



Isomorphic pressures and accounting standards to revenue recognition: a paradox in accounting firms

Pressões isomórficas e padrões contábeis para o reconhecimento de receitas: um paradoxo nos escritórios de contabilidade

Presiones isomórficas y normas contables para el reconocimiento de ingresos: una paradoja en las oficinas de contabilidad

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Abstract

This research aims to understand the role of isomorphic pressures in adopting criteria for revenue recognition performed by accounting firms. Empirical evidence was collected through interviews with eight plural agents who permeate the firms' reality and are interested in the revenue recognition process. The content analysis of the interviews created analysis categories that allowed testing the research propositions. In conclusion, normative and coercive isomorphic pressures play a leading role in the criteria adopted by accounting firms for the recognition of revenue in the customers' accounts. The scope of the organizational legitimacy of the firms, concerning revenue recognition, is obtained as far as they meet the expectations of different external agents, especially those of fiscal nature, even if these expectations differ from those criteria provided for in CPC 47. Furthermore, the present research also discusses theoretical and empirical implications.

Keywords: Isomorphic pressures; Revenue Recognition. Accounting Firms; CPC 47

Resumo

Esta pesquisa objetiva compreender o papel das pressões isomórficas na adoção de critérios para o reconhecimento de receitas realizado por escritórios de contabilidade. Evidências empíricas foram coletadas por meio de entrevistas com oito agentes plurais que permeiam a realidade dos escritórios e que possuem interesse no processo de reconhecimento de receita. A análise de conteúdo das entrevistas originou categorias de análise que permitiram testar as proposições da investigação. Conclui-se que pressões isomórficas normativas e coercitivas exercem papel preponderante nos critérios adotados pelos escritórios de contabilidade para o reconhecimento de receitas na contabilidade de seus clientes. O alcance da legitimidade organizacional dos escritórios, em relação ao reconhecimento de receitas, é obtido à medida que atendem às expectativas dos diferentes agentes externos, principalmente as de natureza fiscal, mesmo que essas expectativas sejam diversas daqueles critérios previstos no CPC 47. Além dessa introspecção, implicações teóricas e empíricas são discutidos na presente investigação.

Palavras-chave: Pressões Isomórficas; Reconhecimento de Receitas; Escritórios de Contabilidade; CPC 47

Resumen

Esta investigación tiene como objetivo comprender el papel de las presiones isomórficas en la adopción de criterios para el reconocimiento de ingresos que realizan las oficinas de contabilidad. Para lo cual, la investigación fue por levantamiento, realizada con entrevistas. Agentes que están envueltos de la realidad de las oficinas de contabilidad fueron los participantes. Se utilizó análisis de contenido, que originó categorías de análisis, acción que permitió testar las proposiciones de investigación. Se concluye que el rol de los elementos que componen las presiones isomorfas en las normas y criterios adoptados para el reconocimiento de ingresos que realizan las firmas contables, se inscriben principalmente en la conducta del

desempeño del profesional contable, con base en presiones normativas y coercitivas. El regulador y el legislador están presentes en los procesos de reconocimiento de ingresos. Se cree, que las firmas contables logran legitimidad organizacional alineándose y cumpliendo con las expectativas de diferentes agentes. Además de esta idea, en la presente investigación se discuten las implicaciones teóricas y empíricas.

Palabras claves: Presiones Isomorfas; Reconocimiento de Ingresos; Oficinas de Contabilidad; CPC 47

1 Introduction

Institutional factors can influence how certain accounting standards are implemented, especially when the issue of organizational legitimacy is involved. Thus, practices socialized in the institutional environment tend to contribute to the continuity of tasks and demands. Results from the works of Beuren and Dallabona (2013) and Von Muhlen et al. (2019) are examples of situations that reflect this scenario concerning the influence of formal structures in the organization. This consideration is tangential to *Technical Pronouncement CPC 47 - Revenue from Contract with Customer* (CPC 47, 2016), which introduces a differentiated form for the accounting treatment of revenue recognition. Although this pronouncement represents an advance in revenue recognition discussions, how organizations implement their institutional environment may strongly influence this accounting standard.

Fagundes (2017) argues that the changes proposed by CPC 47 have a business management vision since it demands attention to the process of judging the transfer of risks and benefits of the transaction or event. Previous research (Cova, 2016; Tavares, 2016; Severiano et al., 2017) evidences that the adoption of CPC 47 changes the accounting procedures of organizations. Thus, the disciplinary field that has been built around revenue recognition indicates that the adoption of CPC 47 impacts internal controls and organizational structure (Touron, 2005; Baker & Rennie, 2006; Judge et al., 2010; Marques, 2012; Hassan et al., 2014; Doadrio et al., 2015; Boolaky & Soobaroyen, 2017; Dani et al., 2017; Haggenmüller, 2019). According to Cova (2016), Fagundes (2017), and Silva (2019), some departments are impacted by the adoption of CPC 47, in general, those related to information technology, tax management, management and accounting information, and investor relations.

Implementing CPC 47 demands planning (Cova, 2016) and requires professionals to pay more attention to contractual clauses (Tavares, 2016). Therefore, it is acknowledged that the field lacks research with an approach arising from isomorphic pressures, which intersects with the need to understand how such procedures are allocated to different business models (Haggenmüller, 2019).

Given the above, it was not identified, in the disciplinary field, discussions that consider the adoption of CPC 47 by accounting firms, organizations that serve a wide range of clients, and that are inserted in unique organizational fields for each sector to which they provide services. Therefore, there is an interest in investigating the revenue recognition practices of these organizations based on the assumption that they suffer different isomorphic pressures from external agents with whom they relate. Moreover, studies such as Beuren and Dallabona (2013) and Von Muhlen et al. (2019) point out how isomorphic pressures affect accounting routines and the relationship between accounting firms and their clients, reinforcing the relevance of observing this field.

Hence, the following question was established: *what is the role of isomorphic pressures in the adoption of criteria for revenue recognition performed by accounting firms?* Thus, the objective is to understand the role of isomorphic pressures in adopting revenue recognition criteria by accounting firms. Specifically, this study aims to a) describe the criteria adopted by accounting firms for revenue recognition in their clients' accounting, b) identify the criteria observed by accounting firms in defining the revenue recognition standards adopted, c) map the isomorphic pressures faced by accounting firms in the revenue recognition process, and d) understand how compliance with isomorphic pressures by accounting firms affects the adoption of criteria for revenue recognition in their clients' accounting and implies in the organizational legitimacy of their practices.

Initially, the research is justified by the theoretical contribution by expanding the knowledge, as from an empirical investigation, on how the isomorphic pressures influence the organizations in the adoption of standards related to accounting practices. In addition to this aspect, the research is justified by educational particularities since it increases the discussion on the theme involving CPC 47 in recognition, measurement, and disclosure, which reaches the teaching practice in plural disciplines, such as corporate accounting. Furthermore, the study offers an empirical and social contribution to accounting firms' professionals since it reveals the possible enforcements arising from isomorphic pressures on adopting accounting firms' revenue recognition criteria. This aspect broadens and discloses the performance of the accounting professional in his interaction with the environment. Finally, in this study, a general analysis of the services provided by accounting firms to clients, in general, is performed, a fact that allowed obtaining, in a first mapping, indications that these practices diverge according to the characteristics of the accounting firm's clients, being an indication to be observed in future studies.

For the organizations, the expectation is to contribute with the provision of subsidies to assist managers' understanding of the revenue recognition criteria and the interpretation of the actions taken in

adopting standards that aim at changes or improvements in accounting practices. This research's originality focuses on explaining how isomorphic pressures influence the adoption of accounting practices.

2 Theoretical framework

2.1 Mechanisms of institutional isomorphism

DiMaggio and Powell (1983) explain that organizations start to adopt the same organizational structures and practices in the search for legitimacy. The tendency is for companies to resemble each other. In this case, isomorphism exerts pressures that lead to this homogenization phenomenon. The mechanisms of institutional isomorphism that exert isomorphic pressures are coercive, mimetic, and normative. Figure 1 displays the three mechanisms of institutional isomorphism.

Typologies of Isomorphism	
Coercive isomorphism	External factors (government policies, regulation, and supplier relations) pressure organizations to adopt specific internal structures and procedures.
Mimetic isomorphism	Organizations imitate internal structures and procedures adopted by other organizations.
Normative isomorphism	Organizations adopt the structures and procedures advocated by a dominant profession, professional boards, and/or consultants.

Figure 1. Mechanisms of Institutional Isomorphism
Source: Pires (2018).

Isomorphisms can promote negotiation with other organizations and attract qualified staff, making the organization legitimate and respectable. With the mechanisms of isomorphic change, it is possible to empirically predict organizational fields that may present homogeneous structures, which include processes and behaviors. In this case, it comes through the acceptance of the revenue recognition practices adopted and the minimization of possible consequences of their non-adoption.

