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# Understanding the Deliberation Practice in a Controllership from the Performative Judgement Perspective

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## Abstract

This research analyzed deliberation practice in a controllership, mainly the decision to replace a given budgetary practice by another, in light of performative judgements, in a big-sized company in São Paulo City, between 2017 and 2020. The research followed the interpretative design, and adopted the research-action strategy. Participatory observation, in-depth interviews (initial research stage) and documental analyses were the techniques applied to find evidences. The field zooming in and zooming out movements were used to describe the elements featuring this practice, by switching the theoretical lens to better understand the whole and the elements composing it. Data analysis followed the framework proposed by Bispo (2015). We have found four fragments of practices encompassing the material arrangements where deliberation takes place: financial management practice, accounting management practice, expense management practice and information technology management practice. Different from the accountability management mainstream, which assumes rationality driven by economic aims, we have observed that

deliberation in the assessed controllership is boosted by the “rationality of becoming” as permanent flow. Such a rationality is collectively built due to practical wisdom and to the ability of making practical decisions that form wisdom and practical judgements. It simultaneously shows its fragility in comparison to what is expected from the economic paradigm, as well as its richness, by encompassing the pluralism and dynamics of the context it is inserted in.

**Keywords:** practice; controllership; deliberation; performative judgement; budget.

## Introduction

Organizational decision-making can be understood as a rational process (Hodgkinson & Starbuck, 2008; March, 1978) that has broad consequences on organizational performance (Dean & Sharfman, 1996; Fredrickson, 1984). Purchasing from a given supplier rather than from another, selling a certain good to a specific customer, investing in a given equipment to increase productivity, acquiring a competitor company, using a certain management technique rather than another, are some examples of decision-making in organizations.

From the economic viewpoint, such decisions take into account the ability to calculate - not necessarily as in mathematical operations -, to “stablish distinctions between things and states of the world, and to imagine and estimate the course of actions associated with these things or with these states, as well as with their consequences” (Callon & Muniesa, 2005, p. 1231). This ability, in its process form, derives from the following stages: (a) identifying the finite number of entities encompassing a giving process by disregarding them from their real contexts and by placing them in a single broad context where they are compared and manipulated based on common operational principles; (b) assessing the most advantageous possibilities deriving from their combinations, associations or adjustments; and (c) finally, as calculation result, one finds an entity that is not new in the sense of coming “out of the blue”, but that “precisely [corresponds] to manipulations carried out in the calculation space and that are, consequently, bond (added) to the entities that are taken into consideration” (Callon & Muniesa, 2005, p. 1231).

This positivist view comes from the economic paradigm and is in the mainstream of several knowledge fields. Managerial accounting (MA), herein understood as the extension of financial accounting, concerns companies’ inner activities; it is essential to decision-making about these companies’ management and operation (Anthony, 1979; Lima, Espejo, Pereira, & Frezatti, 2011). The economic paradigm takes into account managerial accounting (MA) practices, such as corporate budget, costs system, balanced scorecard, among others, which are instruments applied to help companies to reach their goals (Espejo, 2008; Souza, Lisboa, & Rocha, 2003).

Thus, these practices are seen as tangible realities (tools) in organizations; they play previously set, clear and objective roles. Controllership is the functional field accounting for structuring and promoting the Information System (IS) and AMPs, in order to support the decision-making process (Lunkes, Schnorrenberger, Gasparetto, & Vicente, 2009). Based on this paradigm, the mission of controllerships is to make sure that the organization’s economic outcome will be optimized; it must be done by coordinating and integrating actions taken by all managers and by managing IS associated with organizational economic performance (Pereira, 2011). AMPs are

chosen carefully; they are related to goals, strategies and plans focused on helping organizational performance management in order to improve outcomes (Otley, 1999).

Focus on economic paradigm observed in both MA and controllerships is quite common nowadays, as one can see in recent research aimed at seeking to set causal relations among AMP's using and organizations' position in global markets (Gonçalves & Gaio, 2021) (Hariyati, Tjahjadi, & Soewarno, 2019), differentiation strategies' development (Pasch, 2019), innovation strategies' development and companies' financial development (Hariyati, Tjahjadi, & Soewarno, 2019).

However, these studies neglect the "analysis of social-technical conditions allowing rational decision-making – as defined in the rational choice theory – within organizational contexts" (Cabantous, Gond, & Johnson-Cramer, 2010, p. 1532), because they consider rationality as property of organizations, or not; subject the normative aspects of choices to the economic dimension and emphasize the decision-making process, other than "concrete practices by organizational decision-makers" who use material artifacts to incorporate rational concepts to decision-making (Cabantous et al., 2010, p. 1532).

We chose an organizational studies' approach to enable evidencing how the deliberation practice takes place in companies seeking more flexibility (Duarte & Alcadipani, 2016). In order to do so, we left aside the idea of solid organization, with delimited boundaries, economic rationality and objective goals, to investigate where organizational decision-making emerges from, due to activities performed by individuals based on their knowledge; and to the existing material artifacts in a given social context. We have adopted approaches based on the concept of practice, because they are not limited to spatial and temporal classifications (Nicolini, 2009), as well as enable understanding that, in order for "a practice to happen", it is necessary having the structures of it (understandings, rule, teleoaffective structure and general understandings); and the material arrangements (scenarios where practices take place, they involve things and people) they are located in, which also have to happen (Schatzki, 2002, 2006).

Deliberation in the controllership was the herein assessed practice, mainly the decision made to **replace a given budgetary practice by another**. Events featuring the decisions happened between 2017 and 2020, and they had four specific moves: (a) it started in 2017, when the organization had adopted the conventional budgetary practice (CB) for more than 10 years, but it thought on replacing it by the matrix budget (MB); it decided to do so (b) in 2018, when it hired and qualified new managers and prepared the infrastructure to adopt MB in 2019; (c) in 2019 it adopted MB and its practices for 1 year – after that, the controllership decided to return to the CB practice; (d) in 2020, it returned to CB. The decisions made throughout the assessed period are intriguing, since they concern changes that use to trigger anxiety and insecurity, that demand efforts from the involved ones and, most of all, they oftentimes demand significant investments.

This research was carried out in a big-sized company (herein called ABC, in order to make sure about its confidentiality) of home appliances located in São Paulo City. It has been managed by the second generation of a family of entrepreneurs. The research involved ABC's controllership department and its relationship with several managers in departments that use the budgetary practice.

CB is the most used budgetary modality in Brazil (Lunkes, 2003). However, MB, which is a modality developed in the country, remains as object of academic research (Bartilotti, 2006;

Nogueira, Waller, & Ramos, 2012; Padoveze & Taranto, 2009), it is often recommended by big consultancy companies and by the business media, as more effective for costs and expenses management than CB, mainly when stronger control is required.

Performative judgement was the herein used theoretical lens. Different from judgement based on rational thinking, it can be understood as continuous practice to support decision-making and to solve complex issues through a process that helps better understanding the organizational dynamics other than prescribing correct solutions (Bispo, 2017).

Based on the aforementioned, the present research was guided by the following inquire: What are the contributions from performative judgements to the understanding of deliberation practices in a controllership, other than the rational and economic view prevailing in managerial accounting studies?

Thus, this article highlights the deliberation practice in a field that is closely associated with economic rationality and controllership, as the very result of a complex set of managerial practices aimed at ensuring “the minimum amount of general coordination and control over several primary production practices that encompass very powerful centrifugal forces pushing towards even greater complexity and fragmentation” (Reed, 1984, p. 281) and of the use of artifacts (charts, computer systems, communication via e-mail) (Schatzki, 2002, 2006) to make small distinct decisions. This combination of elements, such as in a kaleidoscope, evidences the becoming of the organizational rationality and, simultaneously, shows its fragility in comparison to what is expected by the economic paradigm, as well as its richness, since it encompasses the pluralism and dynamics of the context it is inserted in.

## **Understanding the controllership and the accounting management practice from the economic paradigm perspective**

Controllership can be understood as a knowledge field accounting for setting the very conceptual basis for the modeling, construction and maintenance of IS focused on companies' economic-financial management; it is a managerial organ responding for implementing these systems and for their outspread in the organization (Almeida, Parisi, & Pereira, 2001). It is the core of controllerships, and it demands a technological infrastructure that comprises systems, processes and different software. There are several practices known as accounting management practices (AMP); they are used by managers to get information and to proceed with interventions based on decision-making in order to reach their goals (Espejo, 2008; Souza et al., 2003).

According to MA mainstream, controllerships acquire knowledge from a set of practices, such as costing system, costing based on activities, corporate budget and balanced scorecard. Whenever these practices are systematically used to reach organizational targets, they become accounting management systems or, even more often, management control systems (MCS) (Chenhall, 2003).

MCS understanding has been changing overtime. The first reports on it came up in the USA in 1832, and they took into consideration people as calculable resources (Ezzamel, Hoskin, & Macve, 1990). Nowadays, many studies have aimed at stablishing causal relations between AMP and MCS using, and the obtainment of economic benefits by organizations. Briefly, MA and AMP are seen as

tangible realities (tools) found in organizations; they play previously set, clear and objective roles, despite differences observed in their use and performance, in different organizations and countries. Corporate budget ranks the first position among the most used AMPs in Brazil (Souza, Russo, & Guerreiro, 2020).

