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Implementation Processo of IFRS: a theoretical essay on the justifications related to resistance to organizational change under Lewin's theory

Abstract

The implementation process of the International Financial Reporting Standards (IFRS) in Brazilian companies brought about different organizational changes that in some of them caused the phenomenon of resistance to change, with different levels of intensity. The occurrence of this phenomenon negatively affected the adaptation to the new standards. The objective in this article is to justify the different forms of resistance Boscov (2013) found in three Brazilian companies that were going through the international financial standard convergence process, from the perspective of the three stages of change proposed by Lewin (1947). Using Lewin's theory, we expect to survey and better understand potential justifications for the incidence of the phenomenon resistance to change in the financial reporting standards. Therefore, a theoretical essay was developed on the theme resistance to change due to the implementation of the IFRS. After the study, it was concluded that, among the three companies Boscov (2013) monitored, only one company managed to achieve the full implementation of the new standards without resistance. At the other two companies, the phenomenon resistance to change occurs, in which there is no consensus on the use of the figures the IFRS produce in the decision process. As the cause of this phenomenon, the company agents' initial perception is appointed that the change would not offer great benefits to the company's decision process. For further studies, analyzing the current status of the resistance phenomenon at these two companies and the expansion of the study sample are recommended.

Key words: implementation of IFRS, organizational changes, Lewin's stages of change (1947), resistance to change.

Camila Pereira Boscov
Ph.D. in Accounting from USP Professor at Insper (SP) Rua Quatá, 300, Vila Olímpia, São Paulo (SP), CEP: 04546-042
E-mail: camilapb2@insper.edu.br

Gabriel Ribeiro Vieira Rezende
Undergraduate student in Economics from Insper (SP) Rua Quatá, 300, Vila Olímpia, São Paulo (SP), CEP: 04546-042
E-mail: gabrielrvr@al.insper.edu.br

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1. Introduction

The globalization process that has been taking place in recent decades has created challenges for accounting, due to new accounting principles for disclosure and measuring in the preparation of financial statements by companies. Due to the globalization of markets, international accounting standards known as IFRS were created. With the implementation of the new standards, "lower financing costs; easier access to the capital market; greater transparency and comparability; and greater credibility of the financial market " were expected (Macedo, Machado and Machado, 2013, p.67).

Gonçalves, Batista, Macedo and Marques (2014, p. 38) concluded that the implementation of IFRS led to a significant gain in relevance of accounting information compared to information according to the former standards. In this same line of thought, Araújo, Cornacchione, Reginato and Suzart (2014) pointed out that the implementation of IFRS entailed a greater approximation between Financial and Management Accounting.

Also in order to identify the organizational changes caused by the implementation of the new accounting rules, Boscov (2013) conducted a multiple case study with three Brazilian companies that underwent the accounting convergence process. Through a qualitative investigation, ten organizational changes were observed, separated according to the criteria of change proposed by Mintzberg and Westley (1992, pp. 40-41): culture, structure, systems and people, as displayed in Figure 1.

Structure	Integration of areas and better knowledge of the organization Engagement of board of directors Greater proximity in relationship with investors Conduct of financial consultancies Attrition in relationship with clients
Systems	Change in information systems (SAP). Use of management information Change in covenants
People	Change in professional profile Accomplishment of training

Figure 1. Categories of Organizational Changes resulting from IFRS

Source: Boscov (2013).

Thus, it could not be verified directly that the organizational changes of the accounting convergence movement changed the corporate culture (Boscov, 2013, p. 188).

For a better understanding of these organizational changes proposed by Boscov (2013), the work of Lewin (1947) will be analyzed in this article. The author is considered a very influential social scientist in the development of theories about the process of change (Burnes and Cooke, 2013, p. 408).

Lewin argued that the status quo is a system subject to a set of opposing forces, which keeps it in balance. When one of the forces changes, the process of change begins, divided into three stages: thawing, consisting of the rupture of the status quo; movement, creates new behaviors; and freezing, in which a new balance between the forces arises (Lewin, 1947).

One of the consequences usually found in change processes are the different forms of resistance. There is currently an approximation in the academics' perception on the resistance to change. For Bareil (2013, p. 62), resistance to change can be seen from the perspective of two paradigms: the traditional, classifying resistance as a problem to be eliminated; and the modern, which classifies resistance as a kind of feedback for those intending to implement change. Giangreco and Peccei (2005, pp. 1816-1817) view resistance as an attitude diverging from the changes that are being implemented. Delassus, Vandelannoite and Lorraine (2014, p. 47) argue, however, that resistance originates from individuals' threatening and unhelpful perception of the change.

In the multiple case study by Boscov (2013), two of the three companies analyzed faced this resistance phenomenon, mainly due to the fact that they partially disagreed from some IFRS procedures. Another fact that caused resistance was the lack of examples and parameters for the companies to mirror themselves in, which tend to be the main precursors of the phenomenon resistance to change according to Umble, E. and Umble, M. (2014, p.18).

