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Why Global Accounting Standards Diffuse? An Analysis from the Lenses of Actor-Network Theory

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ABSTRACT This study examines the voluntary adoption of International Financial Reporting Standards (IFRS). It makes a case for the need to move beyond a purely rational behavior and structural conformity due to wider institutional pressure as well as the necessity to incorporate networks of actors, organizational diversity and practice variation into the analysis. Thus, this study aims to contribute to the broad understanding of how and why global standards like the IFRS diffuse, by examining the early and voluntary adoption of IFRS by a Portuguese company – Jerónimo Martins – that adopted IFRS voluntarily in 2000. For the purpose of this study, Actor-Network Theory (ANT), and particularly the concept of translation are useful to study the IFRS adoption as a process of actor-network building. The analysis shows that the adoption of IFRS was not a straightforward one, but rather involved several actors that faced particular challenges while responding to several interessement devices used to enroll them into the new accounting regime. The study highlights the need for further research focusing on the micro-processes surrounding IFRS adoption to better understand how accounting standards are made valuable in local and organizational contexts and the factors involved in their adoption.

Keywords: Voluntary adoption; Diffusion; IFRS; ANT; Portugal

1. Introduction

While most major corporations aspire to become multinational organizations in an increasingly globalized world, concerns about comparability in the international realm have stressed the need for accounting harmonization. This has resulted in the regulation of financial reporting practices around the world (Arnold, 2012; Camfferman & Zeff, 2007, 2018; Nobes, 2008). Throughout this process, the International Accounting Standards Board (IASB) has become the major standard setting organization responsible for the development of global financial reporting standards.

The current prominence of the IASB is even more outstanding, as this regulatory body is an independent, private sector organization, with no powers of its own to enforce the adoption of the standards. It was only in the 2000s that governments (e.g., the European Union (EU), Australia and New Zealand) have offered active support to the IASB. In 2002, the European Commission issued the IAS Regulation that requires the use of IFRS for the preparation of the

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consolidated accounts of European listed firms (European Commission [EC], 2002) from 2005 onwards. This endorsement was responsible for a radical change in financial reporting in most European countries and convinced other jurisdictions of the potential of IFRS as a truly global set of standards (Camfferman & Zeff, 2007; Institute of Chartered Accountants in England and Wales [ICAEW], 2015; Jermakowicz & Gornik-Tomaszewski, 2006).

Nowadays, these standards are required or accepted by most of the world's stock exchanges and international organizations, national accounting standard setters, governments, unlisted companies, developing and emerging countries (International Accounting Standards Board [IASB], 2018; ICAEW, 2015). The endorsement of IFRS has been based on claims that the use of these standards improves the transparency, comparability, and quality of financial reporting, promotes more efficient and informed financial decisions that reduce investors' risk and diminishes the cost of capital for companies (e.g., Arnold, 2012; Christensen et al., 2015; Cuijpers & Buijink, 2005). Despite the case for IFRS's adoption, empirical studies have not provided compelling evidence that applying IFRS has enhanced accounting quality and reporting comparability or promoted more decision-useful information to the users of the financial reports (Brüggemann et al., 2013; Christensen et al., 2015; Daske et al., 2008, 2013).

Nevertheless, previously to the mandatory adoption of the IAS Regulation, some European companies had been applying IFRS voluntarily. Because 'we still know little about why IFRS are accepted in different contexts' (Mantzari & Georgiou, 2019, p. 87), some interesting questions are: how (and why) do global standards like IFRS diffuse? What drove some companies to adopt IFRS as global accounting standards before it was compulsory?

International accounting harmonization researchers have been devoting their attention to these voluntary adopters, studying what drove the adoption of IFRS before it was compulsory (e.g., Cuijpers & Buijink, 2005; Daske et al., 2008; 2013; Francis et al., 2008; Wu & Zhang, 2009). This literature falls into the mainstream paradigm and regards the voluntary adoption of IFRS as a homogenous process, assuming that the characteristics of the companies (e.g., auditor type; industry type; size; level of internationalization; ownership diffusion) are potentially key variables in the justification of IFRS's voluntary adoption. However, these studies do not provide an in-depth, detailed analysis of the adoption processes and underlying motivation of the voluntary adoption of IFRS beyond economic efficiency and rationality.

To overcome the restrictions of the functionalist interpretation of the role of accounting in society, several scholars have critically approached the local acceptance of global accounting standards (e.g., Arnold, 2012; Durocher & Gendron, 2011; Mantzari & Georgiou, 2019), the appropriateness of IFRS in developing and emerging economies and their role in promoting neoliberal policies (e.g., Chand & White, 2007; Hopper et al., 2017), as well as the influence of wider institutional dynamics and pressures surrounding the voluntary and mandatory adoption of the standards (e.g., Albu et al., 2014; Lantto, 2014; Mantzari et al., 2017). Durocher and Gendron (2011), for example, assign the power of IFRS to the development of a rhetorical network (a myth-building mechanism) that spreads the ideal of comparability from financial reports that are prepared in accordance with IFRS.

Since insufficient attention has been devoted to understanding how and why global standards diffuse (Mantzari & Georgiou, 2019; Mennicken, 2008), we argue that it is necessary to move beyond the purely rational behavior – the decision usefulness efficiency that is attributed to IFRS –, and the structural conformity with wider institutional pressures – which is not sufficient to explain the different levels of acceptance of the standards. It is thus necessary to incorporate the networks of actors, organizational diversity, and practice variation into the analysis. The incorporation of a micro-level component on the study of the processes of IFRS adoption provides more depth to the analysis and sheds light on fact and meaning construction, on issues of power and framing, and on coalition building activities. Accordingly and assuming that no research approach is perfect or without its difficulties (i.e. Baxter & Chua, 2020; Modell, 2020a, 2020b), Actor-Network Theory (ANT) by aiming 'to bring about change in the (assembly) of the social, [. . .] through investigations of local controversies, modes of deployment and experimentation' (Baxter & Chua, 2020, p. 662), reveals itself as an appropriate theoretical lens (Lukka & Vinnari, 2014) to illuminate the links and interactions that are forged at the organizational level when translating the standards into practice (Huikku et al., 2017). As argued by Baxter and Chua (2020), ANT offers 'critical accounting researchers an opportunity to engage with practices in a rich manner, tracing the emergence of contemporarily relevant actors, controversies and effects with a view to understanding the changing world of accounting work and its constitution' (p. 662).

As such, with the aim to contribute to the broad understanding of how (and why) global standards like the IFRS diffuse, this paper examines the early and voluntary adoption of IFRS by a Portuguese company – Jerónimo Martins – as a process of actor-network building. For the purpose of this study, ANT, and particularly the concept of translation (Callon, 1986; Callon & Latour, 1981; Latour, 1987, 1999, 2005), are useful in at least three respects. First, ANT allows the focus on intraorganizational activity, actors, organizational heterogeneity, and networking. By taking a closer look at the micro level, we get a deeper understanding of how and why IFRS diffuse, what are the different connections established between IFRS, domestic standards, people, and instruments. Secondly, IFRS are not self-contained entities, whose inner characteristics are enough to explain the 'success' or 'failure' of its widespread diffusion. Rather, IFRS must be pushed and pulled by actors to be made operable. In other words, they need to be made translatable. Translation 'mean[s] displacement, drift, invention, mediation, the creation of a link that did not exist before' (Latour, 1999, p. 179). Therefore, success and failure are rather the social accomplishments of many different human and non-human actors lying in the hands of later users (Latour, 1987, 2005). Thirdly, ANT and translation allow to overcome the insufficient attention that has been devoted to the construction of accounting reality (Baxter & Chua, 2003; Briers & Chua, 2001) and to the process of IFRS adoption. Attention is given to the undefined and open nature of the standards (and of the process of its adoption), and to the fact that stability can be temporary (Lukka & Vinnari, 2014; Mennicken, 2008). Notwithstanding the case study also contributes to ANT and the debate surrounding its postulates, in particular the notion that stability is always temporary and fragile (Baxter & Chua, 2020; Modell, 2020a, 2020b), since IFRS if unchallenged are 'a black box that functions cleanly' (Huikku et al., 2017, p. 80).

Accounting change is not 'linear, predictable, controllable, exclusively technical or well-behaved' (Baxter & Chua, 2003, p. 107) and there is a shortage of accounting harmonization studies that comprehensively examine rationalities other than technical ones and with a focus on actors and on the change process itself. With that in mind, this study contributes to the international accounting harmonization literature, particularly to the voluntary IFRS adoption literature in different ways. First, although ANT, and particularly translation, have now been used by several accounting researchers (e.g., Alcouffe et al., 2008; Becker et al., 2014; Chua, 1995; Cooper et al., 2017; Jeacle, 2017; Jones & Dugdale, 2002; Lowe, 2001; Mennicken, 2008; Skærbæk, 2009; Troshani et al., 2019), to the best of our knowledge, it is the first time that it has been applied in the study of the adoption of IFRS as global accounting standards. Second, although, as defined by Modell et al. (2017), ANT is a highly empirical approach that does not aim to generalize, refine, or extend theory, this study contributes to the comprehension that, translation is an appropriate theoretical lens for understanding accounting practices, in concrete, context-specific actor–networks. Accordingly, applying this construct implies understanding that the adoption of IFRS is not the result of rational improvements or functional adaptations to environmental demands but rather an ongoing process, where the alignment of previously unconnected elements must be built. This framing facilitates an understanding of the processes, actors and roles played within the adoption of IFRS. Third, this study contributes, from a different perspective, to the argument that accounting firms 'are important sites where accounting rules and standards are translated into practice' (Cooper & Robson, 2006, p. 416). This study shows that these sites do not only influence but are also influenced by their clients. Thus, by focusing the process of adopting IFRS in a Portuguese company, and how the standards get their performative meaning from the actors' concerns and practice, this study contributes to a better understanding of how domestic accounting standards switch to IFRS, by a heterogeneous actor-network of local and global actors, human and non-human. Finally, the case of a Portuguese company also provides a pertinent study, given how Portuguese institutional infrastructures – the code-law tradition, bank orientation, concentrated corporate ownership, small capital market, tax-oriented accounting, and an accountancy profession largely dependent on the government – differ from the Anglo-American accounting system on which IFRS are based (Camfferman & Zeff, 2018; Caria & Rodrigues, 2014; Nobes, 2008). Importantly, understanding how this process has occurred in the past provides insights on how concrete, context-specific actor–networks may work in the voluntary adoption of sustainability related reporting as it unfolds at the present (Adams & Abhayawansa, 2021).