2.2 Organizational legitimacy

Meyer and Rowan (1977) and DiMaggio and Powell (1983) state that organizations that operate in highly institutionalized environments become isomorphic to these environments and, by molding themselves to these conditions, gain legitimacy from these external actors. Organizations are pressured by different actors and are therefore encouraged to adopt procedures or practices that are hegemonic and institutionalized in society. This occurs because, if they do so, they will increase their legitimacy and their chance of survival in society, even if such practices or procedures are not readily effective (Meyer & Rowan, 1977) and do not meet the informational needs of those interested in the information managed and made available by organizations. However, Meyer and Rowan (1977) expose that when organizations are pressured to demonstrate compliance, they may alter some of their formal structures and still allow their internal units to work independently of the pressure suffered externally, then adopt the practice of decoupling.

Decoupling can be defined as segregation, whether intentional or not, between the organization's actual structures and procedures and its external image (Moll et al., 2006, as cited in Pires, 2018). In this conceptualization, Pires (2018, p. 59) states that "organizations yield to institutional pressures but dissociate their practices from these structures." Consequently, organizations in the same industry may have similar formal structures, while actual behavior may be distinct, diverging from the officially presented precepts (Meyer & Rowan, 1977).

Souza et al. (2019), when assessing the occurrence of isomorphic pressures (coercive, mimetic, and normative) and the level of decoupling in subsidiaries of German companies operating in Brazil, concluded that managerial costs are affected by coercive and mimetic institutional pressures. Furthermore, coercive pressures were identified as being negatively associated with decoupling, leading to aligning the subsidiaries' internal managerial practices with those expected by headquarters.

Thus, because organizations are subject to pressures from both environments, and the level of pressure varies according to the environment in which the organization is inserted, DiMaggio and Powell (1983) emphasize that these isomorphic pressures are capable of leading organizational practices to options that facilitate the achievement of legitimacy. It is intended that this process can reach revenue recognition by accounting firms, a direction that gains theoretical-empirical effort from this research.

2.3 Revenue recognition

Many are the concepts of revenue arranged in the literature, these inscribed in works such as that of Iudícibus (2015), Hendriksen and Van Breda (2016), and in the CPC itself (CPC 00, 2019). However, despite

the different concepts of revenue present in the literature, the concentration of discussions is around its recognition. For Ludícibus (2015, p. 46), "revenue recognition and expense appropriation are closely linked," with revenue recognition occurring by the existence of an ascertainable and definite market value, even if the associated expenses can only be estimated. As for CPC 47, "the recognition of revenue must be made as from the transfer of control of the good or service to the customer, in return for the right of receipt by the company" (Fagundes, 2017, p. 35).

In accounting terms, the revenue would have to be recognized following the theoretical assumptions and principles generally accepted by accounting professionals, embodied in CPC 47, and, in tax terms, undergo adjustments to meet the expectations of the regulatory agency. Therefore, by looking at whether such adjustments are made or whether one approach is prioritized over another, it is possible to understand what isomorphic pressures are exerted on accounting professionals in their decisions inherent to revenue recognition practices.

2.4 Previous studies

The evidence reported in the investigations of Touron (2005), Baker and Rennie (2006), Hassan et al. (2014), and Doadrio et al. (2015) points out that the mechanisms of institutional isomorphism were applied in different countries on different continents, in order to provide explanations for the adoption of international accounting standards. This demonstrates that the theoretical approach proposed by the New Institutionalism in Sociology can explain and analyze the institutional pressures that influence the decision to adopt international accounting standards, with no controversial results.

In addition to the mentioned aspect, it can be noted that research (Judge et al., 2010; Boolaky & Soobaroyen, 2017) seeks to focus on the New Institutionalism in Sociology perspective on investigating the application of specific practices by countries or organizations. The results of these investigations indicate the importance of considering a set of institutional factors in the development of practices and regulations in a global context. Moreover, researchers have developed investigations into revenue recognition since the International Accounting Standards Board (IASB) released its draft amendment to the revenue recognition standard (Carmo, 2014).

With the release of CPC 47, the research was directed toward the disclosure of the changes arising from the adoption of the standard, and there was also comparative research between the repealed standard and the current one. Furthermore, one notices that the research has concentrated on identifying the impacts caused by the adoption of the standard for revenue recognition. It is worth noting that the studies developed to identify the impacts caused by the standard are based on studies with interviews with auditors and accountants. A possible explanation may be that the standard has been recently applied to the national scenario. However, other studies have sought to understand the relationship of revenue recognition with other themes, which opens space for advances in the theme and plurality of discussions. The contributions available in the disciplinary field reinforce the fact that the standard brings changes to organizations, which the theoretical approach from the isomorphic pressures can elucidate.

2.5 Theoretical model and proposition formulation

According to Meyer and Rowan (1977), an organization is stimulated to adopt procedures or practices predominant in society. In this context, the CPC 47 pronouncement has a broad scope, which must be applied in all organizations. This standard is based on internationally accepted accounting standards. Research on the standard reveals results regarding the possible internal changes in organizations with the adoption of CPC 47, which may cause changes related to different aspects, such as a) the organization's internal controls, b) information technology, c) tax management, d) management information, and e) dealings with customers (Cova, 2016; Fagundes, 2017; Severiano et al., 2017; Silva, 2019; Tavares, 2016). Such changes indicate a wide range of elements that may be affected by CPC 47 and require changes on the part of organizations for its effective adoption.

Furthermore, Institutional Theory embraces the concept of decoupling; based on this theoretical attribute, the organization yields to institutional pressures. However, the institutionalized rule or procedure is formally adopted by the organization to achieve legitimacy (Meyer & Rowan, 1977). Thus, from a lens derived from the theory, Touron (2005) also seeks to provide input into the issues surrounding the process of recognizing accounting standards by French firms. Gomes et al. (2008) investigated the adoption of double-entry bookkeeping in the Public Treasury of Portugal and the factors that contributed to this development of institutionalization of the technique in Portuguese public administration. The results demonstrate that standards effectively contribute to accounting changes in the environment. Therefore, extending these considerations to this study, the first proposition of this research concerns the adoption of CPC 47, being: *Proposition 1: Accounting firms adopt CPC 47 - Revenue from Contract with Customer effectively.*

DiMaggio and Powell (1983), when addressing the external relations inherent to organizations, stated that a certain institutional field surrounds organizations with specific conditions. Consequently, because they suffer pressure from the actors of this field, they yield to such pressures to achieve legitimacy

within this field in which they are immersed, adopting institutionalized structures and practices. In this way, the tendency is for organizations to resemble each other. Thus, it is believed that various external actors, including a) financial institutions, b) auditing, c) professional associations, and d) regulatory bodies, are related to accounting firms and can exert isomorphic pressures on them.

It is proposed that financial institutions play the role of a source of isomorphic pressure as they use accounting information in the analysis of the release of financial resources to organizations. Judge et al. (2010) assert that economic issues of countries, inscribed in market capitalization and GDP growth, are predictive factors for the adoption of international standards. Furthermore, Beuren and Dallabona (2013) point out that the elements arising from isomorphism are present in companies in the state of Santa Catarina, with an emphasis on mimetic isomorphism. Hence, the second research proposition is presented: *Proposition 2: Accounting firms suffer external isomorphic pressures from financial institutions regarding revenue recognition.*

Beuren and Dallabona (2013, p. 99) point out that "inter-organizational relationships cause organizations of the same sector to present similarities among themselves." Hence, given the relationships that organizations tend to assume during their operational cycles, it is estimated that similarities in these relationships arise from this process. Carmo (2014) points out that audit firms have a significant role in IASB decisions, contributing to the moldability of organizations' structures. Severiano et al. (2017) also point out that audit firms were part of preparing accounting standards, especially *IFRS 15* (2014), which is in line with CPC 47. This fact places this agent as a participant in discussions that permeate the recognition of revenues.