The objective in this article is to justify the different forms of resistance Boscov (2013) found in three Brazilian companies, which were undergoing the process of international convergence of accounting standards, considering the three stages of change proposed by Lewin (1947).

We hope that, through this investigation, we will find justifications to understand the existence of the phenomenon of resistance to change in relation to changes in the accounting rules. Understanding the reasons that lead to resistance against the implementation of standards can provide possible guidelines for regulators in the process of developing new accounting standards and allow managers to understand which variables impact an accounting change process.

The impacts of the changes may vary for each type of company, sector and accounting model but, when analyzing three companies that undergo these changes, the results may be useful in helping to reduce the process of resistance.

In the first section, the main findings of Boscov (2013) related to the changes generated by IFRS will be described. The next section focuses on the theme of resistance to change, containing a literature review on the subject. Boscov's (2013) findings on resistance to change in accounting standards are described in section three. The next section describes Lewin's (1947) work on the different phases of change; section five relates Lewin's theory to Boscov's findings; and, in the final section, the conclusions of the paper are presented.

2. Organizational changes found in the implementation process of IFRS

The objective of Boscov's study (2013) was to analyze the main organizational changes resulting from the IFRS, categorizing the impacts found in relation to the elements of changes described by Mintzberg and Westley (1992, pp. 40-41): culture, structure, systems and people. Another goal was to ascertain the resistance to change.

The authors of this article obtained indistinct access to the data collected by Boscov (2013). The following paragraphs summarize this work and its main findings. This article is therefore characterized as a theoretical essay using secondary data.

The research strategy, guided by a multiple case study, analyzed three large Brazilian companies that went through the accounting convergence process in detail, between August and December 2011: National Development Bank (BNDES), CCR SA and an energy company fictitiously named ABC.

This study made it possible to understand the implementation of the new accounting standards. All companies analyzed reported that they had several difficulties in adopting the international standards. All of them underwent a hard work process, with plenty of overtime. In these companies, employees were allocated full time to the project. Although the work has increased, it is noticed that they hired few new employees. The consulting firms have aided to different extents at these companies.

The process of convergence brought an increase in the quantity and complexity of work in the accounting area. Another challenge was linked to the impact of changes in other areas of the company, such as: financial, planning, new business, engineering, information technology and senior management.

The companies report that there were intense conversations with auditors to define the new procedures, but that all auditors and trainers were learning for the first time. There was nothing pre-established, and Europe often did not serve as an example because of specific issues in Brazil.

The companies also commented that, because they are international standards based on principles, there were no established ready-made models and it was necessary to reformulate all company policies. In many cases, they were pioneers and served as benchmarks for other corporations.

The great challenge was the operationalization of the adoption of complex standards in the economic reality of each company. Much information was gathered in other areas of the organizations and a number of integration activities were required. It was also necessary to know more about the company's processes in order to formulate the new accounting policies.

The paper identified and analyzed several organizational changes found in the multiple case study. With different levels of intensity, the main organizational changes reported were:

1. Integration of areas and better knowledge of the organization.
2. Engagement of board of directors.
3. Greater proximity in relationship with investors.
4. Conduct of financial consultancies.
5. Attrition in relationship with clients.
6. Changes in information system (SAP).
7. Use of management information.
8. Change in covenants.
9. Change in professional profile.
10. Accomplishment of training.

The study categorized the changes found in relation to the elements of organizational changes listed in Mintzberg and Westley (1992, pp. 40-41). Thus, it was possible to understand what changes occurred in the culture, structure, systems and people. In addition, it was also possible to identify which of these elements the IFRS influenced most, in terms of quantity and intensity.

It could not be verified directly that the organizational changes of the accounting convergence movement changed the culture of the companies. It cannot be concluded, based on the findings of the studies and the research protocol used, that the basic assumptions that organizations have developed to deal with their problems, their way of perceiving, thinking and feeling have changed with the process of accounting convergence.

After conducting the interviews, it was concluded that, under IFRS, the accounting area needed to expand its relationship with other areas to obtain information for their accounting treatment. Accounting needed to understand much more of the business of the company, and the business areas began to understand the accounting impacts of their actions.

New governance structures have been created to facilitate communication with other areas and to promote enforcement mechanisms. Having a solid governance structure helped the companies during this process of accounting convergence. The new accounting policies were approved in several internal committees at BNDES. This governance structure permitted the effective application of policies in the various areas of the company and stimulated the participation of several areas. The commitment to the international accounting changes started with the highest positions of the institution.

At CCR, the situation is the same. The new accounting procedures are discussed with directors and advisors of the group. Then, they come into force in the various areas. At ABC, the importance of the weight of its governance policies facilitated the renegotiation of covenants with financial institutions.