The remainder of this paper is organized as follows. Section two provides the conceptual underpinnings adopted in the analysis of the case study; section three provides a brief background information about the case company; section four describes the research method. Finally, section five describes and discusses the dynamic of actor-networks in the voluntary adoption of IFRS in Jerónimo Martins and section six provides concluding comments.

2. Conceptual Underpinnings: Actor-Network Theory and Translation

The paper is informed by the ANT, which originated in sociology and became firstly known through the writings of Bruno Latour, Michel Callon and John Law on the scientific knowledge creation processes (e.g., Callon, 1986; Latour, 1987; Law, 1994). More recently, ANT broadened its interests entering public and political affairs such as hybrid forums and technical democracy (Callon et al., 2011), issues related to care in contemporary health (López-Gómez, 2019) or climate change, ecological crises and the outbreak of populism (Latour, 2018).

ANT provides a relational and hybrid approach to the way things (e.g., scientific facts, technological innovations, practices) come into being (Latour, 1987). Within ANT, heterogeneous actors (human and non-human) are tied together into networks, which are built and maintained to achieve a particular goal. ANT makes strong arguments for a symmetrical treatment of actors, placing in the same analytical view, humans, and non-humans, subjects, and objects, embodied or disembodied skills, impersonation or 'machination' (Callon & Latour, 1981; Lee & Hassard, 1999).

Action and connectedness are paramount in ANT. The more connected an actor, the more powerful and real it is (Latour, 2005). Actors form alliances and enroll other actors (e.g., objects, organization structures, equipment, colleagues), and use non-human actors to strengthen such alliances and to secure their interests, thus creating actor-networks (Callon, 1986; Callon & Latour, 1981; Latour, 1996).

Actors and actor-networks are dynamic. Accordingly, change is ubiquitous and intertwined with the ongoing dynamics of actor-network. If change dynamics are absent, ANT will not be the appropriate analytical tool to use (Modell et al., 2017). ANT explains the creation, the alignment of previously unconnected elements, the diffusion of knowledge, in time and space, through the process of 'translation' (Callon, 1986). Translation is a core tenet in ANT that includes the relational and rhetorical work that people, ideas, technical devices, and activities need to deploy,

Table 1. Translation four entangled and interactive stages.

Translation stages	Description
PROBLEMATIZATION	• Actor(s) initiating the process defines (or redefines) a problem and offers itself as a solution. • The initial set of actors defines the identities and interests of other actors, developing efforts to convince them to subscribe to their own view, by showing that they have the solution to the problems they have defined. • Initiators make themselves an obligatory passage point (Callon, 1986) for entering the network, and become indispensable in the process problem solution.
INTERESSEMENT	• Initial actor(s) develop efforts to convince other actors that the interests initially defined are in line with their own interests. • This moment is about how easily the identified actors let themselves be enrolled (Skærbæk, 2009). • Initial actor(s) interposes itself between the actors it seeks to enroll and the rival associations of these actors in other networks (Callon, 1986). • Interessement also involves the strengthening of links between these various interests in order to stabilize the actor-network.
ENROLMENT	• If interessement is successful, enrolment occurs. • This phase involves a set of strategies through which roles in the new actor-network are defined and attributed to actors that embrace the underlying ideas of the growing actor-network, and became an active part of it. • Enrolment always involves the construction of alliances between the actors, it is a negotiation process that proceeds by trial and error. • As stated by Callon (1986, p. 210), to describe enrolment is 'to describe the group of multilateral negotiations, trials of strength and tricks that accompany the interessements and enable them to succeed'.
MOBILIZATION	• Mobilization occurs if enrolment has been achieved and means that entities become mobile. • To render entities mobile, initial actor(s) use(s) a set of strategies to ensure the control of the enrolled actors or that representations of interests remain fixed (Lowe, 2001). • The actor-network achieves stability and it can start operating as a recognizable actor, producing effects in the world through its intermediaries.

in the case of this paper, to make IFRS adoption become viable. Translation encompasses four entangled and interactive stages: problematization, interessement, enrolment, and mobilization (Callon, 1986), which are systematized in Table 1.

The translation stages should not be regarded as entirely distinct, as they are often interrelated and fluid, not implying time differences (Latour, 1987). Actor-networks do not exist before the process of translation, and the creation and development of an actor-network is a compound process, which is not always easy, sequential nor linear. In the end, the translation process may be successful and lead to convergence or, otherwise lead to divergence, and even after successful mobilization, it may collapse. Successful translation processes mean that an actor-network can be black boxed and thus be treated as a fact where nothing but its inputs or outputs need to be known (Latour, 1987). 'Black boxing' allows people to take the work of others as a resource and move on, rather than continually reproducing it and questioning it (Latour & Woolgar, 1979). Black boxes can be opened, and its content changed, however, the costs of opening it can be high, which means it is unlikely that stable black boxes will be opened, questioned, and changed by their actors. Accordingly, black boxes have great influence in strengthening the actor-network (Latour & Woolgar, 1979).

Because international accounting harmonization is not a unidirectional process (from top to down) and the diffusion of IFRS is not linear and predictable, the translation concept is appropriate to understand how and why IFRS diffuse. Translation facilitates a rich understanding of changes in accounting, which goes beyond economic rationalities and institutional influences, which, as argued by Justesen and Mouritsen (2011) and Robson and Bottausci (2018), challenges diffusion theories that conceptualize innovations as self-contained entities. Therefore, translation will highlight the constructed nature of the adoption of IFRS, pointing to the connections established as the standards become translated, enrolled and mobilized within the actor-network.

Accounting scholars have been particularly influenced by Latour's early work (e.g., Latour, 1987) which, according to Robson and Bottausci (2018, p. 61) 'remains relevant to work that is yet to be done in accounting'. ANT relighted accounting researchers' interest into the role of numbers and calculations and to focuses on accounting practices as inscriptions (Justesen & Mouritsen, 2011). As stated by Busco and Quattrone (2018), accounting 'is cluttered with inscriptions and with inscriptive apparatuses. It is an inscriptive activity in and by itself. Accounting books (. . .) contain and produce inscriptions that are materially tractable and that make sense as they circulate through the organized spaces for which they account' (p. 15).

In this domain, Robson's (1992) contribution is of particular relevance. Robson (1992) followed ANT to highlight the mobile, stable, and combinable characteristics of accounting inscriptions and, therefore, their suitability to allow action at a distance or long-distance control. Following, accounting scholars have been attentive to the emergence and the process of inscription building and their enabling power to act upon distant contexts, to create visibility and to reveal the performative nature of accounting numbers (e.g., Busco & Quattrone, 2018; Chua, 1995; Huikku et al., 2017; Qu & Cooper, 2011; Robson & Bottausci, 2018).

Another stream of ANT inspired accounting research, to which this paper aims to contribute, is the one that has studied accounting change as a process of fact building. Particularly in the field of management accounting, works on sociology of translation have been recognized as having potential to analyze the fabrication, implementation and diffusion of innovations such as the balanced scorecard (Andon et al., 2007; Cooper et al., 2017), case mix accounting (Lowe, 2001), or the activity-based costing systems (e.g., Alcouffe et al., 2008; Briers & Chua, 2001; Jones & Dugdale, 2002). In a different realm, translation was also used by Gendron and Barrett (2004) Gendron et al. (2007), Skærbæk (2009) and Becker et al. (2014). The authors approached accounting as an interessement device that can play a role in the development of professional expertise by shaping and fixing the identities of the actors during the translation process.

What these stories have in common, is that the 'existence of social order, power, truth, or any other seemingly self-evident phenomenon' (Lukka & Vinnari, 2017, p. 726) are not predetermined, but are rather made of several forward and backward moves that come from the enrolment and trials of strength between the actors. Stability, as remembered by Callon (1998) is, therefore, a rare, temporary, and fragile state, where constant maintenance is required to ensure its persistence.

Whilst Latour's work has now been used by several accounting researchers, the preparers of accounts have not often been followed in action (Latour, 1987). This means there is still a need for investigations that portray and comment on the tactics, tools, and tribulations of account-fabrication (Chua, 1995). The literature on accounting harmonization has devoted considerable attention to the global rise and spread of IFRS at the international level, but not so much to their diffusion and acceptance at the local and organizational level. IFRS do not work all by themselves and ANT offers useful insights as a theoretical lens to analyze how IFRS's adoption is constructed through the daily network of actors, instruments, ideas and activities.

Accounting change, particularly the departure from local to international accounting standards, is not the result of linear, rational, exclusively technical adaptations to environmental changes.

Following ANT to study IFRS adoption, the focus will be on actors and practice variation, which is 'hoped to provide insight into both the detail of accounting as it is performed within organizations and the manner in which human actors and objects of technology may combine to provide much stronger forces, networks within organizations' (Chua, 1995, p. 114).

3. Outline of the Case Study

Jerónimo Martins is an international group based in Portugal, that operates in food distribution[1] and specialized retail in Portugal, Poland, and Colombia. As of 31 December 2021, JM reported 20,889 million euros in sales (70.9% in Poland, 23.7% in Portugal), an EBITDA of 1,585 million euros (84.5% in Poland) and a net income of 484 million euros. The Group has 4,576 stores and a total of 123,458 employees (65% in Poland, 28% in Portugal and 7% in Colombia).[2] JM has been listed on Euronext Lisbon since 1989, and ended 2021 with a market capitalization of 12,649 billion euros (JM, 2021).

JM has a 230 year-long history that goes back to 1792, the year Jerónimo Martins, a young man from north-west Spain, arrived in Lisbon and opened a grocery in the *Chiado* area. The company prospered, becoming the main supplier of most of the embassies held in Lisbon, ships docking in river Tagus, and the Portuguese Royal Household. In the beginning of the twentieth century, due to the First World War, the company faced a situation of near bankruptcy. The *Chiado* store was sold in 1921 to a company based in Porto (property of the family of JM's Chairman). In the following decades, it recovered and expanded its chain of retail stores (JM, 2022).

In 1949, JM started an 'agenda' of international partnerships, establishing a joint venture with Unilever, whose products JM had been representing in Portugal since 1926. This agenda continued during the 1980s and 1990s, and additional partnerships were established with the Belgian Delhaize Le Lion, the German Douglas AG, the British Booker Plc, and the Dutch Royal Ahold NV (JM, 2000, 2001). In 1995, apprehension regarding the evolution of the food distribution area in Portugal led JM to define, as its strategic objective, the internationalization and expansion of the distribution business. Pursuing this goal, in the late 1990s, the company set up operations in Poland (with *Eurocash* Cash & Carry, *Biedronka* stores and *Jumbo* hypermarkets), Brazil (acquiring the *Sé* supermarkets), and in England (buying the *Lillywhites* chain of sports goods). Nationally, the company diversified its activities and entered in-store banking activities, started exploiting bakery and personal care, and entered the production and distribution of bottled water (JM, 1999, 2000).