As such, extending this consideration to the field of dependence on auditing services, it is estimated that this agent also figures as a possible source of pressure since it occupies a central role in attesting to the veracity of the information evidenced in the financial statements. Therefore, it is believed that accounting firms tend to give in to the pressures of auditing and align themselves with the practices recommended by it to subsidize and project an image of reliability for their accounting practices. Therefore, the third research proposition indicates that: *Proposition 3: Accounting firms experience external isomorphic pressures from auditing regarding the revenue recognition process.*

The accounting profession is regulated in Brazil and has an active professional council. In the regional accounting councils, specific sectors perform the inspection and supervision of the accounting practices performed by accountants, especially accounting firms. Beuren and Dallabona (2013, p. 100) emphasize that the institutional pressures that fall on the profession and the career are inscribed in need to build a space of certified and accredited professionals, aspects that contribute to "the formal education or practical training related to the area in which they work." Thus, since regional accounting councils are subject to the Brazilian Federal Council Accounting (CFC – *Conselho Federal de Contabilidade*), and the latter is responsible for issuing the Brazilian Accounting Standards (NBC – *Normas Brasileiras de Contabilidade*), the fourth research proposition is formulated: *Proposition 4: Accounting firms are subject to external isomorphic pressures from professional organizations regarding the revenue recognition process.*

Legal enforcement and the extensive legal apparatus lead accountants to devote much attention to tax elements. This attention is focused on the possibility of tax savings and the possible consequences of accounting practices inconsistent with the tax legislation in force. In this aspect, isomorphic pressures tend to act in order to present themselves as forces to make organizations similar (Beuren & Dallabona, 2013).

Furthermore, the research of Macohon et al. (2016, p. 32) states that regulatory agencies are sources of isomorphic pressures, since "government action on organizations, through laws, regulations, and tax requirements, interferes with organizational behavior. Such position of the authors aligns even with the legal characteristic of Brazil. In this context, the fifth research proposition devotes attention to the analysis of isomorphic pressures exerted by regulatory agencies, as pointed out below: *Proposition 5: Accounting firms suffer external isomorphic pressures from regulatory bodies such as government (federal, state, and municipal) regarding the revenue recognition process.*

Finally, accounting firms tend to achieve organizational legitimacy by yielding to the isomorphic pressures exerted by external actors. Therefore, legitimacy becomes a consequence of adherence to isomorphic pressures, an end rather than a means. Cohesion between the organizations occurs by aligning the practices adopted by the organizational field. According to Meyer and Rowan (1977), this similarity is conceptual as isomorphism and can be coercive, mimetic, or normative.

Research involving the identification and influence of the types of isomorphic mechanisms on the adoption of international accounting standards has been developed by Baker and Rennie (2006), Hassan et al. (2014), Doadrio et al. (2015), Judge et al. (2010), Boolaky and Soobaroyen (2017), Macohon et al. (2016), Beuren and Dallabona (2013), and Haggemüller (2019). The authors applied the concepts of the three types of isomorphism in different countries, concluding that their relationship exists in the adoption of standards. Certain types stood out over others, but in all studies, the existence of isomorphic pressure is mentioned. Given these pressures, the sixth proposition arises: *Proposition 6: Accounting firms' compliance with isomorphic pressures affects the criteria for revenue recognition in their customers' accounting, which implies the organizational legitimacy of their practices.*

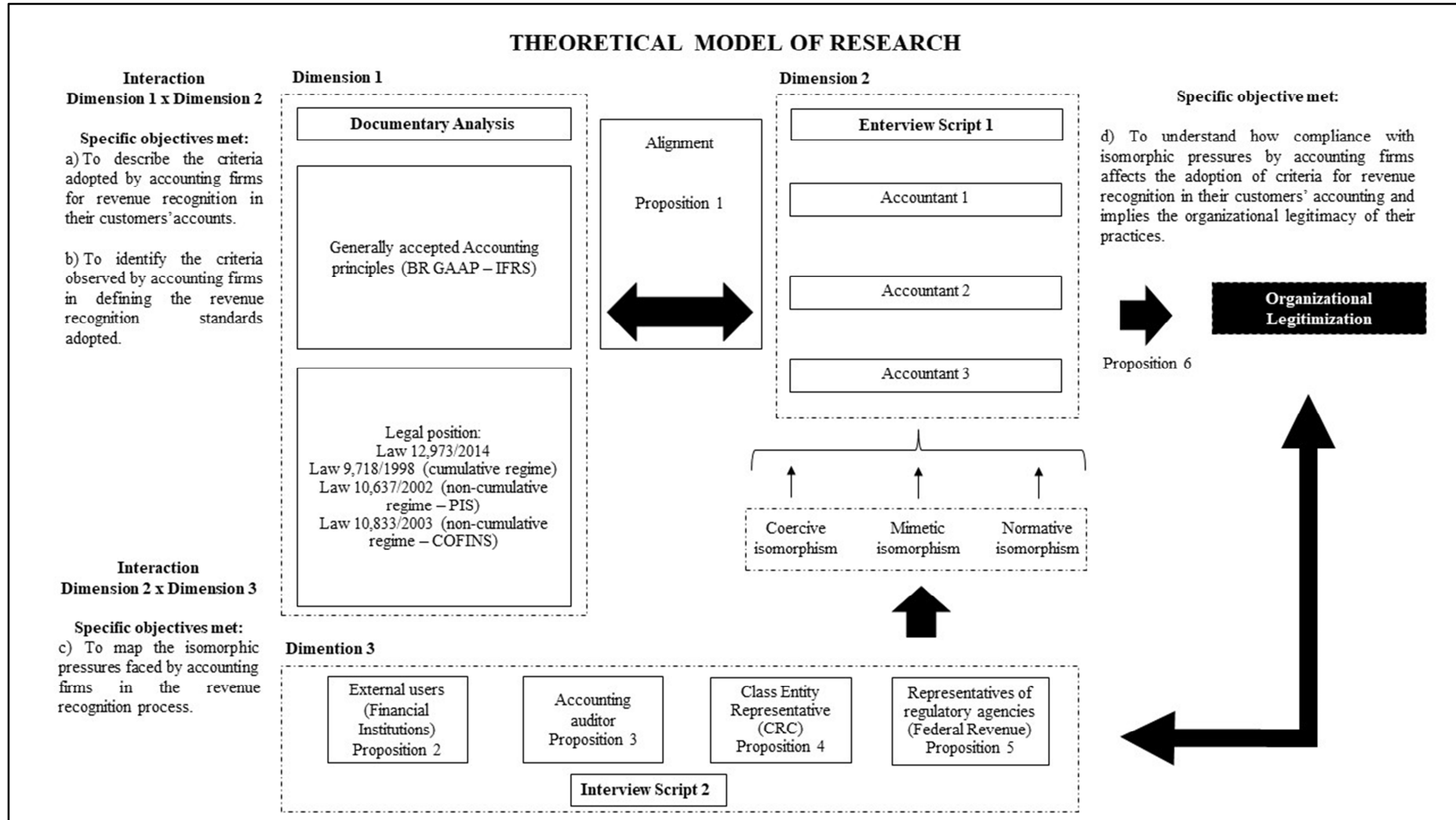


Figure 2. Theoretical model
 Source: Elaborated by the authors (2021).

With this proposition, the objective is to verify how accounting firms recognize the revenue from contracts with customers and, consequently, to identify whether the form used aligns with the isomorphic pressures and implies the legitimacy of the organization in the environment in which it operates. DiMaggio and Powell (1983), working from the perspective of external factors of organizations, stated that organizations are part of a certain institutional field with specific conditions. Additionally, they adopt institutionalized structures and practices by seeking legitimacy in this field. Thus, the tendency is that organizations resemble each other and that instrumental practices projected to the external environment do not always reflect the organization's reality.

As it could be verified in the literature covered and in the elaboration of the study propositions, the external environment, embodied in isomorphic pressures in this research, can influence organizations to adopt or not accounting practice standards. Previous research has verified the existence of isomorphic pressures and the search for legitimacy. However, it has not yet been investigated how yielding to these pressures leads to organizational legitimacy. Since this research aims to understand the role of isomorphic pressures in recognition of revenue by accounting firms, Figure 2 presents the theoretical model, which guides the analysis and discussion of the interpretations of the evidence in the study. From the perspective of New Institutionalism Sociology, the institutional theory presents isomorphism as mechanisms that can influence organizational change (Marques, 2012).

The theoretical model, presented in Figure 2, assumes that, when faced with the adoption of accounting standards or procedures, it is common for organizations to undergo changes in their procedures or structures derived from isomorphic pressures. Therefore, this approach can have explanatory power to clarify the decision of accounting firms to adopt or not CPC 47 in their daily practices (proposition 1 linked to specific objectives (a) and (b)). Since accounting firms have a very peculiar formal structure, because they provide technical services with strong external interference, it is expected that, based on the understanding of the structure of these organizations, it will be possible to understand how a possible compliance with isomorphic pressures (propositions 2 to 5 linked to specific objective (c)) leads to the achievement of legitimacy of their revenue recognition practices in face of these external actors (proposition 6 linked to specific objective (d)).

3 Methodological Procedures

Eight interviews were conducted: three with internal agents (accountants representing accounting firms) and four with external agents (a representative from a financial institution, an audit representative, two inspectors from the *Conselho Regional de Contabilidade* (Regional Accounting Council) (CRC) of Paraná, and a former Internal Revenue Service inspector stationed in the state of Paraná who recently established an employment relationship with the Paraná State Prosecutor's Office).

