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Budget and intergenerational succession in a family company

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Abstract

Goal: To understand the social construction of planning and budgetary control in a family company intergenerational succession context.

Method: We developed a unique qualitative case study in a Brazilian family company of the food industry. The data were collected by semi-structured interviews, observations and documents, and organized in the Nvivo12 software through the lens of discursive textual analysis.

Results: Results showed that building the budget in the succession process started with the internalization of knowledge from the successor's secondary socialization, which sought them out of the family nucleus. Then they combined them with their company experience, which gave them legitimacy and trust while leaders and managers.

Contributions: The study results contribute to the literature by adding understanding about how the budgetary objective reality was socially built by the predecessor and successor's actions along with managers. They contribute in a practical way by explaining how budgetary planning and control may help managers, founders, and successors daily in a succession context. They also show social implications when providing insights for family companies' managers and entrepreneurs with different configurations about the role of the budget in the succession process so as to manage inter-managerial succession supported by Managerial Control System tools.

Keywords: Budget. Family Company. Intergenerational Succession. Reality Social Construction.

Introduction

The phenomenon of intergenerational succession is taken as a particular characteristic of family businesses that distinguishes them from other types of companies (Sharma, 2004). It is seen as a dynamic process, composed of multiple events over time and is crucial for the continuity of the family business by building social structures between generations (Daspit et al., 2015).

The succession process represents a critical period for family businesses, being one of the main reasons for the high failure rate of first and second-generation companies (Bracci & Maran, 2012; Sentuti & Cesaroni, 2020). This is due to the difficulty of managing the emotional aspects of succession processes, especially in the presence of conflict or indecision (Ames et al., 2020; Blumentritt et al., 2013; Berrone et al., 2010).

Throughout the intergenerational succession process, knowledge and beliefs (of the founders and/or predecessors) are modified, overcome, conditioned or constructed/reconstructed according to the successors' goals, preferences, ambitions and personal choices (Leotta et al., 2017) . There is a reconfiguration of the relationships of family members, which implies new behaviors and management practices that influence and modify the management control system (MCS) (Pagliarussi & Leme, 2020).

Family businesses have raised investigative interest in the accounting field (Kapiyagoda & Gooneratne, 2020; Quinn, et al., 2018). The main focus is on MCS in different theoretical approaches, offering relevant contributions to the understanding of the phenomenon (Cesaroni & Sentuti, 2019). After all, family businesses differ from non-family businesses in the way they choose, implement and use MCS (Kapiyangoda & Gooneratne, 2020; Quinn et al., 2018).

As for MCS in family businesses, Salvato and Moores (2010) drew attention to the need for studies focused on the role it can assume during change processes, such as succession. They pointed out that the nature of the family business can give MCS specifics in terms of system choice, motivations, implementation methods, and consequences of change, which can only be well understood with investigations in this direction.

There is not much investigative attention to MCS in family businesses involved in the intergenerational succession process. In the international context, investigative efforts addressed the interaction between the construction of MCS and the evolution of succession (Cesaroni and Sentuti (2019).

They also showed the introduction of new MCS practices and the construction of the leadership profile of the junior generation (Leotta et al. ., 2017). In addition to showing the involvement of the MCS with the transfer of business between generations (Bracci and Maran, 2012) and with the transfer of knowledge between generations, the owner family and managers (Giovannoni et al., 2011).

In Brazil, studies have investigated MCS in family businesses in a few different directions. In one of them, the concern was about the relationship between the nature of control and the intention of a family business to transfer the business to the next generation (Mucci et al., 2021). Another focused on the transition between stages of the organizational life cycle (Moreira & Frezatti, 2019). Oro and Lavarda (2019) investigated the interface of MCS with strategy and performance measures. Silva et al. (2017) were concerned with the MCS as an instrument for implementing the strategy. The study by Hillen and Lavarda (2020) addressed some particularities of the budget in the succession process.

For Hillen and Lavarda (2020), investigating family businesses in which succession is planned and taking place with the budget outlined in organizational routines would bring important contributions to understanding more about the phenomenon. In their study, the authors pointed to the need to idealize and implement the budget to support the succession process. This generates better controls and information as well as more security for those involved.

Thus, the objective of this study was to understand the construction of budget planning and control in the context of intergenerational succession in a family business. In family businesses, when there is an intention to transfer the management control to the next generation, more formalized controls are adopted (Mucci et al., 2021). In this scenario, the budget is characterized as a relevant management control instrument in companies of different sizes, segments, and regions of the world (Kapiyagoda & Gooneratne, 2020).