However, this investment became too demanding and, between 1999 and 2004, JM experienced its most difficult period. The years of 2000, 2001 and 2002 recorded, for the first time in the company's history, a negative net result (−64 million euros, −84 million euros and −207 million euros, respectively). The heavy indebtedness forced the company to go ahead with a restructuration process, redefining the business portfolio and adjusting its dimension to a more sustainable one[3] (JM, 2000, 2002, 2003, 2004).

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[1] JM holds a leading position in the food distribution, reaching the 49th position among the 250 largest world retailers (Deloitte, Touche Tohmatsu, 2022).

[2] In Portugal, JM operates through the banners *Pingo Doce* (465 stores) and *Recheio* (42 stores), which are leaders in the supermarket and wholesale segments, respectively. JM also has a leading position in Poland, where it owns the country's largest food retail chain: 3,250 food stores through the banner *Biedronka*, and 291 health and wellness stores through the banners *Hebe drugstores* and *Apteka Na Zdrowie* pharmacy. Since 2013, JM operates in Colombia, through *Ara*, a chain of neighbourhood food stores. This is a market in expansion to JM that in 2021 accounted 819 stores, 8,604 employees, sales of 1,102 million euros (5.3% of the Group's total consolidated sales) and EBITDA of 47 million euros (JM, 2021).

[3] Throughout 2001 and 2004, the water business, in-store banking, the investments in the UK, Brazil and in the hypermarkets and cash & carry chain in Poland were sold.

In 2003, JM returned to profits and started a strategy of consolidation and growth of the food distribution business (JM, 2003). The maturity of the Portuguese retail market and the expected maturity, within the following 5–10 years, of the Polish market, led the company to explore further locations for investment, in the global retail market. Following a review of local suppliers and consumers, the store format, the assortment, and pricing targeting, in 2013, JM launched its retail operations in Colombia (JM, 2006, 2009, 2011, 2013). In 2019, JM continued its expansion plans in Colombia, particularly in the Bogotá region, with 14 million inhabitants, which represents around 40% of the national GDP (JM, 2020).

JM was the first Portuguese group to adopt IFRS in Portugal. This adoption, on a voluntary basis, took place in the preparation of the consolidated financial statements for the year ending on 31 December 2000. In 2000, JM was operating internationally with a more diversified portfolio, including operations in Poland, UK, and Brazil, which accounted for 38.5% of sales.[4] That year, the decline of the Portuguese economy; the entry of the discount format in the Portuguese retail market (with the consequent decrease in prices and margins); the downturn of the Brazilian economy and the devaluation of its currency, the *Real*; and the problems in the logistics flow and supply of the Portuguese and Polish stores (originated by the implementation of an integrated Enterprise Resource Planning (ERP), the *Systems Applications and Products in Data Processing-SAP*), negatively affected the company's operational performance. The financial year of 2000 recorded a turnover of 3,915 million of euros, an EBITDA of 200,599 million euros, an EBIT of 46,860 million euros, and a net loss of 59,041 million euros.[5]

The adoption of IFRS in 2000 promoted a negative adjustment of 56,630 million euros, as of 31 December 1999. The main differences between the Portuguese standards and IFRS were as follows: de-recognition of supplementary gains in inventories; annulment of the tangible assets revaluation; impairment losses of Poland stores; pensions liabilities, gains in warrants measurement; valuation of goodwill (Poland, Brazil); change in the amortization period of goodwill, goodwill's translation; de-recognition of intangible assets; and gains in fair value measurement of the financial instruments (JM, 2000).

The 2000 annual report was scarce in explaining the rationale of IFRS adoption, stating that those standards 'reflect properly the economic and financial performance' and 'allow computing more accurately the company's earnings' (JM, 2000, p. 50). The 2001 and 2002 annual reports highlighted the achievement, with the company taking 'pride that it pioneered in Portugal the presentation of financial reporting information according to IAS (...) a major step in a drive for transparency' (JM, 2001, p. 43). IFRS adoption intended to 'reach excellence in terms of the quality of the financial information that is provided to the shareholders and to the financial community in general' (JM, 2002, p. 17).

4. Research Method

The objective of this study is to provide a better understanding of how (and why) global standards like IFRS diffuse, by examining the early and voluntary adoption of IFRS by a Portuguese company – Jerónimo Martins – as a process of actor-network building. Grounded on the notion that accounting is implicated in constructing social reality, this interpretative study uses ANT as a theoretical lens, and a descriptive and explanatory case study as its research method.

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[4]In 1999 and 1998 the international business represented 32.3% and 33% of the sales, respectively. In 2000 the international businesses of JM grew 42.6%, comparatively to 1999 (JM, 1999, 2000).

[5]EBITDA represented 5.1% of the sales, less 2.7% than in 1999. The decrease was of 21.7%. The international segments of the distribution reached a negative operational income of 29,796 million euros. The EBIT decreased 64.4%, comparatively to 1999 (JM, 2000).

Rather than providing reasons to justify IFRS adoption, the ANT focus will be on telling the story 'about "how" relations assemble or don't' (Law, 2009, p. 142). By studying the adoption of IFRS in the contexts in which it occurred and by paying attention to 'establishing the meanings actors construct for their experiences' (Berry & Otley, 2004, p. 248), the focus will be on actors, the roles played within the implementation of IFRS, and on the change process itself. Accordingly, science will be studied in action, actors followed, to examine how they have created and extended (or failed to extend) the actor-network in which they are involved. Following the actors means that the analysis must be done by interviewing the actors and examining the inscriptions that mark the intermediaries (e.g., texts, images, accounting techniques, documents, computer software), to find out how they were put into circulation (Latour, 1991).

Our empirical basis is a single case study. We use a collection of documents, and semi-structured interviews that were analyzed following qualitative analysis procedures (Patton, 2005). The documents comprise the ones that the company released in the website (annual reports, press releases, corporate presentations to the market); communication in the media (interviews with current and former members of the board of directors, speeches and statements in press conferences); news pieces in national newspapers and magazines; IASB documents; documents from *Comissão do Mercado de Valores Mobiliários* [Portuguese Securities Market Commission]; documents from the *Comissão de Normalização Contabilística* [Portuguese Accounting Standards Board] and, documents from the EU (communications, directives, regulations). Access was obtained to the internal manuals (Manual of Accounting Standards and Procedures and Manual of Reporting) and work documents (spreadsheets and adjustments to IFRS) to illustrate how IFRS started to be applied in JM. We did not get permission to include this data in the paper.

As part of the data sources used, 11 in-depth face-to-face semi-structured interviews were also held, between November 2007 and July 2010, with the key human actors involved in IFRS adoption in JM. The interviewees were either employed, or former employees of JM, consultants, and auditors (and former auditors) of the group. Table 2 comprises a list of the interview participants. With the exception of the CFO (the first interviewee that we contacted), the remaining actors were neither preselected nor predefined when we began the study. Information on the actors involved in the process was gathered in each interview. The eleven interviewees were considered as spokespersons of the network, actors that recursively were identified by the remaining interviewees. The interviews were directed at reconstructing the translation of IFRS by asking the interviewees to reflect on and explain the circumstances which resulted in the adoption of those standards. Interviewees were asked about the IFRS adoption background and design, their education, their tenure, the changes IFRS caused for them and their co-workers, the reasons behind the adoption, and how they perceived the implementation and effects of IFRS related devices.

We met the interviewees at a time when the IFRS had already been in use for several years, meaning they had years of exposure to IFRS. Interviewees gave accounts, in their own words, of their experiences, roles performed, motivation, knowledge and perception during the IFRS adoption process. The length of interviews ranged between 75 min and two hours. Interviews were conducted in Portuguese by the first author at the workplace, in Lisbon, except for one that was conducted via Skype as the interviewee was abroad. All the interviews were tape recorded and then, fully transcribed, and analyzed. The interviewees were also asked to review their statements to check for possible mistakes or misinterpretations. Adding to face-to-face interviews, whenever it was needed, additional phone calls, Skype meetings, email exchanges occurred, to clarify understandings and follow-up on themes identified

Table 2. Date and identification of the interviewees.

Jerónimo Martins		
Date	Interviewee	Occupation
November 2007	Interviewee A	Director of Consolidation and Accounting
November 2007	Interviewee B	CEO/CFO
July 2008	Interviewee C	Accountant
July 2008	Interviewee D	Consolidation and Accounting Manager
September 2008	Interviewee E	Consolidation and Accounting Manager
April 2009	Interviewee F	JMR Reporting Manager
July 2009	Interviewee G	Auditor
July 2009	Interviewee H	Auditor
July 2009	Interviewee I	Auditor
September 2009	Interviewee J	Consultant
February 2010	Interviewee K	Group Financial Controller

through the interviews. For the purpose of this article, selected excerpts of the transcribed interviews were translated into English by the first author and then proofread by a native English speaker.

The historical nature of the paper is acknowledged as adequate to the 'retrospective analysis of how a momentarily stabilized structure has been constructed' (Modell et al., 2017, p. 66). Despite the time distance from the process, when conducting the interviews, and in the process of analysis, it was possible to acknowledge that this time distance gave the interviewees 'freedom' to be more open about an event that had occurred and whose results were known. Therefore, they spoke openly about difficulties and sensitive issues.

To explore and describe the adoption process of IFRS in JM we structured our work in four main steps. First, based on the publically available documents of the case company, we identified the chronological order of the events, followed by how the company told her history concerning IFRS adoption. Secondly, we listened to the actors (and sought not to privilege any viewpoints), identified and collected non-human actors. We proceed with the analysis of the interviews in order to verify, detail, identify and characterize: (1) when events happened; (2) actors involved in the process; (3) the role of each actor; (4) how actors relate with each other(s); and, (5) how claims around IFRS were defined and redefined. Following, we analyzed the non-human actors and inscriptions that were enrolled and mobilized during the process. This process was done recursively in order to reconstruct the events and their effects, trace human and non-human actors that circulated the adoption of IFRS and to cross-validate the findings.

Accordingly, a general story of the overall process of IFRS translation as well as the role of the different actors and devices was drafted following the documentary analysis and namely the interviewees' narratives on how they experienced the adoption of IFRS. Evidence was grouped and coded first, in order to describe the IFRS adoption actor-network in a chronological order. Following, evidence was highlighted and coded in order to tell the story on how the IFRS's actor-network in JM was created and strengthened. Analysis was conducted simultaneously with data collection and continuous use of theory: categories were identified and checked against data through an iterative process that allowed the selection, application, and refinement of the ANT constructs in use (Irvine & Gaffikin, 2006). To increase reliability and validity, an expert in qualitative research analysis revised the data collection and the analysis of the interviews. After an examination of the interpretations and the clarification of some questions, consensus was reached. In compliance with the ANT approach, the following section relies on a strongly empirical focus that avoids the separation of description and explanation as much as possible.