Corporate budget is an AMP used in combination to several others, such as accounting by responsibility, performance evaluation, resource allocation, planning and coordination activities, and employees' motivation (Lunkes, 2007). It can also be seen as the means to express compliance with social standards (Covaleski, Evans, Luft, & Shields, 2003), since its use sets deals with operational and financial goals and targets. It allows establishing the financial plan based on strategy implementation by associating expenses and revenue with functional structure, as well as by creating managers' commitment bases to reach targets (Frezatti, 2015).

The budget, herein called conventional (CB), has been used for decades now, in many organizations (Frezatti, 2015; Lunkes, 2007; Welsch, 1994). However, it is also criticized by some researchers and users, since it is considered an inflexible methodology that impairs the appropriate allocation of resources (Holpe & Fraser, 2003; Hansen, Otley, & Van der Stede, 2003) and the association between strategic actions and financial plans, and business processes (Nelly, Bourne, & Adams, 2003) – some of these individuals recommend to stop using it (Holpe & Fraser, 2003). Evidences show that budget influences the management process, mainly when it comes to three macro-functions, namely: planning, resources' allocation and performance evaluation; they act as mediators between variables external to the organization (threats and opportunities) and organizations' inner functioning (Becker, Mahlendorf, Schäffer, & Thaten, 2016).

The MB methodology was developed in Brazil, and Ambev was the first organization to use it, back in the 1990s. Matrix management, benchmarking, Zero-based budget (ZBB) and PDCA technique (*Plan, do, check, act*) are its core elements. It has been introduced as alternative to CB (Bartilotti, 2006; Nogueira et al., 2012; Padoveze & Taranto, 2009), mainly by big-sized business consultancy companies. It intensifies the accountability process, since it introduces an additional control dimension (management per packages – groups of similar accountable accounts) to CB, according to which, expenses are followed-up based on accountability area (accountability centers known as entities in MB). This configuration allows entities and package managers to act in an overlapping, continuous and simultaneous way to reach the established targets (Bartilotti, 2006; Nogueira et al., 2012; Padoveze & Taranto, 2009).

MB elaboration process needs six stages: (a) budgetary base preparation by removing apportionments capable of impairing expense control, (b) identifying packages (just as observed with expenses) and entities (when expenses take place) to feature how to carry out expenses' analysis, (c) preparing the targets that initially derive from internal - that later become external - benchmarking, (d) defining the corporate targets based on a top-down process that initially has direct effects on entities' managers and, later, on package managers, (e) Budget negotiation and consolidation based on bottom-up process to make adjustments in the high and mid-management board, and (f) budgetary control based on continuous follow-up process (targets vs real) and on the formulation of action plans focused on correcting mistakes (Bartilotti, 2006; Nogueira et al., 2012; Padoveze & Taranto, 2009).

The MB process enables better accountability to the budgetary follow-up. However, due to control overlapping, it also adds greater conflict potential to it, because entities' managers often need to negotiate with many package managers, a fact that puts heavier pressure over their decisions. Therefore, it is not recommended to use this practice in organizations that have a hard time dealing with conflicts (Bartilotti, 2006; Nogueira et al., 2012; Padoveze & Taranto, 2009).

Although MB has been known since the 1990s, scientific studies on it remain scarce; they are more often found in Master's Degree dissertations and in articles presented in conferences (Bartilotti, 2006; Magalhães, 2009; Sampaio, Peterli, Vallim, & Vallim, 2016; Wanzuit, 2009). The main MB features found in these studies are supports to both the decision-making process and to action plan establishment. MB also contribute to improve control procedures, to support resources' allocation and to influence the behavior of people who use it, since it works with goals and targets to be reached in order to improve work effectiveness (Argyris, 1952; Boedker & Chua, 2013; Church, Hannan, & Kuang, 2012).

The budgetary practice is closely associated with procedures and standards that are not always clearly explained (Preston, Cooper, & Coombs, 1992). Rules are helpful when they are clear, simple and adjustable to new contexts; otherwise, they can be coercive (Hartmann & Maas, 2011). Rules set for the budgetary practice derive from the need of creating consistent information based on accounting, since it deals with financial information – they are also associated with the sense of reliability. On the other hand, when rules mostly affect performance evaluation, they can force budget evaluation by users in a more critical way, a fact that can discourage their use (Sponem & Lambert, 2016). However, even without all involved ones' full agreement with, and clearness about, rules, they oftentimes help reducing the effects of uncertainty at decision-making (Sponem & Lambert, 2016).

The use of budgetary practices in environments featured by greater competition in order to discourage the cooperation spirit is another aspect to be thought of. Sometimes, it emerges from lack of clarity in, or reliability on, organizational justice, since information flow can be stopped or inappropriately used to benefit some managers who embody the competitors' position (Brüggen & Luft, 2011). We also found expressions related to effective sanctions deriving from budget using in other research, such as the case of motivation, commitment level, willingness to negotiate, anguish, fear and pressure that, altogether, show how it can sensitize and influence actions focused on reaching goals (Argyris, 1952; Boedker & Chua, 2013).

We used a conceptual approach to show how the budgetary practice is featured. It was done based on the ontological positioning of the movement that takes practices and organizations within as continuous and reflexive construction process.

## **Practice-based studies (PBE)**

The herein adopted organizational studies (OS) approach provides the clear sense of actors' space-time (Duarte & Alcadipani, 2016) by dealing with "situated" practices that imply uncertainties, conflicts and inconsistencies as intrinsic features (Antonello & Godoy, 2009). However, in order to access insights triggered by PBE, it is necessary using tools and methods that allow better understanding different contexts. We adopted an ontology of movement, a procedural and

reasoning approach, to understand how practices are set in organizations (Cooper & Burrell, 1988; Pimentel & Nogueira, 2018).

PBE enables better understanding the changing processes in AMP due to different possible interpretations; each of them works as specific objective type that highlights elements concerning power, strategy and conflict - altogether, they regard the practice's *locus*. Among all possible interpretations, individuals who adopt innovations are not just active, but politically experts (Gherardi & Miele, 2018; Nicolini, Mengis, Meacham, Waring, & Swan, 2016). The search for innovation in AMP comes from individuals' need (or will) of mimicking one another as the way to seek their own interests (Czarniawska & Sevón, 2005). Accordingly, the main agents in the innovation process can embody intermediate or mediating roles, whose difference is subtle, although relevant: intermediates are in between, they are neutral innovation carriers, but when they play as mediators, they are active, consequent; thus, they create ties that did not exist before, they change innovation by setting bonds between what is already there and the becoming in order to make the "becoming" more acceptable (Nicolini et al., 2016).

According to Schatzki (2006), practices are daily deeds, "they happen" (p. 1864); therefore, structures (understandings, rules, teleoaffective structures and overall understandings) and arrangements of practices (scenarios where practices take place, which involve things and people) must also happen. These elements' happening is associated with what he calls "governance", which accounts for performance, for the involvement of the existing material arrangements. He also states that some events are not instantaneous, they happen throughout the so-called "objective time", which refers to what was and to what is about to be. On the other hand, he also features "real time" as resulting from "several objective temporal passages set by these actions, or from those they meet" (p. 1865).

From this viewpoint, AMPs are different in each organization; they have different goals. It is so, because managers use different individuals and specific material arrangements in their time-space contexts. Knowledge accumulated in organizations gives them individual and collective skills that allow building different sets of material arrangements featured by software, processes and activities integrated to activities accomplished by people and practices that, in their turn, support, or are the very basis, of their routines. The goals of these practices are not necessarily clear for all, since individuals' demands are different at each different hierarchical level.

The learning process in organizations comes from practical experiences that add to formal knowledge, which derives from training, qualification, consultancy and from hiring professionals who bring along new skills. New knowledge is added to the organization from a set of choices, which are not always clear. The process of reasoning about systematically-made choices can be understood as the practice substantiating decision-making, as described in the next section.

## **Performative judgement as practice to substantiate decision-making in controllerships**

Bispo (2017) advocated for a theoretical reference capable of explaining what 'performative judgement' is all about by applying Aristotle's thoughts about intellectual virtues and the sensible knowledge by Strati (2007). His study presents four dimensions: the two first ones relate to practical

decision-making, which is based on “craft knowledge” (apprehended on a daily basis, as something is done); and practical judgement, which links **sensible knowledge** – sensorially captured by individuals, which is not necessarily in compliance with the rational process of knowledge construction – to **practical knowledge**, which allows deliberating about what is good or bad, based on common sense. Performative judgement makes it possible associating practical decision-making to theoretical knowledge by adding ‘the understanding of context’ to it, based on a philosophical or scientific approach, as well as to scientific knowledge resulting from both theoretical results and empirically tested research methods.