In terms of contributions, from the theoretical perspective, the results reveal the role of the budget in the succession process in a family business and how they can be built cyclically from the social interaction of those involved. As

for practical contributions, the results make it possible to understand how the budget can help managers, founders, and successors in their daily activities, characterizing actions that guarantee trust and legitimacy to the successor's leadership. Concerning social contributions, it provides reflections for managers and entrepreneurs of family businesses of different internal configurations on the role of the budget in the succession process to manage intergenerational succession with the support of MCS tools.

2. Theoretical Framework

2.1 Elements of the Social Construction of Reality (SCR)

The social construction of reality (SCR) by Berger and Luckmann (2014) is seen as fundamental in the context of Institutional Theory in organizational studies (Vera, 2016). In this sense, Scott (1987) highlights that SCR influenced the second and third versions of Institutional Theory. The SCR presents itself as a dialectical triad (externalization, objectification, and internalization), by focusing on phenomena of the social construction of reality between individual actors (Tolbert & Zucker, 1999).

The understanding of society starts from the reality that is both objective and subjective and understood in terms of the dialectical process, composed of the elements of externalization, objectification, and internalization. Society, each of its parts, and an individual member are simultaneously characterized by these three moments (Vera, 2016). Such elements are the core of Berger and Luckmann's (2014) SCR work and occur dialectically in the multiple existing realities. In the study, budget planning and control and the intergenerational succession process were understood as objective and subjective realities that coexist in the investigated company together with the individual actors in interaction and that characterize a micro world of society.

Action is expressed as all human activity subject to habit, whether social or non-social. In this way, "any frequently repeated action becomes molded into a pattern, which can then be reproduced with the economy of effort and which, ipso facto, is apprehended by the performer as such a pattern" (Berger & Luckmann, 2014, p.75).). Action is understood as the term that expresses the recognition of the construction of society through social interactions (Dreher, 2016).

Externalization is an active human act. "Human beings have to be continually externalizing themselves in the activity" (Berger & Luckmann, 2014, p.74), so, in such a way, externalization occurs through action, giving rise to the externalized product (Dreher, 2014). Objectification, on the

other hand, is characterized as the "process by which the externalized products of human activity acquire the character of objectivity" (Berger & Luckmann, 2014, p. 84) and is related to habitualization, typification, institutionalization, and legitimation (Barnes, 2016; Segre, 2016).

Internalization "constitutes the basis for understanding our fellow human beings and (...) for apprehending the world as a social reality endowed with meaning" (Berger & Luckmann, 2014, p.168). The individual becomes a member of society when he internalizes its codes. What happens in the process of socialization of subjective reality in two ways: primary socialization and secondary socialization (Barnes, 2016). Internalization refers to the process of retrocession of the social world in the subjective consciousness of the individual that is achieved in socialization (Dreher, 2016).

In this study, actions are observed that, in social interactions, are related to the construction of the reality of budget planning and control in a context of intergenerational succession. These are actions that were somehow reflected in the control instrument and that were linked to the activities of managers, characterizing the dialectical triad (evidence of externalization, objectification, and internalization).

2.2 The Family Business Succession Process

In this study, a family business is one whose ownership and management belong to the family (Chua et al., 1999), and the particularities of this type of business are understood from the socio-emotional wealth that represents non-economic utilities (Berrone et al., 2010), including affective identity needs, the ability to exert family influence, and the preservation of the family dynasty (Gomez-Mejia et al., 2011). Protecting socio-emotional wealth drives decision-making behaviors in family businesses in various organizational areas, such as management processes, business strategies, corporate governance, stakeholder relationships, and business ventures (Gomez-Mejia et al., 2011).

The definition of a family business, therefore, depends on the succession potential and the family business concerns the one that will be passed on to the next generation of the family to manage and control (Ward, 1987). Thus, a fundamental concept for the context of family businesses is that of succession, which relates to actions, events, and organizational mechanisms that lead to the transition from the top leadership of the company to a family member and the transfer of ownership, which may occur simultaneously or not (Le Breton-Miller et al., 2004).

The succession process is seen as a critical period (Ward,

1987), in addition to being a sensitive issue for founders, especially in family businesses from the first to the second generation, as the founder acts as a catalyst in the development of the business and the family, assisted by their values. Values guide the behavior and decision-making of the founder translated into business and management practices and are a legacy to be passed on to future generations (García-Álvarez & López-Sintas, 2001).

In the study, actions of the successor, founders, and managers are observed, which, in social interactions, relate to the succession process. These actions had an impact in some way on the succession process and were linked to the activities of the successor, founders, and managers, thus corresponding to the evidence of the moments of the dialectical triad (externalization, objectification, and internalization) of Berger & Luckmann (2014).