5. Translating IFRS in Jerónimo Martins

5.1. The Emergence of IFRS Adoption Actor-Network in JM

To study IFRS in action in JM, we must first go back to when IFRS were still a 'possibility rather than a certainty; when its development remained open, contested and controversial' (Jones & Dugdale, 2002, p. 125). Thoughts and activities of the system-builders as they put IFRS into circulation must be explored. As such, the IFRS adoption process is better described as a journey than a destination (Andon et al., 2007). But how did this journey begin in JM? How did the actors come together? Why did they, or how did they become interested in the construction of IFRS adoption network? Was there a shared perception that there was a need for IFRS-based accounting information in the company? Was this need fabricated?

While IFRS became adopted in the preparation of 2000 annual reports, the journey started earlier when a former black box, the one of the Portuguese accounting standards (*POC*),[6] started to be contested in JM. As a Portugal-based company, JM was required to prepare the annual report and accounts following the Portuguese accounting standards. However, the internationalization and diversification of JM's business that took place during the 1990s, highlighted the insufficiency of *POC* in a dual way.

First, the expansion of its activities to Brazil, England, and Poland required a huge investment effort: about 1,500 million euros, between 1997 and 2000 (JM, 2000, p. 56). The retail sector generally benefits from huge liquidity, but those investments called for additional financing (through bond and bank loans), with national and international funders,[7] increasing JM's debt levels. In 1999, the ratio of debt to shareholders' funds increased from 0.95% to 1.26%, and the EBITDA versus financial results ratio decreased from 6.1% to 3.8% (JM, 1999, p. 73). Secondly, the failure of domestic standards in providing a comprehensive, uniform, single reporting model to the Group.

This late flaw led, in 1998, to the development of JM's Manual of [Accounting] Standards and Procedures (MSP). The MSP would facilitate and unify the preparation and disclosure of accounting information – particularly for consolidation purposes –, by standardizing employees' procedures and by facilitating their rotation in the Group (Interviewee B). As asserted in the following quote, after the issue of the MSP, the Accounting Department started to work on a business basis, with only a few accountants assigned to the fulfilling of the legal and tax requirements:

> With the design of the MSP, we broke with national accounting standards. (...) Even now, Portuguese companies prepare their accounts for tax purposes first, and only later for reporting reasons. In 1998, we put the entire organization, all the accounting team, working in a business perspective, and only one, two persons per company remained responsible for the tax issues. (Interviewee A)

The MSP became an important inscription on the new approach to financial reporting. But this was not enough. By standardizing accounting policies and procedures, the objective of promoting

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[6]Until the implementation in 2005 of the Regulation 1606/2002 that made IFRS mandatory for the preparation of the consolidated accounts of EU-listed firms, Portuguese companies had to follow the Official Accounting Plan [*Plano Oficial de Contabilidade*], known as *POC/89*, and the standards issued by the Portuguese Accounting Standards Board. *POC/89* was mainly based in the Fourth and Seventh Directives of the European Union (EU). Despite the adoption of IFRS, *POC/89* remained compulsory, for taxation purposes, until 2009. In 2010, the code-law based Portuguese accounting system was replaced by the *Sistema de Normalização Contabilística* (Accounting Standardization System) that adapted IASB standards to unlisted companies. For a detailed analysis of the evolution of the Portuguese accounting system, see Caria and Rodrigues (2014).

[7]Investments in the international businesses were usually financed by local banks in local currencies. JM had debts in Portuguese *escudos*, British pounds, Brazilian *reais,* USA dollars and Polish *zlotys* (JM, 1999).

a single reporting model within the Group has been reached, but not the need for providing comprehensive, quality, and comparable data to financial providers.

In the late 1990s, *POC* was still a powerful actor-network. *POC* was cast into historical stability, known, and used by all accountants and inscribed in the law, which made it a prevailing program. But the box had been opened in JM, and the *POC* actor-network had been put into question. The disconnection between the increasing reporting needs of the Group and the reporting for legal and tax purposes led the *POC* black box to start leaking. Trials of strength between the *POC* and IFRS in JM started to appear (Callon, 1986; Latour, 1987). The actor network alignment became loose with bits and pieces following their own inclinations and making of Law (1994).

Faulty joints of *POC* prevailing actor-network, combined with a distressful increase in the company's debt levels (and on operating and financial costs with the consequent decrease of the net profit), made room for the emergence of the IFRS adoption actor-network and its problematization, in early 2000. In this case, the IFRS adoption actor-network emerged close to the Executive Board of Directors, in the Department of Financial Planning and Consolidation and Accounting.[8] One of the first actors of the IFRS adoption actor-network in JM was the Group Financial Controller [Interviewee K], a former audit and tax partner of Coopers & Lybrand. This Director was, therefore, attentive to IASB developments and its increasing influence abroad. This interviewee and JM's CFO thought that the adoption of IFRS was the proper solution to the problems that the company had at the financial reporting level: national accounting standards had become inadequate, due to increased business complexity and, the high debt level and decrease of earnings. As the CFO stated, 'for the first time, in 2000, JM incurred in losses. Debts and financial costs had increased, and the market price reflected our situation. We realized that we needed to change our strategy'.

Although the Portuguese market was too narrow to respond to JM's funding needs, it became obvious that the permanence and entry into new financing markets would only be possible if intelligible financial information was provided. With the adoption of standards that 'reflect the latest expert thinking of the most prestigious' (Touron, 2005, p. 862), loans or investments could be more easily obtained. 'I am not saying that we would not get the funding that we needed [if IFRS were not adopted], but perhaps we would not get it in the same conditions. Perhaps spreads would be higher or additional warranties would have to be provided', explained Interviewee F.

When problematizing the adoption of IASB standards, IFRS were made an obligatory point of passage for JM to cope with a comprehensive and internationally comparable reporting model. In establishing a network of support of people and resources around IFRS adoption in JM, IFRS's proponents relied on a dual strategy. First, IFRS adoption was cast as a new enlightenment of managerial practices that would meet the requirements of the market competition. Additionally, proponents attempted to take advantage of the sensitivity to claims presented in financial terms – that is, referring to data produced through rational means of investigation (Latour, 1987) – by framing the benefits of adopting IFRS in terms of its impact on accounting figures, and the benefits from a potential fundraising in more advantageous circumstances. These strategies were particularly successful as the company was facing 'a debt and profit crisis', as explained by Interviewee K:

> The year of 1999 had been very difficult. Internally, we faced severe problems with the implementation of the new Information System, the SAP Retail. (...) Internationally, there was the huge investment effort of the company: the investments in Poland were not paying back yet; the expansion in Brazil and in the UK, and even other investments, were putting JM under huge financial pressure. (...) In 2000 the pressure in managing the debt increased. (...) We faced a debt and a profit crisis. Some investments were not profitable [Brazil and UK], and others [Poland] were in

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[8] The management structure of JM includes Functional Departments, which provide support and advice to the Board of Directors, to the Managing Committee and to the Audit Committee.

> an initial stage. JM's accounts were not recognizing the impairments in those assets. There was a huge pressure to record those impairments, despite the impact on Earnings. The adoption of IFRS would allow cleaning our accounts and recognize those impairments in the Equity. (...) On the other hand, [adopting IFRS] would impact positively the analysis that the market would do. (Interviewee K)

With the 'freedom' to speak more openly about an event that had occurred, given the time distance from the process, Interviewee F acknowledges that:

> In 2001, 2002 we had huge losses. Does it make any sense to adopt IAS and have your income cut? We had to assess the pros and cons. To get the benefits we had to give something back. We had to recognize impairments that we prefer not to do, we had a decrease in our equity. After putting the house in order, from 2002-2003, the profit started to grow steadily. Looking from now, it was worthy. (...) It also helped to leave our position in Brazil that was hampering our financial position. That exposure forced us to take several decisions, due to our (negative) figures. (Interviewee F)

The change from Portuguese to international accounting standards promoted a negative adjustment of 56,630 million euros. This adjustment was recorded in the equity captions 'Share Premium' (1,809 million euros), 'Reserves' (€12,229 million euros), 'Retained Earnings' (negative amount of € 47,595 million euros), and 'Net Income' (negative amount of € 23,072 million euros) (JM, 2000, p. 109). After several years it is clear recognized, as argued by Interviewees F and K, that the adoption of IFRS was a 'solution' to a serious problem in the group accounts and were an opportunity to 'clean the Balance Sheet'.

What can be highlighted from the problematization was the introduction of IFRS as a major program that would enable a more efficient use of resources, which, together with the ideal of comparability and modernity, were presented as the motivations for the introduction of new accounting standards. This problematization was effective. While IFRS conflicted with the Portuguese accounting standards they were positioned as a great opportunity. One of the auditors corroborates this assertion, highlighting the benefits of the early adoption: 'there are advantages that come from showing to the market that the company has a culture of innovation that is not afraid of embracing new procedures or processes' (Interviewee G). As posit by JM's Chairman, this attitude, that grants legitimacy to the company, is 'a style of management: we do not like to arrive at late, under any circumstance' (Santos, 2003, p. 76). Therefore, the early adoption of IFRS was an 'appealing challenge that instigated more confidence in the company, (...) it was not a threat but an opportunity that JM should see as an advantage' (Santos, 2003, p. 76).

