

Implementing MFRS 15 in a Malaysian telecommunications company: A case study using the Burns and Scapens institutional framework

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Abstract

Although IFRS 15 and its Malaysian equivalent MFRS 15 have attracted extensive research on financial reporting outcomes, little is known about how organisations translate these standards into everyday routines. This paper examined how adopting MFRS 15 triggered organisational change in a large Malaysian telecommunications company, pseudonymized as BETA. Drawing on the Burns and Scapens (2000) institutional framework, this study classified the change along three dichotomies: regressive versus progressive, formal versus informal, and evolutionary versus revolutionary. The study used an explanatory single-case design based on five semi-structured interviews with senior finance and accounting personnel conducted between November 2019 and January 2022, supplemented by annual reports and internal documents. The analysis identified five themes: adaptability and resilience, stakeholder requirements, productivity and performance, structure and system change, and resource constraints. The change was predominantly progressive and formal, driven by regulatory mandate, board oversight and hierarchical authority. Informal engagement through training, site visits, and discussions complemented formal enforcement, particularly in addressing resistance and resource limits. The change combined evolutionary elements, such as early preparation and phased implementation, with revolutionary elements, notably the redesign of systems, controls and revenue-based performance indicators. The findings suggest that regulatory accounting change is absorbed through the interplay of formal rules and informal routines. Because the evidence comes from five finance participants in one firm, the study offers analytical insight rather than generalisation, and future research should include other functions and organisations.

Keywords: MFRS 15, IFRS 15, Revenue Recognition, Accounting Change, Organisational Change, Burns and Scapens Framework, Institutional Theory, Telecommunications, Case Study, Malaysia

1. Introduction

The introduction of IFRS 15 *Revenue from Contracts with Customers* represents one of the most significant regulatory changes in revenue recognition in recent decades. Unlike previous revenue standards, IFRS 15 requires organisations to identify performance obligations, allocate transaction prices across bundled products and services, and recognise revenue based on the transfer of control (Brücks & Grote, 2016; Kohler et al., 2021) rather than the transfer of risks and rewards (PwC, 2014; KPMG, 2016). These requirements are disruptive particularly for industries characterised by complex contractual arrangements, bundled offerings, and high-volume customer transactions, such as the telecommunications sector (Tutino et al., 2018). While prior studies on IFRS 15 have largely examined its technical implications on financial statements (Aladwey & Diab, 2023), disclosures (Subramaniam et al., 2024), earnings quality (Piosik, 2021), and tax administration (Saptono & Khozen, 2021), considerably less attention has been given to the internal organisational processes through which the standard becomes embedded in day-to-day routines. Introducing IFRS 15 is not merely a technical accounting exercise; it entails substantial changes to information systems, performance measurement, interdepartmental coordination, and established organisational practices. Yet, how organisations internalise and institutionalise such regulatory change remains underexplored, particularly within developing-economy contexts.

In Malaysia, the Malaysian Accounting Standards Board (MASB) issued MFRS 15 in 2014, fully converged with IFRS 15, mandating its application from January 1, 2018. Telecommunication companies were expected to experience pronounced impacts (Thornton, 2018; Tutino et al., 2018; Kohler et al., 2021) due to the prevalence of bundled service contracts, customer loyalty programmes, and complex billing structures. Despite this, Malaysian studies have predominantly focused on compliance issues and financial reporting outcomes, offering limited insight into how adopting MFRS 15 reshapes organisational routines, structures, and internal practices. Since few studies have examined MFRS 15 adoption and organisational changes, this study fills this gap by examining how MFRS 15 adoption triggered organisational change within a large Malaysian telecommunications company, referred to as BETA. In particular, it investigated the intra-organisational processes through which the new revenue recognition requirements were interpreted, negotiated, and eventually institutionalised. For this investigation, this study drew on the Burns and Scapens (2000) framework, which conceptualises accounting changes as a dynamic interaction between formal rules and informal routines and distinguishes between regressive versus progressive, and evolutionary versus revolutionary processes of change.

Using this framework, this study sought to move beyond documenting the consequences of MFRS 15 adoption to explaining how and why regulatory accounting change becomes embedded in organisational practice. In doing so, it contributes to the qualitative accounting literature by

offering process-based insights into how financial reporting reform becomes institutionalised within the Malaysian telecommunications industry. The remainder of the paper is organised as follows. Section 2 reviews the relevant literature on IFRS 15 and organisational change; Section 3 outlines the research design; Section 4 presents research findings; Section 5 discusses the findings, and Section 6 concludes the study.

2. Literature Review

2.1 IFRS 15 and Revenue Recognition as Organisational Change

Most studies on IFRS 15 focus on its technical and financial consequences, including earnings quality, revenue volatility, disclosure practices, analyst forecasts, and information quality (Aladwan, 2019; Napier & Stadler, 2020; Kabir & Su, 2022; Subramaniam et al., 2024; Tenzer, 2025). While these studies offer important insights into the outcomes of IFRS 15 adoption, they treat implementation largely as a technical exercise, giving limited explanation of how organisations internalise the new requirements in their everyday practices. Recent studies have begun to recognise that IFRS 15 entails significant organisational implications, particularly for industries with complex customer contracts such as telecommunications (Nurunnabi, 2018; Kohler et al., 2021; Mohd Fauzi et al., 2023). Identifying performance obligations, reconfiguring billing systems, and redefining revenue-related (Wilson, 2017) key performance indicators (Duru et al., 2017; Silva & Borsato, 2017) require substantial adjustments to organisational routines, coordination mechanisms, and information systems. However, the process of translating regulatory changes into organisational practice remains insufficiently examined.