2.3 Budget Planning and Control and Succession

The MCS is understood as a set of formal and informal input, processing, and output controls, connected by complimentary relationships and used by management to achieve organizational goals (Chenhall & Moers, 2015; Chenhall, 2003). In this sense, budget planning and control is an instrument of the MCS and is present in the literature in models that discuss its design and use, such as Malmi and Brown (2008) and Simons (1995).

The budget is one of the main instruments for planning and controlling organizational operations. It is seen as the basis of organizational management control (Otley, 1999), integrating different aspects into a comprehensive plan that serves different purposes and establishes support for the evaluation of actual performance concerning the plan (Hansen et al., 2003).

Furthermore, the budget is a process that covers all areas of the organization (Otley, 1999). It is also identified with a social norm of rational organizational behavior, legitimizing decisions reached in the budgeting process. That includes planning and coordinating an organization's activities, allocating resources, motivating employees, and expressing compliance with social norms (Covaleski et al., 2006).

Thus, budget planning and control are used as instruments for various purposes. Hansen and Van der Stede (2004) listed the main purposes for which most organizations use budget planning and control: the purpose of both short-term (operational planning) and long-term (strategy formation) planning, the role of communicating these plans (communication of goals) and performance evaluation. In addition to emphasizing the organizational structure, organizational strategy, the operating

environment, and the external environment as antecedents of these purposes, reflecting on the importance of each.

The budget is an MCS instrument widely used in typical business ventures (Kapiyagoda & Gooneratne, 2020). The design and use of the budget in the context of family businesses is a relevant investigation when considering the heterogeneity of family businesses (Kapiyagoda & Gooneratne, 2020). Investigative efforts have explored the operationalization of budgets in family businesses (Carlsson-Wall et al., 2019; Setthasakko, 2012). However, previous studies that directly involve budget planning and control of the succession process in family businesses are scarce. There are previous studies that addressed the MCS and the succession process and that timidly present the budget in their results.

In this sense, Busco et al. (2006) highlighted that in the context of a succession process in family businesses, the MCS is used to reconstruct the conditions of trust and legitimacy between successors and between successors and the organization. Mazzola et al. (2008) evidenced, as support to the succession process, the involvement of the members of the next generation in the strategic planning process, which provides knowledge and tacit skills of the business.

In the succession and MCS scenario, Giovannoni et al. (2011) showed that management accounting practices reinforced the founder's influence, transferring business knowledge across generations, as well as facilitating communication and internal interaction and the dissemination of a shared vision of the business. They emphasize that the increase in complexity through succession creates the need to change to a more formal control system.

For Bracci and Maran (2012), the MCS can play the role of replacing previous practices and represent a source of trust and legitimacy for the successors. They show that it can also mediate intentions to maintain previous practices and family ties with the successors' willingness to bring about radical changes.

Leotta et al. (2017) showed that in the succession process in family businesses, MCS helps people to share a set of values to guide them during the formulation of the company's strategy; thus, it provides organizational actors with a language that, representing the successor's managerial vision, can integrate it into the shared vision within the family organization, in addition to contributing to the construction of the leadership profile of the junior generation.

Cesaroni and Sentuti (2019) point out that changes in the MCS and the succession process complement each other. The

successor can represent a decisive actor in the MCS change process for personal reasons related to their involvement in the succession process.

Hillen and Lavarda (2020) show that changes resulting from the succession process on the professionalization strategies of management, creation of the holding company, and governance interact and influence the need for the budget.

Kapiyangoda and Gooneratne (2020) believe that qualitatively oriented studies allow better capture of phenomena involving the perpetuation of the family dynasty in the face of family succession amid the evolution of the MCS.
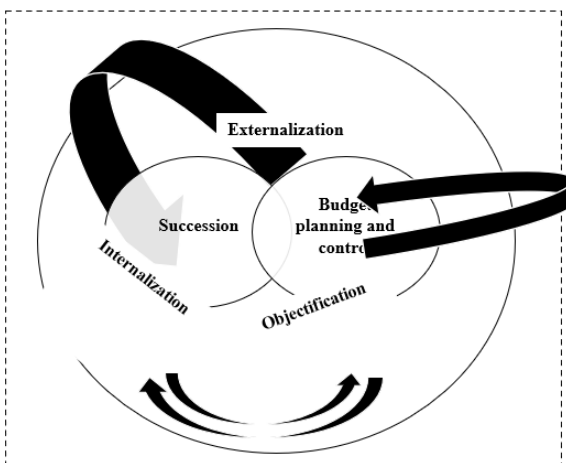

Figure 1 - Theoretical model of the research
Source: Elaborated by the author.