5.2. The Fact Building of IFRS adoption Actor-network in JM: Interessment and Enrolling Allies

Following problematization, emphasis had to be placed on the interessment of allies. The construction of a network of support around IFRS, in JM, depends on the establishment of several supportive relationships in a networking process of alignment. If those connections are well forged enrolment happens. The initial problematization brought additional actors – the Director of Accounting and Consolidation and the employees of the Departments of Consolidation and Accounting and Financial Planning- directly into the story. Interessement modalities for these potential actors followed the strategies of problematization closely, relying on the technical, knowledge-based discourse that IASB standards were the proper solution to improve financial reporting. Consequently, this 'would open the doors to additional funding markets' (Interviewee A). As ascertained in the following quotes, employees of the Department of Consolidation and Accounting and the Department of Financial Planning were sensitive to those rationales, and perceived IFRS as an obligatory passage point to quality financial reporting and added to the network:

> It was easy to understand [the decision of adopting IFRS]. We are an international group, with investments and investors in several parts of the world. So, we needed to open the company to new funding markets. (Interviewee E)

> Our lenders are all international [banks]. Occasionally, we will have national loans, but this business moves millions and our lenders are not in Portugal. (...) we need to give back to the markets what they want: that is information. (Interviewee F)

In 2000, following the Lisbon European Council Conclusions, the European Commission was already planning to present a formal proposal that would require all listed European companies to prepare their consolidated accounts in compliance with IFRS from 2005 onwards (Commission of the European Communities [CEC], 2000). Therefore, IFRS's proponents in JM used the expected intentions of the EU in endorsing the IASB standards as an additional strategy of interessement. As contended by one of the Interviewees,

> IAS were approached as an opportunity, as something positive, that would become mandatory in five years. We could only win, in terms of know-how, cognizance and knowledge of the standards, by anticipating the adoption. (...) The company had all the interest and, one way or another, it was something that we had to do. (Interviewee D)

In 2000, IASB pronouncements did not have the same relevance as today, but they were starting to be framed as a global idea (Czarniawska-Joerges & Sevón, 2005), a rational response, in the accounting field, to the increasing globalization of economies. By linking the company's decision to adopt IFRS to the broad, global actor-network of the EU, the 'microcosm of interessement modalities' met the 'macrocosm of society' (Alcouffe et al., 2008, p. 14).

As with the previous actors, the discursive interessement devices, based on the competitive and legitimating advantages of adopting IFRS, were used to enroll Executive Directors in the IFRS adoption actor-network in JM. The claims suggesting that IFRS adoption could increase the company's income, and simultaneously promote the quest for a single and efficient reporting model that was necessary to provide comparable, quality financial information to the capital markets, were powerful arguments to enroll these allies in the IFRS campaign. As suggested in the following quotes, these Directors were easily enrolled, without any resistance:

> We were playing in global markets and we had to prove that we could face the same challenges as any other multinational company. (...) we needed modern, up-to-date, and transparent information that could be understood by everyone. (Interviewee B)

> We were having talks with the Directors, discussing the developments of the accounting standards and which accounting principles we should follow. (...) JM was in the capital market and wanted to remain there. Moreover, for a company that has foreign investors, being able to present the accounts following a comparative basis was, and still is, a great advantage. (Interviewee K)

Initial proponents succeeded in engaging the previous actors, the members of the Department of Consolidation and Accounting, the Department of Financial Planning, and the Executive Directors. The enrolment of the Executive Directors helped give more substance to the project and secure the enrolment of its first proponents. To continue the translation of IASB standards in JM, a task force from the Department of Consolidation and Accounting was made responsible for the first assessment of the impact of adopting IFRS in JM (Interviewee F). This was a challenging and demanding task since these employees had no training in IFRS[9]:

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[9]The lack of development of the Portuguese accounting profession, and the emphasis on uniformity and legality, led the state, through the Accounting Plans, to regulate the accounting affairs of the enterprises. During the 90s, while several countries and stock exchanges in Europe allowed the use, by listed companies, of non-domestic standards, in Portugal that was not possible. Notwithstanding the influence of several IFRS in the Portuguese domestic standards, a lot of differences existed between these two sets of standards. Thus, the pervasive effects of the POC on financial accounting and reporting, led students and professionals to be taught and trained, until recently, based on the Accounting Plan. That was the case of JM's accounting staff.

> We started by gathering information on what are IAS. My first impression was that this could be a never-ending/bottomless process. Why? We had no experience; there was no one, nothing in Portugal that we could follow. (...) we knew that the final product would be our annual report according to IAS, but we did not know what to do to get there. (...) An Annual Report and Accounts according to IAS is by no way similar to one following the Portuguese standards. We have to disclose twice, no, three times more information than according to POC. And then it is all that we want to disclose [voluntarily]. (Interviewee F)

> A broad study [of IFRS and their major impact on the accounts] was done, but in a way we were not 100% sure if what we were doing was what would become final. (...) We tried to evaluate the impacts that the adoption could have in JM. We had important investments in real estate, which could promote huge impacts in the accounts due to the use of fair value. Additionally, accounting issues related to financial instruments were also of concern. (Interviewee K)

To overcome the lack of expertise in IFRS of these early allies and to proceed with the translation of IASB standards in JM, KPMG consultants were hired. JM wanted a consulting company different from the one of the auditors. 'Several companies contact us to provide consulting services on the evolution of accounting standards and the conversion to IFRS', explained Interviewee K, '(...) so, when we took the decision to adopt IFRS we consulted the market and decided on KPMG'. Consultants were expected to bring their expertise to JM and the results of their experiences with other companies followed by KPMG international Office. In return, they could obtain the market power derived from their association with innovative practices. This kind of interaction is important since, as argued by Gendron et al. (2007), proponents 'more or less consciously draw from other networks of support when developing and promoting their own claims' (p. 105).

In mid-2000s, consultants started working together with JM's task force at the Department of Consolidation and Accounting. The team's first task was a comprehensive analysis of the accounting standards and procedures defined on the MSP. To clarify the accounting procedures followed by each company, and to assess the differences regarding IFRS, a survey was launched. This instrument allowed the identification and quantification of the differences between the Portuguese standards and IFRS; and the preparation of the IFRS pro-form accounts. This process was described by Interviewees A and J as follows:

> (...) we revised, with the Consultants, the Group's standards; we asked all the subsidiaries, we issued surveys with a lot of pages, with a lot of questions, questions that the MSP answered, but we wanted to do it anyway, to know exactly what was being done. Based on that questionnaire we identified the differences between *POC* and IFRS. (Interviewee A)

> Normally, adopting IFRS implies the following stages: analysis; qualitative reports of the impacts (more superficial); analysis of IFRS options and study of their impacts on the company. Normally this process would take a year, a year and a half. (...) In JM took months, working a lot per day. Now a process like this, in a medium/big company (without consolidation) takes 2 months. JM took longer because the Group had a lot of subsidiaries and also because it was our first time. There were several standards that we did not know in detail. (...) IAS have this problem, they open out in several directions, several alternatives and we had to study the current and future impact on the company's financial position of those options. (Interviewee J)

To further stabilize the IFRS implementation, simultaneously to the inclusion of external consultants, JM's auditors (PwC Portugal) became enrolled into the IFRS adoption actor-network, as a recognition of their relevance to the translation of standards into practice (Cooper & Robson, 2006). The decision to follow standards promoted as the best practice and that would become mandatory in the future was a powerful argument – an interessement and enrolment device – to add the auditors to the actor-network. 'JM's decision was not a surprise for me. (...) At JM they are very dynamic, generally they are always one step ahead of other companies in implementing new management devices', explained one of the auditors (Interviewee H). 'We knew that we were investing in something that was the future. (...) Also, if you have, or want to have, loans from international banks, presenting intelligible accounts is fundamental', added another auditor (Interviewee G). In 2000, the Lisbon Office of PwC had not yet started the preparation and training of its staff to conduct the change from Portuguese standards to IFRS. Although PwC Portugal had some multinational companies as clients that had to report to their parent company according to the Group's Manual and not under the Portuguese standards, JM's decision to adopt IASB standards put an additional pressure on the training of the auditors. The lack of expertise on IFRS, in Portugal at the time, was explained by the auditors as follows:

> (...) We had to move fast with training and preparation, because JM decided to adopt IFRS before it was compulsory. At the time, we had a limited knowledge on international standards, just a few ideas. Only multinationals were using IFRS, and not deeply. Even our colleagues from the Advisory Department, specialists in IFRS, did not know thoroughly about international standards. So, some doubts or questions, that we had during the process, had to be solved by our London Office. (Interviewee G)

Despite the lack of previous experience, initial proponents were aware that the auditors had to be enrolled because they would play a key role in promoting and legitimizing IFRS adoption to the stakeholders. Additionally, the engagement of these actors would offer further reassurance that the accounts of the company's activities could be relied upon. Auditors became enrolled and started to audit the process of translation to IFRS. JM's task force of the Department of Consolidation and Accounting, consultants and auditors worked together, as described by Interviewee H:

> KPMG launched the process, collecting data from all the companies. Next, they had to prepare all the entries to change from *POC* to IFRS. That is when we came into the process. We audited the process. We had to check if all the needed questions had been made and also the collection of the questionnaires. Then there were complex questions that had to be considered: the company had to choose among alternative accounting treatments under IFRS. That is when we sat down to listen to the company, the consultants and the auditors' opinion. (...) So, we had regular meetings with JM, with KPMG, or both. IAS are not black or white, there are a lot of greys, so we gave our opinion, KPMG gave theirs and JM decided. We were there during all the process. (Interviewee H)

To boost the translation of IFRS in JM, proponents linked the IFRS adoption actor-network to the actor-networks of the consultants and auditors. As stated by Chua (1995), consultants and auditors are experts that legitimize and contribute with additional degrees of credibility to the accounting numbers produced by JM. Through the enrolment of these experts, the IFRS adoption actor-network in JM tied together, intersecting local and cosmopolitan networks of actors[10] (Briers & Chua, 2001). Additionally, at the expense of the enrolment of these experts, ideals such as modernity, quality and best practice became enrolled in the IFRS translation.

The migration to IFRS was centralized at the holding Department of Consolidation and Accounting that, based on evidence gathered, seemed to have quite easily accepted their new responsibilities on the reporting model based on IFRS and even been mobilized as active supporters. 'It had to be that way', explained Interviewee A, 'if we had chosen to decentralize the process right from the beginning it would have been chaotic!' IASB standards were not well known in Portugal, at the time, so, the task force of the Department of Consolidation and Accounting and the Consultants decided to decentralize only 'what would be easy for the subsidiaries to understand and the auditors to validate' (Interviewee A). Notwithstanding the fact it was a centralized project, the decision to adopt IASB standards was known by the subsidiaries, as explained by Interviewee K: 'we had several meetings with the financial people at the subsidiaries. We had to let them know what we were doing, so that each company could provide us the data to translate the accounts to IFRS'. Furthermore, the industry expertise of these employees was important to understand and choose the most appropriate accounting treatments of those IFRS that have more impact in the retail business (Interviewee G).

[10]Briers and Chua (2001, p. 241), theorized cosmopolitans as global travelers/actors 'in the sense that they are adept at penetrating spatial and cultural boundaries'. In addition, these cosmopolitan actors 'either work for global chains or for organisations that are linked to global chains', which enable technologies originating from one space to be made known very quickly to actors physically located in other spaces'.

At this stage, the migration process was very artisanal. Subsidiaries were following JM's regular procedures of the MSP to prepare individual and consolidated accounts. The adjustments to comply with IASB standards, performed by the task force of the Department of Consolidation and Accounting and the consultants, added to that basis. 'KPMG had a draft book of the IAS financial statements, prepared by its office in London, and it was based on that thorough book that we started gathering data and building our figures', explained Interviewee F. From our interviews, at this time, there was no perceived need of the actors for refining the existing devices, or to circulate additional ones to stabilize their roles.