2.2 Accounting Regulation and Organisational Change

Accounting change is not merely a matter of introducing new rules but involves alterations to organisational routines (Errida & Lotfi, 2021), power structures, and established ways of working (Dent, 1990; Burchell et al., 1980). Prior research shows that accounting reforms often lead to resistance, informal adaptations, and unintended consequences (Uruselu & Dutescu, 2018), especially when changes disrupt entrenched routines (Laili, 2008; Norhayati & Siti-Nabiha, 2009). Studies in both financial and management accounting suggest that organisational change emerges when firms are exposed to new institutional environments (Tan & Nadarajah, 2021), such as regulatory reforms (Tsamenyi et al., 2006; Wanderley et al., 2011). Nevertheless, most literature on this subject matter concentrates on management accounting systems, leaving financial accounting reforms such as IFRS 15 under-theorised from an organisational change perspective.

2.3 The Burns and Scapens (2000) Framework as a Lens for Financial Accounting Change

Burns and Scapens (2000) conceptualised accounting change as a dynamic interaction between formal rules and informal routines (Wanderley et al., 2011; Mohammad et al., 2019). Their framework is grounded in Old Institutional Economics and explains how new accounting rules are encoded, enacted, and reproduced through organisational practice. The framework distinguishes

three key dichotomies: regressive versus progressive, formal versus informal, and evolutionary versus revolutionary change. Although the Burns and Scapens framework has been widely applied in management accounting research (Nor-Aziah & Scapens, 2007; Soin et al., 2002), its application in financial accounting reform remains limited. This study extends the framework by showing that, in the context of mandatory financial reporting reforms, institutionalisation depends not only on the introduction of formal accounting rules but also on the deliberate interaction between formal governance structures and informal organisational practices. Rather than representing competing mechanisms, formal and informal governance operate synergistically to transform externally imposed accounting standards into institutionalised organisational routines (Wanderley et al., 2011; Mohd Fauzi et al., 2023).

2.4 MFRS 15 Adoption in the Malaysian Telecommunication Context

Malaysia issued MFRS 15 in 2014, converging with IFRS 15 (MASB, 2014), and mandating its application from 2018. Telecommunication companies were expected to experience pronounced impacts due to bundled contracts, loyalty programmes, and integrated billing systems (Rahman, 2018; Alrabadi et al., 2023; Mohd Fauzi et al., 2023). These characteristics make the industry particularly susceptible to disruption in routines, performance measurement systems, and interdepartmental coordination. Despite this, Malaysian studies on MFRS 15 have focused predominantly on compliance and disclosure effects (Boujelben & Kobbi-Fakhfakh, 2020; Kohler et al., 2021), with little attention paid to how the standard reshapes internal organisational processes. This lack of process-based, qualitative evidence limits understanding of how accounting regulations are translated into everyday organisational practice in developing economies.

2.5 Research Gap

In summary, while IFRS/MFRS 15 research has documented technical and reporting outcomes, there remains limited understanding of how organisations institutionalised revenue recognition reforms, particularly in Malaysia and the telecommunications sector. Moreover, the Burns and Scapens framework has rarely been applied to examining financial accounting change. This study addressed these gaps by examining how MFRS 15 adoption triggered intra-organisational change in a Malaysian telecommunications company using the Burns and Scapens framework.

3. Methodology

3.1 Research Design

This study adopted a qualitative explanatory case study approach to investigate how a Malaysian telecommunications company (pseudonym “BETA”) institutionalised MFRS 15. A case study design is appropriate because this study sought to capture the processual and contextual nature of accounting change (Yin, 2018) that cannot be adequately examined through quantitative methods. This study focused on the intra-organisational level, consistent with the Burns and Scapens (2000)

framework, which conceptualises change as an interaction between formal or informal, regressive or progressive, and evolutionary or revolutionary process change in rules and routines.

3.2 Case Selection and Participants

BETA was selected because of its extensive involvement in bundled service contracts, complex billing systems, and significant exposure to MFRS 15 requirements, making it a theoretically rich setting for examining changes in revenue recognition (Sze Zan, 2024; Telecom Review Asia, 2024; Zulhusni, 2024). This study purposely selected five participants based on their direct involvement in the implementation of MFRS 15. These individuals hold senior managerial and technical roles in finance, accounting policy, and system implementation, ensuring that they possess in-depth knowledge of the change process. This approach is consistent with qualitative research practices, where participants are selected for their ability to provide rich, relevant insights rather than statistical representativeness. Based on previous studies, the number of interviewees depends on the situation and whether it fulfils the study's objectives. They also recommended that a qualitative study requires a minimum sample size of five participants (Morse, 2000; Dworkin, 2012; Saptono & Khozen, 2021). Therefore, this study's number of interviewees was deemed appropriate. Furthermore, the responses collected from the interviews were repetitive. Hence, data saturation occurs when the researcher's data collection approaches a point of declining return, when no more data can be gathered (Marshall et al., 2013; Aguboshim, 2021).

