (Young, 2006, p. 596), and the choice of privileging certain classes of users (e.g., investors) at the cost of others (e.g., employees, society) reflects a deliberate manoeuvre to marginalise and denigrate the latter. This manoeuvre serves to seek and gain ideological support even though it was intended to give an apparent sense of rationality to a new reporting practice. Hence, the IIRC's rhetorical strategies contribute to unveiling the ideological struggle enclosed in the reification of <IR> from environmental sustainability to "financial stability and sustainability" (IIRC, 2013, p. 2). Thus, our findings can inform future research and theory by demonstrating how rhetoric and ideology manifest through a mutual supportive dynamic to establish and maintain the authority.

5.2 Implications for theory and future research

Our empirical findings show two significant differences from Green's (2004) theory, which may have important implications for applying this theory in future accounting research. The first difference concerns the rhetorical sequence. Our analysis shows that the IIRC does not follow the same sequence as theorised by Green (2004). The IIRC's rhetorical sequence begins with ethos, followed by pathos and logos, before finishing with ethos again. In contrast, Green (2004) theorises a rhetorical sequence starting with pathos, followed by logos, and ending with ethos justifications.

We argue that the IIRC started with ethos, rather than pathos, to gain wider acceptance and legitimise its authority. The authority of the speaker is a necessary element for instigating accounting change, especially given the political nature of standard setting, and because the IIRC has no authority as a legitimate standard setter. Thus, to acquire legitimacy and gain widespread support, the IIRC adjusts its initial rhetorical strategy to the socio-political context of accounting standard setting within which <IR> is mobilised. In accounting standard setting, where authority and power are essential for persuading stakeholders, ethos can be a primary rhetorical appeal to both gain wider credibility and legitimacy for the IIRC and mobilise the IIRC's authority and acquired power.

Once the IIRC's position as the sole authority to shape and promote <IR> is established, the IIRC's rhetorical sequence aligns with Green's (2004) theory, whereby pathos justifications are first invoked. Although ethos justifications are effective in bringing in support for <IR> and the IIRC, they are slow at persuading actors to take action because it requires "the sacrifice of individual

interests for social interests” (Green, 2004, p. 660). In contrast, pathos justifications can facilitate change by overcoming user resistance that affects pragmatic legitimacy to enable speedy adoption. Potentially, pathos is the most persuasive and incisive appeal because, by taking advantage of the audience’s emotions and beliefs, pathos-based arguments are difficult to reject in the short-term.

After using ethos and pathos justifications, the IIRC uses logos in the same sequence as proposed by Green (2004). Logos is needed because the audience is more likely to reject new ideas if there are no logical arguments to support them. However, compared to Green’s (2004) theory, the IIRC’s logos is mostly unsound and creates the prelude to <IR>’s ideological struggle. The IIRC’s use of logos and abstraction creates apparent rationality that results in an ideology for <IR> and the IIRC’s action framed by capitalism. The reason for introducing ethos-based justifications again in tandem with logos justifications is to resist dissenting ideologies and gather support for the capitalist ideology, which cannot be fully sustained through using logos alone. This ideological conflict results in the abandonment of certain societal interests and disaggregating social actors (Flower, 2015). Thus, instead of avoiding the audience’s rejection, the IIRC’s logos, through its ideological inscription, creates segregation among the audience that results in marginalised stakeholders rejecting <IR>.

Given the lack of trust in <IR> and the failure of the IIRC’s reputational claims to establish trustworthiness in certain contexts (see Chaidali and Jones, 2017), there are doubts about the success of the IIRC’s rhetorical sequence in gaining legitimacy. Compared to Green’s (2004) rhetorical strategies, the IIRC’s logos and authority-based ethos cause an ideological conflict that makes the IIRC’s ability to gain legitimacy arduous. This might explain the continuing scepticism towards <IR>. At a normative level and according to Green’s (2004) theory, the IIRC’s logos would not be able to avoid a wider social rejection, and its ethos-based justifications would not be able to provide moral backing for <IR> as “the right thing to do”. Therefore, the IIRC needs to continually maintain its authority and persuade its audience through ethos-based rhetoric until <IR>’s benefits are demonstrated empirically through sound logos.

