

## INTERFACE OF CONTROLLERSHIP ARTIFACTS AND THE LIFE CYCLE IN FAMILY BUSINESSES

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### ABSTRACT

The study analyzes whether family businesses are in harmony with the use of controllership artifacts, according to the study by Miller and Friesen (1984), with regard to the evolution of the life cycle linked to succession. The research is identified as a multiple, descriptive and qualitative case study. The sample is composed of two family businesses in the State of Santa Catarina, one in the food industry, located in the municipality of São Lourenço do Oeste - SC and the other in the trade activity - Supermarkets, located in Chapecó - SC, both operating in the market for more than 30 years. Data collection was directed to the person responsible for the controllership of the companies under study, through a questionnaire, which was sent by e-mail. The results show that controllership artifacts are part of the reality of the companies studied, and that they emphasize controllership as an important tool for managers' decision-making. It is possible to verify that both organizations are in the maturity phase, with regard to the stage of the life cycle.

**Keywords:** Controllership. Life cycle stages. Family Businesses.

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## INTRODUCTION

Family businesses have been growing over the years, becoming the basis of social and economic growth in the world (MOREIRA AND FREZATTI, 2019). Family organizations have a mixture of corporate governance linked to management with family relationships and emotional issues, which makes them complex and peculiar (LOBÃO, 2019).

In fact, the most important thing for most people is family and work, so it is a positive point for family businesses, as they unite work and family, along with their beliefs and values, that make them powerful. However, such feelings, as well as intimacy, can get in the way of authority, in addition to influencing family relationships, thus circumventing negative points (LANSBERG, GERSICK and HAMPTON, 2017).

The world is increasingly globalized, through the rapid development of science and technology, so companies need to keep up with these changes to remain in the competitive market based on the imposed challenges that require strategies to act differently (ORO AND LAVARDA, 2019). Therefore, the planning of the succession process is important for the continuity of the institution, inserted in technological advances, along with strategic managerial controls (ROTH, TISSOT AND GONÇALVES, 2017).

According to Bernhoft (2018), the successor's challenge will be how to deal with the balance between the legacy of the past, which must be preserved, and the generation of new skills for the company's future. In this way, the dynamic process that determines the evolution of the entities, linked to the management accounting practices they use, will be analyzed through the emphasis on the life cycle of these organizations (GREINER, 1998; LESTER et al., 2003).

Based on the studies of Miller and Friesen (1984), which analyzes the evolution of the entity, from birth to its decline, thus verifying how the evolution within this model intervenes in the use of management accounting artifacts. The present study aims to analyze the use of controllership artifacts under the aspects of the organizational life cycle in family businesses, observing the impact that succession causes in this process.

In this context, the following research problem arises: **Are family businesses in harmony with the use of controllership artifacts, according to the evolution of the life cycle recommended by Miller and Friesen (1984), linked to succession?** The objective is to identify the stage of the life cycle that the family businesses under study are in, confronting the use of controllership artifacts, as the evolution of organizations and succession increases.

This study is justified by the importance that family businesses have in the world in the generation of jobs and participation in the GDP. However, Hiebl (2012) points out that



few companies pass to the second generation and most do not survive the third generation. Succession is identified as a relevant moment in the life of the family business and implies changes in its management, due to the impact on activities, due to the change of command (ROTH, TISSOT AND GONÇALVES, 2017).

The research aims to assist in the continuity and growth of family businesses. Thus, it begins with this introduction, then there is the theoretical structuring of organizational life cycles and controllership artifacts. Afterwards, the methodological procedures used are demonstrated, then the results are shown and the conclusions of the study are closed.