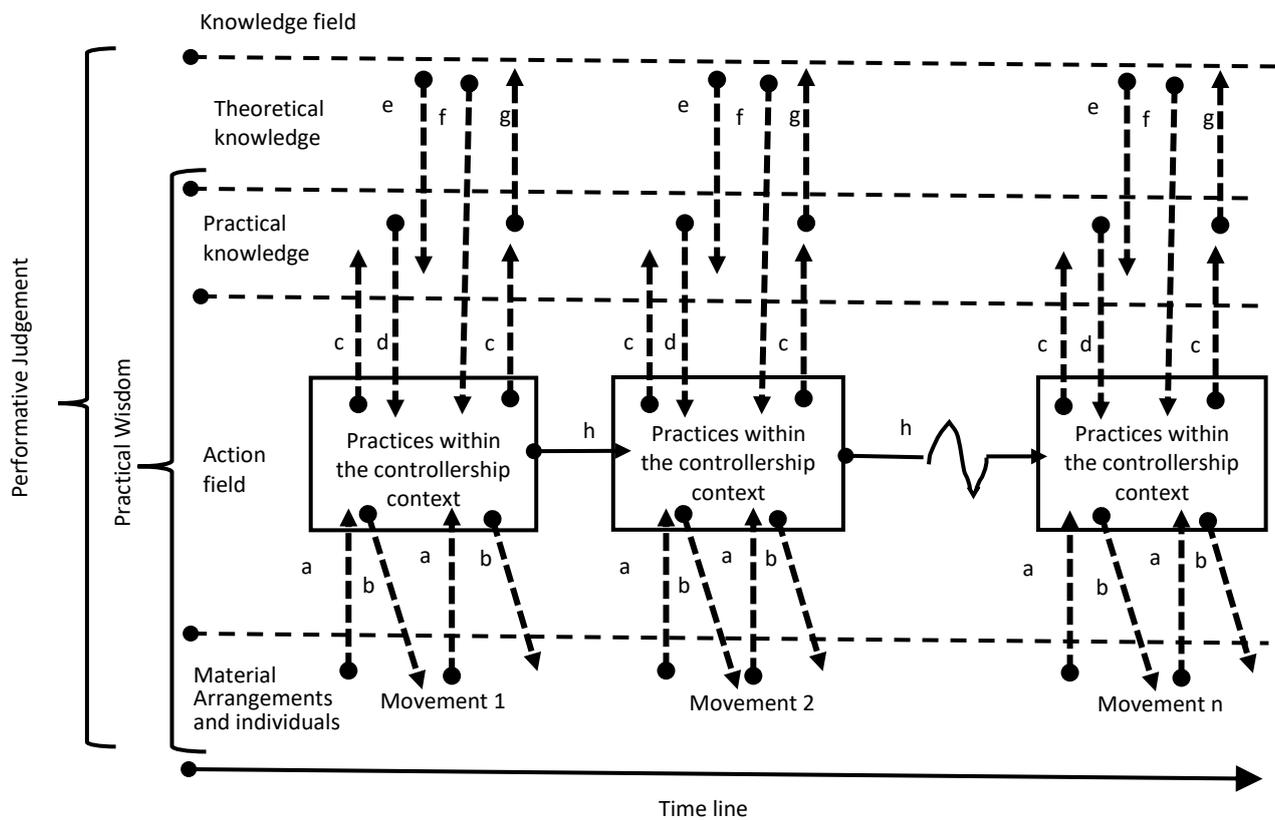
In order to better clarify the theoretical elements concerning the performative judgement in controllership environments, based on the model by Bispo (2017), we herein confronted some elements composing Aristotle’s ideas about the virtue of both thinking (Pakaluk, 2005) and sensible knowledge built from organizational life, as highlighted by Strati (2007).

Either Strati (2007) or Pakaluk (2005) argue that individuals are prone to be influenced by their perceptions (sensations) and that these perceptions come from natural means through which people perceive the world (senses). On the other hand, there are divergences about how to get to such an action through their perceptions. If one takes into account the context of the current study, it is possible identifying differences in the understanding about how perceptions influence practices’ emergence and changes.

Based on the Aristotelian thinking, perception is not enough to trigger an action capable of promoting common good; it is so, because animals are also able to have perceptions due to their senses; however, it does not give them the skill of taking actions for common good. The Aristotelian approach comes from the premise that the act of thinking works as “true vs false”, “statement vs denial”; thus, it covers ideal truths. Nevertheless, the action results from a virtue of character; in other words, from a state of the spirit (soul), from its essence - where decisions come from the deliberate will of seeking common good by linking the act of thinking to the truth. This process allows individuals to choose among alternatives based on reaching a better performance for the common good and on taking into account the performance among possible alternatives.

According to Strati (2007), organizational practices derive from a learning process that comes not just from a rational process (mental), but also from the addition of the sensory and corporeal dimension taking place through individuals’ interaction with material elements sensible to the organizational life. The learning process happens in a continuous way, by means of several daily situations, according to which, individuals judge based on their own perceptions and sensations, on the sense of right or wrong, and build a sense of performance – it is individual, but it is also influenced by, and shared with, its collectivity.

We herein take performative judgement within the controllership context by building two great attributes: practical judgement and theoretical knowledge. Practical judgement comprises the craft knowledge (resulting from the sensible knowledge) and practical wisdom. Theoretical knowledge, in its turn, comprises the philosophical or scientific approach, its respective theories, as well as the scientific method. Each of these elements can be identified in Figure 1, below.



**Figure 1.** Performative Judgement

Source: Elaborated by the authors.

Legend: Influences: (a) of sensible knowledge on the practice; (b) of practices on sensible knowledge; (c) of practices on practical wisdom; (d) of practical wisdom on practices; (e) of theoretical knowledge on practical wisdom; (f) of theoretical practice on theoretical practice; (g) of practical wisdom on theoretical knowledge; (h) of deliberation practice on controllership.

Craft knowledge takes place at practice level, it uses the existing sensible knowledge in organizations' context, i.e., the existing knowledge in material arrangements (systems, equipment, process, among others) and in practitioner individuals (individual knowledge). Thus, the controllership's practices are influenced by them (arrow a) and they simultaneously influence them within limits allowed by material arrangements and individuals (arrow b).

Practical wisdom is influenced by the practice itself; it outspreads new knowledge and influences other practices (arrow c) in its craft knowledge form (sensible). Such a knowledge also influences practices in controllerships and allows the construction of other practices and individuals that are not necessarily involved in the original ones (arrow d)).

Theoretical knowledge has straight influence over practical wisdom, as it provides knowledge resulting from the academia, which comes from college-graduated professionals who outspread theoretical knowledge applied to practical problems (arrow (e)). This influence can happen right in the practice when professionals – who have such knowledge – get involved in some practices (arrow (f)). The virtuous cycle generated by practical studies in controllerships also leads

to theoretical knowledge, since it seeks to better understand how practices take place, on a daily basis, without getting limited to paradigms that undermine its understanding from the rational viewpoint (arrow (g)) (Blundel & Smith, 2013).

Practical judgement is a continuous process resulting from the sum of observable events, be them naturally perceived (sensible) or introduced on purpose (rational). These events are materialized through changes in the practices' field (changes in rules, for example) or through material arrangements. This process helps linking practical knowledge to practical wisdom.

Finally, the formal deliberation process takes place in controllerships when an accurate practice goes through changes capable of overcoming the structural adjustment limit, a fact that makes it necessary adopting new rules and a new set of material arrangements (arrow (h)). Based on the Aristotelian thinking, it is possible considering deliberation as an objective act that ought to reach the practical truth; thus, deliberation can also be seen as a virtue that comes from the soul, a condition that makes things in a reliable way (Pakaluk, 2005).

It is possible taking into consideration that deliberation in controllerships is a formal event carried out by one or more individuals who have some authority in the organization. It derives from the sum of perceptions accumulated by several individuals who are directly or indirectly associated with practices by means of experiences, impressions and knowledge. Deliberation can be more or lesser influenced by the theoretical knowledge, depending on the context and processes in each organization, but it will be certainly subordinated to practical wisdom (Pakaluk, 2005).

The conceptual elements suggested by Schatzki (2002, 2006) as structures of practice and material arrangements substantiate the understanding of necessary changes, so that either practices or practice arrangements happen in organizations' daily routines.