For the selection of interviewees, searches were conducted in corporate catalogs, such as LinkedIn, Instagram, and online search engines. This procedure provided the researchers with the alignment of competencies and skills and the desired jobs for the research participants. Initially, a criterion adopted for all participants was that they should perform their professional accounting activities in the state of Paraná in order to ensure that the reality shared by them was similar. From this prospection regarding established prerequisites, 15 possible interviewees were contacted. After accepting to participate in the research, the interviews were scheduled. Figure 3 presents the research constructs.

The interview scripts were validated (Appendix A). In turn, in ethical terms, a Research Ethics Commitment Protocol was forwarded to each participant. Also, all interviews were recorded. The interview scripts were standardized: concerning accounting professionals, the script was formulated from twelve questions; for external actors, this script was composed of four questions. For the data analysis procedure, content analysis was used. Thus, from the interview transcripts, categories of analysis were elaborated, as shown in Figure 4.

From the categories listed in Figure 4, the transcription of the participants' speeches was possible in order to discuss the criteria and standards adopted/observed for revenue recognition. In addition, it was possible to establish a space for understanding how the meeting of isomorphic pressures by accounting firms affects the adoption of criteria for revenue recognition in their customers' accounting and the implications on the organizational legitimacy of their practices.

Interaction of Dimension 1 x Dimension 2	
Specific Objectives	
a) To describe the criteria adopted by accounting firms for revenue recognition in their customers' accounts. b) To identify the criteria observed by accounting firms in defining the revenue recognition standards adopted.	
Proposition	
Proposition 1: Accounting firms adopt CPC 47 - <i>Revenue from Contract with Customer</i> effectively.	
Interaction of Dimension 2 x Dimension 3	
Specific Objectives	
c) To map the isomorphic pressures faced by accounting firms in the revenue recognition process.	
Proposição	
Proposition 2: Accounting firms suffer external isomorphic pressures from financial institutions regarding the process of revenue recognition. Proposition 3: Accounting firms experience external isomorphic pressures from auditing regarding the revenue recognition process. Proposition 4: Accounting firms are subject to external isomorphic pressures from professional organizations regarding the revenue recognition process. Proposition 5: Accounting firms suffer external isomorphic pressures from regulatory bodies such as the government (federal, state, and municipal) regarding the revenue recognition process.	
Dimension 2	
Specific Objectives	
d) To understand how compliance with isomorphic pressures by accounting firms affects the adoption of criteria for revenue recognition in their customers' accounting and implies the organizational legitimacy of their practices.	
Proposition	
Proposition 6: Accounting firms' compliance with isomorphic pressures affects the criteria for revenue recognition in their customers' accounting, which implies the organizational legitimacy of their practices.	

Figure 3. Research construct

Note. Proposition 1: DiMaggio and Powell (1983); Baker and Rennie (2006); Judge et al. (2010); Beuren and Dallabona (2013); Hassan et al. (2014); Doadrio et al. (2015); Cova (2016); Tavares (2016); Macohon et al. (2016); Severiano et al. (2017); and Fagundes (2017). Propositions 2, 3, 4, and 5: DiMaggio and Powell (1983); and Beuren and Dallabona (2013); Proposition 3: Baker and Rennie (2006); Hassan et al. (2014); Doadrio et al. (2015); Judge et al. (2010); Boolaky and Soobaroyen (2017); Macohon et al. (2016); and Haggemüller (2019).

Source: Elaborated by the authors (2021).

Analysis Categories: Criteria and Factors Associated with Revenue Recognition	
Category	Description
ii) Revenues and business activities of the accounting firm's customers.	In view of the set of customers that the office has, it is estimated to show the types of revenues that it accounts for, pointing out if these come from agricultural activities or biological assets, activities arising from industrial products, trade - retail, services, and construction, among other typifications.
iii) Procedure for revenue recognition.	To identify and present how revenue recognition occurs for the customers that the firm serves. In addition, to point out what is considered to recognize client revenue in terms of recognition criteria.
iv) Taxable event for revenue recognition.	Present from the collected speeches at what moment the customers' revenues are recognized in the customers' accounting (if during production, if at the moment of sale, if at the issuance of the invoice, if at the delivery of the goods, if at the receipt, if at the moment of substantial fulfillment of the performance obligations).
v) Factors tied to the revenue recognition criteria.	In view of the reported criteria and the narratives, it is necessary to identify and highlight the factors linked to the revenue recognition criteria.
iv) Guidance and alignment with the customer for the revenue recognition process.	To expose the process of customer orientation with regard to organizing documentation for revenue recognition.
Analysis Categories: Expectations and Processes Used by External Agents to Verify Revenue Recognition	
Category	Description
i) Expectations for revenue recognition.	To identify and present the expectations of external agents for revenue recognition.
ii) Criteria observed in revenue recognition.	From the narratives, to point out the criteria observed by external agents for revenue recognition.
iii) Pressure exerted on the accounting practice of revenue recognition.	To identify and report on the pressures exerted by external agents on the accounting practice of revenue recognition.
iv) Information provided to external users about revenue recognition and the representation of the economic substance of the organization.	To point out and describe the information provided to external users about revenue recognition and the representation of the economic essence of the organization.

Figure 4. Analysis Categories

Source: Elaborated by the authors (2021).

4 Analysis and Discussion of Results

4.1 Profile of the interviewees

Eight interviews were conducted, totaling 247 minutes. Figure 5 presents the profile of the interviewees.

Accountants	Helena	Accountant and specialist in Accounting and Controlling. She is 35 years old and with 14 years of professional experience.
	Miguel	Accountant and specialist in Controlling, and master in Managerial Accounting. He is 31 years old and has 15 years of professional experience.
	Arthur	Accountant and Specialist in Financial Management. He is 33 years old and has two years of professional experience. He is currently a fiscal and accounting manager.
Financial Institution	Accountant. He is 26 years old and has five years of professional experience. He currently holds the position of bank manager in a Financial Institution located in the southwestern region of Paraná.	
Audit	Architect and accountant. She has an MBA in International Accounting and is currently a Master's student in Accounting. She is 50 years old and has been in the professional field for 25 years.	
Class Entity 1	Accountant and specialist in Auditing, Accounting Forensics, and Integral Auditing. He is 38 years old and has 15 years of professional experience as a fiscal inspector. He has active participation in CRC-PR.	
Class Entity 2	Accountant and specialist in Accounting and Finance. He is 66 years old and has 27 years of professional activity. He holds the position of plenary fiscal inspector with active participation in CRC-PR.	
Federal Revenue	Technician in Accounting, economist, and specialist in Financial Engineering and Auditing. He is 42 years old and has 8 years of professional experience with the Federal Revenue. He was a tax analyst for the Federal Revenue Service and recently became an auditor for the Paraná State Prosecutor's Office.	

Figure 5. Profile of the Interviewees
Source: Research Data (2021).

4.2 Empirical evidence

The participants were asked about the types of revenues from the customer portfolio; such answers are in Figure 6.

Category: Revenues and business activities of accounting office customers	
Helena	In general, it is <i>retail commerce</i> , services, and civil construction [...] Among the largest, there are industries and services.
Miguel	[...] I have mostly <i>commercial companies (retailers/wholesalers)</i> .
Arthur	We have 5 constructors (of these, a percentage are constructors and others are real estate and developers) and 80% are trade and the rest are all services.

Figure 6. Types of Revenue from the Customer Portfolio
Source: Research Data (2021).

An alignment with the general field of companies crowded in Brazil is identified since, according to the Brazilian Institute of Geography and Statistics (IBGE) (2015), the number of companies that have the largest domain in Brazil is commerce. Figure 7 points out the narratives regarding the recognition of customer revenue.

Category: Revenue Recognition Procedure	
Helena	[...] <i>the bill of sale</i> is taken into consideration [...]. These companies, we treat them on the accrual basis [...] in the construction business, the recognition basis is different.
Miguel	Mostly by the issuance of <i>invoices</i> . The vast majority - 90% - is by the <i>competence regime</i> [...].
Arthur	[...] let's talk about the trade part; when they arrive, in their <i>fiscal closing</i> , we generally recognize all of that as revenue from the customer in the accounting.

Figure 7. Revenue Recognition
Source: Research Data (2021).

Specifically in the construction industry, cited as an example by the interviewees, CPC 47, together with *Guidance OCPC 04 (R1)*, indicates that recognition by the Percentage of Completion (POC) method, over time, is the most appropriate for cases in which the transfer of control to the customer and the fulfillment of the performance obligation are performed gradually. On the other hand, in cases where the financing of the construction work is supported by the developer itself, the economic essence of the operation does not lead to the recognition of revenue on a gradual basis (*Guidance OCPC 04 (R1)*, 2017).