3.3 Data Collection

Primary data were collected through semi-structured interviews conducted between November 2019 and January 2022. Three interviews were conducted face-to-face before the COVID-19 pandemic, while two were conducted online during the pandemic. Each interview lasted 35 to 90 minutes, was audio-recorded with permission, and transcribed verbatim. Table 1 lists the five interviewees, their area of occupation, position, and interview date, duration, and method.

Table 1. Summary of the List of Interviewees

No	Interviewee	Position	Area of occupation	Duration of interview	Phase	Interview method
1	Employee A	Senior Manager	Accounting and Finance	1 hour 15 minutes	Before pandemic	Face-to-face
2	Employee B	Manager	Accounting and Finance	35 minutes	Before pandemic	Face-to-face

3	Employee C	Executive	Accounting and Finance	1 hour 30 minutes	Before pandemic	Face-to-face
4	Employee D	Senior Manager	Accounting and Finance	1 hour 2 minutes	During epidemic	Online
5	Employee E	Senior Manager	Accounting and Finance	1 hour 2 minutes	During epidemic	Online

Secondary data were obtained from BETA's annual reports for 2017 to 2022 and internal documentation related to MFRS 15 implementation. These documents were used to triangulate interview evidence and to trace changes in revenue reporting practices over time.

3.4 Data Analysis

Data analysis followed an iterative process informed by the Burns and Scapens (2000) framework. Interview transcripts and documents were first subjected to open coding to identify recurring themes related to revenue recognition practices, system changes, and stakeholder responses. These initial codes were then categorised into higher-order themes aligned with three dichotomies of the framework:

- i) regressive versus progressive change,
- ii) formal versus informal change, and
- iii) evolutionary versus revolutionary change.

This analytical approach enabled the researchers to examine how MFRS 15 rules were encoded into organisational policies, enacted through daily routines, and reproduced or resisted over time.

3.5 Ensuring Research Rigour

Several strategies were employed to enhance the trustworthiness of this study. First, data triangulation was achieved by using multiple data sources (interviews and documents). Second, all interviews were transcribed verbatim and reviewed multiple times to ensure accurate interpretation. Third, emerging themes were continuously compared across participants to ensure consistency. Finally, the prolonged engagement with the case organisation over multiple years enhanced the depth and credibility of the findings.

4. Research Findings

This section presents the empirical findings from the case study of BETA, a Malaysian telecommunications company focusing on how MFRS 15 adoption shaped organisational change at the intra-organisational level. Drawing on interview data and document analysis, the findings were organised into five interrelated themes: (1) adaptability and resilience, (2) stakeholder

requirements, (3) productivity and performance, (4) structure and system process change, and (5) resource constraints. Each theme was analysed with explicit reference to Burns and Scapens' (2000) dichotomies of organisational change. Based on these objectives, several questions were addressed to find the respective solutions: 1) *"What changes were made in the accounting or finance department of BETA due to MFRS 15 adoption?"* 2) *"How do these changes impact the existing structure of the accounting or finance department?"*

All interview responses in the following sections are reproduced verbatim as evidence without changes to the language structure.

4.1 Adaptability and Resilience

The findings indicate that adaptability (Pike et al., 2010; Tan & Nadarajah, 2021) and resilience (Pike et al., 2010) were central to how accounting and finance personnel at BETA responded to the implementation of MFRS 15. Rather than generating outright resistance, the new revenue recognition requirements disrupted established routines and prompted learning, adjustment, and sense-making (Errida & Lotfi, 2021; Alshamshi & Ahmad, 2024). The interviewees consistently described the change as gradual, involving discomfort and uncertainty as new recognition methods, revised processes, and altered organisational structures were introduced.

A manager explained that reactions to MFRS 15 mirrored typical responses to organisational change, emphasising that employees required time to familiarise themselves with new systems and procedures. As mentioned by Employee C:

"If you look at any transformations, any changes, you were classified based on three categories actually lah. We challenge and evaluate people; by nature, when humans make changes, you will not feel comfortable. So, it takes time for people to familiarise themselves with the system, the new recognition method, the new process, and the new structure to cater for these changes."

Building on this, another interviewee highlighted that such discomfort did not necessarily indicate resistance. Instead, challenges could be managed through targeted communication and education, particularly when employees clearly understood how MFRS 15 affected their roles and responsibilities. As explained by Employee D:

"... is about identifying the different parts of the employee, but if you are very clear in terms of making them understand what MFRS 15 is all about and how MFRS 15 affects their job and their work scope, then it is something that can be managed. Obviously, it is not something that we can do just like that. We had to go through a learning curve process. The thing is, managing the change also has a learning curve; identifying what is the most critical message that we need to push for when we are engaged in different groups of employees, right?"