Changes in the power structure can be felt because, with the movement of accounting convergence, the prestige of the professional is altered, gaining closer proximity to the board of directors. Thus, the accountant starts to carry out financial consulting within the company, demonstrating the accounting impact of strategic decisions.

Often, IFRS premises had to be approved by the board of directors. Accounting issues were more exposed and the board needed to understand more about Accounting.

Today, the area that was responsible for conducting the IFRS project provides advice to other areas of the organization about the accounting impacts of a particular transaction. To carry out a new acquisition, the accounting area is called upon to give an opinion, for example, on the question of goodwill.

The difficulty in convincing partner companies, clients and stakeholders about the need for more refined accounting and the importance of auditing was also reported. Several meetings were needed to convince them that the benefits would outweigh the costs.

The investor relations area received a number of inquiries from shareholders, mainly due to changes in the dividend calculation base. Investors came to understand more about accounting procedures and the impact of such international accounting on the outcome of the organization. One negative point reported is that this area should discuss more aggregate issues with the market, and not accounting treatments.

With the implementation of IFRS, companies had to make several changes in their accounting systems. SAP was the system chosen for this purpose. In addition, much information that were formerly used only for managerial purposes began to be used by accounting systems in the preparation of new statements. A consequence of this new confection was the rupture of some covenants. Brazilian institutions anticipated the implementation of many accounting issues that did not even happen in European companies.

The financial area needed to better understand the impacts of IFRS on the consolidated financial statements to verify the need to renegotiate some covenants. Negotiation with banks was complicated, as many did not understand the new accounting procedures.

It was also reported that much information that was previously used only for management purposes is disclosed or serves as a source of information for corporate accounting.

The implementation of the accounting convergence process changed the professional profile and caused a greater need for training. Several changes could be verified in the companies analyzed in relation to the new professional profile, changes in procedures and planning.

With IFRS, accountants needed to understand more of the other areas, and professionals from other areas came to know more about Accounting. CCR's engineering department needed to understand more about the new accounting procedures. Thirty-five percent of the trainees hired by the company were newly-graduated civil engineers responsible for designing a project about the change in the engineer profile in the new accounting scenario.

All the companies analyzed carried out training for the external and internal employees with a view to knowledge dissemination. The participation of top management was essential for this to occur.

Generally, the full-time staff dedicated to the implementation of the IFRS project promoted internal training to level the staff, disseminate knowledge and discuss practical issues about what and how to implement the new standards. One complaint was that the level of training of the accounting professional did not keep pace with the complexity of the changes and that internal training was necessary to overcome the qualification problem.

3. Resistance to organizational changes

Each organization's ability to comply with changes is finite according to Palmer (2015, p.8). When approaching this limit, the agents responsible for the change tend to increasingly face resistance. This reveals why the implementation of the international accounting standards has presented the resistance phenomenon, as technological changes are needed, as well as training, communication and people's commitment.

Concerning the challenges of the change process, Kisil (1998, p.57) considers the following:

1. most participants seek personal growth;
2. all are critical of the change process;
3. the majority wants to and is capable of participating in the change positively;
4. people are not afraid of change, they are afraid of loss.

According to Cunha and Rego (2002, p.8):

> Anyone who feels potentially impaired by the change will tend to resist. Overcoming the resistance to change is a complex process whose outcome clearly depends on the contenders' interests, on their relative power and on the tactics of the political game they play. The political struggles can lead to tactical delays, to negotiations over the mastery of the "territories", to the reformatting of the networks and alliances, to impasses, to conflicts that are acute but limited to a part of the organization, or to swift struggles that spread out.

The expression "resistance to change" is generally credited to Lewin (1947). For him, organizations could be considered processes in quasi-stationary equilibrium, that is, the organization would be a system subject to a set of opposing forces, but of the same intensity, which keep the system in balance over time.

The changes would occur when one of the forces overcomes the other in intensity, shifting the equilibrium to a new level. Thus, resistance to change would be the result of an individual or group's tendency to oppose social forces that aim to move the system to a new level of equilibrium (Lewin, 1947, as quoted in Hernandez & Caldas, 2001).

When revising the academic literature on organizational change, it turns out that the classic propositions - loosely modeled and practically untested - that were drafted in the late 1940's and diffused as managerial good sense in the decades that followed are recorded as universal truth. This traditional view assumes resistance to change as always negative, which negates the potential benefits of this phenomenon to the process of change (Ford, Ford, & D'amelio, 2008, p.363).

The authors, Hernandez and Caldas (2001) analyzed the basic assumptions found in the literature on resistance to change, and established counter-assumptions, as shown in Figure 2.