JM had corporate consolidation tools and invested heavily in an integrated Information System (SAP) in 1999. However, the transition to IFRS was made using spreadsheets and kept out of those information systems until late 2003. For example, the collection of historical data, needed as the basis for preparing first time IFRS financial statements, was conducted via a reporting procedure based on Excel worksheets that the accountants had to fill in with the additional figures to comply with each IFRS effective at the end of 2000. In 2000 there was not a transition standard – as IFRS 1, issued in 2003 – that would guide the new adopters. The absence of stated procedures to adopt IFRSs for the first time, led the IFRS adoption actor-network actors' in JM to step back in time to restore the company's historical IFRS numbers. 'JM has more than 200 years but most of the concentration of operations happened in the 1980s. We had to wind back to those years to determine the impact of those operations', explained Interviewee A. 'Here we had some difficulties', stated Interviewee G, (. . .) [i]f with the tangible fixed assets was not that hard, with the goodwill it was. (. . .) we had the support of our colleagues from London to know how many years we had to go back to' (Interviewee G). Interviewees F and H explained the methodology to prepare the IFRS accounts as follow:

> We had our databases and our consolidation tools. We did not get any new software or IT systems. We just needed a method to add the data to our consolidation tool. (. . .) The best way of justifying the derogations to *POC*, to comply with IFRS, was by having precise records that could be audited. Until 2005 we worked this way. Auditors agreed with this procedure and things worked well. (Interviewee F)

> In this initial stage all the companies [subsidiaries] kept using *POC* and we, at the holding, performed all the adjustments to IAS, in the consolidated accounts. I still have those files somewhere . . . there was a wall full of files with the adjustments to IAS. It was an awful thing! Everything was handmade. There was a sheet per entry: JM had a lot of subsidiaries and each entry had to be recorded in every company. Subsequently each entry would be computerized. But first it was written manually. (Interviewee H)

The financial statements following IFRS were prepared and presented to the CFO and the Executive Commission in late March 2001. Senior managers and Executive Directors were committed to establishing high standards of reporting. Thus, they were mobilized to promote the advantages of IFRS based financial information. Consistent with their faith in the effectiveness of IFRS, managers mentioned being highly confident in the reliability of the financial statements, and expected stakeholders to become gradually aware of this reliability (Interviewee A and B). They expected that the public notice of the compliance with IFRS would allow the company to re-establish legitimacy. Therefore, published IFRS consolidated financial statements became an inscription that rendered visible and strengthened the IFRS adoption actor-network. Moreover, by showing that it followed IASB standards, Annual Report and Accounts could be viewed as a punctualization of the actor-network. This inscription also acted as an additional interessement and enrolment device, by demonstrating to third parties with an existing or potential relationship with JM, that resources invested in the company were efficiently managed and that the company was concerned about complying with the best international accounting practices. Consequently, compliance with a justifiable global accounting language as IFRS, would prompt efficiency, but it would also help ensure sustainability and legitimacy. This assumption was posited by JM's chairman who described IFRS as a ‘competitive tool’ that would allow the company ‘to speak the language of business’ (Santos, 2003, p. 76).

5.3. The Mobilization of the IFRS adoption Actor-network

Having prepared the 2000 IFRS-based consolidated accounts was by no means synonymous that these standards had been blacked boxed in JM. As previously stated, the published annual accounts strengthened the IFRS adoption actor-network but, for the widespread adoption of IASB standards, additional network linkages needed to be forged. In order for IFRS to become more influential in JM, it needed to become more diffused across the site. Therefore, to enlarge the network, IFRS pronouncements were incorporated into the company’s Manuals. ‘In this second stage, we had to update our Manual of Accounting [MSP] to comply with IFRS, we had to update all the documents that the Group have to use’, stated Interviewee A. During 2002 and 2003, following the strategic restructuration of the company, JM also issued the Manual of Investments and the Manual of Reporting, both consistent with IASB standards.

The incorporation of IFRS in these manuals gave the idea that IFRS adoption was relevant and practical to everyone involved in the preparation of the financial information. In ANT parlance, these Manuals became inscriptions. By manifesting the outcomes of previous negotiations between actors, these inscriptions stabilized previous agreements and the identity of the actors, making them ‘durable’, and thus harder to change (Latour, 1991, p. 103). Therefore, the ingraining of IFRS into these Manuals not only strengthened existing links, but it created new linkages that effectively made the actor-network larger.

At this stage, the IFRS adoption process became decentralized and additional actors – the accountants of the subsidiaries – needed to be enrolled. These professionals had to be convinced that the adoption of IFRS was relevant to them and that this adoption could be made practical, fitting to their context. The challenge here was to translate the arguments promoted at the holding (Departments of Financial Planning and Consolidation and Accounting) into a series of claims concerning the interests of these employees. Interessment of accountants was based on the claims that, soon, IFRS would become mandatory in Europe, and that their adoption ‘could increase the international comparability of JM’s financial statements’ (Interviewee C). Interessment based on career enhancement was also effective, as the Interviewees agreed that IASB standards were important for the future of the profession and the early adoption of IFRS could provide them with distinctive expertise (Interviewees C and D). We found no evidence that actors had been skeptical towards the benefits of IFRS or against its adoption in general. Moreover, they saw favorable career prospects in anticipating what would be mandatory in the near future. Accountants understood that IFRS adoption was an obligatory passage point for JM become a successful international company. The proponent team at the holding established a positive link between the adoption of IFRS and the accountants’ identity, thus positioning IFRS as a natural fit.

Accountants in the subsidiaries, like the employees at the holding, did not have previous formal/applied education and/or training, or hands-on experience with IFRS. To deal with any lack of qualification, it was essential that the necessary skills were built through training. The training of the employees on IFRS was therefore performed internally. As already stated, in the early 2000s, IFRS were not well known in Portugal. Comprehensive training was also non-existent. It was only in 2003 and 2004 that the auditors conducted two training courses in IFRS in JM, one in each year. In 2004, the payment of a training course on IFRS was included in the other non-statutory audit services (€66,750 in a total of €685,222). This annual report presented, for the first time, training indicators: the IAS Standard and Manuals course, with 445 total training hours, involved 73 employees in all the subsidiaries (JM, 2004, p. 31). Interviewee A explained why JM did not have to invest greatly in training:

> The reporting in JM followed the standards of the MSP that were different from national accounting standards. The change was not that huge. The issue of the MSP in 1998 had already promoted the rupture with the national standards. At that time, it was difficult because accountants were used to do accounting only for tax purposes. Since the issuing of the MSP, financial reporting follows the needs of the management. When we adopted IAS, the accountants responsible for the tax, legal affairs were the ones that needed a special, more thorough form of training. (Interviewee A)

There were uncertainties and concerns about the pronouncements and details of IFRS and how these interfere with the preparation of the *POC* accounts, but these concerns appeared not to be strongly felt, or at least not to overcome the perceived advantages of the early adoption of IFRS. Though they might not all have been equally enthusiastic about the adoption of IFRS, it was a project which clearly was understood by all as being significant to the company because of its funding implications, and to the education, career of the employees. From an ANT perspective, the proponent team from the holding managed to successfully enroll the employees in the subsidiaries. The following quotations exemplify these assertions:

> (...) we could only win by anticipating the adoption. A win in terms of know-how, learning. It was worthy. I can talk about IFRS today, from back to front, because I know what is behind those standards. Not that I agree with all the standards! (...) This process was hard. But in the end, our efforts paid off. It is rewarding to look to our annual reports. They have received several awards. (Interviewee C)

> There are always advantages in starting earlier before it becomes compulsive. It makes the process of change easier. Because it is not easy, for example for accountants, that were used to *POC*, suddenly, to start using another set of standards. Starting earlier allowed us to manage, quietly and calmly, the process. In 2005, when it became mandatory, nothing new happened in JM, we were already using IFRS. (Interviewee D)

> There was no resistance against the process but complaints such as: 'we already have our chores and now we have to prepare this information'. That was the sort of resistance that we faced. Not in the sense that the project would not be relevant or that it would not be worth to JM. The resistance was due to the overload of work. (Interviewee K)

With the enrolment of accountants and financiers in the subsidiaries, additional nodes were strengthened and the IFRS adoption actor-network in JM grew. As stated by Latour (1987), the fate of an innovation does not lie in the hands of proponents or initial supporters but with those who come after and have often different interests and are subject to different pressures.

Nonetheless, this actor-network was by no means already certain. Along with the interactions and negotiations to build up agreement around IFRS in JM, there was a continued struggle to stabilize the translation, against various efforts to destabilize it. IASB standards were perceived as superior by actors involved in the translation of IFRS in JM, but the fact that domestic standards were inscribed in the law forced JM, like all companies based in Portugal, to comply with those standards. While leaking (since the late 1990s), the *POC* actor-network was still an important actor-network in JM. The fact building network had to be carefully built up, since the widespread adoption of IASB standards was by no means certain. Thus, as Chua (1995, p. 125) points out, 'new converts would need to be formed, critics silenced, competitors overcome, sceptics convinced and the technology shown to work in many, diverse workplaces'.

An example of the trials of strength between the *POC* actor-network and the adoption of IFRS in JM is the one related to the audit qualifications of the 2000 and 2001 consolidated financial statements. During 2000 and 2001, the company did not restate the IFRS consolidated financial statements to the national standards, which granted audit qualifications to the consolidated annual accounts. JM managers understood that according to IFRS, they were reporting under more demanding and informative standards, thus providing a 'more complete, true, actual, clear, objective and licit picture of the company' (JM, 2000, p. 125). Therefore, it would not be necessary to provide a restatement of the derogations of the Portuguese standards to comply with IFRS, as those derogations would become permanent through the forthcoming mandatory adoption of IFRS within the EU (JM, 2000, p. 110). This situation was described by Interviewee G as follows:

> If you read our opinion at the audit report, you will see that it was given, not according to IFRS, but according to *POC* and the necessary derogations to comply with IFRS. That had to be that way because at the Auditors Order they had some difficulty in understanding and accepting that IFRS could be followed in Portugal. (. . .) At JM, when they think they're right, they don't change. They thought it didn't make any sense to present the reconciliation to the Portuguese GAAPs. So, they didn't do it. That's their attitude. And they didn't care if we had to disclose the audit report. (Interviewee G)

However, in the ensuing year, JM's 2002 consolidated annual accounts disclosed the conciliation between the Portuguese standards and IFRS (JM, 2002). That year, the annual accounts did not have an audit qualification but an emphasis due to the fact that the notes to the consolidated financial statements were prepared in accordance with 'the disclosure requirements of IAS and do not include, when applicable, reference to the notes required under Portuguese GAAP, for the purpose of presenting statutory accounts in Portugal' (JM, 2002, p. 109). While the system-builders of the IFRS adoption actor-network in JM struggled against the *POC* competing network, this *actor-network*, at this point, was still powerful.

