

BUDGET DEVELOPMENT ANALYSIS IN BRAZILIAN MEDIUM- AND LARGE-SIZED ORGANIZATIONS: ORGANIZATIONAL THEORIES, ESPECIALLY THE LIFE CYCLE APPROACH

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Company sustainability is fundamental to the development and growth of society. Sustainability results from countless variables, such as sector evolution, economic cycles, technological adequacy and management capacity. The latter involves tangible and intangible aspects, such as intellectual capital and management artifacts, which are not always sufficiently mapped and understood. In terms of the artifacts that support the management process, formalized planning is important, as evidenced by strategic planning and budgets. Previous studies point toward relatively less formal use of this planning by Brazilian companies in comparison with their peers in other countries. This finding is explained by Brazil's more turbulent and volatile past, particularly from the 1970s to the 1990s, when the validity of a more structured and formalized process was questioned. Although the existence of a structured planning process in itself does not guarantee a positive economic result, there is strong evidence of its impact on management assertiveness. Consequently, the planning process influences organizational results and sustainability. The main objectives of this project are as follows: (i) to understand the formalization profile of organizations' planning processes, (ii) to understand the profiles of Brazilian companies in the different stages of the life cycle, (iii) to understand the profile of management accounting attributes as a structure for formal planning during the different stages of the life cycle and (iv) to understand the interaction among the problems in the planning process through a substantive theory.

Within the scope of this project, which involves other faculty members and master's and Ph.D. students, various dissertations and theses have been developed using other organizational theories, such as RBV (Resource-Based Value) and Contingency Theory, with a view toward a broader understanding of the theme favored by the life cycle construct. The benefits of this research are highly qualitative. Once the problems identified in organizational management have been understood, solutions can be presented to improve the process.

SUMMARY OF RESULTS TO DATE AND PERSPECTIVES

The results can be divided into three types: (i) the development of a substantive theory derived from the grounded theory approach, which established proposals that facilitate the understanding of difficulties and limitations in the (strategic and budget) planning structures when the latter is not perceived in a broad way. In addition, some factors are addressed that inhibit the existence of the planning process in a structured and formalized way in addition to other stimulating factors; (ii) studies on the life cycle contribute to the understanding that, depending on the current stage, the planning process will not exist in a structured way. This can occur in the initial stages as well as during development; (iii) studies on RBC, which demonstrate that accounting does not inhibit strategic decisions, as demonstrated in other countries; on the contrary, this element encourages the process and mitigates organizations' dynamic tension, according to the RBV construct; (iv) the analysis of the impact of contingency factors on the entity, which affect the budget's evolution and the entity's development; and (v) the analysis of the Brazilian investment profile from the perspective of strategic planning and budgeting. This study provides insights into the maturity of the companies facing capital expenditure, financing and the risk of the new investments, which is relevant for a "post-crisis" environmental perspective.

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