The differences we find between the rhetorical sequence proposed by Green (2004) and that used by the IIRC highlight that the rhetorical sequence for seeking legitimacy cannot be the same in every context. Our findings indicate that the rhetorical sequence is a function of circumstance, the institutionalised environment of the speaker, and the audience’s ideology. Legitimacy depends upon human judgements, which are influenced by individual cognitive processes and institutionalised beliefs (Alvesson, 1993; Hofer and Green, 2016). Accordingly, to shape and manipulate human judgements, the speakers must adjust their rhetoric to the audience’s characteristics, ideologies, and the socio-political context. Therefore, while our findings are consistent with the recent theoretical developments on how rhetoric shapes legitimacy (Hofer and Green, 2016), they also call to empirically investigate Green’s theory further, and test it to discover the factors affecting a speaker’s rhetoric. This means investigating how the audience is an active part of a rhetorical process through its ability to influence and adjust the speaker’s rhetoric (Hofer and Green, 2016).

The second difference between Green’s theory and our findings concerns the ideological traits we find in the IIRC’s rhetorical strategies – ethos, in particular. As we discussed before, ethos does not always appeal to morality. It can also appeal to ideology because it aims to reach and join specific audience interests. When a speaker, such as the IIRC, uses authority for persuasive purposes, its effectiveness results from aligning the speaker’s interests with those of its intended audience. By

this, ideology represents a fundamental factor affecting the shaping of the speaker's rhetoric for a persuasive purpose. Therefore, in investigating the rhetorical strategies that form legitimacy, future research should consider the ideological base supporting the persuasiveness of language.

5.3 Concluding remarks and practical implications

By examining the IIRC's rhetorical strategies, this paper explains the supportive dynamic between rhetoric and ideology that has shaped <IR> and the IIRC's current position within the corporate reporting landscape as a voluntary standard setter. The rhetorical genesis of <IR> invites academics, practitioners, and policymakers to be aware of the power of rhetoric in creating and masking reality. As Hines (1988, p. 257) observes, "reality does not concretely exist independently of the concepts, norms, language and behaviour of people ... people create society, but at the same time, their concepts, norms, language and behaviour, become institutionalized". Thus, individuals tend to lose sight of the part they, other individuals, and organisations play in creating and sustaining reality.

This study sheds light on the way rhetoric and ideology can sustain or obstruct the acceptance and diffusion of accounting innovations. By unveiling how rhetoric is deployed over time to gain legitimacy, we demonstrate how accounting standard setters use certain rhetorical strategies to support their positions and convince their audience that their work is good and needed and their standards are superior (Young, 2003; Masocha and Weetman, 2007). This contributes to explaining the success or failure of new practices and, therefore, invites academics and practitioners to understand the deeper rationale behind the acceptance of new professional initiatives.

The emergence of the IIRC and the ideological struggle in developing a new reporting model provide a fascinating illustration of the importance of looking beyond the façade of accounting change processes to identify that "problems in accounting are potentially reflections of problems in and of society" (Cooper and Sherer, 1984, p. 222). Herein, one can see that the evolution of <IR> is another example of those responsible for regulating accounting acting to "maintain the ideological, social and economic status quo while restoring confidence in the existing system and its institutions" (Merino and Neimark, 1982, p. 49). Our study is important because it unveils another mechanism by which future opportunities to fundamentally shift corporate reporting practices that challenge long-standing patterns of investor behaviour might be stifled by the entrenched system of providing financial capital. In doing so, our study provides an opportunity to understand how an accounting practice with the potential for emancipation can be strategically manoeuvred to legitimise economic and political arrangements, institutions and ideologies (Guthrie and Parker, 1990). Our study is a timely reminder of the difficulty of challenging the established capitalist ideologies through innovations in corporate reporting and the need to appreciate accounting as a social practice with political struggles.