An important inscription that contributed to the stabilization of the IFRS adoption actor-network in JM, and consequently dampened the linkages with the *POC* actor-network was the approval of the Regulation 1606/2002, in July 2002. This Regulation constituted a new obligatory point of passage that reinforced the relations within the existing actors in the IFRS adoption actor-network in JM, providing it with renewed legitimacy and visibility. JM increased its credibility by convincingly claiming that they were already in line with Regulation 1606/2002. At this point, Regulation 1606/2002 turned the European policies and politicians into allies of the translation of IFRS in JM.

Regulation 1606/2002 induced the need for new actions that promoted additional translations around the world. In Portugal, the *POC* actor-network*,* firmly enacted in the power of the law, started to crumble. The Portuguese Accounting Standard Board issued, in January 2003, the proposal for a comprehensive model of accounting based on IASB standards for all Portuguese companies, and in 2005 promoted the extension of the Regulation 1606/2002 to unlisted and individual accounts (Decree-Law No. 35/2005, 2005). Despite the need to keep, for taxation purposes, until 2010, a dual accounting system, JM decided, in 2003, to start using IFRS in the preparation of the individual financial statements. Similar to the consolidated accounts, IFRS became the basis of the individual annual accounts and derogations to *POC* were disclosed and audited. This process 'was easier, we had more experience, we knew what we could expect', stated Interviewee H. Interviewee F also added:

> Engagement wasn't immediate, the first months weren't necessarily easy, but the message was well understood. Since we had collected the questionnaires on the accounting procedures, we knew which procedures and policies were being followed by the individual companies, and what would have to change, to comply with IFRS. We already had the consolidated accounts, so we went backwards explaining to each business area what would need to be done and why. We already had the Manual of Accounting and these companies started to follow it. Obviously, it took time, but whenever we had doubts, we checked on the Manual. (Interviewee F)

As previously described, until 2003 individual accounts were prepared at the subsidiaries following the Portuguese and Polish standards and adjustments to IFRS were made at the holding when preparing consolidated accounts. The process used did not capture all opportunities for business improvements or minimize all the risks. Therefore, a baseline set of policies and procedures must be established in order to reduce the streamlining and consolidation work. Moreover, policies and procedures must be documented, available and able for third-party scrutiny. With IFRS already ingrained in the Reporting Manual, financial reporting software applications and the accounting systems of the SAP ERP were updated. The setup of IASB standards in the IT systems gave JM the opportunity to inscribe IFRS into the company's daily practices. Streamlining accounting systems are important actors that yield efficiency and internal control benefits

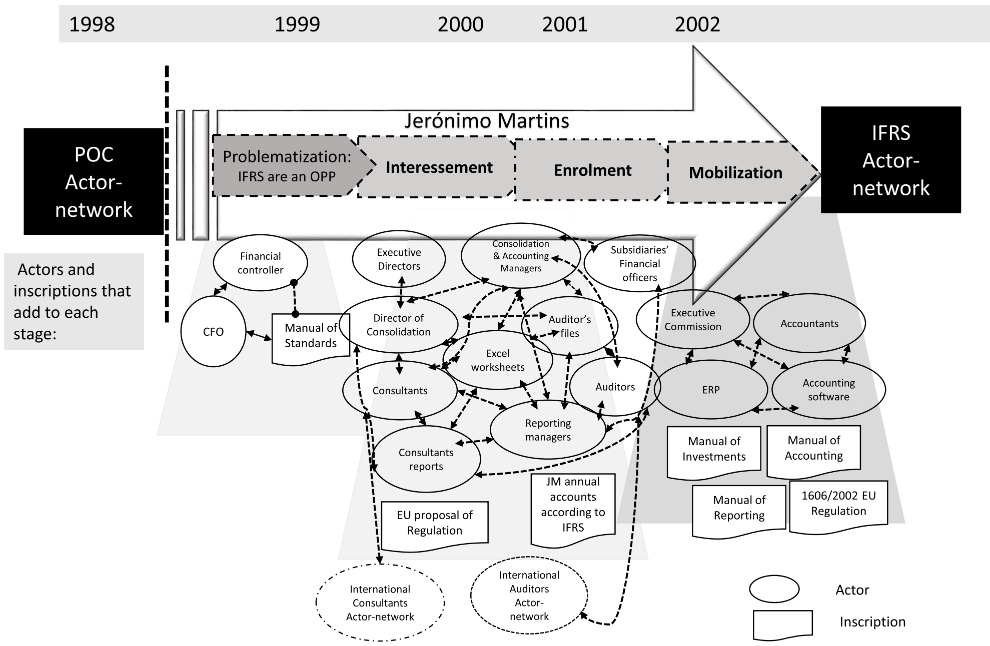

Figure 1. The translation process in the different stages of the IFRS adoption in JM.

while simplifying the flow of information. As pointed by Lowe (2001), 'objects provide receptacles for human knowledge and vastly enable the processes by which "facts" become accepted' (p. 82). Several network nodes were strengthened by this action. Afterwards, with the technology infrastructures updated to IFRS, the natural enlargement of the actor-network happened with the interessement and enrolment of accountants in all subsidiaries.

The issue of Regulation 1606/2002 and the ensuing events at the national level helped interrupt the competing associations with *POC* and reinforce the system of alliances around IFRS within JM. Actors disengaged from the *POC* actor-network and enrolled in the IFRS network. From the network point of view, a translation occurred with the new configuration of the organization causing a new alignment in the network. The *POC* actor-network was dying at JM and the only link remaining was the compulsory preparation of the individual annual accounts for statutory and tax issues that persisted until the end of 2009.

The IFRS adoption actor-network enrolled ideals, such as quality financial information, modernity, prestige, leadership, that were not embodied in the competing actor-network of *POC*. With connections well forged, mobilization around the IFRS adoption actor-network emerged. Translations are never final (Callon, 1991), but at this point, IFRS have become established in JM and have the appearance of certainty and solidity (Latour, 1987). At this stage, 'actors have no need, or wish, to resolve the issues any further and their reality is as close to what they believe is the "truth" as is necessary for their various interests' (Emsley, 2008, p. 380). Figure 1 provides a summary of the translation process, identifying the different actors (human and non-human) and the inscriptions created, in the different stages of IFRS adoption in JM. Table 3 complements this information, where the roles of the actors and inscriptions when they entered the IFRS actor-network in JM are described.

Table 3. Roles of the actors and inscriptions when they entered the IFRS actor-network in JM.

Stage	Actors and inscriptions	Roles assumed by the actors
Problematization	Financial Controller	• Proponent, starter of the actor-network; • Problematized the problems of JM financial reporting and proposed IFRS as a solution to solve the problems in the accounts and the faults of domestic standards; • Developed knowledge claims in order to make IFRS appropriate to JM; • Played a strategic role advising on the need to modernize the financial reporting of the group.
	CFO	• Proponent of the actor-network; • Promoted IFRS to the Board of Directors; Created additional nodes with those directors and get them sensitive to IFRS' benefits (in terms of quality, modernity, culture of innovation, improvement of financial reporting and access to funding); • Provided support to the Financial Controller; • Secured the enrolment of the initial actors.
	Manual of Standards and Procedures	• Established uniform accounting procedures for the group, standardized practices; • Promoted a new approach to financial reporting with focus on the business and not on regulatory/tax issues. Unveiled the weakness of POC based reporting; • The MSP eased succeeding modifications of JM accounting standards.
Interessement and Enrolment	Director of Accounting and Consolidation	• Accepted IFRS as an obligatory passage point and created additional nodes with the managers of the Consolidation & Accounting Department; • Coordinated the team in charge for putting IFRS in practice; • Together with the consultants and auditors decided which options of IFRS to follow.
	Consolidation & Accounting Managers	• Accepted IFRS as an obligatory passage point to quality financial reporting and started promoting it in that way; • Assessed the impacts of IFRS on JM's financial statements; • Had to elaborate consolidated IFRSs accounts and to implement a reporting model based on IFRS; • Established alignments with the subsidiaries' financial officers.
	Reporting Managers	• Provided expertise to develop JM internal and external reports; • Had to implement a reporting model based on IFRS; • Established alignments with the subsidiaries' financial officers.

(*Continued*)

Table 3. Continued.

Stage	Actors and inscriptions	Roles assumed by the actors
	EU proposal of Regulation	• Inscription used to highlight that the decision to adopt IFRS was the right one.
	Executive Directors	• Provided support and granted access to resources to the project, gave strength to the project; • Secured the enrolment of the initial actors.
	Consultants	• Provided advisory and technical expertise that helped to define the strategy and to implement IFRS; • Enlarged the network of support to IFRS by connecting it with the international consultants' office.
	Consultants' reports	• Enabled the analysis of JM accounting standards, allowed the qualitative and quantitative analysis of the IFRS adoption impact; • Made visible the impact of IFRS adoption and stabilized the roles of consultants, Consolidation & Accounting managers and Reporting managers.
	Auditors	• Advisory and technical role: audited the process of moving from POC to IFRS; • Auditors' professional status borrowed legitimacy and independence to IFRS adoption process; • Established alignments with the international auditor office;
	Auditors' files	• Stabilized the roles of the auditors and the Consolidation & Accounting managers; • Granted technical correctness to IFRS accounts.
	International Consultants and International Auditors	• Provided expertise to the local professionals; • Gave visibility to the actor-network;
	Excel worksheets	• Device that turned IFRS complexity into a practicable solution; • Allowed to gather data to perform the adjustment entries to comply with IFRS, stabilizing the role of the financial officers at the subsidiaries; • Transformed ideas into calculable entities. Made IFRS practicable.
	Subsidiaries' Financial officers	• Provided data from the subsidiaries to the consolidation department; • Provided expertise on retail particularities to choose IFRS accounting options.
	IFRS annual accounts	• Reinforced the links and gave visibility to the actor-network; • Interessement and enrolment device for additional actors;

(*Continued*)

Table 3. Continued.