It should be recalled that, as for construction companies and developers, it is demanded to observe what Fagundes (2017) calls the realization of revenue and confrontation with expenses and costs. Thus, in view of the procedures adopted for this sector, attention to these aspects is necessary. Additionally, Figure 8 shows the narratives that highlight when the revenues of the firms' customers are recognized in their accounting and the factors related to the revenue recognition criteria.

Category: Taxable Event for Revenue Recognition	
Helena	The taxable event is the <i>invoice</i> and most of the time it depends on the activity. [...].
Miguel	Well, I see many <i>recognizing the revenue by the checkout</i> [...]
Arthur	[...] is by the <i>invoice</i> itself. There, many times, it is by the taxable event of the invoice, and not by the cash basis.
Category: Criteria for revenue recognition	
Helena	We adopt it because of the <i>legal basis</i> . [...]
Miguel	[...] we recognize it <i>for competence for some reasons</i> . There is a habit actually [...].
Arthur	[...] also goes through a second stage of <i>education</i> .

Figure 8. Taxable Event and Criteria for Revenue Recognition
Source: Research Data (2021).

In empirical terms, the taxable event for revenue recognition arranged by the interviewees aligns with the disciplinary field of the tax approach since there is a congruent triggering event - invoice - among the research participants. In addition to the taxable event, the reported criteria are driven by some antecedent and, with this idea, it is identified that the criteria adopted to recognize the revenue of their clients originate from a concern with tax compliance issues and alignment with the informational issues arising from the accounting firm's customer.

Thus, the concerns initially expressed by the interviewees are aligned with the recommendations of CPC 47 (2016), the so-called legal basis pointed out by Helena, and the legal issues when Miguel points out that it is a habit to use the accrual basis to make these records for revenue recognition. Such an aspect is aligned with coercive isomorphism (Pires, 2018).

Figure 9 presents the narratives about the guidance and alignment with the customer for the revenue recognition process.

Category: Guidance and alignment with the customer for the revenue recognition process	
Helena	We always observe <i>the legal basis</i> , and if it is possible within the legislation [...].
Miguel	It is a family company [...] So, no, we make <i>internal decisions</i> without analyzing the market.
Arthur	[...] the firms have a reduced load of people [...] [as for the clients] <i>you have to guide them even in the issue of invoices</i> , because many times they want to do something that they can't [...].

Figure 9. Guidance and alignment with the customer for the revenue recognition process
Source: Research Data (2021).

From the narratives listed, it is perceived that Helena and Arthur point out the presence of pressures arising from coercive isomorphism. The dominance of the typologies of isomorphism advances when Miguel comments, during the interview, on the technical quality of his team when it comes to making decisions internally. In this case, for DiMaggio and Powell (1983), the typologies of isomorphism contribute to the attraction of qualified teams. Figure 10 presents a synthesis of these pressures exerted by external agents, named Financial Institution, Auditing, Class Entities, and Inspection Organs, which were based on the interviewed accountants' reports.

From Figure 10, it is possible to observe some examples which embody the ability of isomorphic pressures to interfere in daily revenue recognition practices. In terms of fundraising, one notices that financial institutions can use accounting practices to make decisions regarding the supply of resources for the financing of companies' debts. There is an emphasis on the requirements of fiscal information, mainly by public banks, and accounting statements by private banks. In this sense, Arthur also adds that "many companies have that situation in which the statements do not show the true results in the reports", agreeing with Helena's speech that highlights that there are situations in which customers request that billing and/or revenues are managed in order to increase the credit limit with the institutions. Such evidence reinforces the belief that, even if indirectly through the requests of the companies' managers, financial institutions exert isomorphic pressure on the accounting practices adopted by accounting firms.

Moreover, auditing can present itself as a partner agent that contributes to the effective process of adopting revenue recognition practices that are in accordance with the rules and legal provisions, an element based on coercive isomorphism. Helena also points out that it is common that revenue recognition is not analyzed in detail by auditors, as they do not know the daily reality of the company and end up having many doubts. There is a special emphasis on the fact that the tax approach, in terms of legal compliance, occupies a larger agenda of the audit than the preparation of financial statements under the corporate accounting approach.

Category: Pressures from external agents from the accountants' point of view				
	Financial Institution	Audit	Class Entity	Regulatory Body
Helena	Usually, in larger companies, <i>the information provided is more detailed.</i> Usually, in smaller companies, the entrepreneur wants you to put a higher value than it actually is [...]	<i>We get a little worried.</i> We have just recently gone through some audits, and it was quite calm! [...] <i>They also have doubts</i> because they are not in our routine.	Look, I think that the standards, <i>the CPCs, exist to be complied with and to unify the way of working</i> and to globalize and adjust with what the rest of the world does.	They give us <i>deadlines and accessory obligations</i> , and all this we have to find a way to do and deliver. And, besides delivering, <i>delivering correctly.</i>
Miguel	<i>Our clients were never questioned about it.</i> We were only questioned about the cash flow regime in our own construction customers' processes [...]	The audit <i>questions other things</i> more than the revenue recognition itself.	<i>We have never had problems here.</i> We are very rigorous with the balance sheets, even though the client may have some fiscal problem [...] Then there are two aspects, the accounting one and the legislation in force.	To inspect, the inspection doesn't even look at the balance sheet. <i>They go straight to the invoice</i> , that is, as if it was all by competence, so the inspection process is very simplified [...].
Arthur	The public banks <i>ask for all in accordance with the Public Digital Bookkeeping System (SPED), with receipts and blocks determined.</i> Private banks [...] <i>ask for the accounting reports signed by the accountant</i> and release the money.	I think auditing is important in the macro question of the company, [...] So, the auditor comes to <i>confirm that the accounting criteria are met.</i>	I believe that <i>the federal the local councils have a lot of expectations in the correct measurement of accounting records.</i>	Many companies have many purchases and few sales [...] even because of this you have a CPF movement [...] <i>you end up being a third-party government inspection agency.</i>

Figure 10. Pressures exerted by external agents
Source: Research Data (2021).

As to the professional body, it is observed that the criteria and concerns listed by accountants are based on meeting the organization's fiscal needs and that, over time, this meeting has contributed to the proper functioning of activities and accounting services in the scope of revenue recognition. Arthur points out that the CFC and its regional councils have sought to encourage the updating of accounting professionals in relation to the best accounting practices but that the alignment to this desire also depends on the administrators because "some companies have the purpose of doing everything right because this is already part of their founding partners [...]."

Finally, the performance of the regulatory body, mainly the Federal Revenue, sometimes acts from pressures arising from coercive isomorphism to lead accountants to adopt criteria that best represent the events and transactions practiced by organizations under a fiscal focus aimed at collecting taxes to the treasury. In this context, Helena makes some observations about the difficulty of operationalizing accounting practices in terms of technological resources in order to meet the demands of the tax authorities:

This is a big problem too, which we do. We have the system support, but many times the accounting systems are not totally prepared, you know? Our legislation is very bureaucratic, it has many details, [...], there are many leagues to follow, and the systems often are not prepared for this. And, we have the expectation of meeting the tax authorities in the correct way and on time. If you do not deliver on time, there is a fine; if you deliver on time and with the wrong information, there are fines too. (Helena, 2021).

Figure 11 presents the expectations of these external agents in order to understand what accountants are expected to do in their revenue recognition practices. Organizational legitimacy is achieved when organizations give in and respond to pressures from the field (Meyer & Rowan, 1977). Thus, this research sought to verify empirically how these expectations are evaluated in operational terms.

Category: Expectation for Revenue Recognition	
Financial Institution	<i>At the bank, it is 100% fiscal.</i> For legal entities, it is only the fiscal document.
Auditoria	[...] If the company has provided the service, then the accountant will register this revenue the moment he knows, first of all, of the existence of a contract, the provision of the service and the issuing of the bill. Basically, in practice, it should be this. So, <i>at the moment that the invoice is issued, the revenue is recognized.</i>

Category: Expectation for Revenue Recognition	
Class Entity 1	
For the accounting office professional, revenue recognition, in essence, is by <i>issuing the invoice</i> [...]	
Class Entity 2	
Regarding accounting professionals, we always see a big difference between the accounting professional who has several clients [...] So, they have to adapt to the peculiarity of each company [...], so this way of calculating revenue, basically, they will calculate it by <i>invoice</i> .	
Federal Revenue	
In general, I would understand that it would be in the transfer of the resource, the service, or the product. The <i>issuing of the invoice</i> [...]	

Figure 11. The expectation for revenue recognition
Source: Research Data (2021).