Premise	Counter-premise
Resistance to change is a fact of life and should happen in any organizational intervention	Resistance is scarce and will only happen in exceptional circumstances. By trying to prevent them, the agents of change end up contributing to their occurrence or worsening. Resistance is a behavior vaunted by those in power and by the agents of change when their privileges or actions are challenged.
Resistance to change is harmful to organizational change efforts.	Resistance is a healthy and contributing phenomenon. Resistance is used as an excuse for failed or inappropriately designed processes of change.
Human beings are naturally resistant to changes.	Human beings resist loss but want change: this need typically overrides the fear of the unknown.
Employees are the organizational actors with the greatest probability to resist change.	When resistance happens, it can take place among the managers, agents of change and employees (deriving from Lewin's original proposal)
Resistance to change is a collective group phenomenon.	Resistance is both individual and collective, it varies from one person to the other, in function of many situational and perception factors.

Figure 2. Basic premises of resistance to change

Source: Hernandez and Caldas (2001).

Daft (2006, p.344) considers that one of the challenges of the change process is linked to the human factor. According to the author, organizations are composed of people and their mutual relationships. Changes in strategy, structure, technologies and products do not happen by themselves, and changes in each of these areas also involve changes in people.

The study by Silva and Vergara (2003) was carried out in five organizations that in the years 2000 and 2001 had been going through or had recently undergone great change processes. Data collection was done through individual interviews, carried out with about 15 employees at the base and middle management level in each of the organizations. The objective of the interviews was to capture the feelings of the individuals and the meanings they attributed to the changes that occurred.

Situations in which individuals declare themselves to be fully active in the changing situations underway in the organizations studied are rare. The predominant feeling is that they often see themselves as objects of the definitions or, still, as a kind of guided actors (Silva & Vergara, 2003)

The supposed manifestations of resistance encountered are, above all, manifestations of emotions, such as: anxiety, fear, anguish, anger and nostalgia. Organizational change is essentially something that mobilizes the emotions of individuals (Silva & Vergara, 2003). For Smollan (2011, p.13), in the organizational environment, these emotions may be due to the need for more information and more time to think about the changes, or even generated by the employees' concern with the misalignment between the new ideas and the traditional values and principles of the organization.

The authors Sales and Silva (2007) mapped the resistance factors to change found in the literature and cited in Figure 3.

Author	Characteristic
Toole	Hypotheses to explain why people resist change: homeostasis, inertia, dissatisfaction, lack of maturing, fear, personal interest, lack of self-confidence, future shock, futility, lack of knowledge, human nature, skepticism, rebellion, individual geniality vs. group mediocrity, ego, short-term thinking, myopia, sleepwalking, temporary blindness, collective phantasy, conditioning and fallacy of exception.
Kotter and Schlesinger	Studied countless corporate changes and found four common causes of resistance: provincial selfishness, misunderstanding and lack of trust, different assessments and low tolerance to change.
Motta	Appoints some factors that can lead to resistance to change: fear of the future, refusal of burden of transition, accommodation to functional status, accommodate to their rights and conveniences and fear of the past.
Robbins	The main sources of organizational resistance were identified: structural inertia, limited change focus; group inertia; threat to specialization, threat to the established power relationships; and threat to established resource allocations.

Figure 3. Factors of resistance to change

Source: Sales and Silva (2007).

According to the research conducted by Sales and Silva (2007), in a field study in a shoe company in the Northeast, about 96% of the leaders and 85% of the operational employees agree with the statement that, when people are well-informed, the process becomes easier and more reliable, proving the statement that communication is of fundamental importance to the transformation process.

In the same direction, the conclusion of Georgalis, Samaratunge, Kimberley and Lu (2015, p.108) from the study of a financial services institution, converges with the conclusion of Sales and Silva (2007). The authors highlight the importance of the relationship between leaders and members for the dissemination of information needed to implement the changes.

It was therefore concluded that resistance to change is not only a natural reaction of the human being. According to the research, it was possible to identify that, among others, poor planning, failures in the process of change, lack of communication, lack of a participatory and active leader are factors that generate resistance, so it can be seen as a way to avoid a bad result at the end of the implementation of the changes. Employees believe that resistance is manifested in case of failures in the change process. Therefore, when there is resistance, it will be possible to identify these faults, minimizing the probability of errors at the end (Sales & Silva, 2007).

Research has shown that, despite the traditionalist view on resistance, people, especially leaders, already glimpse their positive aspects, since 63% of the leaders agree on the idea that resistance can somehow contribute to the process of change; and about 45% of the leaders and operatives claim that resistance is somewhat positive, a relatively significant number, taking into account the lack of knowledge about the subject's approach (Sales & Silva, 2007).

The success of a change plan is related to a keen sense of perception of the environment and of the conjuncture and understanding of the mechanisms of change (Wood Jr., 1992).

Changes happen in people's perception of the environment. The perceived environment would be a subjective interpretation of the real environment. Although these perceptions are also real events from the point of view of their consequences, they occur within the organization. This is important because people act according to what they perceive and not according to the actual facts. In this way, there is a gap between what is real and what is effectively taken into account by the organization (Rossetto, Cunha, Orssatto, & Matignago, 1996).