The IIRC's success in gaining support is also due to its ability to take advantage of favourable momentum. There is evidence that corporate reporting has started to become more 'integrated' in terms of jointly reporting financial and non-financial information (Adams, Potter, Singh, and York, 2016). Thus, while <IR> might appear as something new, it is a reflection of evolving corporate reporting practice – see for example One Report (Beck et al., 2017; Eccles and Krzus, 2010). However, promoting <IR> as something new by the IIRC results in a reification of this evolution by masking reality and changing its underpinning ideology. In this study, we contribute to explaining how the IIRC uses rhetorical strategies to take advantage of such a favourable momentum for

corporate reporting and manage an ideological transformation to establish the capitalist ideology supporting the establishment of its authority.

While our findings on the IIRC's rhetoric contributes to understanding the ideological struggle enclosed in <IR> and the formation of the IIRC's authority, the ideological base of the rhetorical strategies can also explain the factors impacting its legitimacy and, therefore, the persisting scepticism about <IR> (see Chaidali and Jones, 2017). Throughout the IIRC's rhetorical process, logos and authority-based ethos enact the ideological conflict surrounding <IR> and unveil its prevailing ideology. These rhetorical appeals create social segregation among stakeholders, which may obstruct wider legitimacy. Although one might argue that <IR> would have a better chance of achieving legitimacy if the IIRC had strictly followed Green's (2004) rhetorical sequence and strategies, the ideological struggle that IIRC faced required it to improvise. However, in the end, the ideological position of <IR>'s backers won out. The social and environmental sustainability ideology of the GRI and A4S have been replaced by the capitalist ideology of the accounting profession and multinational companies. Thus, the IIRC's original remit to create a globally accepted framework for accounting for sustainability is unapologetically replaced with a remit to create the "corporate reporting norm" to "act as a force for financial stability and sustainability" (IIRC, 2013, p. 2).

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ACCEPTED MANUSCRIPT

Table 1. Analytical framework for the rhetorical analysis

Dimension 1 Semantic (meaning of communication)	Themes of claims	
	A. The role of IIRC	<ol style="list-style-type: none"> 1. Aim of the document analysed 2. Who is the issuer/author 3. Purpose and role of the IIRC 4. Why the IIRC or the IIR framework is necessary 5. The IIRC's agenda and past activities
	B. Aims and effects of integrated reporting (<IR>) in practice	<ol style="list-style-type: none"> 1. Why IR is needed (demand of <IR>) 2. Aims and characteristics of <IR> 3. Effects and benefits of <IR>
	C. Technical characteristics of <IR>	<ol style="list-style-type: none"> 1. Contents of integrated reports 2. <IR> adoption and preparation (concepts, principles, challenges, etc...)
Dimension 2 Rhetorical appeals	Rhetorical appeals	Rhetorical devices (stylistic and symbolic devices, type of argumentations)
	A. Ethos	<ol style="list-style-type: none"> 1. Ingratiation and similitude 2. Deference 3. Expertise 4. Self-criticism 5. Inclination to succeed 6. Consistency 7. Authority
	B. Pathos	<ol style="list-style-type: none"> 1. Drama 2. Metaphors 3. Analogies and simile 4. Myths 5. Metonymy 6. Synecdoche 7. Irony
	C. Logos	<p>Unsound Logos argumentations</p> <ol style="list-style-type: none"> 1. Abstract and imprecise concepts 2. Silencing 3. Paratactic and asyndetic text 4. Not sound argumentations (without data, warrants or evidence) <p>Sound Logos argumentations</p> <ol style="list-style-type: none"> 1. Warrants/justifications 2. Data and evidence