Then, after identifying the expectations for revenue recognition, the analysis was deepened in light of the criteria observed for this recognition, as shown in Figure 12.

Category: Criteria observed in revenue recognition	
Financial Institution	These are the <i>tax files (SPEDs)</i> . If it is correct, we can still validate it on the Federal Revenue website, right? [...].
Audit	[...] If it is a company that sells products, it does all the steps, looks at the orders, the internal request of the stock, and <i>issue the invoice</i> [...]. When it arrives at the revenue office, <i>they don't look too much at the specificity</i> .
Class Entity 1	It is possible that we make a specific inspection, through a complaint, for example. In general terms, <i>our analysis is in the structure of the statements</i> .
Class Entity 2	Agreed with Class Entity 1's response.
Federal Revenue	The system cross-references data from other sources. They [the inspectors] look at everything and focus on large companies in an assiduous way. [...] But, in general, in small companies, the <i>system analyzes the tax documents automatically and compares them to the revenue and taxes collected</i> .

Figure 12. Criteria Observed in Revenue Recognition
Source: Research Data (2021).

In the face of the reports collected, one notices a univocal direction from the Financial Institution, the Auditors, and the Tax Authorities towards fiscal aspects, with the CRC tangencing the criteria observed for the structure of the accounting statements. Based on this, it was questioned whether the interviewees perceived that they exerted pressure on the practices adopted by the accounting office professionals. The evidence is presented in Figure 13.

Category: Expectation for Revenue Recognition	
Financial Institution	Indirectly, yes, because as our analysis is based on <i>tax information</i> , the accountant and the company will prioritize recognition through this approach.
Audit	I believe so [...] <i>If you tell me if there is pressure, there is, because we get up and guide you</i> .
Class Entity 1	I see that <i>accountants do feel pressure from the council because if they present something irregular, the council will take legal measures</i> . [...] If eventually the accounting professionals acted intentionally, wanting some benefit and not observing the norms, they will have a sanction from the council and the civil bodies [...].
Class Entity 2	[...] <i>we see that accountants are simply concerned with meeting the requirements of the Federal Council</i> . Regarding revenue recognition, <i>this is a very serious problem between the accountant and his client because the client sometimes omits a lot of information</i> [...].
Federal Revenue	Yes, <i>especially in the case of the tax framework</i> [...]

Figure 13. The pressure exerted on the accounting practice of accounting firms
Source: Research Data (2021).

Class Entity 1 emphasizes that it perceives that accountants feel the pressure exerted by the CRC, mainly due to the possibility of sanctions from the class entity as well as in the civil sphere arising from misconduct adopted in the accounting process. Consequently, the pressure exerted by the class entity can assume a dual role under the approach of standardization since this institution represents the expectations of the professional class about the practices adopted in revenue recognition. Concerning the coercive approach, the CRC can exercise punishments in the face of non-compliance with NBCs. However, the accountants' statements do not express the perception of such intense enforcement by the CRC, as occurs with the Federal Revenue.

Returning to the tax aspect, the Brazilian Federal Revenue cites that the pressures are exerted in various ways, but that, specifically in the area of revenue recognition, there is pressure for the tax documents to be correctly issued and recognized in the accounting. When it comes to the tax framework, there is special attention to the postponement of revenue recognition that can occur at the end of the fiscal year in order to

reach limits that prevent the company from being disqualified from a particular tax regime as well as in recognition of revenue by the presumed profit tax regime.

The more tax-oriented pressures on a macroeconomic level can have different consequences for accounting and for the country's economy as a whole. On the one hand, by focusing on meeting tax requirements, accountants distance themselves from providing information for decision-making, as noted by Von Muhlen et al. (2019). On the other hand, by allowing tax issues to occupy the protagonism of accounting, the class entity contributes to the removal, for example, of foreign investments in the country due to bureaucratic issues and ends up conniving with a more normative economy.

As for the detection of expectations, observed criteria, and pressures exerted by these external agents, the interviewed accounting professionals were asked whether accounting statements reflect the true economic essence of events occurring within the organization. This questioning proved to be appropriate since, by seeking to meet or circumvent these expectations, criteria, and pressures from these external agents, the focus of accounting information may be directed to an approach that does not prioritize the reliability of accounting information. The reports of this questioning are presented in Figure 14.

Category: Information provided to external users about revenue recognition and the representation of the economic substance of the organization
Helena
Oh, yes, I believe so. There are even some companies that we do the management. [...] And I think it is very important that business people see this, in general terms. [...] So, I think that the way we do it, with most of us trying to follow the legislation [...], the customer is very safe.
Miguel
We have been orienting our clients; in fact, there are some that do not reflect reality. From what I see in the market, there is a reasonable amount of companies that the balance sheet does not reflect reality and one of the issues is to recognize the revenue and meet the tax obligations.
Arthur
Usually in 5% of companies, at most, because to meet all the criteria you have to do effectively everything correctly. You need to buy everything with an invoice, you need to sell everything with an invoice, you need to provide all the information at the correct time for accounting. [...] In about 95% of the companies, revenue recognition is not done in the right way and at the right time.

Figure 14. Information provided to external users on revenue recognition and the representation of the economic substance of the organization
Source: Research Data (2021).

The professionals' statements evidence that the main factor linked to the information's ability to reflect reality is the entrepreneur's behavior, focused on the short term and on complying with tax obligations. Therefore, although the tax approach hinders the generation of information that represents the economic essence of the organization, it should be noted that the omission of information, possibly to reduce the company's taxation, affects the quality of accounting information in terms of faithful representation and relevance for decision making.

From such evidence, regarding the information provided to external users about revenue recognition and the representation of the organization's economic essence, it is perceived that the concern is focused on the tax aspect. In order to advance in the discussions, we proceeded to the analysis of the theoretical model of the research, confronting the reports with the theoretical propositions proposed and the existing findings in the literature.

4.3 Discussion of the model and research propositions

The evidence indicates that the recognition of revenue occurs at different times from the transfer of the good or service, as well as its risks and benefits, and is in disagreement with CPC 47. Therefore, there are no effective findings of the precepts of Proposition 1, which is based on the fact that *accounting firms effectively adopt CPC 47 - Revenue from Contracts with Customers*. There is a symbolic cohesion between what is proclaimed by CPC 47 and what is adopted in practice by accounting firms. Such dissonance may stem from isomorphic pressures exerted on the organizations by the different agents that permeate their reality. In this situation, one can observe decoupling (Touron, 2005).

If, on the one hand, Souza et al. (2019) drew a negative parallel between coercive isomorphism and decoupling practices, on the other hand, in this investigation, the findings indicate the presence of decoupling in a setting that suffers mainly normative isomorphic pressures.

The reports of the representative of the financial institutions indicate that there is enforcement, even if indirect, for the adoption of practices linked to the tax approach. The documentation analyzed for granting credits is based on information presented to the tax authorities. One element that permeated the interviewee's speech was the ease with which financial institutions can verify the veracity of the fiscal data

made available by the companies. Thus, the position of the financial institution is in the function of verifiability as to the attendance of companies facing the informational needs demanded by the tax authorities.

As stated by Judge et al. (2010), the search for legitimacy in a social context causes the organization's actions to be shaped in order to satisfy these expectations and interests. Since financial institutions require data from a fiscal point of view, it is possible to state that there are effective findings of the precepts of Proposition 2, which states that *accounting firms suffer external isomorphic pressures from financial institutions regarding the revenue recognition process*. The evidence is based on the interest in the company's ability to pay.

Carmo (2014) had already signaled the power of auditing to influence regulatory bodies during the discussion process of the proposed changes in IFRS 15 (2014), allocating auditing a prominent role in accounting debates. In other words, it was expected that isomorphic pressures would be exerted in order to fully comply with CPC 47 from a normative perspective.

Contrary to what was expected, the pressures exercised by Auditi are in the fulfillment of legal obligations and procedures before the tax authorities. Minimizing the possibility of assessments and verifying the existence of tax documents are among the main elements analyzed by this agent. It is worth noting that the Audit's perception in identifying the difficulties in implementing and following all the steps of CPC 47 is in line with Severiano et al. (2017). Therefore, there are effective findings of the precepts of Proposition 3, which states that *accounting firms suffer external isomorphic pressures from auditing regarding the revenue recognition process*. Nevertheless, contrary to what was expected, such pressure is in line with compliance with tax obligations and not with the best accounting practices that could be adopted and that are represented by CPC 47.

Specifically in the context of regulatory pressures, the CRC figures as one of the main class entities that can pressure the practices adopted by accounting professionals precisely because it represents the profession in terms of legal association. The reports of the representatives of the class body indicate that there is isomorphic pressure on accounting firms to recognize revenues in accordance with NBCs.