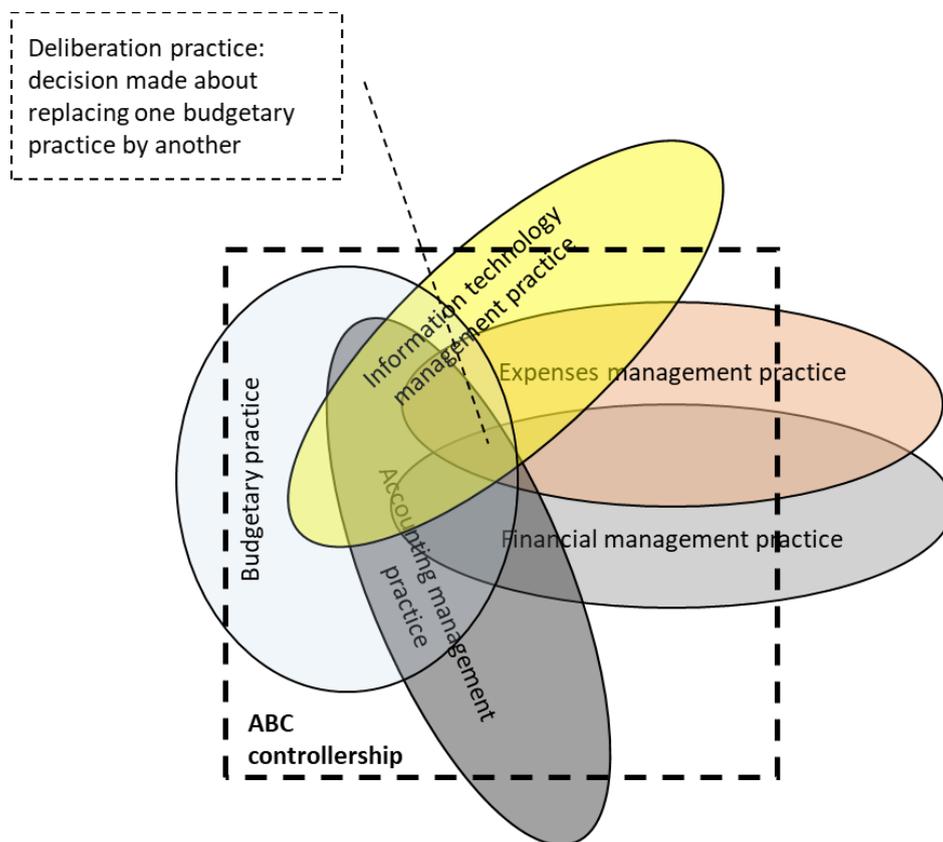
It is also possible observing (Figure 1) that theoretical knowledge influences practical wisdom (arrow (e)) and the practice itself (arrow (g)). However, the practice influences the practical wisdom (arrow (c)), which, in its turn, influences the theoretical knowledge (arrow (g)). Nevertheless, it does not directly influence the theoretical knowledge, because, there are no reflection processes at practice level necessary to trigger insights on the theory.

One can see that most practical judgements are subliminal, from the procedural viewpoint. Practices are gradually adjusted to the needs of different individuals, based on their perception and, most of all, on the practical wisdom built on the way. Deliberation is the very factor featuring the change (arrow (h)), which takes place right at the time of "formal" decision-making; it is not necessarily written, but concerns some sort of ritual that highlights its relevance. Overall, it brings along processes that demand more complex and detailed analyses. It is in deliberation that one can effectively assess whether eventual investments in practices' adjustments (or replacement) are justified based on measurement and performance criteria. Deliberations happen in the context of more or lesser complex choices, even if their materialization takes place through micro-deliberations that account for adjustments, mainly from the practical wisdom perspective. Accordingly, practical judgement is composed of several elements: craft knowledge (sensible), practical wisdom, practice and formal deliberation (as controllership practice).

The deliberation practice in controllerships means evaluating adjustments in many practices used in management processes, if one takes into consideration that they act in an integrated way.

Thus, making decision about significant changes in a given practice can have impact on one or more practices, simultaneously.

Deliberation in the current study refers to decisions about replacing one budgetary practice by another. It is necessary understanding the elements of several practices that have interface with the budgetary practice in order to understand the limits of adjustments in this same budgetary practice (i.e., financial management, accounting management, expenses management and information technology management (IT)) and their implications in controllership's deliberation. Figure 2 introduces these practices and the context where deliberation about replacing a budgetary practice by another takes place.



**Figure 2.** Context of management practices in the assessed controllership and the deliberation practice

Source: Elaborated by the authors.

Figure 2 shows the overlap or influence of practices in Venn diagram. It is possible observing that deliberation on replacing one budgetary practice by another is limited by a set of entangled practices in that context. This deliberation ends up being quite limited given the overlapped impacts.

The core role of the assessed controllership lies on making sure about the optimization of organizations' economic outcomes. It must be done based on the development and availability of information to help managers in their decision-making process (Pereira, 2011). Thus, the ability of

this sector to provide the means for accounting information to be made available at proper quality level (relevance, materiality, reliable representation and timeliness [Technical Report CPC-00(R2), 2019]) is directly associated with its ability to make the necessary adjustments in IS and in practices linked to it. Deliberations in this controllership, mainly when it comes to making decisions about replacing one budgetary modality by another, were essential to have this mission accomplished.

Briefly, from the MA mainstream viewpoint and, simultaneously, from the 'becoming' perspective, deliberation can be seen as rational process deriving from the ability to make calculations (Callon & Muniesa, 2005). It emerges as entanglement of humans (managers, directors, leaders and individuals in charge of sections) and non-humans (charts, computer systems, meeting rooms, accounting reports); it shows off as social construction built by several individuals and objects (Schatzki, 2002, 2006).

## Methodological procedures

We used a descriptive and qualitative approach to highlight differences between CB and MB as way to better understand the deliberation practice in ABC's controllership at levels beyond the dominant rational and economic view in MA studies. We adopted an ontology of movement to point out that the deliberation practice can be understood as reflexive process; thus, it is always at the "becoming" sphere, within permanent flow (Cooper & Burrell, 1988; Pimentel & Nogueira, 2018). We adopted the research-action methodology as research strategy (Thiollent, 1988).

Participatory observation, in-depth interviews and documental analysis were the techniques applied to find evidences. Participatory observation was carried out by a researcher who had been acting in ABC's controllership for approximately 10 years when we started the research; this researcher worked in ABC until 2021. Its familiarity with the herein assessed field allowed us to better understand several peculiarities of the assessed organization, such as its cultural aspects, the functions of all involved ones and the background of events that have preceded the analyzed phenomenon. The researcher used a notebook to record the main events in order to meet all methodological care required for a participatory observation.

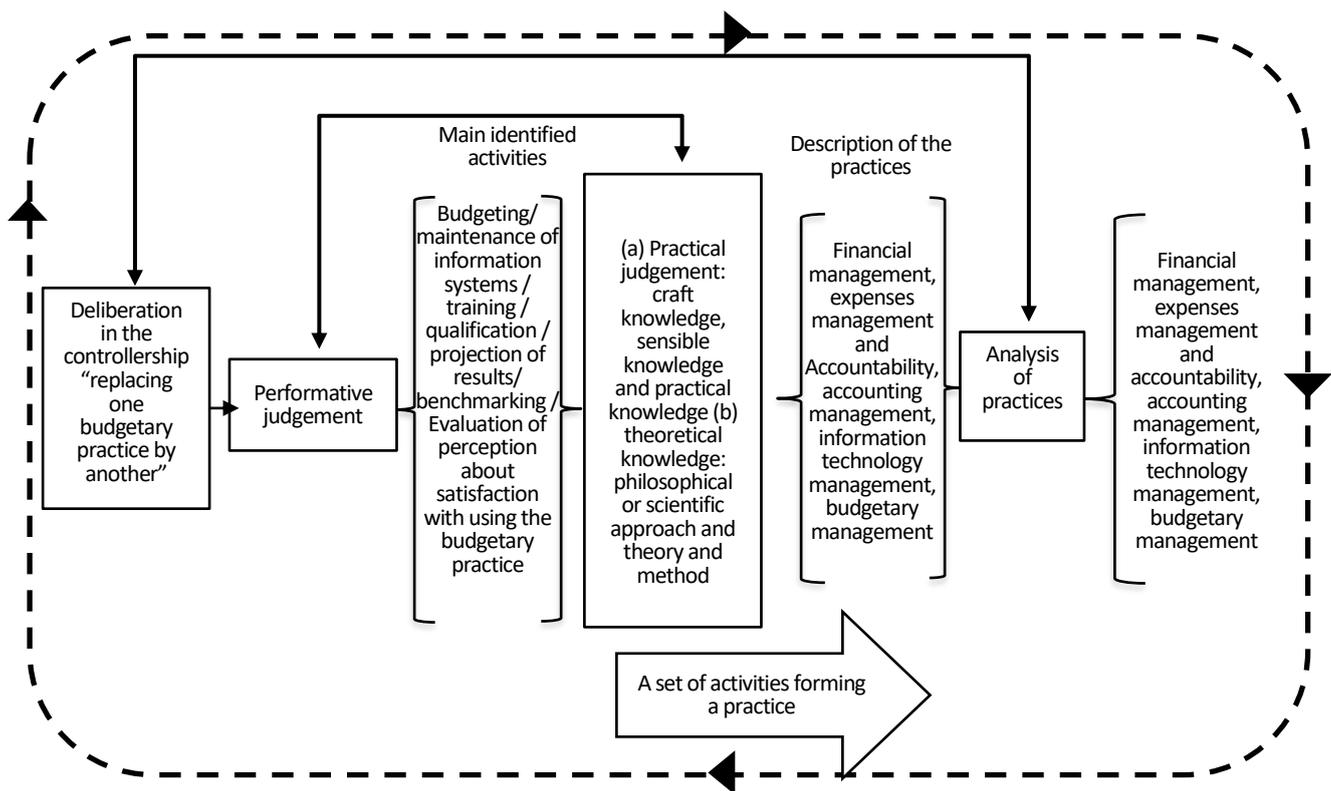
We carried out in-depth interviews at the research's initial phase (2017) to make sure that eventual dimensions that were not seen through the participatory observation would be included in the study, and to confirm the ones already known by the researcher. In order to do so, we created a semi-structured script with 24 inquires related to different CB and MB functions, with emphasis on perceptions that would lead to choices between one or another. We carried out twelve interviews with ABC managers (one controller, eight managers, one director and two section leaders) – each interview lasted 60 minutes, on average; interviews were recorded and transcribed.