## THEORETICAL FOUNDATION

### ORGANIZATIONAL LIFE CYCLE

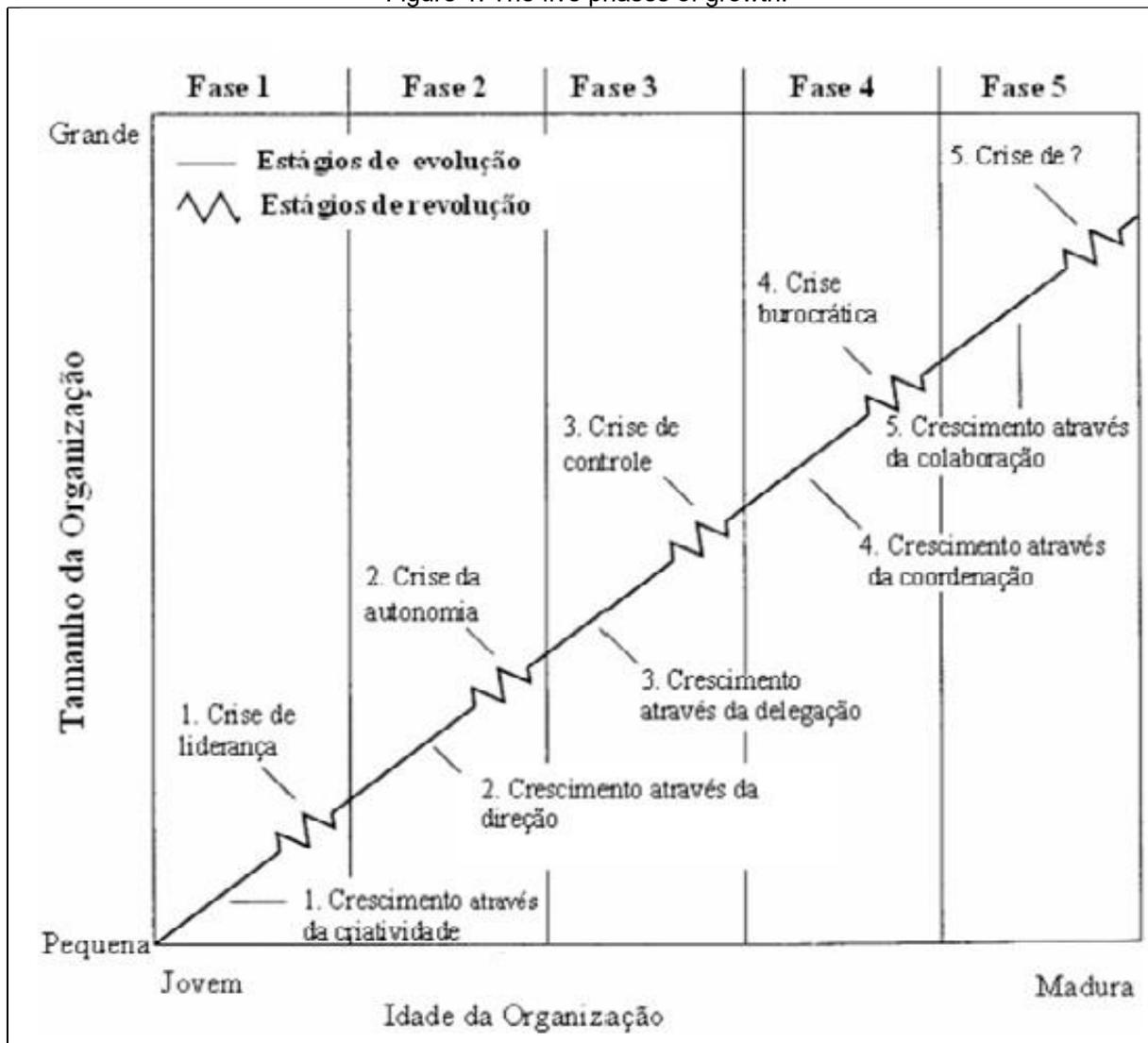
Life cycle studies began in the area of biophysiological sciences and, due to its scope, it has been applied in other areas, such as in the social sciences, in development and growth issues (QUINN; CAMERON, 1983; MILLER; FRIESEN, 1984; HANKS; CHANDLER, 1994). In the accounting area, the precursor of research on the life cycle was Chandler (1962), the same one who dealt with the changes in the structure of organizations and their similarity with the strategic variations of the business.

Greiner (1972, republished in 1998) was one of the first authors to develop an organizational life cycle model, through his own bases of experiences and observations, thus, he found that companies go through five phases, from creation to maturity. Greiner (1972) found that in the growth phase there are two cycles: revolution and evolution. These phases alternate with each other, so that the cycle of evolution is periods of stable growth, while in the cycle of revolution organizational conflicts occur.

According to Greiner (1972), this study helps managers to understand the organizational cycle of the company, since it provides the anticipation or prevention of the next crises, through the phases of development, which, influenced by the management model, it is possible to determine whether the next phase will be evolutionary or revolutionary. Also Greiner (1972), for the development of organizations it is necessary to take into account five elements: 1) age of the organization; 2) size of the organization; 3) stages of evolution; 4) stages of revolution; and 5) growth rate of the industry.

Greiner (1972) also differentiated five phases for evolution and revolution. The evolution phase is composed of the data: 1) creativity; 2) direction; 3) delegation; 4) coordination and 5) collaboration. The phase of revolution, on the other hand, is constituted by the elements: 1) leadership, 2) autonomy; 3) control; 4) bureaucracy and 5) psychological saturation. Figure 1 explains the five phases.

Figure 1: The five phases of growth.



Fonte: Greiner (1972).

Each phase is a cause-effect for the next phase. In other words, in Phase 2, the evolutionary element is direction and was demanded by the leadership crisis (Phase 1). In phase 3, the evolutionary element is the delegation and constituted of the process influenced by the crisis of autonomy (phase 2) and so on (GREINER, 1972).

After the work of Greiner (1972), several studies on the evolution of the operational cycle of organizations were raised, following the order, Quinn and Cameron (1983) carried out a comparative study of nine life cycle models and originated their own typology, called the summary life cycle model. The models studied highlight several factors that demonstrate the change in the characteristics of organizations over time, classifying them into different stages of development, as illustrated in Chart 1.

Table 1: Summary model by Quinn and Cameron (1983)

<b>Estágio empreendedor</b>	<b>Estágio de coletividade</b>	<b>Estágio de formalização e controle</b>	<b>Estágio de formação de estrutura</b>
<ul style="list-style-type: none"> <li>• Organização de recursos</li> <li>• Muitas ideias</li> <li>• Atividades Empreendedoras</li> <li>• Pouco planejamento e coordenação</li> <li>• Formação de nicho</li> <li>• Importância de ser o primeiro a chegar ao mercado</li> </ul>	<ul style="list-style-type: none"> <li>• Comunicação e estruturas informais</li> <li>• Senso de coletividade</li> <li>• Muitas horas trabalhadas</li> <li>• Senso de missão</li> <li>• Inovação contínua</li> <li>• Alto comprometimento</li> </ul>	<ul style="list-style-type: none"> <li>• Formalização das regras</li> <li>• Estrutura estável</li> <li>• Foco na eficiência</li> <li>• Conservadorismo</li> <li>• Instituição de processos</li> </ul>	<ul style="list-style-type: none"> <li>• Elaboração da estrutura</li> <li>• Descentralização</li> <li>• Expansão do domínio</li> <li>• Adaptação</li> <li>• Renovação</li> </ul>

Source: Adapted from Quinn and Cameron (1983, p. 34-40).

It is noted that the summary model does not have the phases of decline of organizations. Thus, Quinn and Cameron (1983), in a longitudinal study, deal with the relationship between the development of the organizational life cycle and operational effectiveness, because, according to the authors, external forces affect organizations all the time, leading them to internal adaptation to achieve goals.