However, in the inspection practice of the CRC, the operations accounted for by accountants are not examined in detail. The fact that accountants in accounting firms have a wide range of clients of different sizes and sectors, coupled with the difficulty in monitoring the company's operations and the absence of the necessary documentation for proper accounting in a timely manner, leads the CRC's conduct to prioritize the examination of the structures of accounting reports, in order to show understanding for the difficulties experienced by these professionals.

Thus, to the extent that accounting professionals are actively registered with the CRC and establish relationships with these entities, the duality of this relationship begins to permeate the accounting practices established on a daily basis, and, in the organizational field, these practices end up being institutionalized. Therefore, there are no effective findings of the precepts of Proposition 4, which states that *accounting firms suffer external isomorphic pressures from professional organizations in terms of the revenue recognition process*.

The discourses of the external agents named Financial Institution, Auditing, Class Entity 1 and Class Entity 2, along with those of the accounting professionals, led to an optic focused on coercive pressures exerted by the inspection bodies and pressures inscribed in the normative aspects. The Brazilian Federal Revenue occupies a prominent role in this discourse structure.

Given the above, the Federal Revenue focuses its attention on the verification of the amounts of taxes collected and carries out notifications and notices of violation of the legal parameters that have been established. The report of the representative of this body indicates a daily vigilance on the part of accountants to meet the expectations of this body since, for the Federal Revenue, it is necessary that the recognition of revenue is linked to the date of issue and the existence of the invoice, a fact that is not always aligned with the reality of the company.

In line with what was identified by Beuren and Dallabona (2013) and Macohon et al. (2016), there is a legal imposition that exerts pressure and affects revenue recognition practices. Therefore, no matter how much CPC 47 aims to integrate Brazilian accounting practices with accounting practices adopted internationally (Ludwig et al., 2018), isomorphic pressures from the regulatory body still exert greater influence on accountants' practices. Thus, there are effective findings of the precepts of Proposition 5 of this research, which states that *accounting firms suffer external isomorphic pressures from the regulatory body such as the government (federal, state, and municipal) regarding the revenue recognition process*.

From the evidence, it is possible to conclude that the criteria for revenue recognition are based on a fiscal perspective, adopted from multiple isomorphic pressures, which are mostly coercive. As these practices are adopted based on coercive pressures, and as giving in to these accounting dynamics is seen as acceptable by the different agents, including the guardians of good accounting practices - here represented by the CRC and Audit - it is possible to affirm that accounting firms achieve organizational legitimacy by aligning with and meeting the expectations of these different agents. In this case, even if such practices do not meet the informational demands and are not fully aligned with the guidelines of the CPC, they are more concerned with avoiding sanctions from the tax authorities than any other dimension.

By adopting the same organizational structures and practices required by the different agents in the organizational field, there is an institutionalization of these behaviors, which requires a cultural change and a more consistent debate about the preponderance of corporate accounting over tax accounting. Even with the existence of legal apparatuses that emerged to coercively change the Brazilian accounting scenario, there is still an organizational field to be changed. Therefore, the cultural and political scenario in which accounting firms are immersed, combined with the different isomorphic pressures they suffer, especially the coercive ones, culminate to evidence that there are effective findings of the precepts of Proposition 6, which states that *accounting firms' compliance with isomorphic pressures affects the criteria for the recognition of revenue in their clients' accounting, which implies the organizational legitimacy of their practices*.

Based on the propositions chosen and the findings associated with each one of them, it can be seen that four of them presented effective findings of the precepts listed in the research, and two did not present alignment with the precepts elected in theoretical and empirical terms. This fact presents implications and openings for new dialogues between professionals working in accounting firms and external agents. Furthermore, this scenario invites the literature to dedicate itself more and more to understanding the processes involved in recognizing their customers' revenues.

The evidence found enriches the discussions about the evolution and improvement of accounting information in terms of faithful representation and relevance of accounting practices and reported information. In such a process, as much as the corporate aspect is present, it is effectively permeated by tax structures in their entirety. The narratives are permeated by questions and concerns directed at the legislator, which can be seen as a mitigating and limiting point in the abilities and competence of the accounting professional himself. Moreover, accounting firms suffer isomorphic pressures from external agents enrolled in financial institution, auditing, and class entities. This result provides insights and understanding of the reality of accounting firms since these agents are present in the narratives of the research participants. This understanding is also shown as nodes of informational dependence for decision-making.

5 Final Considerations and Recommendations for Future Research

5.1 Conclusion

The role of the elements that compose the isomorphic pressures on the standards and criteria adopted for revenue recognition performed by accounting firms are inscribed mainly in the conduct of the accounting professional's performance, from normative and coercive pressures. Although the interviewees recognize the existence of CPC 47 and the recommended revenue recognition criteria, these elements are not adopted and practiced in their entirety. This can be seen as an indication of decoupling. Although the firms appropriate the accounting status to legitimize themselves before society, it can be seen that the full adoption of the procedures considered appropriate for revenue recognition purposes does not occur in the totality of clients and operations. This mismatch can be justified by the focus on the short term and encouraged by the opportunistic behavior of their clients in terms of providing timely and reliable information and complying with all legal procedures.

In the sphere of the mapping proposed regarding the procedures used by external agents in the verification of revenue recognition and that exert isomorphic pressures, it is identified that the concern focuses on tax files (SPEDs), on the information contained in the issuance of the invoice, and on the structuring of the financial statements. From these findings, it is possible to observe that each of the external agents has different informational interests in terms of the reliability of the procedures adopted for revenue recognition and the information made available.

This scenario indicates a paradoxical situation experienced by accounting firms in relation to criteria for revenue recognition. On the one hand, they show compliance with the guidelines of the generally accepted principles inscribed in CPC 47, and, on the other hand, with the guidelines issued by external agents, mainly in the role of the Federal Revenue. The results of the research lead to the conclusion that the organizational legitimacy of accounting firms in the process of adopting criteria for the recognition of revenue in their customers' accounts is achieved as they meet the expectations of different external agents, even if this expectation is different from the one outlined in CPC 47 for some operations.

5.2 Theoretical and empirical implications

Adding to previous studies, this research presents the needs and challenges of accounting firms in terms of meeting the needs of external agents in order to achieve organizational legitimacy.

It is also noted that the theoretical model built presents itself as an implication made available to the disciplinary field since it is dynamic and compatible with other accounting phenomena. In this way, it can serve as inspiration and reference material so that it can be molded and applied in accordance with the other standards issued by the CPC.

The practical implication of this research is to alert the agents and inspection agencies about the need for clear action regarding the work done by accountants. In general, each agent present on this web has its responsibility. Moreover, the perennial and strong permeability of coercive and normative isomorphism in the process of revenue recognition in Brazil may offer new directions for the accounting profession.

5.3 Recommendations for future research

In addition, it is necessary that the clients of the accounting firms be heard. In addition, it is recommended that other interviews be conducted, with a specific focus on the regulator, the legislator, and the clients of the accounting firms, as they can contribute to the performance of the accounting profession. It is also intended that the issues that harbor discussions of mimicry may present themselves as a paradigm-breaking point for future research regarding revenue recognition. Finally, in terms of research, it is believed that future research can delimit the segment in which the firms operate, the size of the clients, and the type of relationship between the accounting firm and the client, among other aspects that present themselves as contingencies and qualitative characteristics that deserve the researcher's attention when conducting comparative studies.

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NOTES

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Discussion of the results: P. E. B. Colla, A. Zanchet

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Appendix A – Interview Scripts