According to the exposed, Figure 1 summarizes the theoretical model of the research. The model systematizes the social construction of the budget in a family business in the process of succession, observing the dialectical triad of SCR

3. Methodology

The investigation had a qualitative character in the form of a single case study. The case study allowed the investigation to delve into the investigated phenomenon within its real context, which is relevant for research in family businesses (De Massis & Kotlar, 2014).

AThe company studied has unique characteristics that make it a logical candidate for investigation (De Massis & Kotlar, 2014) under the terms of the delimiter cut: it is a family company in the process of intergenerational succession, with family involvement in management, and has planning and budget control. These aspects were raised from the company itself: direct contact with the executive director (first-born heir) via the WhatsApp applica-

tion and, later, contrasted with information on the website, and social media, as well as in a face-to-face meeting.

The first contact with the executive director and president of the company took place on January 17, 2019, in which we explained the study and the methodological procedures to be undertaken, and delivered the Letter of Presentation, Investigation Protocol, Consent Form Free, and Clear and proof of approval by the University Ethics Committee.

The data were collected in three ways: conducting individual and face-to-face semi-structured interviews, observations, and documents, recorded in the research diary. Such data were understood as texts (Gaskell, 2017) and triangulated to identify converging points on the phenomenon, adding rigor and breadth to the investigation.

Respondents were selected based on two criteria: being a member of the family that owns the business and acting in management and being non-family members of management, and involved with budget planning and control. The selected interviewees are shown in Table 1.

The interviews were carried out at the company's premises during working hours, according to an appointment made with the board's secretary . Before the beginning of each interview, the Case Study Protocol and the Free and Informed Consent Term were presented and any questions that the interviewees had were clarified, in addition to requesting authorization to record the interview. The interviews covered the period from June to September 2019. Respondents received a copy of all documents presented before the interview, as well as agreed and authorized the recording.

Table 1: List of interviewees

Education	Age (years)	Company time (years)	Job	Job time (years)	Interview duration (min)
Food engineering	40	18	Executive Director (heir)	8	142
Civil engineering	63	29	Founder (partner) – non-formalized role	29	71
Economics	42	25	Administrative and financial manager	10	93
Food engineering	37	15	Quality manager	7	24
Pedagogy	58	22	Human resources manager	10	41
Accounting	40	14	Accountant	10	40
Business	38	21	Production manager	5	19
Business	33	22	Logistics and supplies manager	6	33
Accounting	41	21	Sales manager	8	25
Chemical engineering	69	29	President (founder)	29	133
Pedagogy	43	7	T&D coordinator	7	69

Source: Elaborated by the research data.

Collecting and documenting data from the semi-structured interviews comprised the following steps: audio recording, annotations, and editing (transcription). The transcripts of the interviews were sent via email to the interviewees for validation, being clarified to them in the e-mail message, needing to make corrections or add information that they considered important, so they should.

The documents used were extracted from the websites of the investigated company, the contracted consulting company, and reports from magazines with regional and national circulation. They served as supplementary sources to aid in the understanding of the phenomenon. Also, during the time in contact with the company, we sought to observe in a non-systematic way behaviors and elements that reflected the company's management, the intergenerational succession process, and budget planning and control. Such observations were recorded in the research diary.

The collected data were analyzed using discourse textual analysis (Moraes, 2003), with the support of the NVivo12 software. The use of NVivo12 facilitated the identification and organization of analysis categories and subcategories, which were coded, according to the research constructs (Table 2), for the later generation of a report, containing excerpts from the interviews, the annotated observations, and the materials used.

The constructs guided the operationalization of the analyses and allowed us to identify how the construction of the analyzed elements and the interactions between them occur from the categories and subcategories of analyzes extracted from the literature review.

4. Results

4.1 The investigated company and the owner family

The investigated company is family-owned in the form of a limited liability company and was founded in 1990, in Brazil. It operates in the industrial food segment with a focus on the industrialization and sale of diet, light, and zero sugar food products. The corporate structure is composed of two partners from a single owner family: the founder, who owns 90% of the capital, and his wife, who owns 10%. The founding couple has three children, and only one of them, the eldest, works in the management of the company. In 2019, according to the revenue, it is classified as a medium-sized company, according to the criteria of the Federal Revenue Service of Brazil.

