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n this Contrapartida, I continue the analysis begun in previous Contrapartida of Jeno Beke's paper, "*International Business Accounting Standardization and Hungarian Practice*" (International Business Research, V4,No.1; January 2011).

Beke's final conclusion is his longest, but the most relevant to us:

*"[E]mployee layoff sensitivity to poor accounting performance increased after the adoption of international accounting standards. The adopting firms’ employee layoffs are more response [sic] to accounting performance in the post-adoption period. With respect to the control variables, the study founded [sic] that businesses with higher labour productivity, that are larger, with greater contemporaneous and lagged sales growth, and less frequent layoffs. [sic] On the other hand, businesses with higher leverage and divestitures have more frequent employee layoffs.*" (130)

What Beke suggests is a correlation between accounting practices and layoffs. Companies are statistically more likely to make layoffs in connection with poor accounting performance (i.e. losses recorded by accounting practices) derived by the use of IFRS. Beke further concludes that big companies with high labor productivity and greater sales had fewer layoffs than those companies that had more leverage (financed with debt) and divestitures (selling of subsidiaries). Companies that have a higher ratio of loan capital to common stock and that sell off subsidiaries, are more likely to lay off employees.

Beke's closing words are relevant to Colombians now facing IFRS convergence. "*Companies with more substantial foreign sales are better likely to adopt international accounting standards*." (ibid.)

It may be unclear from the words "*better likely*" but Beke seems to say two things: that companies with more foreign sales are more likely to adopt and that such companies have more to gain by adopting.

A plainspoken summary of Beke's conclusions might read as followes: "*If your company has a lot of foreign sales, or if it intends to, then it has the most to gain by adopting IFRS. If it does adopt, be prepared to discover that some employees are inefficient, and you are statistically more likely to lose those people and replace them than you were under the old accounting system. If your company has a higher ratio of loan capital to common stock value, you may be even more motivated to use accounting information to drive employment and layoff decisions.*"

Adopting IFRS shines a new light upon unproductive practices and people and may lead to changes in the workforce.

In Colombia, as in Hungary, these changes may be overdue but unlikely to happen without IFRS adoption.

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