In a study of 452 Chinese employees from different companies, Hon, Bloom, and Crant (2014, p. 936) concluded that environments in which employees have co-workers, the perceptions about the importance of risk-taking and creativity change positively, reducing the harmful effects of resistance to change.

The work by Salvador, Trés, Costalonga, Pelissari and Silva (2010) was aimed at understanding how the resistance to change is contextualized in the cultures, in the relations of power and in the organizational climate of the companies. Therefore, a case study was conducted in a Brazilian company producing bleached eucalyptus pulp, in which a qualitative research design was adopted. In the first stage, concepts and relations of power, climate and culture were discussed before the resistances of the individuals in a process of organizational change. Subsequently, semi-structured interviews were held with 63 company employees, being managers and operators.

As a data analysis technique, the content analysis method was adopted through the interpretation of the 10 categories extracted from the text fragments the interviewees had answered. The results show that, although the interviewees, both at the managerial and operational levels, admit that the company manages changes wellthrough training, meetings, integration of people, benefit policies, among others, there is some kind of resistance when it comes to change, especially at the structural level (outsourcing and reengineering), and this alters the perception and feelings of the employees in relation to the company (Salvador et al., 2010).

According to Sacomano Neto & Escrivão Filho (2000, p. 144), management is an important reference point for the dissemination of new ideas. Without its commitment, strategies for the implementation of innovations are not consolidated. A participatory management team, with communication and negotiation skills, tends to minimize resistance to change, reducing internal forces that move away from the implementation (Mariana, Daniela and Nadina, 2013, p.1609).

Overall, management plays three fundamental roles (Bonn & Pettigrew, 2009):

1. monitor and control middle managers;
2. engage in the strategic decision process; and
3. promote access to resources.

For a change in the work process to be effective, the participants need to be committed. The work process should be adapted to the local characteristics of these participants (Vilkas and Stancikas (2006, p.84).

Feedback is critical if the change process is to succeed and the manager plays an important role in the smooth execution of the transformation. According to Gibson, Ivancevich, Donnelly, James and Konopaske (2006, pp.481-482), the manager can create a good program of organizational change, but may fail to achieve any of the anticipated results by neglecting the importance of motivation, reinforcement and feedback for employees. Early on, each step of the implementation of change must be guided by a responsible person or group leading the process (Palmer, 2015, p.1)

These principles serve to unfreeze the old learning, inculcating and consolidating new learning; the thawing deals directly with resistance to change; the movement to new learning requires training, demonstration and empowerment; the consolidation of learned behavior occurs with the application of reinforcement and feedback according to Gibson et al. (2006, pp.481-482).

The article by Vilka and Stancikas (2006) analyzes the planned changes in organizational work processes. It was possible to understand the changes between the organization and the individuals in the light of the theory of Feldman and Pentland (2003), according to which changes in the work processes occur through the conceptualization, communication and adaptation of the change. Thus, in a case study with qualitative approach, the stages prior to the change (planning) and subsequent to the implementation of the change were investigated. The study reveals that top management is the agent that initiates change, but has moderate influence. It must communicate changes, interpret them, discover new performances, and integrate new ways of acting, and changes must be seen as a new way of acting and thinking that never ends.

Szabla's work (2007) examined how union employees in an American state perceived the implementation of a new electronic performance appraisal system and how they reacted to the planned change in terms of cognition, emotion and intention. The study concluded that there is a significant relationship between the perception of strategic leadership in planned change and the response to change in terms of cognition, emotion and intention.

The study by Razali and Vrontis (2010) examined the key factors that contributed to employee acceptance for the implementation of a new system in a company in Malaysia. The emphasis of the study was on workers' perceptions. A questionnaire was delivered to 250 employees, and the results indicate that top management involvement and organizational commitment are the two major variables that impact employee acceptance for planned change to occur.

4. Resistance to the changes originating in the implementation process of IFRS

One of the main challenges regarding the process of change found in the literature is the resistance to change. In Boscov's multiple case study (2013), it was noted that resistance to change occurred with different intensities in the three organizations analyzed. The following paragraphs summarize the findings on resistance to change found in the Boscov study (2013).

ABC and BNDES are still resistant to the changes arising from the process of international accounting convergence. Some accounting procedures were very laborious for the company ABC, but the information generated was not useful for the institution, according to the testimonies. The interviewees cite situations related to the calculation of the indemnity value after the concession period over the replacement cost for more than 600,000 items of property, plant and equipment, reverse acquisition accounting, pension plan registration, asset write-off and regulatory liabilities. These were unnecessary and often cumbersome procedures that, in the opinion of the executives, were not used by the market.

For ABC, one of the problems of IFRS is that the rules created are often not well defined, distorting the concepts, creating comprehension difficulties, different forms of interpretation, and problems of comparability. According to Nickel and Coser (2007), this resistance may hamper the process of adaptation to the new standards.