In addition to the typologies already discussed, still in the 80s, Miller and Friesen (1983, 1984) presented a life cycle model that covers the decline phase of organizations. Through a longitudinal approach, the authors' goal was to form a theory that, when used, would identify differences in environmental and organizational characteristics at different stages of development.

Miller and Friesen (1983, 1984) carried out empirical tests with a longitudinal approach, thus identifying particularities of different organizations at different stages of life, at the same historical moment, such as strategy, structure, decision-making and environmental and organizational factors. Through the results, the authors defined five stages of development identified as: birth, growth, maturity, renewal and decline, as described in chart 2.



Chart 2: Miller and Friesen's Organizational Life Cycle Model (1984)

Stages of development	Structure	Strategies/decision-making
<p><b>Birth:</b> Company up to 10 years old. Young and small in relation to competitors. Organization characterized by a simple structure and centralized in the power and decision of the owners.</p>	<p>Informal structure. Simple administrative activities with few formal controls and use of archaic methods of information processing.</p>	<p>It seeks business viability. Proactivity in the development of products and services. It takes excessive risks. Decisions based on intuition, without detailed analysis and few opinions are taken into account in decision-making.</p>
<p><b>Growth:</b> Medium-sized company that already has stability in the market and demonstrates business potential, in a more complex and competitive environment.</p>	<p>A more specialized and decentralized structure, as the owner's influence is reduced. Greater formalization in the collection and processing of information, for better monitoring and control.</p>	<p>Product line with more diversification and innovation. Constant growth and market expansion. More analytical and integrated decision-making, since more managers are involved in decisions, reducing the willingness to risk.</p>
<p><b>Maturity:</b> Organizations Larger and older than in previous phases. They have a competitive advantage over competitors. Inclusion of political arrangements to conserve the stability of the environment.</p>	<p>Structure with greater professionalization, formalization and bureaucratization. Greater control of costs, use of budget and performance indicators.</p>	<p>Greater aversion to risk and innovation, more conservative, focus on cost control, and profit margins. The level of analysis is similar to that of the previous phase. However, there is greater emphasis on the analysis of alternatives for productivity and efficiency.</p>
<p><b>Renewal:</b> Large companies, with a more complex, dynamic and hostile environment. It is concerned with establishing strategies to guide the future path of the organization.</p>	<p>Divisionalized structure, with greater operational autonomy by divisions. Sophisticated systems to monitor room performance. Greater processing of information, beyond that used in the previous phase.</p>	<p>Focus on innovation, diversification and expansion of products and markets, with a high willingness to risk. Decision-making in a reflective, analytical and participatory way, addressing the analysis of the environment in relation to opportunities and Threats.</p>
<p><b>Decline:</b> Stagnation, without a defined strategy. Crisis management concentrates all the time, affecting the analysis of other relevant data. Hostile environment.</p>	<p>Size can be similar to maturity, yet simple and centered. Lack of formal controls and information processing mechanisms less sophisticated.</p>	<p>Decision-making with conservative characteristics, without the use of information and analysis of the environment, focus on the short term. Lack of strategic planning.</p>

Source: Adapted from Miller and Friesen (1983; 1984).

In the model structured by Miller and Friesen (1983; 1984) it is possible to verify that in each phase of the life cycle of organizations there are several characteristics. Thus, there is no single and determining sequence and the cycle time of organizations in each phase is not the same. However, for Miller (1987, p. 698), for each stage of an organization's life cycle there is an element that exerts a preponderant influence.

Several other life cycle patterns were created over time, but the organizational life cycle model of Miller and Friesen (1984) was elaborated from a longitudinal study in 36 companies with at least 20 years in the market and the basis of the study was through historical reports taken from books, annual reports and journal articles, as well as the



information analyzed in the questionnaire responses sent to senior executives of corporations, both current and former. Of the 36 companies evaluated, it was possible to identify 161 phases of the life cycle, 12 of which were periods of birth, 61 of growth, 45 of maturity, 27 of rebirth and 16 of decline. Due to these analyses and the fact that the two companies considered in this study also have more than 20 years in the market, this research was elaborated by a particular model, that of Miller and Friesen (1984).

Still on the life cycle, it is relevant to analyze the correlated studies carried out, which are linked to numerous factors that help the correct decision-making and longevity of organizations. Reis et. al. (2018), analyzed the elements that help maintain the longevity of companies, through a questionnaire sent to partners and owners of establishments located in the Northern Mesoregion of Minas Gerais. This research sought to analyze the importance of the management tool to diagnose the stages of the entrepreneurial process and to promote the longevity of organizations, based on the life cycle model proposed by Bygrave (2010).

Among the relevant researches, the study by Garcia; Junior and Lucena (2020), which aimed to present the trajectory of the Kodak company, in the light of the Life Cycle Theory, seeking to relate the business characteristics arising from the changes that have occurred over time with each of the stages of the life cycle of an organization, addressed in the model created by Miller and Friesen (1983; 1984).

Another related study, as a planning and control instrument, Hillen and Lavarda (2019), carried out a case study in a family business, located in the State of Paraná, which operates in the supermarket retail segment. In this research, it was analyzed how the need for budget is idealized, which is also an artifact of management accounting, connected to the relevance of succession as part of the life cycle in family businesses and the interconnection with the *management control system* (MCS).

In this sense, it is verified that Management Accounting is the branch of Accounting that deals with the information needs of managers, as well as all internal users of organizations (NECYK; FREZATTI, 2010). Therefore, the artifacts of Management Accounting are important for the improvement of the decision-making process of institutions.