INTERVIEW SCRIPT 1 - ACCOUNTING PROFESSIONAL		
Interviewee: Interviewee's education; Age; Position held by the interviewee; Time working in the profession; Participation in class entities? (CRC, CFC, Accountants Union); Linked with other institutions? (Universities, Colleges, Associations)		
a) To describe the criteria adopted by Accountants of Accounting Firms for the recognition of revenues in their customers' accounts.		
Revenue Recognition	1 - What types of companies are part of the firm's customer portfolio? (EIRELI, Sole Proprietorship, Limited Liability Company, etc.). 2 - In view of the set of customers that the firm has, what are the types of revenues that it accounts for? These derive from which activities, for example, agricultural activity or biological assets, activities arising from industrial products, commerce - retail, service rendering, and construction, among others? 3 - How do you recognize revenue from your customers to whom you provide services? What do you take into consideration to recognize your client's revenue? What are the criteria? How do you check the information regarding your customer's revenue? 4 - When and at what point in time are these revenues recognized in your clients' accounting? (during production, at the time of sale, at invoice issuance, at goods delivery, at receipt, at the time of substantial fulfillment of performance obligations, etc...)	Meyer and Rowan (1977); Touron (2005); Judge et al. (2010); Macohon et al. (2016); Beuren and Dallabona (2013).
b) To identify the criteria observed by accountants in defining the revenue recognition standards adopted.		
Institutional Isomorphism	5 - Given the reported criteria, the question is: why do you adopt these (standard) criteria to recognize the revenue from your customers?	Meyer and Rowan (1977); Touron (2005); Judge et al. (2010); Macohon et al. (2016); Beuren and Dallabona (2013).
c) To understand how the different types of isomorphism permeate the adoption of criteria for revenue recognition in their customers' accounting		
Institutional Isomorphism	6 - Is the revenue recognition practice adopted in your accounting firm influenced by the practices of your competitors and colleagues? Secondary questions: do you rely on colleagues to answer questions that may arise during the revenue recognition process? 7 - Do you provide any guidance to your client on how to organize documentation for proper revenue recognition? Which one? 8 - What are the consequences of these revenue recognition practices for meeting the expectations of the Federal Accounting Council? 9 - What are the consequences of these revenue recognition practices to meet the expectations of the representative of tax agencies (State Revenue /Federal Revenue)? 10 - What are the consequences of these revenue recognition practices for meeting the expectations of the accounting auditor? 11 - What are the consequences of these revenue recognition practices to meet the expectations of the representative of external users (investment analysts and creditors)? 12 - Does the revenue recognition practice disclosed to regulatory/taxing bodies (Federal Revenue, State Revenue, Municipal Revenue), to other accounting firms or to unions and class entities (CRC/CFC) reflect what is really the economic essence of the event in the organization (customer) of which you do the bookkeeping service? Why?	DiMaggio & Powell (1983); Judge et al. (2010); Beuren & Dallabona (2013); Baker & Rennie (2006); Hassan et al. (2014); Doadrio et al. (2015); Boolaky & Soobaroyen (2017)
INTERVIEW SCRIPT 2 - REPRESENTATIVE OF THE FEDERAL ACCOUNTING COUNCIL		
Interviewee: Interviewee's education; Age; Position held by the interviewee; Time working in the profession; Participation in class entities? (CRC, CFC, Accountants Union); Linked with other institutions? (Universities, Colleges, Associations)		

a) To describe how the revenue recognition process occurs for companies.		
Revenue Recognition	1 - What would be the most appropriate time for accounting professionals to perform revenue recognition for their customers?	Meyer and Rowan (1977); Touron (2005); Judge et al. (2010); Macohon et al. (2016); Beuren e Dallabona (2013).
b) To check the permeability of different types of isomorphism in the revenue recognition process.		
Institutional Isomorphism	2 - Does the CFC inspect the revenue recognition method used by accounting firms? If yes, what are the criteria observed during the inspection? And how does this inspection take place? What is the step-by-step? 3 - What are the consequences for accounting firms and/or accountants when any irregularity is observed? What are the procedures adopted by the CFC? How do they occur? What is the step-by-step? 4 - As a representative of the CFC, do you exert pressure on the revenue recognition practice adopted by accounting firms?	DiMaggio & Powell (1983); Judge et al. (2010); Beuren & Dallabona (2013); Baker & Rennie (2006); Hassan et al. (2014); Doadrio et al. (2015); Boolaky & Soobaroyen (2017)

INTERVIEW SCRIPT 3 - REPRESENTATIVE OF INSPECTION AGENCIES (STATE REVENUE / FEDERAL REVENUE)		
Interviewee: Interviewee's education; Age; Position held by the interviewee; Time working in the profession; Participation in class entities? (CRC, CFC, Accountants Union); Linked with other institutions? (Universities, Colleges, Associations)		
a) To describe how the revenue recognition process occurs for companies.		
Revenue Recognition	1 - What would be the most appropriate time for accounting professionals to perform revenue recognition for their customers?	Meyer e Rowan (1977); Touron (2005); Judge et al. (2010); Macohon et al. (2016); Beuren e Dallabona (2013)
b) To check the permeability of different types of isomorphism in the revenue recognition process.		
Institutional Isomorphism	2 - Does the State/Federal Revenue inspect the form of revenue recognition of accounting firms? If yes, what are the criteria observed during the inspection? And how does this inspection take place? What is the step-by-step? 3 - What are the consequences for accounting firms and/or accountants when any irregularity is observed? What are the procedures adopted by the State/Federal Revenue? How do they occur? What is the step-by-step? 4 - As a representative of the <i>name of the inspection organ</i> , do you exert pressure on the revenue recognition practice adopted by accounting firms?	DiMaggio & Powell (1983); Judge et al. (2010); Beuren & Dallabona (2013); Baker & Rennie (2006); Hassan et al. (2014); Doadrio et al. (2015); Boolaky & Soobaroyen (2017)

INTERVIEW SCRIPT 4 -ACCOUNTING AUDITOR		
Interviewee: Interviewee's education; Age; Position held by the interviewee; Time working in the profession; Participation in class entities? (CRC, CFC, Accountants Union); Linked with other institutions? (Universities, Colleges, Associations)		
a) To describe how the revenue recognition process occurs for companies.		
Revenue Recognition	1 - What would be the most appropriate time for accounting professionals to perform the recognition of revenues from their customers?	Meyer and Rowan (1977); Touron (2005); Judge et al. (2010); Macohon et al. (2016); Beuren and Dallabona (2013).

b) To check the permeability of different types of isomorphism in the revenue recognition process.		
Institutional Isomorphism	2 - Does the audit audit the way revenue is recognized by accounting firms? If yes, what are the criteria observed during the audit? And how does this audit take place? What is the step-by-step? 3 - What are the consequences for accounting firms and/or accountants when any irregularity is observed? What are the procedures adopted by the audit? How do they occur? What is the step by step? 4 - As an auditor, do you exert pressure on the revenue recognition practice adopted by accounting firms?	DiMaggio & Powell (1983); Judge et al. (2010); Beuren & Dallabona (2013); Baker & Rennie (2006); Hassan et al. (2014); Doadrio et al. (2015); Boolaky & Soobaroyen (2017)

INTERVIEW SCRIPT 5 - REPRESENTATIVE OF EXTERNAL USERS (INVESTMENT ANALYSTS AND CREDITORS)		
Interviewee: Interviewee's education; Age; Position held by the interviewee; Time working in the profession; Participation in class entities? (CRC, CFC, Accountants Union); Linked with other institutions? (Universities, Colleges, Associations)		
a) To describe how the revenue recognition process occurs for companies.		
Revenue Recognition	1 - What would be the most appropriate time for accounting professionals to perform revenue recognition for their customers?	Meyer and Rowan (1977); Touron (2005); Judge et al. (2010); Macohon et al. (2016); Beuren and Dallabona (2013).
b) To check the permeability of different types of isomorphism in the revenue recognition process.		
Institutional Isomorphism	2 - Do you analyze the way you recognize revenue from customers when you provide loans? If yes, what are the criteria observed during the analysis? And how does this inspection take place? What is the step by step? 3 - What are the consequences for customers when any irregularity in revenue recognition is observed? What are the procedures adopted by the Bank? How do they occur? What is the step by step? 4 - Do you as an analyst exert pressure on the revenue recognition practice adopted by the financial institution's customers?	DiMaggio & Powell (1983); Judge et al. (2010); Beuren & Dallabona (2013); Baker & Rennie (2006); Hassan et al. (2014); Doadrio et al. (2015); Boolaky & Soobaroyen (2017)

Appendix B - Research Ethics Commitment Protocol

_____ agrees to participate in the field research called **THE ROLE OF ISOMORPIC PRESSURES REGARDING THE RECOGNITION OF REVENUE MADE BY ACCOUNTING FIRMS**, which is being conducted by PÂMILA EDUARDA BALSAN COLLA, a master's student in the Postgraduate Program in Accounting (PPGC) at the Western Paraná State University (UNIOESTE).

ETHICAL PROCEDURES:

The research is governed by the general principles concerning [i] informed consent, [ii] the concern not to harm the respondents participating in the research and [iii] maintaining the confidentiality of individuals whenever demanded. Specifically, the following procedures will be adopted to ensure the confidentiality of participants:

- [1] There will be no identification of participants in the research report. Individuals will be designated by means of codes that preclude any risk of identification. Besides, expressions or information that could put this identification at risk will not be used.
- [2] The researchers undertake to maintain confidentiality about any confidential information collected during the contacts made;
- [3] Only the research team will have access to the data record.
- [4] Interview recordings will only be made with the knowledge and agreement of the interviewee.
- [5] When the transcription of the interviews is made, the interviewee will have the opportunity to make changes to questions that might make him/her uncomfortable.
- [6] Information obtained from observations will also receive the same confidential treatment.
- [7] The working papers (without identification) will be kept for five years in the possession of the researchers in a safe place.

(city) , (date), 2021

Sincerely,

RESEARCHER

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