ABC cites the exaggeration of fair value information as an IFRS problem. In line with to the company, the IFRS greatly exaggerates regarding Fair Value and the market has many imperfections. The volatility of the income for the shareholder has gone bad, and many mathematical models and assumptions have been considered as deficiencies in international accounting. Sales and Silva (2007) consider that, in order to accept the changes, people need to know their reasons exactly, so that they do not feel threatened and harmed by change.

ABC's main complaint refers to the fact that the IFRS does not permit the recognition of regulatory assets and liabilities, while for the company, "the financial sector's financial statements did not improve with IFRS," said Eliseu Martins. They got much worse."

In this case, it is observed that resistance is a behavior vaunted by those in power holders and by the agents of change when their privileged or actions are challenged (Hernandez & Caldas, 2001).

ABC preferred to follow the audit recommendations for regulatory assets and liabilities and write off in order not to have a qualification in the balance sheet. The distortion of information was preferred to a qualified balance.

Many meetings were held at ABC to convince the auditors of certain procedures. It took the institution two years to convince them of the need to capitalize on the replenishment of intangible assets.

The write-off of regulatory assets and liabilities means that IFRS financial statements, in the opinion of the interviewees, do not reflect the economic reality of the institution. These regulatory asset and liability figures are still used in the management.

For the interviewees of this company, the IFRS does not affect the daily reality of the regulatory area at all. All management decisions are based on the value of the regulatory tariffs. Consequently, management accounting is used for decision making and, in addition, there is the regulatory accounting, regulated by the National Electric Energy Agency (ANEEL).

Therefore, ABC, for not agreeing with various procedures deriving from the international standards, resists the changes, obeying them only not to obtain a qualified financial statement. It does not see improvements resulting from this information for decision making.

BNDES does not yet have the culture that the IFRS figure represents the economic reality of the institution. According to interviewees, it takes a lot of hard work for cultural changes to incorporate these changes into the management model of the organization.

Often, figures are generated with the sole purpose of being sent to accounting. BRGAAP figures are still used, in many cases, for management purposes. Changes occur in people's perception of the environment (Rossetto et al., 1996). The figures in IFRS have not yet been perceived in the institution as those that best mirror the company's reality.

The figure of the Allowance for Doubtful Accounts (ADA), via IFRS procedures, is not used in the institution's daily operations and only serves to be sent to the accounting area. The BNDES believes that the Basel model better reflects the economic reality, is more conservative and better protects the institution from both idiosyncratic and systemic risk. In management terms, the organization uses a more flexible model, with less simplified assumptions.

BNDES needed to bring the market adjustment of its embedded derivatives into the result, but the institution believes that this procedure does not make sense, as profit or loss will not be realized immediately. Thus, according to the organization, the adjustment should be made in shareholders' equity.

BNDES considers, on the other hand, that some information in IFRS reflects the economic reality of the institution better. Fair value information helps to better track the assets of the organization. There is, in the area of capital markets, a perception that the figure produced is better.

The impairment test for equity investments may be useful for the organization to make divestiture decisions. It is important to evaluate the budgeted and the realized and see if the agreed valuation is being fulfilled.

It should be noted, therefore, that BNDES partially resists accounting changes. On the one hand, there is no consensus that the IFRS best reflects the economic reality of the institution and the old figures are still used for decision making. On the other hand, in some areas, there is already a perception of improvements in the new procedures.

At CCR, the vision is completely different. Respondents believe IFRS was very positive. After a year of implementation, they saw that the changes were for the better.

The interviewees report that, today, analyzing some changes, they are thinking "how did I not think of that before! Why do a linear amortization for example if my benefit is not linear? "

The CCR Group started to amortize its intangible assets by the economic benefit curve. This new form of amortization mirrors the economic reality of the company in a much more appropriate way, according to respondents. The change brought a better representation of the business to accounting.

The long-term trend information used to calculate the impairment serves as a reference to decide whether or not to buy a business, or even to dispose of one.

Today, the CCR Group is convinced of the contribution that IFRS has made to the company. The project made it possible, for example, to see investments better, and the company believes that there have been improvements in information quality.

In the CCR Group, each concessionaire has a planning and control area and is responsible for the preparation of the five-year budget, as well as estimates up to the end of each concession contract. Currently, all management decisions of the CCR Group are taken with figures in IFRS. However, the success of the IFRS implementation at the institution may be due to the role of management, which believed in the improvement of the figures generated.

However, the group is forecasting a third financial statement to meet the grantor, with the former accounting practices, since there were no concrete definitions of the fact until the conclusion of the multiple case study. Thus, the company may have three accounting statements: corporate, fiscal and grantor.