Table 2. The IIRC's documents analysed

N.	Date of publishing	Title	Type of document	Authors
1	September 2011	<i>"Towards Integrated Reporting. Communicating Value in the 21st Cent" - Discussion paper</i>	Technical Development	IIRC
2	June 2012	<i>"Summary of Responses to Discussion paper"</i>	Technical Development	IIRC
3	November 2012	<i>"Understanding transformation. Building the business case for Integrated Reporting"</i>	Research and reports	Black Sun Plc and IIRC
4	March 2013	<i>Consultation Draft of IIR Framework</i>	Technical Development	IIRC
5	December 2013	<i>"International Integrated Reporting Framework"</i>	Technical Development	IIRC
6	December 2013	<i>"Basis for Conclusion"</i>	Technical Development	IIRC
7	September 2014	<i>"Realizing the benefits: the impact of Integrated Reporting"</i>	Research and reports	Black Sun Plc and IIRC
8	April 2015	<i>"Creating value - Value to the Board"</i>	Research and reports	IIRC
9	April 2015	<i>"Creating value - Value to investors"</i>	Research and reports	IIRC

Table 3. Examples of ethos rhetorical devices

“Deference”

“Q1. (a) Do you believe that action is needed to help improve how organizations represent their value-creation process? Why/why not? (IIRC, 2011, p. 5).

“Do you support the development of an International Integrated Reporting Framework? Why/ why not?” (IIRC, 2011, p. 8)

“Your Comments Requested: Please join us in this unique effort to develop an overarching International Integrated Reporting Framework by providing feedback on this Discussion Paper.” (IIRC, 2012, p. 3)

“Some respondents also questioned whether the work of the IIRC should relate to the broader concept of how integrated thinking is embedded in an organization and how this affects all facets of reporting, rather than focusing only on the features of a single integrated report.” (IIRC, 2012, p. 5)

“Inclination to succeed”

“The IIRC is developing an International Integrated Reporting Framework that will facilitate the development of reporting over the coming decades.” (IIRC, 2012, p. 2)

“The IIRC was established in 2010 in recognition of the need to move towards an International Integrated Reporting Framework that is fit-for-purpose for the 21st century.” (IIRC, 2012, p. 5)

“The main output of Integrated Reporting is an Integrated Report: a single report that the IIRC anticipates will become an organization’s primary report.” (IIRC, 2012, p. 7)

“The Framework will be a focal point for the harmonization of current standards.” (IIRC, 2012, p. 8)

Table 4. Examples of "abstract and imprecise concepts"

Use of "abstract and imprecise concepts"

"Many "knowledge" and "organizational" intangibles are not captured on the balance sheet but may be vital to a **robust business model**." (IIRC, 2013b, p. 14)

"A more **connected approach** to value creation and assessing risks and opportunities has led the organization to a different understanding of the risks it faces." (Black Sun, 2014, p. 16)

"For example, while there is management recognition that **sustainability issues** should be fully integrated into the strategy and operations of a company" (IIRC, 2011, p. 4)

"There is behavior change across the business and it is motivating colleagues to think in a more **integrated way**" (Black Sun, 2012, p. 11)

"More **integration**, please." (IIRC, 2015b, p. 15)

"Investors, alongside other stakeholders, will benefit from <IR> [which supports] a culture of **transparency and stability**." (IIRC, 2015b, p. 15)

"They can also influence developments in corporate governance and reporting as they seek to maintain **stable markets** that encourage investor participation." (IIRC, 2015b, p. 22)

Figure 1. Themes (Dimension 1) of the IIRC's communication (percentage of words per year)