The 69-year-old founder is a chemical engineer and has worked as a university professor and researcher at a public university. He is the president of the investigated company. The other

Table 2: Research constructs

Analysis categories	Analysis subcategories	Constitutive definition
Succession process	Establishment of rules	Creating a vision for the future of the business, a succession planning and monitoring process, and determining the pool of candidates. Establish rules for selection, guidelines for training, and roles of owners, managers, and family members in directing this process. Emphasis is given to synchronization guidelines and early communication (Le Breton-Miller et al., 2004).
	Successor creation and development	Nurturing and developing the group of people who are potential successors. Attention should be paid to formal education, on-the-job training, career development, work-out experience, and so on. Performance monitoring to determine which candidates are doing well, how their training needs should be redirected, and how to expand or contract the pool of candidates (Le Breton-Miller et al., 2004).
	Transfer of leadership and capital	Final handover to the chosen successor (comprises the timing and nature of the gradual replacement, the enrichment of the role of the new CEO and decisions regarding possible bridge managers). Capital transfer between or within generations (Le Breton-Miller et al., 2004).
	Organizational context	Final handover to the chosen successor (comprises the timing and nature of the gradual replacement, enrichment of the role of the new CEO, and decisions regarding potential bridge managers). Capital transfer between or within generations (Le Breton-Miller et al., 2004).
	Family context	The family context includes family dynamics - the relationships, trust, respect and roles of its members. This too includes governance (Le Breton-Miller et al., 2004).
Social construction of reality	Externalization	Projection of meaning to the world. The actor builds the world in which he externalizes himself (Berger & Luckmann, 2014).
	Objectification	The process by which the externalized products of human activity acquire the character of objectivity (Berger & Luckmann, 2014).
	Internalization	The process by which the objectified social world is portrayed in consciousness in the course of socialization (Berger & Luckmann, 2014).
Budget planning and control	Formality	Formal controls are understood to be mechanical. "Mechanical controls depend on formal rules, standardized operating procedures, and routines" (Chenhall, 2003, p. 131-132).
		Informal controls are understood to be organic. [...] "Organic controls are more flexible, sensitive, involve fewer standardized rules and procedures, and tend to be more data-rich" (Chenhall, 2003, p. 131-132).
	Ends	Reasons why organizations use budgets (Hansen & Van Der Stede, 2004).
	Characteristics	Potential budget characteristics that could affect perceived ratio-to-budget performance (Hansen & Van Der Stede, 2004).

Source: Authors' elaboration

founder, a 63-year-old civil engineer, worked at the investigated company in the personnel and financial department sectors, reconciling with the activities she carried out at a public university as a professor of the civil engineering course. After retiring in 2004, she started to work daily at the company, despite not having a formalized role in the organization chart.

The eldest heir, a food engineer, started working at the company at the age of 21 and today, aged 40, has been working at the company for 18 years as a registered employee. He has held different roles in various sectors (sales, development lab, finance, planning). He has been the executive director for seven years and has two heirs (third generation of the owner family). Henceforth, the firstborn heir will be treated in the study as a successor

4.2 The succession process in the investigated company

The succession process includes multi stages over time and, in the study, involved actions and events over time. Thus, the case revealed that, despite not having been formalized in terms of documents or communication, the succession process is taking place. At first more implicitly, and later more explicitly. According to E3 (2019):

> [...] after the successor worked with the technical sales and product development sectors, then in ours, from my point of view, the preparation work for this succession has already started, because the successor came to work in my office with me, and within the activities that we carried out, and from what the founders requested and passed on is that the goal was for him to learn as much as possible. So everything that we already had experience, we already knew [...] everything that we already did, we passed it on to him with the objective that he would learn, that he would understand [...] everything that happened, everything we did to add to his development [...] so we already have this vision of preparing the firstborn for the succession.

Given the evidence, it was possible to note that decisions regarding the intergenerational succession process involve emotional factors of the actors (founder and successor) that have a relevant impact on the process. In this case, the founder needs to feel that the successor has a vocation for the business and that the founder has a relevant role in the process by mediating the relationship between founder and successor.

Thus, it was possible to understand that the succession process has been built by the interaction of actors, processes, and contexts through the actions of the predecessor and the successor, but with less interaction between the two. In this sense, the founder comments that "[...] one of the most important aspects

that involve us especially are the emotional aspects. I personally have nothing against the succession issue, in terms of governance [...] I have already delegated a lot here at the company".

It was noticed that there was no planning of the process, which caused some impasses that could have been avoided during the process. The successor, when experiencing the reality of the company, sought its development through various qualification and training courses, and with active participation in different institutions representing the business environment, at local, regional, state, and national levels, which gave him legitimacy and trust towards managers. In addition, there was a temporary transfer of leadership to the successor and, also, a transfer of property to the heirs carried out through the creation of a family holding company..