## ARTIFACTS OF THE CONTROLLERSHIP

Controllership is known as a basic tool for the effectiveness of business management and aims to contribute to the continuity of the company, generation of resources, employment and income (SALUSTIANO; ARAÚJO; JABUR; & PIRES, 2024). Frezatti,



(2005) reports that controllership artifacts are structures, models and systems implemented that help in the control and development of companies.

In a study by Soutes and Guerreiro (2007), it was concluded that 57% of larger companies resort to accounting artifacts, such as ABC Costing, kaizen, strategic planning, activity-based management (ABM), EVA (Economic Value Added), simulation, Balanced Scorecard.

It is important for companies to use the methods and tools that help in the decision process, through Controllershship it is possible to create this scenario to meet the needs and objectives of companies, as cited by the authors Bauren, Scroeder and Stédile (2010).

Mosimann and Fisch (1999, p. 89) state that:

[...] The Comptroller's Office must strive to ensure the fulfillment of the mission and the continuity of the organization. Its fundamental role in this regard is to coordinate efforts to achieve a synergistic global result, that is, greater than the sum of the results of each area.

Controllershship can be observed from the perspective of an administrative body, as dissemination of knowledge, modeling and implementation of information systems, with mission, functions and principles engaged in the company's management model, Almeida et. al (2001). Analyzing from the perspective of the area of human knowledge through the principles, concepts and methods defined by other theories have the responsibility of establishing the conceptual basis.

Almeida et. al (2001) and Garcia (2003) understand that controllership is supported by the theory of accounting, theoretical bases necessary to model, build management systems and methods meeting the decision-making needs of managers, establishing through the disciplines the conceptual basis for acting in the processes and applications of management in organizations.

On the one hand, Mosimann and Fisch (1999) interpret controllership as an economic management that aims to guide and direct organizations through principles, methods, originating from Economics, Administration, Psychology, Statistics and Accounting itself. On the other hand, Peters (2004) understands that controllership is introduced as modern models in organizations. Borinelli (2006), on the other hand, explains controllership as a control of business management processes constituted by economic, operational, financial and patrimonial theories.

Vatter (1950) understands that the controller is extremely fundamental to contribute to the processes of the Controllershship. For Regel (2003), controllership must be accessible to external and internal users. The objects of study of the Controllershship have the scope,

formation of results, measurement, communication, identification, decisions to economic factors, planning, controls and management processes, (FERNANDES, 2000).

From Figure 2, it is possible to verify the objects of study of controllership presented in the model proposed by (BORINELLI, 2006).

Figure 2: Purpose of the study of controllership



Fonte: Adapted from Borinelli (2006).

The management process is related to operational, economic, financial and asset management. In the decision and information model, the need for information for decision making is evidenced, as mentioned by Borinelli (2006). For Ansoff (1984), the strategy management process has the function of Controllership, necessary to support and direct these processes so that companies can survive and remain profitable.

In the line of strategic management, the studies carried out by Longo and Sakata (2018) can be considered, which analyzed the Total Cost of Ownership (TCO), especially for the management of investments in Information Technology (IT). The indicators were collected in medium and large organizations, which increasingly understand the benefits associated with the use and investment in technology, which induces a drop in costs, making IT more accessible and available.

In the study by Nascimento et al. (2016), the objective was to demonstrate the formal structure and instruments that are used by controllership in family businesses that seek to implement good corporate governance practices. It is a descriptive research, with a quantitative approach, and the data were collected through a questionnaire sent to the controller or the person responsible for the controllership department of the companies indicated by the IBGC, located in the State of São Paulo. The results show that the family culture can interfere in the management process of family businesses, and the



controllershship department is an internal mechanism that has elements that can contribute positively to the implementation of better governance practices, because in addition to interacting with governance agents, its mission is common to the basic principles of corporate governance.

Another related study, presented by Leite, Reif and Lavarda (2018), with the objective of analyzing the functions of controllership in a large civil construction organization. The research was carried out through a semi-structured interview with the person in charge of this department, which resulted in the identification of several aspects related to the controllership department and the controller's profile. It was possible to verify that controllership, in addition to control, has its area focused on results, therefore, it is important to participate in the operational and administrative process, knowing the operational flows, monitoring changes in the environment that may interfere with the competitiveness and mission of organizations.

As already commented in this research, the constant technological changes and the various external and internal factors have made the business environment even more complex. Thus, for Leite, Reif and Lavarda (2018), controllership is increasingly comprehensive, as it establishes a differentiated function, with the objective of effective managerial control, which assumes the role of the main support of the management process in organizations and in assisting in decision-making.

## **METHODOLOGY**

In this section, the methodological processes adopted to carry out applied research are addressed. According to Marconi and Lakatos (2007, p. 39), "method is the way of proceeding along a path", that is, the scientific method is an ordered set of procedures for obtaining knowledge on a given subject.

Regarding the research design, it is a multiple case study, since it has been used for its comprehensive research strategy, in order to explore real-life situations, as well as to explain the causal variables of a given event in complex situations (PRODANOV AND FREITAS, 2013). Another relevant fact, Martins (2008) illustrates that the case study allows the researcher to "dive" into the social reality of the object of study, thus helping to emphasize the objective of the study.

As for the objective of the research, it is classified as descriptive, according to Gil (2002, p.42), these studies study the characteristics of a population, analyzing the relationships between the variables. The collected data are analyzed through the samples,



without manipulation, presenting conclusions about these phenomena (CERVO; BERVIAN, 2002).

The approach to the research problem is classified as qualitative, because, from the point of view of Richardson (1999), this type of approach is not based on statistical data for the analysis of the data collected. Therefore, the data collected cannot be translated into numbers (SILVA; MENEZES, 2001).

Data collection was carried out in August 2020, through a questionnaire sent by email to the person responsible for the controllership of the companies under study, with multiple-choice and descriptive questions about the organizational process, controllership artifacts and management processes, which was based on the Borinelli (2006) questionnaire. Taking into account that, "what we tried to do was to categorize the data collected in order to transform them into information that would allow us to find answers to the questions asked". (BORINELLI, 2006, p. 227.).