These accounts suggest that adaptability was fostered by enabling employees to appreciate the rationale and implications of the accounting standard change, thereby strengthening their capacity to cope with uncertainty during the MFRS 15 implementation process. According to Burns and Scapens (2000), new ways of thinking may be necessary to implement a formal change successfully, resulting in changes to the thinking process and then an informal change. Therefore, to support this adaptation process, BETA established steering and subject-matter expert teams that engaged directly with employees across its subsidiaries. These teams combined formal mechanisms, such as structured training programmes and mandatory compliance requirements, with informal engagement through site visits and open discussions. Such informal interactions allowed employees to voice concerns and operational difficulties in a less hierarchical setting. As described by Employee E:

“If it is a very major that we require to change the process, and that’s where we foot extend, we are down to the field, we send out a team to the different states to cater for different requirements to push for certain change”

The use of informal engagement was complemented by formal enforcement where necessary. As Employee E further clarified that:

“Yes, in short, to respond to you. We take advantage of both formal and informal settings. If there is resistance from our informal engagement and here, we have to do the formal process... No option; just do it”

These practices illustrate that adoption at BETA was not achieved solely through top-down directives but also relied on informal, relational engagement with employees across organisational levels. While compliance with MFRS 15 is compulsory due to regulatory requirements, informal approaches played a critical role in addressing employee concerns and facilitating learning. The change process associated with adaptability and resilience also reflected an evolutionary rather than a revolutionary change process. Given that MASB announced MFRS 15 several years before its effective date, the accounting and finance department had time to conduct preliminary research, develop internal understanding, and gradually prepare employees for implementation. As noted by Employee D:

“So, we always believed it’s gradual change. Because if you change overnight, it won’t be resistance; resistance will be very harsh. It was something that we didn’t have much choice because we dropped the deep deadline, which was not much, which was 1.1.2018. And for us as a listed company, the deadline was May 2018 lah, because it was the first announcement that we had to issue to boost ourselves for the quarter of 2018.”

Although the implementation deadline imposed external pressure, the change did not constitute a sudden rupture of existing routines. Instead, employees progressively adapted established practices to accommodate the new requirements, consistent with an evolutionary change process (Scapens & Jazayeri, 2003).

From a Burns and Scapens' (2000) perspective, these responses reflect a predominantly *progressive* form of change, as MFRS 15 was perceived as enhancing reporting quality rather than undermining existing practices. The coexistence of structured training and informal engagement indicates a blend of formal and informal change. Moreover, the gradual familiarisation and learning process suggest that adaptability and resilience were largely shaped through an evolutionary change process rather than abrupt transformation.

4.2 Stakeholder Requirement

Stakeholder requirements emerged as a critical driver of organisational change following the adoption of MFRS 15. As a publicly listed telecommunications company, BETA was subject to strong expectations from external stakeholders, including shareholders, the board of directors, regulators, and investors regarding compliance with the new revenue recognition standard. Interviewees consistently noted that adoption was non-negotiable, reflecting the mandatory and globally harmonised nature of the standard. As mentioned by Employee C:

"We have to comply anyway. It is not an option lah, as a publicly listed company has obligations to the shareholders and all our stakeholders. We can't afford not to comply,"

From an institutional perspective, these stakeholder expectations acted as an external source of pressure that translated into internal organisational rules and accountability structures. Senior finance personnel highlighted that engagement with the board and investors began several years before the effective implementation date. This early engagement was necessary to manage expectations regarding anticipated changes in revenue patterns and reported financial performance. As Employee D stated:

"So upfront, even 2 or 3 years before, we had to engage our board, investors even, investors' relations. This is because they wanted to know how MFRS 15 would affect the revenue of BETA. They are expecting a major shift in revenue recognition from our business."

This proactive engagement placed significant responsibility on the accounting and finance function to interpret the new standard, assess its implications, and communicate its impact to key stakeholders. In doing so, the accounting function acted as an intermediary between external regulatory requirements and internal organisational understanding, reinforcing accounting's role as both a technical and organisational practice. The process of responding to stakeholders' requirements was characterised by a clearly defined hierarchical decision-making structure.

Authority cascaded from the board of directors to senior executives and, subsequently, to operational teams, ensuring that implementation progressed in a coordinated and timely manner. Formal reporting structures and accountability mechanisms were emphasised to support compliance. This was evident in Employee E's explanation:

"They are still on us, as the changes were given by financial reporting standard requirements. So, that's where, you know, the identification of who does what in any project is very critical. Then, of course, you need a champion. If you asked, who is that? Of course, I report to the CFO. The CFO will make sure the person, or whatever, is blocking us from moving forward gets unblocked. The same thing goes for the Chief Information Officer; he has also been given the mandate by the board. That's why the board is very important. What must be realised that, you know, there are also the responsibility to make sure that we comply with the MFRS 15"