The highlighted actions were internalized by the actors maintaining the reality of the succession process and that has an impact on the company's management. The company's management was built by the founder based on his historical actions and interactions, being internalized by the successor through primary and secondary socialization. The way of managing internalized by the successor allowed, based on his experiences and knowledge, the search for new strategic ideas that he put into practice through deliberate actions with the support and interaction with the managers. On these aspects, the founder commented that "in my perception, it is changing the management process a lot. He is having permanent meetings, he is listening a lot [...] I think he is doing very well, thank you [...]".

4.3 The social construction of budget planning and control

Budget planning and control, understood as a social reality when analyzed from the perspective of Berger and Luckmann (2014), is socially constructed, and from this construction comes how they were idealized, used, and modified in the company. As all social phenomena are historically constructed through human activity, they are always in development.

Thus, the analysis of the social construction of budget planning and control in the investigated company starts from the "internalization" process. To do so, elements of the successor's primary and secondary socialization concerning the context of the family business and the succession process were taken as a reference, and understood as a reality under construction and reconstruction. As for his primary socialization, elements he experienced in childhood related to family values and the passages in which he had contact with product manufacturing processes were identified, taken as symbolic when the company was still a "backyard" type

The secondary socialization occurred when the successor acquired knowledge from other experiences and experiences, at the beginning and during adult life. For example, his training in food engineering, the Master in Business Administration (MBA) in Business Management he took, courses and training in which he participated, his work as a professor, his participation as a member of different classes, and the experience in the family business per se when performing different functions.

For the successor, the completion of the MBA in Business Management (element of secondary socialization) was a milestone in his professional life with the company due to specific actions in terms of management that he began to implement. The successor highlighted that it was from the MBA that he came to understand more specifically the context of the company and its management. At this point, he started to apprehend and understand a social reality endowed with meaning, internalizing it (what a company is and what it needs in terms of management).

It was from there that the outsourcing process materialized with the restructuring of the administrative area and the beginning of the implementation of the strategic planning and the budget (with its direct participation and assistance from the administrative and financial manager). At this stage, the idea of the budget was built, produced, and reproduced in social interactions between the company's managers for them to play an important role through communication between them and involving knowledge and beliefs related to the subject.

As part of the externalization stage, there was a moment of general awareness, presentation of the new process, and promotion of team engagement. Therefore, it was through social interaction and communication between the managers of the organization that the stage of objectification of the budget took place as a social fact experienced in common with others. Regarding this process, E8 explains that:

> we didn't have it before, and then after the successor came in, we started to think more about [...] the budget for the following year, but also to fulfill that budget. So, with the successor, we get this collection, this budget control [...], but after we started to have the budget, we did it, we started to better control the company's accounts. And after the successor did this administration together with the administrative/financial manager there in finance, we had this turnaround, and we spent good years with the company closing positive, budget control, and everything else. We managed to make this change.

In the sense of what was exposed by E8, the relevance of the role of the successor in this construction is noted, as well as the stages of the dialectical triad of Berger and Luckmann (2014). For example, "thinking more" indicates that the externalization

of the budget process becomes part of the company's daily routine, that is, it was objectified. "Fulfill" indicates that the stage of internalization of strategic planning and budget by managers is materialized in a concrete action resulting from the construction of a new business social practice, as well as "collection" and "control".

It can still be observed that the fact that the successor performs "this administration together with the administrative/financial manager" characterizes the reciprocal typification of roles (moment of objectification). The successor and the administrative manager are perceived by the involved community as responsible for the implementation of the budget, characterizing them as types of actors in this context. In addition, this practice starts to last in the company, it becomes part of the constructed reality, being internalized to the point that managers perceive benefits from the use of the instrument and the changes that occurred in the management, being institutionalized and legitimized (moments of objectification). Such aspects can also be perceived in what E4 says:

> we usually plan for 5 years, which is more long-term, but the budget is usually from one year to the next, and we manage to guide the actions because when I think about the budget, I end up thinking about which projects I want to do in the short and medium term. Because when we make a plan, sometimes you can't measure how much or when it will happen. I think the budget gives us a direction [...] in the budget you can stop and think. I think it helps a lot in this self-reflection part. So do I really need it? Am I able to execute this project next year? What do I have to do to prepare for this project? Not only financially, but in terms of people, structurally. So I think this helps a lot in this self-reflection and the follow-up, also thinking.