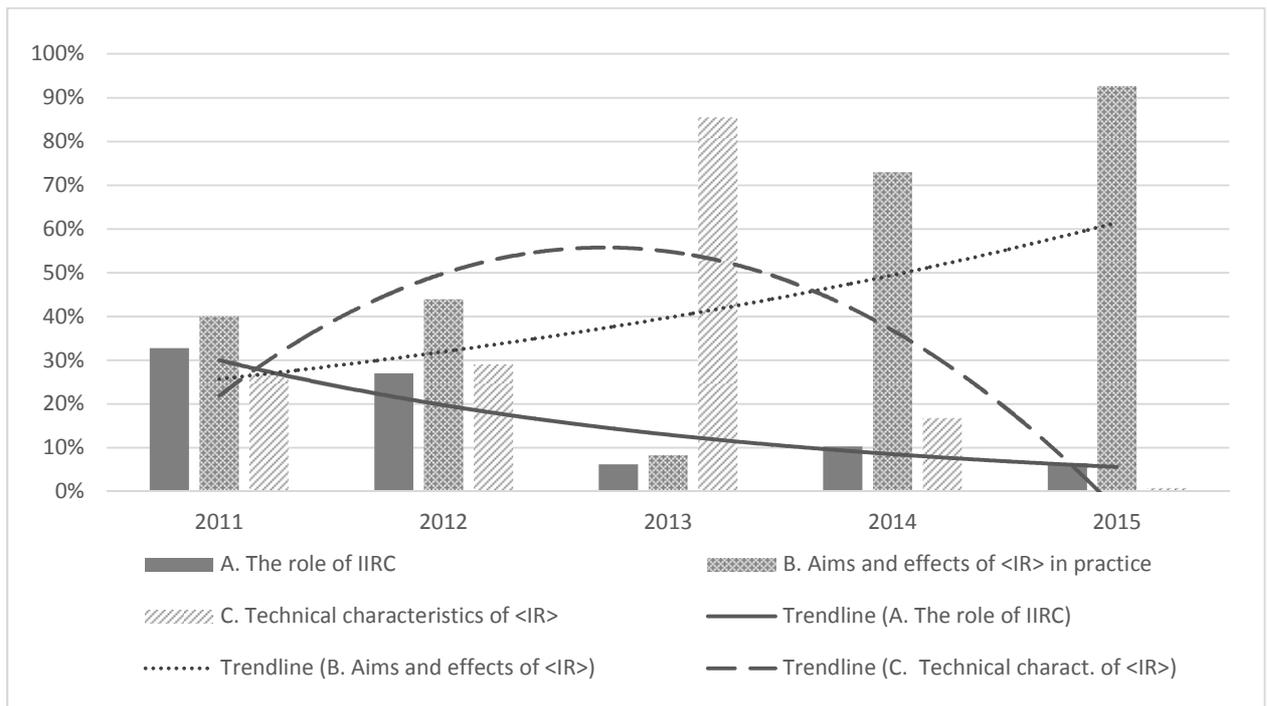


Figure 2. Rhetorical appeals (Dimension 2) of the IIRC's communication (percentage of words per year)