This illustrates how stakeholder pressure was mediated through formal organisational authority, with the board, CFO, and senior executives acting as institutional agents who legitimised and enforced new accounting rules. In line with Burns and Scapens (2000), such changes reflect a formal change process, whereby new rules are deliberately introduced by powerful actors (Li et al., 2010; Muhammad et al., 2019) within the organisational hierarchy to ensure compliance and alignment with external expectations. Despite the significance of the revenue recognition changes introduced by MFRS 15, stakeholder-driven change at BETA did not occur abruptly. Instead, it unfolded gradually over time through repeated discussions, education, and negotiation. Stakeholders required visible engagement and action (Errida & Lotfi, 2021) from the accounting or finance department to understand how the new standard would affect revenue recognition and organisational value creation. As clarified by Employee D:

"We do realise there were changes needed to happen because the discussion has been held a few years ago...if a change and everyone agree that a change will create value, and then that's was messaging that we shared with everyone (to stakeholders)."

Accordingly, stakeholder-related change can be characterised as evolutionary rather than revolutionary. The extended preparation period and ongoing communication enabled stakeholders to gradually internalise the implications of MFRS 15, allowing new reporting practices to be institutionalised without severely disrupting existing organisational routines. In terms of the Burns and Scapens framework, the stakeholder requirements surrounding MFRS 15 adoption at BETA are best characterised as progressive and formal change. The change was perceived as necessary to enhance transparency, comparability and reporting quality, while implementation relied heavily on formal governance structures and hierarchical authority. Despite the significance of the change, stakeholder engagement

evolved through repeated communication and explanations, indicating an evolutionary rather than revolutionary change process.

4.3 Productivity and Performance

MFRS15 adoption had a direct impact on productivity and performance, particularly through its influence on key performance indicators (KPIs) related to revenue. Revenue was described by the interviewees as a critical measure of organisational performance, and changes in recognition timing and measurement raised concerns about KPI comparability and performance evaluation. They explained that existing revenue recognition practices had been shaped by multiple prior standards, whereas MFRS 15 introduced a unified five-step model that fundamentally altered how contracts with customers were assessed. As a result, accounting routines related to billing, contract evaluation, and revenue allocation required substantial revision. Thus, when the researcher enquired whether the department's fundamentals had changed upon the implementation of MFRS 15, Employee E stated that:

“Yes, it’s completely different. Okay, hmm, that was a major consideration because we have an existing process, but how do we cater for MFRS 15 requirements, right?”

In the process of implementing the new standard at BETA, any changes should be confirmed. Specifically, when implementing MFRS 15, the accounting or finance team needs to develop a deeper understanding of contract terms and performance obligations to ensure accurate revenue recognition without undermining performance discipline. As explained by Employee E:

“KPI also need to be managed. Do we make any accommodations for changes in high revenue because of the changes in MFRS 15, or are we still in the discipline? Nothing is gonna change; if it will be in the base same KPI, we have to manage when that revenue gets cut in by understanding how MFRS 15 is gonna affect the contract that we have signed with customers.”

This theme reflects both progressive and revolutionary elements of change processes. The progressive dimension is evident in the perceived improvement in reporting consistency and discipline. At the same time, the reconfiguration of revenue-related KPIs and accounting routines represents a revolutionary shift in how performance was measured and managed. These changes were implemented through formal procedures embedded within the organisation's control and reporting systems.

4.4 Structure and System Process Change

Structural and system-related changes were among the most visible outcomes of MFRS 15 adoption at BETA. Interviewees confirmed that existing systems, including SAP, were not fully

equipped to accommodate the new revenue recognition requirements. Accordingly, Employee E explained:

“...even 4 or 5 years per head of implementation in 2018, it will a warm awareness of the standard will come and how major impacts that will affect the really of revolutionise in the way we recognise our revenue, one, the timing of measurement, and for us at BETA, as well as other telcos where we have a huge number of customer-based it is required, a standard it is implemented correctly and requires a change in the system.”

Although customers were not affected directly by these changes, significant back-end modifications were required to ensure compliance with MFRS 15. As a result, BETA introduced additional system modules and processes to support contract analysis, allocate transaction prices, and monitor performance obligations. As Employee D explained:

“So, upon the principles as just stated, customers shouldn't be affected. So, that's why the billing and everything we had to consist the decisions - the billing process that was just mentioned to be maintained. What we did was to put in an extra engine to cater for the MFRS15 requirements.”

In particular, revenue recognition processes expanded from a single performance obligation to multiple obligations, necessitating enhanced controls and monitoring mechanisms. In line with this, Employee E stated:

“The understanding of how MFRS 15 affects the process is also important. So, that has changed, and of course, when you have a change in the process, you also have to think about what changes in financial control, transaction control, and monitoring control that you need to put in place to cater for the changes in the process.”

These developments indicate a combination of progressive and revolutionary change. While awareness and preparation for MFRS 15 began several years before implementation, the actual reconfiguration of systems and internal controls constituted a fundamental transformation of accounting routines. The changes were deliberately designed and authorised by senior management, reflecting a predominantly formal change process consistent with Burns and Scapens (2000) framework.