The term "we do it", expressed by E4, refers to both externalization and objectification as something materialized among managers. There was a reciprocal typification of the forms of actions (moment of objectification) related to the budget for involving more than two actors. "Thinking" and "self-reflection" that the budget provokes in their daily life, showing once again the internalization of the budget as well as its externalization. On the other hand, "monitoring" indicates that the use of the instrument is aimed at the company. In turn, this monitoring also signals the new externalization, as it will probably require actions on the part of managers concerning the results obtained, which will be objectified, either by the satisfaction of reaching the goals or the charges for not reaching, and again internalized as goals to be achieved. or points to be corrected.

The objectification of the budget can also be seen in E5's comment when he states that "The budget gives us the 'north' [...] without the budget, even though I've been here for a long

time and I know how far I can get, but I first need to see how the budget is worked out. The budget for me, for me as a professional, it gives me ground." The budget is part of the daily reality of company managers. His objectification can be seen in E5's statement that, even with a long time in the company, he needs to see the budget to make sure and to do the best for the company. In addition to providing you with some security regarding the relevant decisions.

Also through externalization and objectification, a system of meaning associated with budget planning and control was shared. This, in turn, characterized the symbolic universe and reinforced its importance for the action of the managers involved with the process as well as for the maintenance of the reality (moment of internalization) of the budget. This symbolic universe represents a common vocabulary of knowledge among managers when referring to the budget. This perspective can be seen in what E8 reported on the budget:

> It's you keeping the company financially on track. It's you knowing how far you can go and being able to control it for the next period. You have a goal, you know for that goal how much you can spend and how much you can spend. So you can control it. You can know if you are in or out, and then you can have the company in hand. You don't run the company in the dark, you run the company in the light.

In other words, budget planning and control were seen as a symbolic concept to reflect the relationships between financial issues and the company's sustainable continuity (E1; E3; E8; E11). With that, noted E3, "we need to use the budget for sustainable growth, to ensure financial health and growth. So we need to generate cash for the continuity of the company. For sustainable continuity, we need to be managed by a budget".

From this perspective, planning, budget control, and the generated reports were perceived as symbolic means that provide a common conceptual framework to see, think about, and propose alternatives related to the goals of each sector in line with strategic planning. In these terms, the founder showed that "budget is one, it is the horizon. How do I say this? It's the mental screen, it's the company screen. For me, it's the screen of the company. It has the objectives, it has the goals, it has the actions, it has everything, but the budget is built into it. Very, very short term."

The stage of internalization can be observed when budget planning and control, with its system of meanings, have been regressed in consciousness, becoming part of the internalized world of the individual subject. The instrument and its meaning were apprehended as a common way of thinking within the company that is transmitted through social interactions between

managers and employees. Below, Table 3 summarizes some evidence to exemplify the moments they represent concerning the dialectical triad.

As a result of this cycle concerning budget planning and control, there was the construction of a system of symbols (knowledge and beliefs) with related meanings that were built and reconstructed characterizing this reality. The instrument became a structured formal language that contributed to its use in terms of operational planning and communication of plans arising from antecedents related to the operational environment and external environment (Hansen & Van der Stede, 2014). It should be noted that the triad occurs simultaneously and, according to Berger and Luckmann (2014), it makes no sense to analyze them in isolation.

5. Discussions

The case revealed that despite not having been formalized in terms of documents or communication, the succession process is happening and currently explicitly. Given the evidence, it was possible to note that decisions regarding the succession process involve emotional factors of the actors (founder and successor) that have a relevant impact on the process (Gomez-Mejia et al., 2011). In this case, the founder needs to feel that the successor has a vocation for the business and that the founder has a relevant role in the process by mediating the relationship between founder and successor (E11). Thus, it was possible to understand that the succession process has been built by the interaction of actors, processes, and contexts through the actions of the predecessor and the successor, but with less interaction between these two.

The succession process was not planned, which caused some impasses that could have been avoided during the process. Despite this, the successor, when experiencing the reality of the company, sought its development through various qualification and training courses, and with active participation in different institutions representing the business environment (E1). The successor, based on new knowledge and habits, focused on formalizing the MCS and on its instruments such as strategic planning, which gave him tacit knowledge and skills of the business (Mazzola et al., 2008).