5. Lewin's theory

In order to understand the different forms of resistance Boscov (2013) found in her study, Lewin 's three-stage theory of change was defined as the main parameter for the analysis of resistance encountered during the implementation of the IFRS. Despite being criticized by authors such as Kanter, Stein, and Jick (1992, p.10) because of the simplification of often complex structures, the comprehensiveness and applicability of Lewin's theory, decades after its development, confirm its effectiveness and importance for the organizational environment, justifying its choice for the investigation of the subjects discussed in this article.

The social scientist Lewin (1947) devoted himself to the study of the socio-psychological field, developing theories about the behavior of individuals within certain groups and the forces that influence their decisions and perceptions. The understanding of his theories about the process of change and the phenomenon of resistance to change is essential to understand why some ineffective processes aim at the modification of production, consumption, habits, etc. (Lewin, 1947).

The term "group" indicates a set of individuals characterized by a certain mutual interdependence. The author illustrates this with an example: "In a population, blond women do not constitute a group simply because they are blondes, but if in a shop blondes are discriminated against, they become a group with specific properties" (Lewin, 1947). Therefore, the focus of social science is, as a matter of priority, on the relations existing among individuals rather than on the individuals themselves.

In order to facilitate his analysis of the social dynamics of groups, the author makes use of a diagram called "social field", in which a numerical value is attributed to social events and the forces that influence them are explained. Thus, the stability of a group is maintained by a set of opposing forces. In the almost stationary equilibrium, these forces have the same intensity, although their modulus can assume any value.

By changing one of the forces, the balance is changed. Modifying or adding a force, taking into account only the new desired level, is not enough to reach it though, because the balance of the respective population has defined values and processes that constitute what the author calls social habits or customs. These characteristics are seen as barriers to the implementation of changes, so an additional force is needed to overcome them and reach the new desired level. This process consists of the first phase of the change, the thaw phase.

The more socially valued the standards of a group, the greater will be the resistance of each individual to change the level at which the group finds itself. Consequently, the most effective way to initiate change is to approach the group as a whole instead of each member in isolation. Thus, by changing the ideals of the population, the will to continue to belong and identify with the group leads each individual to change.

The author points out the importance that the initial goal is not only to change the level at which the group is but, once changed, to stabilize it at the new level. This process corresponds to the third phase of change, called freezing. The changes that occur between these two processes - the changes of the values of the group and their level - correspond to the second phase, movement. Again, the importance of the group approach over the individual approach should be emphasized, since it tends to generate a more permanent effect on the desired change.

As previously stated, to change the level at which the group is, one of the forces must be changed. When this happens, and the level of almost stationary equilibrium is maintained, the phenomenon of resistance to change is identified. Although equilibrium maintenance is possible even after the increase of some force, this equilibrium is not equal to the previous equilibrium for, regardless of whether in each case the sum of the forces in opposite directions results in zero, the forces in the second case present a module superior to the forces of the former.

This difference in the modulus of forces is reflected in the increase in social tension existing in the second equilibrium but, despite apparent stability, this new situation is more sensitive and delicate. According to the author, the increase in social tension is accompanied by greater fatigue, greater aggressiveness, greater emotional influence and less constructive attitudes in the group.

In order to avoid this result and to allow an effective change, a strategy must be adopted that minimizes the forces opposing the desired changes, since the social level will be modified without the increase of tension and its consequent damages.

6. Relation between different forms of resistance and Lewin's three stages of change

Once Lewin's theory is analyzed, the IFRS implementation process can be observed from another perspective. The former accounting system should be considered a near-stationary equilibrium, and the perfect and complete implementation of IFRS should be seen as the desired new equilibrium.

Of the three companies monitored by Boscov (2013), only CCR managed to achieve this new balance, as the old accounting practices were abandoned and IFRS is now seen positively by employees, who believe that it has brought several improvements to transparency and the significance of the company's financial statements. Currently, in this company, the figure generated by international standards is the figure used in the management decision-making process.

In the other two companies, there is the phenomenon of resistance to change. Although they performed their statements according to the new criteria, both in ABC and BNDES, the IFRS implementation process was performed, at least in some areas and in some standards, in a compulsory manner.

Because it does not agree with several procedures derived from the international standards, ABC resists the changes, obeying them only not to obtain a qualified financial statement. It does not see improvements resulting from this information for decision making.

BNDES, in turn, partially resists accounting changes. On the one hand, there is no consensus that the IFRS best reflects the economic reality of the institution, and the old figures are still used for decision making. On the other hand, in some areas, the improvements of the new procedures are already perceived. Due to these factors, the adoption could not be considered full and complete.

When comparing the successful process in the CCR company with the unsuccessful processes in the other two companies, it is observed that a fundamental factor for the incorporation of the new procedures in the company's process of management decision making was the convincing and acceptance, by the employees, that the new accounting practices would bring benefits and better reflect the company's situation.