The researcher also had access to several documents of the company, such as plans and convention budgets from previous periods, records of e-mails about the process prior to budget elaboration, budget follow-up, and about the subsequent processes, with emphasis on follow-ups and reviews. This documentation was necessary to help us better understanding the budgetary practice operation, and whether motivations encouraging deliberation were confirmed as new practice put into action. The researcher also had access to the *Enterprise Resource Planning – software* (ERP) for integrated management, and to Microsoft Excel spreadsheets used for budget

elaboration. Surveys started in the second half of 2017, when the budget for the following year was elaborated; but they remained up to mid-2020, and inserted the research in the action context.

We used field zooming in and zooming out movements by changing the theoretical lens in order to better understand the whole and the elements composing it (Nicolini, 2009). These procedures made it possible describing how individuals use practices and material arrangements by deepening their sight, and by identifying the elements, criteria and necessary ways to produce ordered and explicit standards based on learned skills.

We used the framework suggested by Bispo (2015) to organize the gathered information and to help better understanding the description and explanation of the practice. It was operationalized by a set of seven stages, namely: (a) identifying the phenomenon about to be investigated, (b) choosing the theoretical approach to assess the practice, (c) identifying the main activities associated with the assessed phenomenon, (d) defining the key-criteria for the analysis based on the theoretical approach and on the practice, (e) describing practices associated with previously identified activities, (f) analyzing the identified practices and (g) featuring the practices. This process was adjusted to the research problem; it is shown in Figure 3 and depicts the data analysis process based on the investigated practices.



**Figure 3.** Framework of the data analysis process applied to the deliberation practice in the assessed controllership

Source: Adapted from Bispo (2015).

The main activities composing the deliberation known as “replacing a budgetary practice by another” are (a) budgeting - process based on using the budget (the budgetary practice) to plan expenses and the performed follow-up, (b) IS maintenance - activity deriving from the integration and use of several databases (accounting, financial, sales, purchasing, among others) and from different versions of the used software, (c) training - systematic qualification of involved employees, be it due to changes in fiscal and accounting features and to turnover, (d) projection of results - evaluation of recorded outcomes added with what is yet to come, based on planning, (e) benchmarking - activity resulting from monitoring practices used by reference companies, mainly by the ones that stand out in the media, (f) evaluation of perception about satisfaction with practice using - it reflects practice-user managers’ view about how it helps reaching targets in comparison to the amount of work it demands to reach them.

With respect to qualification, managers attended a training session about MB potentials; this training aimed at highlighting the elements of this practice that were not yet used at ABC. The operational and conceptual elements involved in its use, its advantages, disadvantages and the process necessary for its implementation in ABC were described.

The research process allowed identifying the main activities and their associations, which are also part of the controllership’s deliberation dimensions. On the other hand, these activities also result from other practices and, altogether, they better explain the deliberation process in the controllership.

Thus, we used fragments of the financial management practices (demands and pressure from the financial resources’ availability management), of expenses management (actions that allow controlling the expense, and their accountability), accounting management (evaluation of economic-financial outcomes) and IT management (IS and data availability) to show the deliberation process in the assessed controllership.

For this set of practices to be established and, consequently, for deliberation in the controllership, the arrangements they are inserted in also need to dynamically exist. Thus, it evidenced that the things-adaptation process as systems and software was updated, that electronic spreadsheets were adapted and that new employees were added to the old ones (Schatzki, 2002, 2006). The structures of practices are also changing, because new rules and understandings are demanding and they change their own initial purposes and influence the meanings, emotions and feelings related to them.

## **ABC featuring and the research context**

ABC is a big-sized manufacturer with annual revenue higher than R\$ 600 million; it has national coverage and is located in São Paulo City, SP. It also has one distributor and is run by the second generation of family members who occupy the main positions in the direction board. They are in charge of decision-making regarding strategic and larger operational issues. The perception prior to the research was that other employees, even the ones in the managerial board, had to implement decisions made by the family in charge of the company.

ABC does not issue long-term plans, and the budgetary practice accounts for reaching the short-term goals and for mainly allocating expenses related to costs management and to operational

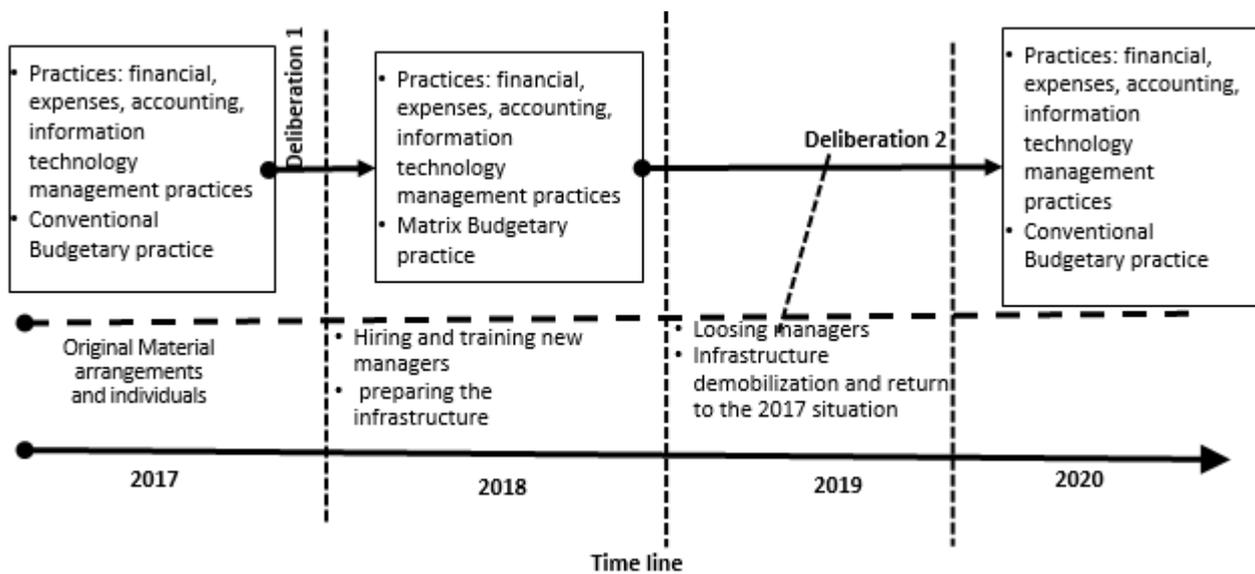
expenses. The main groups of expenses in ABC's industrial activity lie on materials used in the manufactured goods – most of them are commodities (steel, copper and plastic), whose prices often fluctuate in the market - and on expenses related to production and managerial processes that suffer with strong pressure for their reduction.

The research started on the second half of 2017, and it was motivated by a request from ABC's direction board to one of the researchers. They asked him to carry out a study to subsidize the decision to be made about replacing the CB practice - in place for more than 10 years - by MB. The decision-making process took place in 2017 and the practice was replaced in 2019. Throughout 2018, many actions were taken to identify new professionals necessary for putting MB in place; they were package managers in charge of assessing expenses in a critical way, to help better implementing management processes and accountability, which were carried out by field managers (based on this methodology, they were identified as entity managers). It was also necessary putting in place initiatives to qualify other employees, and to improve new spreadsheets and processes so that the new budgetary modality could reach the expected goals. The researcher managed the team in charge for implementing MB, and simultaneously, he had to follow-up and use CB.

In 2019, MB was implemented and in the second half of this same year, there was significant reduction in sales and margins, more significant than that expected by ABC's direction board, mainly because of actions taken by competitors that worked as importers and resellers of Chinese products, a fact that strongly reduced their prices. Part of the company's employees was dismissed in order to reestablish the financial balance. Some professionals in the controllership, who had been hired as package managers, were dismissed and others sought new opportunities in the market. Thus, a significant fraction of the ones who were running the MB process left the company and the budget follow-up; the accountability process was mostly lost. Accordingly, back in 2020, decision was made to return to CB.

At that same year, and amid the Covid-19 pandemic and the hard time getting imported products, mainly from China, the main ABC competitors did not survive. This situation made it possible channeling the demand, although it was reduced due to the pandemic, to ABC, which reached broader participation in the market in comparison to its position before the pandemic. Thus, this new context released the pressure over the margins and opened room for new opportunities in retail, which demanded a new IS structure for this sector. Therefore, the company acquired a new management software (from a world platform), which provided a quite developed CB version – a fact that has determined its adoption.

Figure 4 allows visualizing the main events throughout this period and highlighting the times when both deliberations about the budgetary practice took place: (a) 2017, the initial moment; (b) 2018, when new managers were hired and trained, and when the infrastructure was prepared for MB adoption in 2019; (c) 2019, MB was adopted and its practice lasted one year; at the end of this first year, decision was made to return to the CB practice; and (d) 2020, the company put in practice the decision to return to the original practice (CB).