The companies under study were chosen for their accessibility, availability of information, structure and size. In order that, (YIN, 2015) the use of multiple cases allows for greater learning from the observed phenomena. The questionnaire was applied in two family businesses in the State of Santa Catarina, one in the food industry, located in the municipality of São Lourenço do Oeste - SC and the other in the trade activity - Supermarkets, located in Chapecó - SC, both operating in the market for more than 30 years.

## **PRESENTATION AND ANALYSIS OF DATA**

The questionnaire was applied to two medium-sized companies, with annual revenues of no more than 360 million. The organizations preferred not to be identified, so for the purposes of this study they were named as company A and company B. Both operate in the food industry, company A operates in the supermarket industry and B in the food industry. In company A, the questionnaire was answered by the controllership manager and in company B, by the HR Manager and a Controllership Specialist who works in the costs and budgets department. In company A, in order to be successful in the answers, it was necessary to contact the controllership manager by telephone, who requested permission from the board to answer the questionnaire, while in company B, it was necessary to have the first contact with HR, responsible for the contact between the professional and the applied research. The profile of the respondents is presented, as shown in Chart 3.



Chart 3: Respondent profile

Respondent profile	Company A	B Corp	B Corp
Gender	Female	Male	Male
Age	45 years	33 years old	30 years
Position	Controllership Manager	Controller	HR Manager
Length of experience in the company	20 years and 2 months	3 years	5 years
Length of service in the current position	10 years	10 months	3 years
Education	Bachelor's Degree in Accounting Sciences and Post-Graduation in Business Management, Controllership and Costs	Degree in Accounting Sciences and specialization in Accounting and Financial Management.	Bachelor's Degree in Business Administration and Graduate Studies -Degree in Labor Calculations

Source: Survey data (2020).

It is identified in chart 3 that both in companies A and B, those responsible for the controllership area and in the case of company B, also the HR manager are qualified for the position, as well as have been in the organizations for some time, especially in company A, which demonstrates the importance of these sectors in the view of the directors, demonstrating, as well as being indispensable to the proper development of the company.

In Table 4, it is possible to analyze the characteristics of the companies under study. Through the identification of the organizations in the sample, it is possible to verify the permanence in the market in large steps, which corroborates Pestana, Gomes and Lopes (2020) that family businesses with traces of stability and growth expectations are essential for the development of the economy.

Table 4: Identification of the company

<b>Company identification</b>	<b>Company A</b>	<b>B Corp</b>
Company Branch	Supermarkets	Food Industry
Legal format of the company	S.A. Privately Held	S.A Capital Closed
Total Employees	580	626
Administrative Employees	40	42
Employees Operational Sector	500	434
Date Foundation	1953	01/09/1988
It operates in other countries	No	Uruguay, Paraguay, Argentina, South Africa, Portugal, Bolivia, Colombia, Panama and Suriname
Acquires products from other countries (imports), which:	Italy, Spain, Argentina, Portugal and others	Italy - Equipment Only
Revenue 2019	Midsize	Midsize

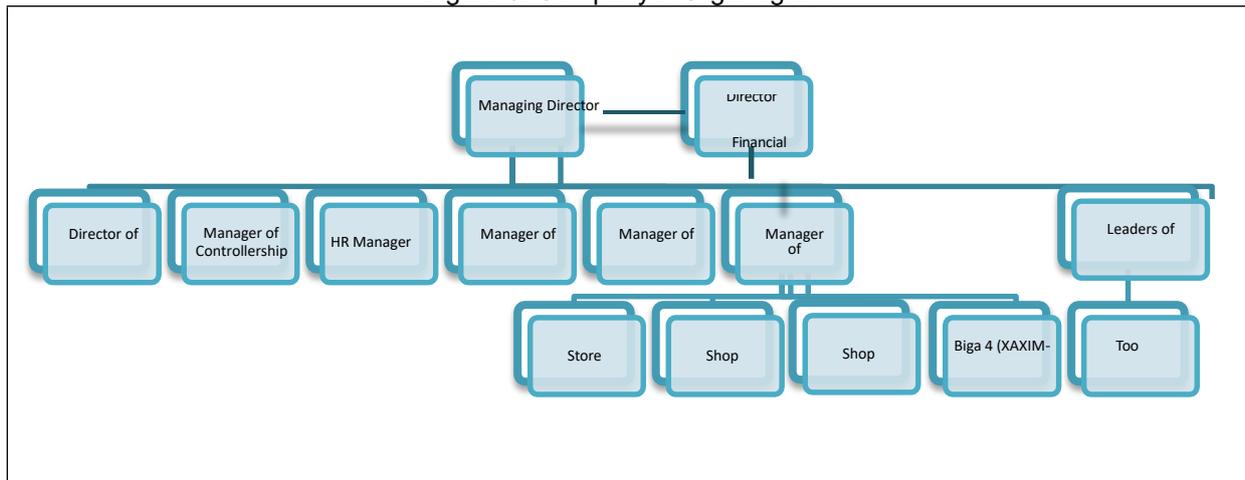
Source: Survey data (2020).

In addition to the fact that the companies are framed in food, even as resale and the other as a manufacturer, both have similar characteristics in the company's identity, such as legal format, number of employees and size. Company A has been active in the market for more than six decades and company B half of that period.

It is also verified that company B exports to other countries, with the objective of leveraging the goals, and only imports the machinery from Italy, a country that is recognized worldwide for the quality of the product industrialized in that company. Company A, on the other hand, does not export, as it is not compatible with the branch of activity – supermarkets, however, it imports in order to maintain the demand for products supplied to customers and also the best price/benefit.