4.5 Resource Constraints

Resource constraints refer to the situation when resources, such as expertise, time, or technology, are insufficient, which can impede the implementation of change initiatives. This challenge may affect the change process at the intra-organisational level, such as the accounting or finance department, due to MFRS 15 adoption. Employee D has expressed concerns about the system to

needed cater for MFRS 15 in the market at the beginning stage, since most industries have implemented the new revenue recognition standard together, although they are of different business backgrounds. Different backgrounds require different treatments in implementing MFRS 15.

“... we already had the system in the market and cannot cater for the changes in what we need. So, although we wanted to do a big bang, in reality, we couldn't do it because of the changes that had to be gradual, so we had to prioritise. Okay, what must have by May 2018, what can we do, and where would, what would? So, we had to focus on the process that was most problematic, which has the most materials' impact.”

The accounting or finance department had set the strategy by prioritising the most problematic materials affected by the MFRS 15 adoption. In the earlier implementation stage, employees were mostly still learning to understand the changes arising from MFRS 15 adoption. The operational level was the most important level for ensuring the success of implementing MFRS 15 in BETA. Lack of expertise, skills, and time to familiarise with the system became a constraint to BETA. This situation contributed to a progressive change rather than a regressive change. It could be seen from the change processes that BETA issued an earlier notice and deadline for the implementation of MFRS15. Nonetheless, nothing strongly pressured them to change the system immediately despite their realisation that there was no solution in the market catering for the system changes. This situation is also attributed to the evolutionary change of standards in determining the outcome of their actions. Therefore, they had to find solutions and strategies to accommodate these change processes in both formal and informal ways. Tensions may arise in the form of resistance and anxiety if informal change processes take longer than official change processes and could potentially result in the implementation failing (Burns & Scapens, 2000). This is because any change could cause discomfort among employees. Nonetheless, this situation does not necessarily the cause of resistance because they were willing to change, although they had little time to familiarise themselves with the system changes of MFRS15 adoption.

5. Discussion

This study examined how adopting MFRS 15 triggered organisational change within a Malaysian telecommunications company, using Burns and Scapens (2000) framework to analyse the nature and process of change. The findings show that financial accounting standard change extends beyond technical compliance and involves complex interactions between rules, routines, systems, and actors.

5.1 Regressive versus Progressive Change

Across all themes, BETA's adoption of MFRS 15 was characterised by progressive change. Employees and managers perceived the new standard as enhancing reporting quality, transparency,

and comparability. This finding aligns with Muhammad et al.'s (2019) study on agriculture that referred to the dichotomies in the Burns and Scapens (2000) framework. It showed that changes in accounting information led to a progressive change. Jabbour and Abdel-Kader (2015) recorded a similar result in their study on changes in enterprise risk management using the Burns and Scapens framework. However, this change process was not consistent with Soin et al. (2002), who demonstrated a regressive change in banks. MASB's requirement for BETA to implement MFRS 15 left BETA with no choice. Furthermore, all organisations worldwide must implement the new revenue standard change announced by GAAP and IASB. Thus, the challenges of adaptability and resilience, stakeholder requirements, productivity and performance, structure and system process change, and resource constraints due to MFRS 15 adoption significantly impact process change. This view is consistent with Christensen et al. (2015), who examined accounting quality change due to IFRS adoption, and with Mohammed Alshamshi and Ahmad (2024), who studied IFRS adoption and its implication on organisational performance. Accordingly, the first phenomenon of dichotomies highlights that the MFRS 15 adoption process at the intra-organisational level is progressive.

5.2 Formal versus Informal Change

The implementation process was predominantly formal, driven by regulatory mandates, board oversight, and structured governance mechanisms. This study's results are consistent with Jabbour and Abdel-Kader (2015), Muhammad et al. (2019), and Soin et al. (2002) that demonstrated a formal change. It is a natural process that changes deliberately with the flow arising from the introduction of new rules. Following the early announcement of the change in the revenue recognition standard, BETA conducted research on the MFRS 15 model in its system. In the early implementation stage of the new revenue recognition standard at BETA, several reactions from management were observed regarding the acceptance of the new process from a theoretical to a practical base. For example, the managers perceived a subject to function when its theoretical application began. However, they eventually witnessed several factors missing from their initial plan. In this case, actions would have been taken by the managers when major problems occurred, as stated by Employees D and E in the findings. The managers would deploy their team to accommodate different requirements to push for certain changes. However, this situation or action happened in informal practices, which underlies the Burns and Scapens (2000) framework that highlighted the incompatibility of the new rules with the managers' established ways of thinking. Additionally, the norms of behaviour instilled in existing routines may lead to informal ways. Informal routines emerged because the complexity of the bundled telecommunications contracts could not be fully addressed through formal accounting policies alone. Employees therefore relied on informal discussions and collaborative problem-solving to translate regulatory requirements into workable operational practices. Accordingly, the second phenomenon of dichotomies, that the process of MFRS 15 adoption at the intra-organisational level is formal, was answered. However, several situations caused the managers to take informal actions throughout the change process,

especially in managing resource constraints and adaptability and resilience among the stakeholders.