**Figure 4.** Events associated with deliberations in the controllership, expressed in a time line

Source: Elaborated by the authors.

It is possible observing that each deliberation is followed or preceded by changes in material arrangements and individuals. Below, we introduce fragments of these practices and their interfaces with the budgetary practice, as well as their effects on the deliberation practice.

## Fragments of the financial management practice and the budgetary practice

The aim of the financial practice is to efficiently ensure the process to capture (financing) and allocate (investment) capital resources by dealing with both resource shortage and availability (Assaf Neto & Lima, 2019), with activities and professionals at ABC that are part of the financial management work in the Financial Department, and that are expected to ensure the resources and to make them available to pay for the expenses (including investments). At this point, we analyzed the financial management practice/budgetary activity overlapping; in other words, the elaboration and maintenance of the corporate budget.

Among daily activities in this field, one finds financial availability checking (financial resources in bank accounts and for loans), receivables' management (mainly the expired ones) based on previously set scenarios and on economic premises (economic growth, currency fluctuation, inflation, corporate indebtedness, among others), and estimates about customers' behavior. It is also necessary carrying out projections about future cash flow situations to identify likely actions to ensure the company's survival. Scenario elaborations are closely linked to the adopted technical criteria, but it is also influenced by decision-makers' optimism and pessimism. The greater the perception of uncertainty, the more frequent the financial scenario reviews, and the shorter the projection periods. The ones in charge of making such a decision at ABC are financial managers and one company director who believed that the budget did not respond as fast as expected to the adjustments in the financial projections, as expressed by Director 1 (2017): "the

*operation requires resource, which was probably not budgeted by the market's dynamics, and we have to adjust our operation based on what the market generates as demand*". Such a perception can be explained by the practical knowledge level incorporated to the budgetary practice, based on outcomes. This statement can be understood by observing (arrows (a) and (b)) the material arrangements described in Figure 1.

In 2017, managers acquired a clearer view of some issues linked to CB using, after the qualification process, given their improvement expectations. They realized that using this methodology could help reducing these issues. Qualification can be observed in arrows (d), (e) and (f), in Figure 1 – Qualification changed these individuals' view of this practice. The statements by some managers highlight their expectations about changes related to the budgetary practice and their preference for MB: *"In both we can make the proper allocation, rules are better in the matrix budget"* (Manager 4, 2017); *"the matrix, because it is more detailed"* (Manager 6, 2017); *"the matrix is better because it is less susceptible to mistakes and allows a negotiation, it is a more adequate improvement process"* (Manager 7, 2017).

It is possible observing the process to build shared knowledge as managers started showing different views of the MB adjustment, be it because they observed that it puts limits to flexibility or because of a complementarity viewpoint, since they did not see it as CB replacement: *"yes, bot offer, and there are rules in the tow of them. The traditional is more flexible than the matrix, this is the different one"* (Manager 8, 2017); *"I guess that they can complete each other. I think that a traditional budget cannot have anything that you can use"* (Manager 3, 2017). These reflections point out how limitations to rules imposed by the practice are absorbed, or even the limits to use the infrastructure available for the practice. At first, individuals started to evaluate the practice, although in an artisanal way, and they observed the possibility of making small adjustments (arrows (a) and (b) in Figure 1) - we can take it as individuals' micro-deliberations at practice level.

The position of ABC's direction board, which had requested actions to decision-making about practice replacement, and that had participated in the qualification process, was essential to replace CB by MB: *"yes, I advocate for resources' allocation in MB because... we have to adjust our operation based on market demands"* (Director 1, 2017). When he was inquired about what modeling to be used, he was quite clear: *"the matrix is the best"*.

By having in mind the limitations presented by the CB practice – dimensions of craft knowledge (arrows (a) and (b) in Figure 1) in the necessary adjustments; practice wisdom dimensions (arrows (c) and (d)) and theoretical knowledge dimensions (arrow (e)) -, the controller realized that adopting MB would replace CB, and that it would demand significant adjustments in the rules and in infrastructure (changes in material arrangements). He also knew the pressure coming from the financial managers and from Director 1 (people with acknowledged authority and legitimacy at ABC). Thus, he deliberated (arrow (h)) for replacing CB by MB, because it would be the means to legitimate a position and to meet the expectations of the social elite in the group, as well as because it would fulfil the technical needs. MB started being implemented in 2018, through people's qualification and hiring, and through adjustments in charts; it became operational in 2019.

We must highlight the transforming and political role adopted by the controller when he allowed the 2017 and 2018 qualification processes. This process also allowed him to act for

individuals to comply with expectations resulting from innovations about to be provided by MB (Gherardi & Miele, 2018; Nicolini et al., 2016).

The financial management practice did not present changes after the decision to implement MB, because its activities were authorized by the integrated management software (ERP), and by Excel spreadsheets, by the interface with the bank system and with risk management and credit companies, by predictions made by the sales, production and purchase departments, and by demands from the tax and people management departments, which used other material resources and people.

The direction board hired four professionals for the “package manager” position in order to adopt MB in 2018; it was a determining action for good MB performance. Based on support provided by the IT sector, it developed activities aimed at gathering information from databases; this information would be more often generated by the financial sector and it would be integrated to the budgetary management practice. The process to integrate the financial management to MB shone light on differences in response time demanded by the financial sector and in the real response from the controllership, as well as on limitations to make adjustments in IS, because information processing was made through spreadsheets. The financial manager generated several simulations (through the budget), but the controller could not process them in the required speed and provide information that would make it possible assessing the most adequate scenarios for the organization as a whole. It was so, because the budgetary practice concerned actions to generate consensus, formalization, data consistency and implications to several dimensions in corporate activity; therefore, it would not be possible integrating the financial management to the budgetary one, in a satisfactory way.

Therefore, area managers agreed on elaborating the 2019 budget at late 2018; it would set the commitment targets of each manager (entities and packages) to the organization (it was called baseline); and targets for 2019, whenever necessary, in order to make it easier to follow-up and reduce differences between what was predicted and actually done. Reviews would be made based on scenarios generated by the financial sector, but the final evaluation by managers would be made based on the baseline. All this process can be understood as a change in material arrangements to substantiate the first steps of a new practice.

In 2019, ABC’s financial situation worsened and, despite some improvements in the accountability system, the financial manager requested a reduction in the highest expenses, and it made Director 1 request the dismissal of part of managers in several sectors, in the second trimester of the year; among the dismissed ones were the package managers soon before hired to implement the budgetary management. This antagonistic decision was explained by the risk observed by Director 1 and by the need of ensuring the organization’s survival, not just as business, but as family asset. Accordingly, he made the option for facing the risk of reducing the budgetary control level.

After the dismissals, according to the financial manager, the budgetary control level was lower than that observed during the BC period. Actually, lack of control got even worse after that, and, because there were no managers for the corrective actions, he recommended the company to return to CB, in 2020. Another identified point lied on the integration among systems that did not generate information necessary for decision-making about expenses control. In other words, material arrangements were not able to support practice changing. This set of perceptions

determined controller's deliberation (arrow (h) in Figure 1) for returning to CB. This process made the controllership adjust the rules and interfaces based on previously used instruments, but, yet, with some improvements – it happened in the last trimester of 2019, when the 2020 budget was being elaborated. It is possible considering that the budget started in 2020; although it is the traditional way, it was not exactly the same from the 2017 one. Some integrations, and new procedural dynamics, (changes in rules) proposed by MB improved CB by making it faster and more accurate than that from 2017. Therefore, the year of 2020 started with CB back in place.

New uncertainties rose along with the pandemic and they forced even more frequent and strict reviews by the financial sector. It was clear to the financial manager that ERP did not meet the necessary demands for the simulations and analyses. However, the investment to replace it by a new software was too high, and it would also demand great efforts from employees in this department and in the organization as a whole; therefore, this action was considered unfeasible.

Other factors added to the pandemic in mid-2020, among them one finds national competitors accountable for higher levels of financial pressure. They have succumbed to the war of prices, to reduction in business with China, to currency fluctuation and to reduction in the volume of business in the local market. Because of its size, and because it is a national manufacturer, ABC got to keep its operations and to remain in the market. Despite the initial retraction in consumption, its sales increased, including online sales, which were initially small. This new scenario led to immediate improvements in the financial situation and, without the most concerning competitors in its way, ABC became optimistic about future scenarios and about the potential reduction in pressure put over expenses management. The new scenarios pointed towards a great opportunity to ABC, but it required investments, mainly in IT, in order to consolidate the competitive advantages in comparison to competitors. At that time, it was decided to urgently hire and implement a new management software (which was previously assessed), including the management of new e-commerce-related activities. This software presented elements in its basic structure that make it possible fulfilling the financial management needs in terms of scenarios and accuracy, as well as integrating these activities to CB – it is expected to consolidate the choice for adopting CB for periods to come.

Aspects that present nature sensible to knowledge and feature craft knowledge (arrows (a) and (b) in Figure 1) were systematically tested during the pandemic. Factors external to the organization were determining for changes in perspectives. The hiring of a new software brought along applied knowledge and evidenced the influence of practical wisdom (arrows (c) and (d)); it was mainly based on the opportunity for new businesses and on the needs by the financial sector – the budgetary management was benefited by it, but it remained as 'not-priority'.