The organizational chart represents the structure of the organization. According to Daychouw (2007), organizational charts demonstrate how the company is organized according to the organs or sectors, hierarchy and communication relations between them. In Figures 3 and 4, sequentially, the structure of the companies analyzed is presented, as detailed by the respondents.

Figure 3: Company A Organogram



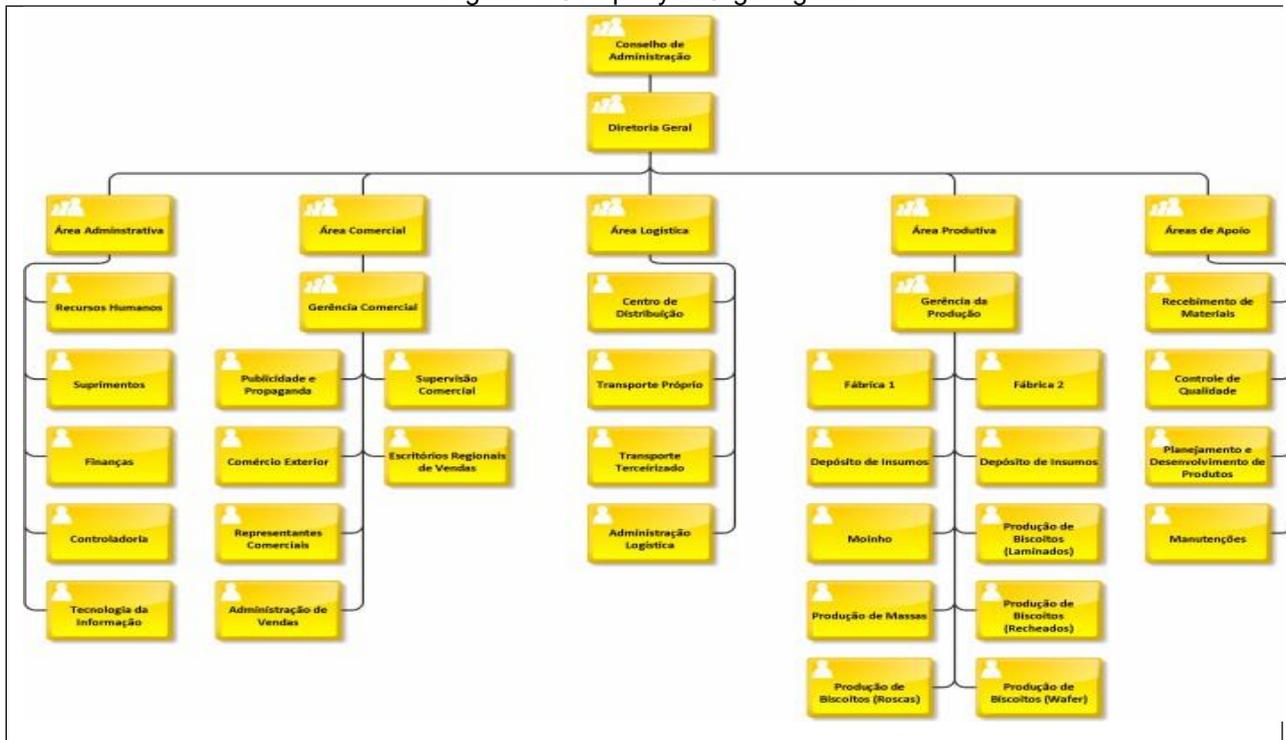
Source: Survey Data (2020).

Based on the organizational chart, company A is composed of the general and financial director, followed by the director of operations, controllership, HR, Purchasing and Operation manager, and, with the exception of the position of general and financial director, occupied by successors, the other management positions are occupied by professionals. Following the flow, it is verified that in each supermarket, so far 4, headquarters and two branches located in Chapecó-SC and a branch in Xaxim-SC, there is a manager in each store. Soon after, in the structure, the department leaders and other employees.

According to the interviewee of company A, succession is a subject addressed in the management of the company, and to take over the organization, the heirs need to be prepared, through knowledge in the field, to present characteristics of leadership and entrepreneurship, only then can they take over the company as successor, because the participation of the directors is active within the organization, both in the monitoring and control of the company, as well as in decision-making. Company A is now in the 3rd generation occupied by the founder's grandchildren. The management is professional, the successors occupy deliberative positions, and the positions of General and Financial Director are held by family members.

Through the structures described by the researched organizations, it was possible to verify that both companies A and B have their functions and frameworks defined according to their field of activity. Both operate in the food segment and are considered family businesses. Below is the organizational chart of company B:

Figure 4: Company B Organogram



Source: made available by the company (2020).

In company B, the organizational chart is more complex, depending on the activity. The board of directors and the general board are occupied by successors, the other positions are occupied by professionals. The structure is distributed by areas, such as the administrative area, composed of HR, supplies, finance, controllership and information technology, while the commercial area consists of the commercial manager, accompanied by advertising and advertising, foreign trade, commercial representatives, sales administration, commercial supervision and regional sales offices. There is also the logistics area, consisting of the distribution center, own transportation, outsourced transportation, and logistics management.

The production area is composed of the production management, which manages the two factories, factory 1 produces dough and doughnut biscuits, while factory 2 produces laminated, filled and wafer biscuits. Then the support area, formed by the receipt of materials, quality control, product planning and development and maintenance.

In company B, the interviewees also perceive that succession is a subject discussed, however, regarding the characteristics of the managers and successors and the criteria for choosing the successor, they preferred not to comment. Company B is in the second generation, management at the board and board of directors level is carried out by the children, who are the founder's successors.