Stage	Actors and inscriptions	Roles assumed by the actors
		• Helped building up agreement among JM and its stakeholders. Public symbol that helped to secure the legitimacy of the company and to enroll the suppliers of resources; • Represented and protected the interests of the actor-network.
	Executive Commission	• Strengthened and stabilized IFRS actor-network; • Provided trust and reliability in financial statements to the stakeholders. Legitimized IFRS adoption.
	Accountants	• Enlarged and reinforced the actor-network by preparing the individual accounts based on IFRS; • Applied the Manual of Accounting in the subsidiaries.
Mobilization	1606/2002 EU Regulation	• Stabilized the actor-network; • Key purification and legitimation device; • Lessen the importance of the domestic standards and dampened the linkages of JM with the POC actor-network.
	Manual of Accounting, Manual of Reporting Manual of Investments	• Settled controversies and represented the interests of the management: turned ideas once controversial into acceptable procedures that enabled the exercise of comparative, normalizing practices; • Inscribed IFRS in daily practice; • Helped to protect the interests of the actor-network.
	Accounting software	• Interessement and enrolment device of accountants in all subsidiaries; • Instrument with performative meaning: not only recorded the reality that was independent of the software, it contributed to shape the reality by simply measuring it; • Protected the interests of the actor-network.
	ERP	• A practice part of the practice it facilitated. Inscribed IFRS in daily practice; • Performed the cognition of human actors; • A tool transforming data into hard facts and protecting the interests of the actor-network; • Enabled action at a distance and the mobilization of a number of potential new allies (accountants, financial officers, reporting managers in all subsidiaries);

6. Conclusion

When looking at IFRS, at the present time, we see a coherent, ready-made, well-established and global set of accounting standards that has achieved a high prominence: IFRS span continents; are marketed by governments, accounting standard setters, capital markets, companies, universities, and accountants, among others. IFRS are inscribed in laws, regulations, books, journals, and papers, being examined for academic and professional qualifications. As a 'rational, exhaustive, and internally consistent technology to account for financial transactions' (Mantzari & Georgiou, 2019, p. 70), IFRS are presented as the result of a linear progress; they are now certain and solid (IASB, 2018; ICAEW, 2015).

But that was not always the case, and even now, the technical features of IFRS are not sufficient to explain the 'success' or 'failure' of its adoption (Chua & Taylor, 2008; ICAEW, 2015). In addition, literature is still lacking in evidence that applying IFRS has enhanced accounting quality and reporting comparability or has promoted more decision-useful information to users (Brüggemann et al., 2013; Christensen et al., 2015). Notwithstanding accounting research in international accounting harmonization, the need is to have an in-depth understanding of how and why IFRS diffuse, and what drove companies to adopt those standards before they were compulsory. Moving beyond the study of the economic efficiency of IFRS as the main explanation for the adoption of the standards, this study broadens the agenda of international accounting harmonization research. It does so by incorporating a micro level component on the study of the processes of IFRS adoption, resulting in a more comprehensive analysis and a clarifying fact and meaning construction, issues of power and framing, and coalition building activities. Therefore, this study explored the dynamics of the adoption of IFRS by JM, as the first Portuguese public limited company to adopt these standards on a voluntary basis and before the issuing of the IAS Regulation, using ANT to shed light on the links and interactions forged at the organizational level to translate the standards into practice.

Consequently, this study provides an alternative and in-depth view about how IFRS are adopted by organizations and, by extension, has implications in understanding how accounting innovations diffuse more generally. This study approached the adoption of IFRS by JM as a process of actor-network building, a translation process. IFRS had to be pushed and pulled by actors in order to diffuse (Latour, 1996), as they do not convey with them essential properties, but they 'mobilize' and are 'mobilized' (Lee & Hassard, 1999, p. 400). Translating IFRS within JM implied that interactions were created between actors, who made alliances with other actors in order to support one goal – the adoption of IFRS – rather than other – the maintenance of *POC* actor-network. By moving beneath the surface and explaining how complex and multifaceted reality is and acknowledging the complexities of intra-organizational activity and actors involved in the case study, rather than ignoring or simplifying them, allowed a better understanding of IFRS voluntary adoption by a specific company.

The increase of the reporting needs in JM, both for management purposes and for fundraising, has damaged the linkages of the *POC* actor-network and made room for the problematization of the IFRS adoption actor-network that promoted these standards as an obligatory passage point for an international quality reporting model. Therefore, this study highlights that, in the specific case of JM, IFRS adoption was cast as a new enlightenment of managerial practices, meeting the requirements of market competition. Additionally, the benefits of adopting IFRS were promoted in terms of its impact on accounting figures, and potential fundraising in more advantageous circumstances, as the company was facing 'a debt and profit crisis'.

Following problematization, strategies of interessement and enrolment strengthen the network alignment around IFRS. In the construction of this network of support, proponent actors linked the IFRS adoption actor-network to the actor-networks of external experts: the consultants and auditors. Through this action, the legitimacy of both the experts' actor-networks became enrolled in IFRS translation. Simultaneously, the ideals of modernity, quality and best practice became enrolled. Therefore, the enrolment of actors was not troublesome, as they were in favor of IFRS from the beginning or became so over the course of events. They conveyed the idea that the adoption of IFRS was aligned with the company's identity as modern and pioneering, to which they had to contribute. Being the result of extensive previous negotiations (that are unlikely to be altered), Regulation 1606/2002 became a powerful inscription used to enlarge the network and enroll extra allies. Additional inscriptions, such as company procedure manuals, annual accounts, the companies' accounting systems, also meant IFRS was taken for granted. The initial network was progressively expanded, the allies were mobilized and IFRS adoption expanded from consolidated to individual accounts. However, the study shows one limitation, regarding international fund providers, who were relevant actors, but it was not possible to evaluate whether they were able to pressure corporate managers directly to perform an early adoption of IFRS, or their needs were fabricated or assumed by management.

We gather no evidence that IFRS or the underlying principles of reporting through these standards may have been too complex or that there were not enough resources or staff. While evidence shows that accountants and reporting managers were not ready for an easy application of IFRS (without training), they were willing to learn and adjust their work to the new standards system. There was a strong consent about the superiority of IFRS over national standards and, accountants and reporting managers organized their consensus on the appropriateness of IFRS, drawing on justifications linked to aspects of quality and modernity. In the end, IFRS adoption actor-network in JM was successful: IFRS acquired a solid and sound appearance and became, for now, uncontested; it is now a black box. Thus, the case study contributes to the debate surrounding ANT's postulates, in particular the notion that stability is always temporary and fragile (Baxter & Chua, 2020; Modell, 2020a, 2020b). Although the adoption of IFRS was not a linear process, at the present time, IFRS are firmly established, both in JM and around the globe, challenging ANT to problematize on how stability is postulated and studied as temporary and fragile.

As verified in this case study, IFRS were not translated in a linear way. Rather, heterogeneous actors, who fought to gain stability and surpass the competing actor-network of POC, recurrently created IFRS. It is not possible to provide a prescription for a successful IFRS translation, as it encompasses so many interconnected actors and events, each one of them capable of disturbing the process. However, the translation concept proved useful in explaining the diffusion of IFRS. Within the IFRS adoption process in JM, the dynamics and interactions of the actor-network were particularly important, since the technical features of IFRS were not sufficient to explain the success or failure of its diffusion (Latour, 1987). Through the concept of translation, we could verify (and with what effects) several devices (e.g., manuals, IFRS accounts, EU Regulation, software) were put in place to achieve an increased interessment and enrolment.

As already mentioned, this study contributes to literature on international accounting harmonization, namely literature on IFRS adoption, through a comprehensive explanation of the voluntary adoption of IFRS in a Portuguese company through the lens of the ANT concept of translation. By applying ANT for the first time to the study on the adoption of IFRS as global accounting standards, the case study contributes to a better understanding of how an organization's domestic accounting standards were switched to IFRS, by a heterogeneous actor-network of local and global actors, human and non-human, thus complementing previous studies (Huikku et al., 2017; Mennicken, 2008). Additionally, it illustrates how the idea of the adoption of IFRS was made to seem appropriate and practical to managers. Managers, executives, and staff members had to be convinced that the ideas were relevant to them. The actor-network grew incrementally, accumulating the necessary resources and convincing enough allies to strengthen and stabilize the network. In the end, the IFRS's actor-network was successful.

This study also shows that companies do not react homogeneously in the accounting harmonization process. We have demonstrated that IFRS do not constitute unequivocal, ready-made standards that 'without further ado can be used and acted upon' (Mennicken, 2008, p. 389). The adoption of IFRS depends on ongoing, unpredictable interactions between actors who participate and are tied together in an ever-evolving network and who seek to enroll other actors to forge alliances and coalitions that pursue, sustain, and strength IFRS in the company (Alcouffe et al., 2008). Following ANT, this study addressed how actions were taken at the organization level. By doing this, it was possible to account for variations in JM's responses in the adoption of IFRS, rather than assuming the compliance with institutionalized norms. Therefore, by including ANT as lens we were able explain the adoption of IFRS as a process and not a mere outcome.

Finally, from a different perspective, this study contributes to the argument that, accounting firms 'are important sites where accounting rules and standards are translated into practice' (Cooper & Robson, 2006, p. 416) in their specific contexts. By focusing on a Portuguese company, this study differs from the Anglo-American accounting system on which IFRS are based, considering the infrastructure of Portuguese institutions, such as code-law tradition, bank orientation, small capital market, tax-oriented accounting, and an accountancy profession largely dependent on the government (Camfferman & Zeff, 2018; Caria & Rodrigues, 2014; Nobes, 2008). This study shows that these sites do not only influence but are also influenced by their clients, as was the situation in this case study where a client 'forced' an auditing company (PWC Portugal) to undertake training on IFRS, by enrolling the auditors in the translation process. Thus, this study provides literature on IFRS adoption with an individual-level perspective through an in-depth view of the different reactions and alignments forged during the process.

An interesting possibility for future research involves the development of more case studies to illustrate the process of IFRS adoption, including cases where the translation occurred, as in this study, and cases where IFRS were not black boxed. Studies focusing on the micro-processes surrounding IFRS adoption would help obtain a better understanding of the factors that play an important role in the adoption of accounting standards. As stated by Camfferman and Zeff (2018), on their reflection on the early history of IASB and researchers' possibilities in terms of research, there is a need for more 'rich descriptive studies', that draw 'on a variety of source materials' (p. 309). This study reinforces the call made by the authors and the need to 'encourage the use of interviews as a vital means of understanding these important developments in recent financial reporting history' (p. 309). The relevance of this case study taking place in the past is also useful and calls for the need to study the process of adoption of sustainability-related reporting, a process that is unfolding at the present. The study reinforces the need for critical research, with the use of different theoretical lenses, such as ANT, to better understand how the associations that make up actor networks are continuously implicated in constructing the world (Baxter & Chua, 2020; Modell, 2020a, 2020b).

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