The software started being implemented in the second half of 2020. Up to the time the present research was about to be concluded, changes resulting from this process had not yet reached the budgetary practice; thus, the budgetary processes were the same ones used in late 2019, i.e., they still did not meet the expectations of the financial department.

## Fragments of the expenses financial practice and the budgetary practice

We herein took into account expenses management practice as a set of actions that allow ensuring the demands at established quality levels, at deadlines set for product delivery and at process adjustments; in other words, at the level of actions that affect products sold to customers, or services provided among internal areas in the organization. In order to accomplish such a mission, this process demanded expenses, be them costs or expenditures, which influence outcomes presented in reports (Blocher, Stout, & Cokins, 2010). The expenses management practice uses several AMPs to identify and control expenses; among them, one finds budget.

When it comes to expenses, ABC counted on two organizational units in 2017: (a) the manufacture unit, with approximately 30% of the total of operational employees in the group, and with automated processes to control expenses (manpower, production time, losses, quality, among others) – it ensured a satisfactory control level, whose quality would provide the necessary security to manage the margins (sales price – costs with sold products) -; thus, the company could compete within a market guided by price; and (b) a distributor, which held the remaining employees, whose activities faced greater pressure from competitors for better prices due to the need of working capital and to default issues, among others.

At that time, expenses managers were pressured by the financial management, which asked them for concrete actions to reduce expenses and to broaden the margins. After their training, they started to reason about CB and to take into consideration the need of making several adjustments in it, or even to replace it. Statements by some managers show this perception: *“from my viewpoint, the matrix is more efficient in controlling expenses, as long as the rules are well established (Manager 1, 2017); “... the more they are involved the better, but as long as they are effectively prone to make it happen” (Manager 8, 2017); “the matrix type presents the best criteria for budget elaboration, and in my understanding, it is better for making decisions and for applying expenses management improvements” (Manager 9, 2017); “MB is best for resources’ allocation. You have, somehow, to stratify the expenses in a more refined way, and to allocate the resource” (Manager 5, 2017).* Assumingly, it was not clear for these managers that getting the expected benefits would not be automatic, right after choosing a new budgetary modeling, but that it would be the consequence of changes in processes and practices. The statements by Manager 6 (2017) show his perception about the effort necessary for this change: *“the two tools are equal in the sense of being able to control expenses; the matrix one demands you to have a better control”.*

Some managers were skeptical about the effectiveness of changes resulting from MB adoption because the decision-making process was centered on ABC’s direction board; if it was not changed, the new controls would not be effective: *“overall, I see that there will be no changes, because decision is made by the direction board. Employees, in general, have no influence over it” (Coordinator 1, 2017). “The rules cannot be changed because they come from the direction board. So, managers and employees have no power to change the rules” (Coordinator 2, 2017).*

The previously described process allows understanding the dynamics applied to build craft knowledge (arrows (a) and (b) in Figure 1) when manager 1 reasoned about CB limitations. One finds the construction of a new practice knowledge (arrows (c) and (d)) that influenced the limits of

material arrangements through craft knowledge in association with the qualification process (arrow (d)).

The controllers' initial expectation lied on having MB contributing to improve the control process dynamics due to double accountability, mainly because new package managers were hired for such a purpose - they were experts in some classes of expenses. Despite few doubts, the controller deliberated (arrow (h)) for MB implementation.

Changes in the control processes were put in place by adjusting Excel spreadsheets and by structuring new reports that would allow best understanding expenses' behaviors, either in the entities or in the packages' dimensions. BI – Business intelligence tools – were used to reach this goal; they will be better explained in the IT management section. At late 2018, changes in spreadsheets and in some report-generation processes, as well as personnel's hiring and training were over. It is possible saying that there were changes in the material arrangements of practices (Schatzki, 2002, 2006), and that it enabled using MB in 2019.

The controller and expenses managers observed that the control level had increased at early 2019, but, due to the financial situation, it did not meet the needs of the financial sector when it came to expenses management; there were more volatility, uncertainties and risks in comparison to 2017 and 2018, and the actions to reduce costs were not put in place as the financial sector deemed necessary. At the end of the first half of 2019, financial unbalance got to such an extent that the direction board asked managers to dismiss employees. Part of this group of employees comprised expenses managers linked to MB (who were still in their initial positions). Other professionals left the company on their own. Although the dismissals represented reduction lower than 50% in individuals involved in MB controls, the company faced significant accountability loss.

Control loss due to lack of managers in combination to the impossibility of predicting when new hiring could be made, and to pressure put by Director 1 and the financial manager, the controller (arrow (h)) deliberated for returning to CB in 2020. In order to do so, adjustments in spreadsheets started to be done in the last trimester of 2019, as well as the integration of systems and adjustments in functions; in other words, the company established a material arrangement (Schatzki, 2002, 2006) similar to the previously adopted one, but it also showed changes inherited from the process developed after MB adoption.

## **Fragments of the accounting management practice and the budgetary practice**

The continuity of a social practice (Burchell, Clubb, Hopwood, Hughes, & Nahapiet, 1980) is not neutral (Miller, 1994), since it can legitimate decisions that can have economic, social and political consequences (Gallhofer & Haslam, 1991). Its elaboration process is limited by technical procedures and standards that record economic events performed by organizations (purchases, sales, investments, among others); however, the recorded values are open to judgements and calculation models, and they may not exactly represent reality (Comitê de Pronunciamentos Contábeis, 2019).

The dynamics of businesses, economic impact and the rise of new legal frameworks, among other demands, can require adjustments in accounting practices so that it will always properly

express the economic events. Due to the large volume of transactions carried out by organizations, and to the use of integrated management software (ERP), several management processes are automatically integrated to generate accounting entries and reports. The process to implement all these software types in accounting is complex and hard, because it must take into consideration the dimension of electronic reports that are digitally sent to Brazilian authorities, and the calculation of taxes to be paid – the complexity of tax rules in Brazil requires specific knowledge.

We herein took into consideration the accounting management practice in ABC as a set of actions that were chosen in order to guide the adoption of certain accounting guidelines and their operationalization, as well as to influence the outcomes presented in accounting and financial reports.

The whole process to elaborate the accounting and financial presentations is internally made; it is subordinated to the controllership's coordination. Several activities are required for this process to take place, some of them are observed inside the controllership itself (accounting conciliation, adjustments in specific accounts, register of new accounting types in transactions and events, adequacy in fiscal parameters, among others), and some others are related to documentation flow in other places in the organization (entry of invoices in the warehouse, exit of products through expedition, control over equipment cancelation by maintenance, among others). Several systems integrated to the management system software (ERP) are also used (purchasing, stock, production control, sales, the management of permanent assets, accounting, among others). The process to elaborate accounting is getting more automated because of the large number of transactions and events, mainly in companies presenting the same size and belonging to the same segment of ABC; otherwise, this process would make nowadays accounting impossible to be carried out.

In 2017, accounting management at ABC had straight interface with the financial, expenses and budgetary managements. Values addressed in the financial planning were the ones predicted by the budget and compared to those calculated by accounting (realized values).

MB evaluation process as complementary to CB replacement also assessed its impacts on accounting management. MB added one more dimension to the analysis: packages; in other words, the addition of groups of accounts based on their nature. However, changes in calculation parameters were not seen as necessary, unlike the elaboration of reports about the addition of information from packages and entities. It would be enough to just use different BI software in order to reach such a goal. This evaluation can be understood through adequacy in material arrangements at craft knowledge and practical wisdom level, without the need of making significant changes (arrows (a), (b), (c) and (d), in Figure 1). In light of the aforementioned perceptions, the controller deliberated for replacing CB by MB.

From 2019 on, due to MB adoption, accounting also started to make information available through an additional dimension: packages (i.e., groups of similar accounts managed by expense-type experts), which aimed at providing better accountability.

Data generation based on packages was carried out in 2019; however, due to the dismissal of some professionals who managed the packages, accountability was lost. Since it no longer happened and other collaborators could not fulfil these positions, it led to questions about the

continuity of such activities in accounting. The controller deliberated for CB's return in the last trimester of 2019; from 2020 on, reports based on the packages stopped being issued.

## **Fragments of the information technology management practice and the budgetary practice**

IT management in ABC is subordinated to the direction board; it is in charge of identifying the technologies (including the ones related to communication) capable of influencing other strategic and operational capabilities in the company. It plays essential role in improving the value chain due to productivity and to effective gains brought by them. In paradox, in practical terms, it has been focusing operational activities aimed at fulfilling the specific demands of several users, at supporting infrastructure and at integrating native software to systems and packages available in the market, as well as at extracting and managing databases, and at managing links and communication between different organizational units.

In 2010, ABC acquired a national integrated management system (ERP) that allowed integrating several ISs: accounting, financial management and cash flow, purchasing, warehouse, costs, currency exchange, imports/exports, payroll. It was not possible abandoning the use of native systems, which had been developed and remained fully operational throughout the process to implement ERP. This scenario led to the need of integrating ERP to native systems, a fact that, somehow, limited ERP's effectiveness and demanded significant work in databases' integration and maintenance. At that time, although modules related to CRM (*Customer Relationship Management*) and CB were available in ERP, they were not implemented, since they were not considered appropriate to ABC's needs. Subsequently, the company acquired the CRM software, which accounted for managing sales; it was also integrated to ERP. Later on, in 2016, the company acquired another system (BI), which allowed the generation of dynamic reports when one accessed databases extracted from different systems.