This factor should be considered as a decrease of the opposing forces of change to the new social level. Using Lewin's theory, it was observed that, in order to reach the new equilibrium, it was not necessary to increase social tension, but rather the opposite effect. From the moment when the mandatory implementation of the IFRS arose and CCR's employees understood its importance and the benefits derived from its incorporation, the former accounting practices were thawed, social customs were broken, and the movement phase was initiated, leading to effective freezing due to voluntary acceptance by employees and top management.

At ABC, the employees in general did not accept the new accounting standards, mainly due to the non-disclosure of regulatory assets and liabilities. The defrosting was done in a compulsory manner, the forces acting against the change were maintained and forces in favor were increased, shifting the equilibrium in the movement phase and generating a below-expected result in the freeze phase. The phenomenon of resistance is found because, even with the application of forces, the change at the social level was lower than expected. The final balance, in turn, was generated with the increase in social tension, that is, it is more unstable and delicate.

BNDES employees did not reach a consensus on the possibilities for improvements resulting from compliance with IFRS. According to Lewin's theory, changes tend to be more effective when group values are altered. In this case, the lack of consensus evidences the failure in this aspect, resulting in the partial implementation of the new rules. Again, the faulty unfreezing phase is observed, since, like in ABC, a large part of the employees adhered compulsorily to the new methods.

The importance of planning before the changes is evidente, being this a composition of the three phases: thawing, movement and freezing. At all stages, the approach should be done with the whole group and not with individuals, generating consensus and making each member change according to the group instead of the other way around. Boscov's (2013) study, in line with Lewin's conclusion, shows the effectiveness of diminishing opposing forces rather than increasing forces towards change.

7. Conclusions and recommendations for future studies

This article was intended to justify the different forms of resistance to the organizational changes found by Boscov (2013) under the three stages of changes of Lewin (1947).

Three companies that underwent the IFRS implementation, were analyzed in Boscov's (2013) case study. Subsequently, Lewin's theory (1947) and the three stages of change were used as a parameter to identify the origin of the resistance in the companies in relation to the new accounting procedures.

Based on the three companies studied, it could be affirmed that the initial phase called thawing is possibly the most related to the phenomenon of resistance since, at that moment, the group should take distance from old habits, beliefs and values.

The implementation of the new set of IFRS was, of course, more difficult in companies where there was resistance. This study, like Lewin (1947), concluded that when implementing changes, the efficiency and final stability of the process are greater by decreasing forces acting opposite to the desired changes than by attempting to increase forces towards the goal to be achieved.

Relating the implementation of IFRS to Lewin's theory, it was concluded that the former accounting system should be considered a quasi-stationary equilibrium, and that the perfect and complete implementation of the IFRS should be seen as the desired new equilibrium.

Of the three companies monitored by Boscov (2013), only CCR was able to achieve this new balance. In the other two companies, ABC and BNDES, there is the phenomenon of resistance to change. When comparing the successful process in CCR with the unsuccessful processes in the other two companies, it is observed that a fundamental factor for the incorporation of the new procedures in the process of managerial decision making was the conviction and acceptance, by the employees, that the new accounting practices would benefit and better reflect the company's situation.

This factor should be considered as a reduction of the forces that were opposed to the change to the new social level. Using Lewin's theory, it was observed that, in order to reach this new equilibrium, there was no need to increase social tension, but the opposite effect occurred. When the mandatory implementation of the IFRS arose and CCR's employees understood its importance and the benefits arising from its incorporation, the former accounting practices were thawed, social customs were broken, and the movement phase was initiated, leading to effective freezing due to the voluntary acceptance by employees and top management.

At ABC, the thawing occurred in a compulsory manner, that is, the forces that were acting against the change were maintained and forces in favor were increased, shifting the equilibrium in the movement phase and generating a result below the expectations in the freezing phase. BNDES employees, however, did not reach a consensus on the possibilities for improvements resulting from compliance with IFRS. The lack of consensus evidences the failure in this aspect, resulting in the partial implementation of the new rules, that is, even with the application of forces, the change in social level was lower than expected.

It is possible to conclude, based on the results found, that the involved agents' acceptance and understanding of the improvements deriving from the change is extremely important for the full implementation of IFRS in an organization. For a new standard to be fully implemented, users of accounting information need to realize the informational improvement the change brings about.

Regulators, in drafting a new accounting standard, should reinforce the benefits related to the improvement of accounting information and the positive impacts on the decision-making process that would be made possible by replacing the standard.

It is suggested that future studies analyze the current situation of these three companies, knowing that Boscov's multiple case study (2013) followed the three companies from August to December 2011. It is possible that the forces that work towards achieving the changes are now prevailing in the institutions of greatest resistance. Another suggestion is to analyze the process of resistance to change in relation to the implementation of IFRS in other companies and sectors. Finally, a third suggestion for further studies would be to analyze the phenomenon of resistance to change based on other authors, such as Appelbaum, Degbe, MacDonald and Nguyen-Quang (2015); Bareil (2013); Ford et al. (2008); Hernandes and Caldas (2001) and Smollan (2011).

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