In general, it was noticed that the MCS was used as a condition of trust and legitimacy between the successor and the rest of the organization (Bracci & Maran, 2012; Busco et al., 2006). Featuring the successor's managerial vision integrated with the shared vision within the company, contributing to the construction of its leadership profile (Leotta et al., 2017). Also, in a context of change resulting from the succession process, it was possible to identify the reasons and ways of implementing

Table 3: Some evidence and moments that represent the phenomenon

Excerpt from the evidence	Moments they represent
The financial administrative manager will have a version, because she participated since the first budget. The budget was me and her, the first ones. Then we started in 2007 more or less. (Successor).	Outsourcing (involving two actors, successor and administrative-financial manager)
[...] But after we started to have the budget, we got it, and started to better control the company's accounts [...] (E8). We usually plan for 5 years, which is more long-term, but the budget is usually from one year to the next, and we manage to guide the actions, because when I think about the budget, I end up thinking about which projects I want to do it in the short and medium term [...] (E4).	Objectification – habitualization and reciprocal typification of action – more than two actors
[...] And after the successor did this administration together with the administrative/financial manager there in the finance department, we had this turning point [...] (E8).	Objectification - reciprocal typification of roles (successor and administrative/financial manager)
[...] And we spent good years with the company closing positive, budget control and everything else [...]. (E8)	Objectification - institutionalization
[...] we managed to have this change (E8).	Objectification - legitimation
[...] In the budget you can stop, think. I think it helps a lot in this self-reflection part. So do I really need it? Am I able to execute this project next year? What do I have to do to prepare for this project? Not only financially, but in terms of people, structurally. So I think this helps a lot in this self-reflection and the follow-up, also thinking (E4).	Internalization – secondary socialization of a manager Internalization - self-reflection Externalization and Objectification – what do I have to do to prepare for this project Internalization – follow-up
It's you keeping the company financially on track. It's you knowing how far you can go and being able to control it for the next period. You have a goal, you know for that goal how much you can spend and how much you can spend. So you can control it. You can know if you are in or out, and then you can have the company in your hand. You don't manage the company in the dark, you manage the company 'in the light' (E8).	Internalization - maintenance of budget reality

Source: Research data

the MCS instruments and, more specifically, budget planning and control, revealing their importance in this context (Salvato & Moores, 2010).

Budget planning and control express the preferences of owners and managers symbolically, by being means of conversation, expression of values , and language of consensus. They are characterized as a form of consensual communication between those involved with management, as well as standardization of this communication. By observing the symbology inherent to the planning and budgetary control used in the company, it is clear that this reality was socially constructed when it was socialized through the actions of the predecessor and successor in interaction with the managers.

6. Final Considerations

The objective proposed for the investigation was to understand budget planning and control in the context of intergenerational succession in a family business from the perspective of its social construction. The results showed that the interest in implementing budget planning and control occurred from the knowledge and beliefs acquired by the successor. Specifically during his secondary socialization, this gave him confidence and legitimacy as a leader and manager. It was also constituted as a means of communicating their expectations and worldview, evidencing the development of a new set of subjective meanings

It can be seen from the evidence that the budget has become relevant to management. This does not prevent us from looking at the unintended consequences of budget planning and control in terms of conflicts and cultural clashes, specifically in the commercial area. It became evident that the commercial area needs to undergo a (de)learning process, that is, conditions of trust and stability need to be rebuilt (Bracci & Maran, 2012).

The founder and successor attributes are considered predictors of successful succession, as well as critical variables for the succession process. At this moment in the succession process in which the successor's leadership is still subordinated to the founder, cooperative actions between founder and successor open to the exchange of ideas that go beyond the father and son relationship are relevant. This can take advantage of budget planning and control and other MCS instruments to support the process aimed at the continuity of the company.

As a consequence of the results found in the study, theoretical, practical, and social contributions stand out. As a theoretical contribution, the study advanced in the literature on family businesses, succession, and MCS when dealing with the role of budget planning and control in the succession process based on the social construction of this reality through the theoretical lens of Berger and Luckman (2014).

In terms of practical contribution, the research made it possible for founders, successors, and managers of the investigated company to reflect on how the budget planning and control instrument helps managers in their daily activities in a succession context, characterizing itself as a symbol of the legitimacy of the successor's leadership and sustainable continuity. from the company.

As a social contribution, the study provides examples, for family managers and entrepreneurs who are considering, planning, or experiencing succession, of how budget planning and control or other MCS instruments can positively contribute to the success of the succession process.

It is recommended that further research be carried out in family businesses to broaden the understanding of the succession process and its relationship with budget planning and control or other MCS instruments. As well as the socialization between founders and heirs. As limitations, we highlight the bias in-

herent to the researchers' experiences, the self-report, and the perception of the interviewees, in addition to the transversal data collection on a phenomenon that is understood to have a longitudinal nature.

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