Since 2017, the direction board has been demanding the Information Technology and Communication sector (ITC) to reduce expenses and its staff. However, due to the need of maintenance in internally developed systems, it understood that it was vital keeping these professionals in the company. The IT sector was consulted in this same year during the process to evaluate MB's adoption; it identified several limitations for its proper functioning, among them one finds restrictions that would stop ERP from generating information due to the overlapped dimensions of entities and packages. It is so, because document-entry records that fed the financial and accounting managements were different from patterns required for MB. According to the IT manager, it would be possible associating information through databases and "from/to" association in tables, but it would not allow automatically finding ERP information in dimensions expected by different sectors. Despite these restrictions, accounting, expenses and financial managers accepted the alternatives suggested by the IT sector, and the controller deliberated (arrow (h), Figure 1) for MB's adoption.

Similar to the previously assessed management processes, the event in the IT sector made it possible understating the dynamics of building craft knowledge when managers reasoned about CB limitations, before and after the qualification process (arrows (a), (b), (c) and (d), in Figure 1), a fact that influenced the limits of material arrangements through craft knowledge.

From 2018 on, the IT sector started working to elaborate the processes to meet the different types of packages and entities based on separated viewpoints. In 2019, during MB's adoption process, activities associated with IT were even more intense. Managers from different sectors observed the structural limitations pointed out by IT in their practices, and it demanded new adjustments in them in order to achieve the expected performance – this scenario accounted for strong dissatisfaction, mainly by the financial manager and Director 1. At late 2019, pressure over IT got stronger because the expenses manager left the company and there was no expectation of having someone to fill this vacancy. The required possibilities of making structural changes in material arrangements were higher than the capacity to make adaptations and adjustments based on the technology available in the organization.

The aforementioned process forced the controller to assess the likelihood of returning to CB, because IT management processes would better match the staff reduction scene and the technological limitations. Thus, it deliberated (arrow (h)) for CB's return in the coming year.

From this point on, still in 2019, all activities for MB development were canceled and part of its resources was allocated to reactivate the old CB processes. This new scenario was added some improvements that have resulted from better structured integrations between databases and reports developed for MB.

In 2020, given the business expansion and the addition of a new activity to ABC's activity catalog, adopting a IS became essential and urgent in order to better understand the new simulation needs of the financial sector concerning accuracy and flexibility, mainly to make it feasible performing e-commerce activities, which were now vital for the company's competitiveness. Thus, the option was made for migrating all systems to the international platform software, which was capable of integrating several functionalities, including the native ones, and those performed by other systems. The new software encompassed the CB module, and it was considered adequate for users in other companies, a fact that seems to point towards the continuity of its use.

## **Management practices and deliberation practices' entanglement in the controllership**

Controllership at ABC has the following functions: elaborating corporate and tax accounting, attending external audits, accountability towards control bodies and following-up licensing that ensure business' operation. It also accounts for IS management: participation in planning by consolidating and following-up the budget, and in information quality and consistency, a fact that depends on good integration among the existing systems, be them native or acquired (ERPs, BI, CRM).

The deliberation practice at ABC is exerted by the controller, who also deliberates about the replacement of an AMP, mainly of a budgetary practice. However, the rationality needed for such a practice is built from the sum of perceptions and different knowledge types. Just like patchwork crafting, rationality is not the product or property of a given individual or sector, it does not consist in a single practice, but derives from several forms of understandings and actions in face of an emerging reality. It comprises systems that support it and, with the aid of individuals, it builds itself

over a practical wisdom that responds to demands and, most of all, contributes to the continuous existence of different organizations.

The practical judgement resulting from practical wisdom is the response to several demands. Actually, the space for decision-making at ABC's controllership is quite narrow, and deliberations fit other deliberations from the same sector or from different ones. Deliberation takes place as legitimating process that provides conformity and reliability to what had to be accepted and to decision-making based on consensus. It does not deny the performance enhancement of carried out judgements and seeks performance improvement, although it oftentimes tries to adjust and to give practical meaning to what was defined. On the other hand, based on what was observed, we cannot accept that decision-making (mainly the deliberation practice) is "an anticipating and projecting act whose future is somehow determined" (Abbagnano, 2007, p. 232). This statement is not observed in practice. This thought, which is guided by the positivist perspective, disregards the entangled material arrangements and individuals in the social context – who make simultaneous decisions. With respect to the effect of several small deliberations, it is not possible thinking them based on a vector sum, but on the elaboration of an amalgam.

If, on the one hand, such an entanglement can limit the direct influence of each deliberation, it is through it that deliberations get interconnected and potentiated. Entanglement is a lake where waves caused by the impact of several thrown rocks (deliberations) get overlapped (add to each other) and have the effect of projecting results responsible for the organization's becoming. The practical decision is the energy that has made it possible throwing the rocks; it results from collective practical wisdom, which promotes and guides the practical ability to judge; in other words, practical knowledge. This knowledge directly contributes to the maintenance of the organizations' becoming (Schatzki, 2006).

Between 2017 and 2020, when the deliberation practice at ABC's controllership was assessed to decide about the budgetary management replacement, we identified performative judgement as the power driving knowledge construction. The evolution of the herein described facts also evidenced ABC's resilience, given the robustness of its structure and its resources (assets), as well as its ability to adjust to pressures that go beyond its control and to have fast response to new opportunities. Accordingly, the performative judgements can also be taken as the very basis for such an organization's feature type, which is so often assessed nowadays (Conz & Magnani, 2020; Hillmann & Guenther, 2021).

## Conclusions

The article aimed at analyzing the deliberation practices in a controllership, mainly the decision to replace one budgetary practice by another, in light of performative judgements, in a company located in São Paulo City. The field work was carried out from 2017 to 2020 and it demanded researchers' direct participation in it.

Deliberation exerted by the controllership is explained by performative judgements, i.e., by the practice of building practical knowledge and of using it as the very basis for practical decisions aimed at generating practical wisdom (Bispo, 2017). This wisdom covers the organization through individuals, but it also affects things (computer systems, processes, models, among others) "used"

by several individuals who simultaneously perform many practices. After all, deliberation results from other management practices.

If, on the one hand, entanglement is generated by individuals, things and practices can limit the straight influence of each deliberation; it is in this very context that one finds the elements contributing to build a momentary and unique reality that encompasses deliberation. Different from the positivist perspective, according to which cause and effect relationships are set, the analysis applied to deliberation practice at ABC's controllership evidences the careful outcome expressed by rationality's becoming, which derives from innumerable factors.

The current study has contributed to businessmen in the company, they must pay close attention to the definition of guidelines, mainly to the long-term ones, since they can be determining for the company's success, but also limit the choices to be done. It is necessary paying close attention to the technological infrastructure supporting the core business (material arrangements). In times when ITC is the basis for many business types, this infrastructure must be robust in its main aspects, but also flexible to accept peripheral adaptations. Finally, we highlight the care and attention with mid-management professionals. After all, they are the ones who make dynamic adjustments through their deliberations, when they perform several management practices. Accordingly, the organizational culture must comply with performance evaluation processes; otherwise, the created tension may impair, or even stop, practical wisdom to be created and to flow among several sectors in the organization.

With respect to the academia, mainly to MA mainstream in studies that have used statistical approaches to assess the existence of causal relations, we suggest deeper care with the conclusions, mainly with results' extrapolation (arrow (g), in Figure 1).

We suggest new topics for new research: (a) aiming to understand the practices affecting organizational resilience, since this approach can bring interesting contributions and help understanding the features composing it, which has been mentioned in recent research (Conz & Magnani, 2020; Hillmann & Guenther, 2021); (b) identifying the features composing the dynamic capacities related to the establishment and maintenance of sustainable competitive advantages from the perspective of practices (Kump, Engelmann, Kessler, & Schweiger, 2019; Teece & Pisano, 2003); and (c) identifying the practices allowing to focus on present times, on what one has and, at the same time, projecting the unknown, the disruptive, from the ambidextrous dynamic capabilities viewpoint (Chen, 2017; Úbeda-García, Claver-Cortés, Marco-Lajara, & Zaragoza-Sáez, 2020).

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## Notes

1. *Accountability*: accountability duty or obligation; responsibility for rendering accounts (Castro,

2013).

2. *Benchmark*: reference (this term was already added to the Brazilian economic and managerial jargon). *Benchmarking* is the process to compare the performance of companies that stand out in a given sector or activity, and that is used as standard (Castro, 2013).
3. *Top-down*, in the current context, means an imposing action by leaders over the led ones.
4. *Bottom-up*, in the current context, initiatives by the led ones and guided by their leaders.
5. Venn Diagrams are used in mathematics to graphically symbolize mathematical properties, axioms and problems related to the sets.

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## Conflict of interests

The authors declare no conflict of interests.

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