5.3 Evolutionary versus Revolutionary Change

Accordingly, the findings showed that BETA faced both evolutionary and revolutionary changes in the MFRS 15 adoption process at the intra-organisation level. Despite the existing system, known as SAP, the implementation of MFRS 15 by BETA highlighted several major factors to be considered, SAP could not accommodate the changes. Therefore, they needed to find other solutions by creating an additional module in the system, known as product risk assessment (SPRA). This tool assists in calculation management. Similarly, since the system in the market cannot cater for the changes, the expert managers managing MFRS 15 at BETA decided on the most important factor in the system by focusing on the most problematic process and the strongest material impact. The challenges that have revolutionised the process change are productivity and performance, and structure and system process change, which are consistent with Boujelben and Kobbi-Fakhfakh (2020), who examined compliance with IFRS 15 mandatory disclosure in the telecom and construction sectors. In this study, the change in the third dichotomy did not disagree with Muhammad et al. (2019), who indicated that the nature of change for the modified SAP in the agriculture company is evolutionary, while change in the new systems due to standard change is revolutionary. This finding also support Soin et al. (2002), who observed changes in activity-based costing (ABC) systems in the banking context and classified them as revolutionary. However, different results were recorded by other studies. For example, Jabbour and Abdel Kader (2015) indicated that the changes introduced by enterprise risk management (ERM) to capital allocation practices could be classified as evolutionary in the insurance context.

A review of previous studies showed that the adaptation of the Burns and Scapens (2000) framework in different settings and contexts recorded different results, indicating that the nature of change in an organisation is highly dependent on the type of study conducted. The findings are inconsistent. For example, Soin et al. (2002) studied banking institutions, focusing on management accounting changes (ABC system). On the other hand, Jabbour and Abdel Kader (2015) studied insurance institutions, focusing on enterprise risk management (ERM) changes, whereas Muhammad et al. (2019) studied the agriculture industry, focusing on AIS changes.

5.4 Theoretical and Contextual Contributions

This study examined financial accounting standard change, i.e., a change in the revenue recognition standard, MFRS 15. In this case, the Burns and Scapens framework (2000) was used in a telecommunications company. While other studies, such as Broadbent and Laughlin (2005), Hassan (2008), Boujelben and Kobbi-Fakhfakh (2020), and Kohler et al. (2021), examined organisational change and financial accounting standard change, they did not use the three dichotomies of the Burns and Scapens framework (2000). Therefore, this study is unique. It is the first to examine organisational change focusing on the implementation of MFRS 15 in the

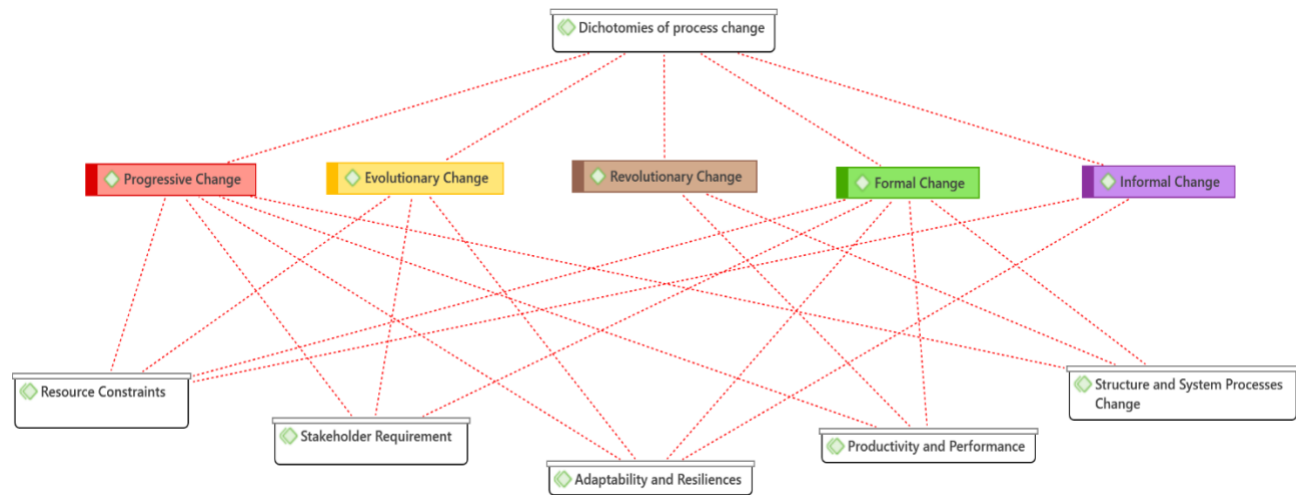
telecommunications industry using the Burns and Scapens framework (2000). By focusing on a Malaysian telecommunications company, this study contributes context-specific insights into how global accounting standards are internalised within developing-economy settings characterised by complex operations and resource limitations. Table 2 compares this study's findings with previous studies that examined dichotomies of process change within an organisation according to the Burns and Scapens (2000) framework.