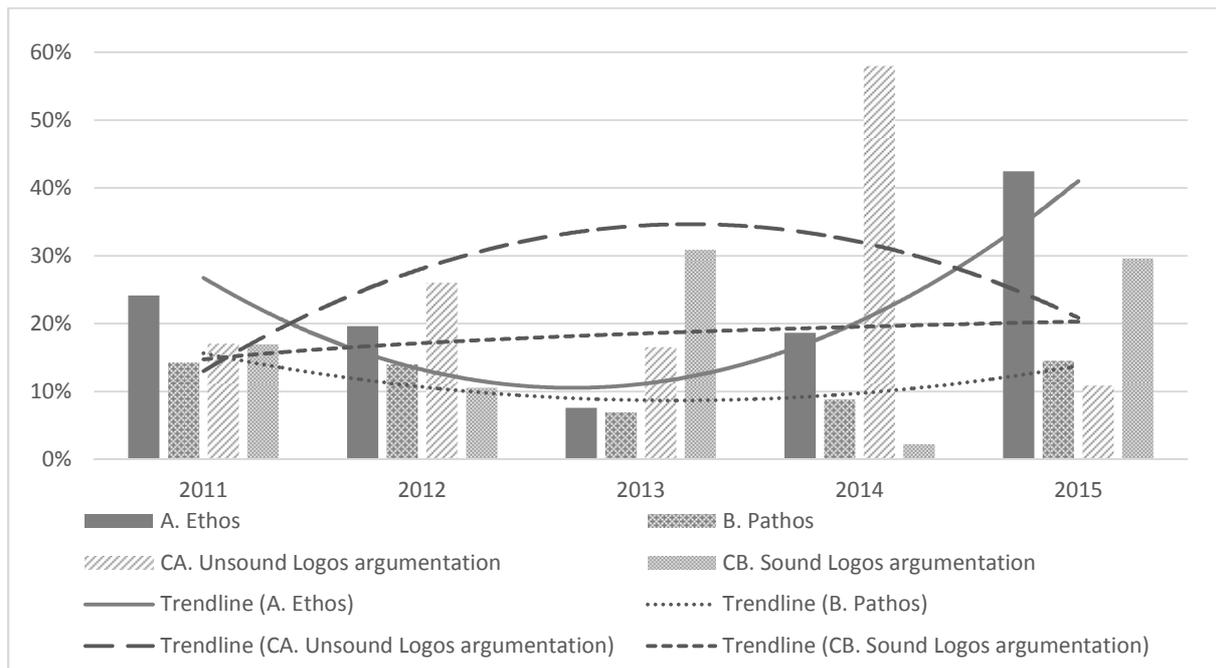


Figure 3. Extract from the Black Sun's research report "Understanding transformation"

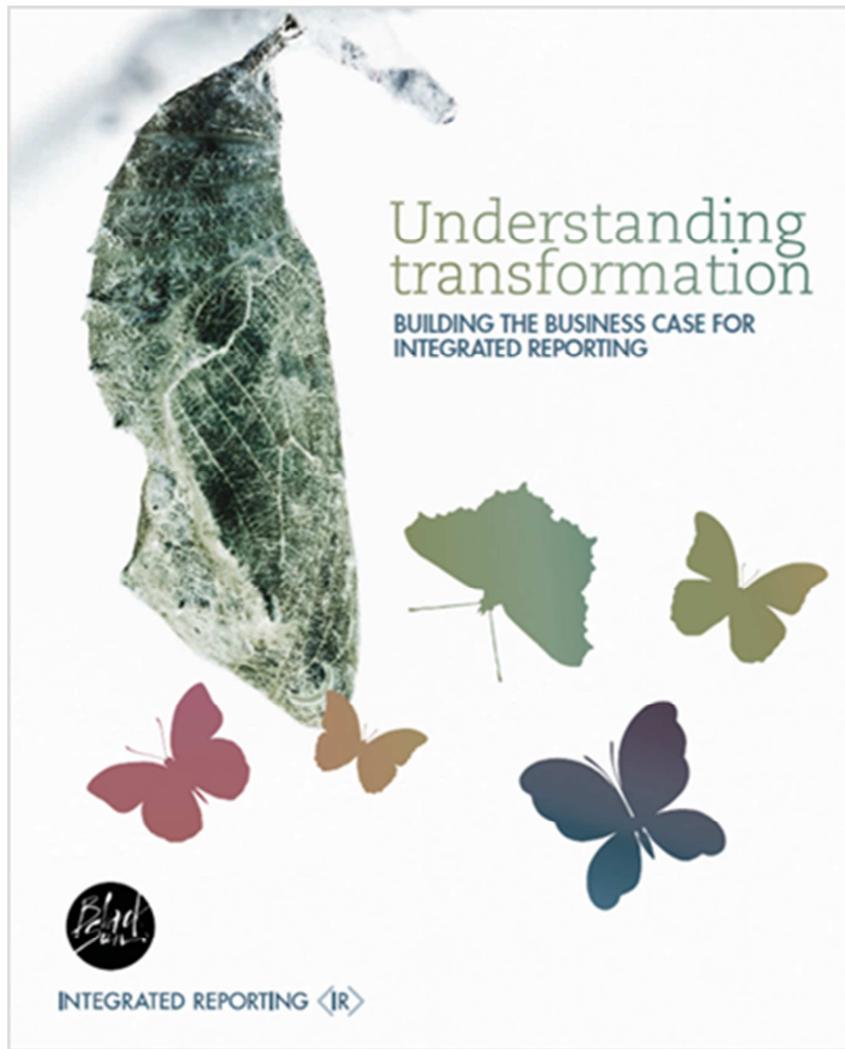


Figure 4. "Sound logos argumentation" structure (percentage of words per document)