As for the management process, companies have integrated systems in relation to managerial, operational, fiscal and accounting control, which facilitates the capture of



information and processes that take place within companies. For Oliveira et al. (2002), the Controllership is an organizational unit capable of elaborating, structuring and implementing the integrated system of the entities.

Therefore, Chart 5 presents the answers of the companies regarding the management process, according to the questionnaire applied.

Table 5: Management Process

Questions	Company A	B Corp
Accounting?	External	Internal
Are the systems used integrated?	Yes	Yes
Methods adopted for the company's strategic management?	In addition to following trends in the areas, we participate in several support groups in the segment, we also have advice for various areas and legal advice.	NDA.
Reports most used in information management and decision-making?	For each area, different information is used, such as sales targets, losses, customer analysis, offers, financial	Management reports; Analysis, financial statements; Business analytics.
Is the analysis monthly, biweekly? How does the discussion of the information take place...	There are weekly and monthly analyses. It occurs through meetings with managers from each department analyzing the data.	Monthly Analysis (Management Meeting/Results); Biweekly analyses (Commercial meetings/Monitoring); Weekly analysis (Commercial x production meetings); Punctual analyses (Miscellaneous).
What are the main indicators used in the day-to-day management?	Sales, mark-up, losses, expenses	NDA
Does the company have elaborate/structured strategic planning?	We are in the implementation phase	NDA.
Which unit exercises strategic planning?		
Do these strategic objectives have indicators and are they monitored?		
Is strategic planning evaluated and considered by successors?		
Is there a target established for the indicator of strategic objectives?		
When goals are not achieved, what are the actions taken?		
How often is strategic planning reviewed?		
How often is strategic planning reviewed?		

Source: Survey data (2020).

It is verified that the methods adopted as strategic of company A are recognized as a basis of support for the growth and development of the company, as well as the prevention against some risks, since they have legal advice.



The reports used by the companies under study for decision making are targeted. In organization B, information from the departments is used individually, in order to analyze by departmentalization and individual decision-making in each department. In the case of company A, the reports are unified by looking at the company as a whole and its results together with all departments. The analysis of these results is done according to the objective of each area, the management analyzes the results monthly, during the month meetings are held with the commercial department in order to outline the goals and objectives for sales.

It is possible to verify that the Controllershship is recognized as an important department within these organizations. Regarding the management information and the structure of the Controllershship, the information acquired with the questionnaires is shown in Chart 6.

Table 6: Structure of the controllershship

Questions	Company A	B Corp
Does the company have a formal controllershship structure, such as a specific sector in the company or does it act as support through other sectors?	It has a sector	It has a formal structure.
Which sector or board is it linked to?		Board of directors
Does the company have a professional in the Controllershship?	Controller	The company has an external consultant who responds as a manager of the sector. In the company, the sector is divided into the accounting area, the tax area and the managerial area, costs and budgets.
What is the main objective of the Controllershship in your organization?	Analyze, validate the indicators and seek strategies to improve them	Its purpose is to provide adequate information to the decision-making process, certifying, validating and guaranteeing it; Creation, maintenance and verification of the correct follow-up of the procedures adopted/executed by the various sectors of the company;
Does it have a defined mission?	Yes	NDA
Are the procedures adopted in the Comptroller's Office standardized? How was this standardization done, based on which methods, models or system?	The procedures are mixed, but suitable for our business	Yes, they are standardized. They follow good controllershship practices and are constantly evolving.
In his perception of the activities/functions performed by the Comptroller's Office:	Corporate/Financial/Tax/Cost Accounting. Protection of the company's Assets. Support to financial decisions. Management Accounting. Service to internal and external users. Planning and Control	Corporate/Financial/Tax/Cost Accounting. Protection of the company's Assets. Support to financial decisions. Management Accounting. Service to internal and external users. Planning and Control

Source: Survey data (2020).



It is identified that company A has its own Controllershship where the Controller is responsible, who was selected for the interview and reported that "the *main objective of the controllership is to analyze, validate the indicators and seek strategies to improve them*".

In company B, the Controllershship is made up of a team divided into sectors: accounting, tax, managerial, costs and budgets, there is also an external advisor responsible for guiding these departments. The interviewee mentioned that "*The objective is to provide adequate information to the decision process, certifying, validating and guaranteeing it; Creation, maintenance and verification of the correct follow-up of the procedures adopted/executed by the various sectors of the company*".

In company A, controllership is adequate according to the needs of the company and its business. In company B, controllership follows the standards of good practices. Therefore, both companies have in common the same perception of the functions assigned to the Controllershship. Thus, chart 7 shows the responses of the companies regarding the information on the controllership artifacts and the management control processes.

Table 7: Controllershship artifacts

Questions	Company A	B Corp
Methods, criteria and costing systems	Average cost	Costing system: absorption; Inventory control: average cost
Measurement and evaluation methods, and performance measures		NDA.
Philosophies and management models		Monthly projected budget; Budgeted x actual monitoring.
What are the managerial controls used by the company?	We use departmentalized indicators, as if it were several companies within a single one.	Budgeted x actual monitoring (Revenues, expenses, fixed and variable costs, production and sales planning).
How are these management controls analyzed? (Monthly, quarterly?)	Monthly	Monthly, quarterly and punctual analyses.
Do managers use information from controllership to develop the organization's strategies?	Yes	Yes, the information is widely used by managers.
What type of information or indicators are most used?	Growth and EBITDA	Monthly follow-ups (budgeted x actual); Spot (specific) analyses
This information is generated automatically, or manipulation is necessary to meet the expectations of managers.	They are generated automatically, but the compilation of this data is interventional, that is, it is done by a professional	The vast majority of data is extracted in the system, but it is necessary to tabulate the data to generate synthesized/specific information.
How do you realize the importance of information in the management of the company.	Without this information, I believe that it is not possible to have efficient and safe management.	They are essential. Without information, the decision-making process becomes subjective (flawed).