Table 2. Comparison of Findings with Previous Studies using the Burns and Scapens (2000) Framework

Authors	Soin et al.	Jabbour and Abdel-Kader	Muhammad et al.	This Study
Year	2002	2015	2019	2025
Country	UK	UK	Malaysia	Malaysia
Setting	Banking	Insurance	Agriculture	Telecommunications
Methodology	Case study	Case study	Case study	Case study
Focus	ABC and Organisational Change	Enterprise Risk Management and Organisational Change	Accounting Information System and Organisational Change	Financial Accounting Standard and Organisational Change
Regressive (R) vs Progressive (P)	R	P	P	P
Formal (F) vs Informal (I)	F	F	F	Mixed
Revolutionary (R) vs Evolutionary (E)	R	E	Mixed	Mixed

Figure 1 presents a connection of the challenges of MFRS15 adoption that has impacted the dichotomies change process using the Burns and Scapens framework.

Figure 1. A Connection of the Challenges Due to MFRS15 Adoption with the Dichotomies by Burns and Scapens Framework



Overall, the findings demonstrate that MFRS 15 adoption at BETA involved intertwined progressive change, a mix of formal and informal changes, and a mix of evolutionary and revolutionary elements of change, underscoring the value of process-oriented theories in understanding financial reporting reforms. Table 3 presents a summary of the relationship between the dichotomies of the process of change and the themes discussed in the findings faced by BETA at the intra-organisational level due to MFRS 15 adoption.

Table 3. Summary of the Relationship between the Themes and Dichotomies of Process Change

Themes	Dichotomy 1		Dichotomy 2		Dichotomy 3	
	P	R	F	I	E	R
Adaptability and Resilience	/		/	/	/	
Structure and System Process Change	/		/			/
Resource Constraints	/		/	/	/	
Productivity and Performance	/		/			/
Stakeholders Requirement	/		/		/	
OVERALL	PROGRESSIVE		MIXED		MIXED	

<i>P – Progressive</i>	<i>F-Formal</i>	<i>E- Evolutionary</i>
<i>R- Regressive</i>	<i>I- Informal</i>	<i>R-Revolutionary</i>

6. Conclusion

This study examined the processes of organisational change associated with implementing the revenue recognition standard, MFRS 15, in a Malaysian telecommunications company. Specifically, it focused on intra-organisational change processes by applying an institutional perspective and adapting the Burns and Scapens (2000) framework to a financial accounting context. By employing the three institutional dichotomies (regressive versus progressive change, formal versus informal change, and evolutionary versus revolutionary change), this study provides a structured understanding of how mandatory financial accounting standards become embedded within organisational routines and practices. Based on qualitative evidence from interviews with employees knowledgeable and directly involved in the MFRS 15 adoption at BETA, the findings indicate that the adoption was predominantly progressive in nature. The change was largely perceived as necessary and value-enhancing, particularly in improving transparency, comparability, and the credibility of revenue reporting. Rather than resisting the new standard, organisational actors gradually accepted and internalised the change, supported by early awareness of the impending implementation and preparatory assessments conducted before the effective date.

The study also found that the change process was largely formal, characterised by a top-down implementation approach driven by regulatory requirements, board oversight, and senior management authority. New rules and procedures were deliberately designed and enforced to ensure compliance with MFRS 15. At the same time, informal change processes played a complementary role, as employees gradually adjusted their routines, interpretations, and daily practices through learning, engagement, and repeated application. Understanding the timing and motivations of various organisational actors was therefore crucial in facilitating the transition from formally imposed rules to institutionalised routines. With respect to the pace and depth of change, the findings suggest a combination of evolutionary and revolutionary elements. On the one hand, the implementation unfolded gradually, supported by advance notice, phased preparation, and ongoing communication, reflecting an evolutionary change process. On the other hand, MFRS 15 represented a substantial overhaul of revenue recognition practices, affecting revenue. Revenue is the most critical performance indicator for publicly listed companies such as BETA. In this sense, the standard introduced a revolutionary shift in accounting logic and system requirements, even though its organisational embedding occurred incrementally. This highlights the importance of distinguishing between the magnitude of accounting change and how such change is operationalised within organisations.

This study is not without limitations. The data collection was constrained by time, limited availability of key personnel, and the COVID-19 pandemic, which restricted access to a broader range of participants and necessitated reliance on virtual interviews. Consequently, the findings are based on a single-case study and may not be generalisable across all industries. Future research could extend this work by examining multiple organisations within the telecommunications sector or conducting cross-industry comparative studies to explore further how different organisational contexts shape responses to mandatory accounting standard changes.

Despite these limitations, this study contributes to the accounting literature in several ways. First, it extends the application of the Burns and Scapens (2000) framework beyond management accounting by demonstrating its relevance in explaining financial accounting change, particularly in the context of mandatory standards such as MFRS 15. Second, the findings highlight that accounting standard adoption is not merely a technical exercise but a complex organisational process involving governance, systems, routines, and human behaviour. Finally, the study underscores the importance of early preparation, stakeholder engagement, and system integration in institutionalising revenue recognition changes and achieving the objectives of MFRS 15, namely the provision of useful, transparent, and comparable revenue information to users of financial statements.

Declarations

All authors declare that they have no conflicts of interest.

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