Source: Survey data (2020).



In the analysis of controllership artifacts, company A presents inventory and cost control, through the average cost. The measurement and evaluation methods, as well as performance measures, are carried out by the method of pricing, cash flow and balance sheet. Management controls are carried out monthly, by indicators separated by department, that is, the analysis of the departments is done individually. On the other hand, the costing methods and criteria require from company B, due to its activity, a more detailed cost control with several criteria, so the company adopted the absorption costing system and the average cost for its manufactured products.

According to Brewer (2008, p. 36), controllership is based on four pillars, which are: leadership, strategic management, operational alignment, continuous improvement and learning; and, "ultimately, the responsibility of controllers is to generate value for shareholders." Chart 8 shows the answers of the companies regarding the role of controllership, (1 being for little important, or indifferent and 5 for very important, very useful).

Table 8: Role of the controllership

Company A	B Corp
( 5 ) In the process of preparing the organization's Strategic Planning;	(5) In the process of preparing the organization's Strategic Planning;
( 5 ) In the process of controlling the organization's Strategic Planning;	(5) In the process of controlling the organization's Strategic Planning;
( 5 ) In the process of preparing the organization's Tactical Planning;	(5) In the process of preparing the organization's Tactical Planning;
( 5 ) In the process of controlling the organization's Tactical Planning;	(5) In the process of controlling the organization's Tactical Planning;
( 5 ) In the Performance Evaluation process, of the organization as a whole, as well as of each of the areas of the organization;	(5) In the Performance Evaluation process, of the organization as a whole, as well as of each of the areas of the organization;
( 3 ) In the process of defining the sale price; ( 4 ) In the process of preparing the organization's Tax Planning.	(5) In the process of defining the sales price; (5) In the process of preparing the organization's Tax Planning.
( 5 ) In the decision-making process by managers.	(5) In the decision-making process by managers.

Source: Survey data (2020).

The role of Controllership is cited as very important in all processes of managerial, strategic, commercial, and tax planning controls Only the process of preparing the Tax Planning was evaluated, by company A, with a score of 4, being considered important, while in the process of defining the sale price in the view of the controller, it was evaluated as 3 (reasonable).

The management controls adopted by the companies interviewed here are analyzed in different ways, although they are similar, the first analyzes the company as its individualized departments, while the second controls the company in general and with a



focus on projected x realized budgets, both work with standardized systems capable of generating information for automatic management reports, however, they make use of the interference of professionals in the Controllershship area to adapt the data generated in order to provide managers with synthesized and specific information, this also proves the understanding and importance that both companies demonstrate for the Controllershship and its entire management process.

Roehl-Anderson and Bragg (1996) understand that the Controllershship leads the directors and managers to manage the companies, planning the strategies and directions, through the consistent information of the Controllershship, so that they are productive. Organizations have accounting integrated with management systems, which facilitates the capture of information and processes that take place within companies.

## FINAL CONSIDERATIONS

The research aims to identify the stage of the life cycle that the family businesses under study are in, confronting the use of controllership artifacts, as the evolution of organizations is also linked to successions. The questionnaire was directed to professionals in the controllership department, both with academic training in Accounting Sciences and specialization in the area they currently work. Common characteristics were identified among the companies in the management processes, management controls and direction to successors, both family businesses and structured with individualized departments.

The companies analyzed use integrated systems capable of generating customized reports that are appropriate to the company's reality, as well as used for management controls. They have monitoring of management processes and controls, through meetings to discuss and analyze improvements, results and specific issues.

Company A emphasized the use of some indicators and the implementation process of the elaborated/structured strategic planning project, while company B keeps this data and information confidential, not exposing the use of indicators and strategic planning within the management process.

It is understood that the family businesses analyzed have a structured controllership department, although they act in different ways and with specific objectives within the reality and market of each organization, both benefit from Controllershship as a basis for decision-making for their managers and have the perception that the functions of controllership are linked to accounting in general, to managerial and commercial processes and controls, serving both its internal and external users, that is, it is perceived that the Controllershship is totally directed and in constant evolution and harmony for the growth and development of



companies, strengthening the life cycle and boosting succession, considering that managers evaluate and make their decisions through the detailed information of the Controllership.

Controllership artifacts are part of the reality of the companies under study, although they have explained little about the use of these artifacts and maintained some restrictions on their use. It is possible to conclude that the use of these instruments is daily in companies, such as inventory control and costing methods, which in the case of company B, due to its industrial activity, has a costing system by absorption and makes its inventory control by average cost.

The interviewees expose their point of view regarding the importance of Controllership in the management of the company, "*Without this information, I think it is not possible to have an efficient and safe management*", quotes the Controller of company A, and "*It is essential. Without information, the decision process becomes subjective (flawed)*", mentions the Controllership specialist of company B "and they also conclude by evaluating as very important the role of controllership in the control processes, elaboration of strategic and tactical planning, performance evaluation, emphasizing as an important tool for decision making, that is, there is a very clear vision of these professionals in relation to controllership artifacts as essential for the growth of companies.

It is concluded that both companies A and B are in the maturity phase, with regard to the stage of the life cycle, based on the model of Miller and Friesen (1984). They are medium-sized organizations with several years in the market, they have gone through the birth and growth phases, as well as having a competitive advantage over competitors. Decision-making with an analytical and integrated bias, since more managers are involved in decisions, reducing the willingness to take risks. Greater aversion to risk and innovation, more conservative, focus on cost control, and profit margins.

The study delimits the fact that the interviewed companies have not implemented strategic planning in the management process, however, company B is in the process of implementation, which shows that this process was pointed out as an important tool to assist in decision making. For future research, it is suggested to extend the sample size of family businesses, as well as the sectors of activity.



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