Truces (re)construction at the boundaries of budgeting routines

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Abstract

Purpose – This study aims to contribute to routine dynamics literature and organization process practices. The main objective is to identify different ways organizational members (re)construct truces at the boundaries of budgeting routines where (re)plannings face scarce resources and, consequently, require modifications in routines.

Design/methodology/approach – The research adopted the phenomenographic theoretical-methodological approach to investigate from a process perspective. Twenty-two professionals from 17 companies were interviewed about their experiences with budgeting. Three conceptions and six explanatory dimensions were organized systematically on a conceptual map, which provided insights for three new propositions.

Findings – Three conceptions about truce (re)construction were found: "authority subjection" denotes an obedient behavior toward centralized orders for budget cuttings; "prudent assimilation" explains how some specific routines are preserved from resource reduction; and "participatory interactions" stand for exhaustive and participative efforts for negotiations beyond routine frontiers. Three theoretical propositions are also presented: "awareness of systemic complexity" may strengthen arguments for negotiations; "team's collective configuration of relationship networks" reinforces collective attributes; and "social-based learning" may be developed through truce (re)construction.

Research limitations/implications – Jorgüen Sandberg, who brought the phenomenographic approach to Organization Studies in 2000, stances that it is not assured that conceptions cover all varied forms of the phenomenon.

Practical implications – Implementing these findings in organizations may improve commitment to ecology of routines and decentralized decisions with a sense of responsibility for financial plans.

Social implications – This study encourages transparency and ideas for cost-efficient resource use.

Originality/value – This study provides advance knowledge about truce in routines while encompassing its ecology.

Keywords Organizational routines, Truce, Interdependencies, Budgeting, Process perspective, Procedural perspective

Paper type Research paper

Introduction

Studies from a process perspective take the lens of practice to understand how practices are accomplished. The focus on organization routines' (OR) ongoing work may improve

knowledge about how they are reinforced or changed by their multiple agents (Parmigiani & Howard-Grenville, 2011).

Budgeting routines, known as the "financial plans" of organizations, cause professionals to enact interrelated practices to make decisions while they look to the short-term future (Merchant, 1998; 2007. These OR establish future figures and target sales forecasts, resource allocation, production plans and other within organizations (Ekholm & Wallin, 2011; Mucci, Frezatti, & Dieng, 2016; Sponem & Lambert, 2016). Budgeting discussions highlight the relevance of understanding *how* these practices are enacted, pointing out concerns about dysfunctional actions that its participants may take and how they avoid their decisions from becoming rapidly outdated (Hope & Fraser, 2003a; Ekholm & Wallin, 2011).

The main functions of the budgeting routines take place on recursive movements between the planning activities (performed *ex ante*) and the monitoring/controlling/dialog activities (performed *ex post*). In this sense, the "planning" budgeting function defines, for example: what volume to produce, how much a manager may spend, as well as how many people they can contract. Plannings are commonly repeated throughout the year due to variations detected between the actual results and planned figures. Organizations combine the annual budget practices with these other short-term forecasts to update decisions (Merchant, 1998; Ekholm & Wallin, 2011).

Budgeting routines can be recognized as a set of OR (Kremser & Schreyögg, 2016) that are interdependent with several other operational OR. Then, whatever is decided in each budget (re)planning can enable or disable the activities of other OR, making them perform their internal dynamics (Feldman, Pentland, D'Adderio, & Lazaric, 2016).

The notion of routine dynamics is well-established (Howard-Grenville & Rerup, 2016). However, Spee, Jarzabkowski, & Smets (2016) point out that discussions about how to deal with conflicts among routine participants in terms of their flexibility remain and that inter-relationships between routines requires attention given that participants of interdependent routines can face discrepancies about what they understand as the ideal for their routines. Thus, studies about conflicts between interdependent routines may help in understanding the standardization and flexibility of routines. In this sense, methodologies that focus on redesigning each routine separately may cause turbulences or interruptions in other interdependent OR that were not analyzed jointly (Pentland, Recker, & Wyner, 2016).

Participants in the various OR who are involved in the budgeting routines need to be coresponsible for both (1) the partisan estimations and interests of the OR they perform and (2) result-oriented budget targets at the organizational level (Hope & Fraser, 2003a). So, the boundaries of budgeting routines can become potential arenas for disputes over the objectives and goals (re)defined. However, how the budgeting decision-makers' mindset changes to act more interactively, business-needs-driven and learning-oriented remain under-explored. Besides, this new mindset can improve effective resource allocation and avoid previous gaming behavior (Bourmistrov & Kaarbøeb, 2013).

This study aims to contribute to the routine dynamics literature focusing on the truce topic. Researchers in the routine dynamics field note that major changes in routines can jeopardize existing truces to the point of awakening latent conflicts (Salvato & Rerup, 2018; Zbaracki & Bergen, 2010).

Therefore, the present work adopted the theoretical-methodological approach of phenomenography (Marton & Booth, 1997) to understand how routine participants (re) construct truces in dynamics *in* and *between* interdependent OR with the central question:

Q. How do professionals working in budgeting perceive the (re)construction of truces at the boundaries of budgeting routines?

This research focused on private company business budgeting. It should be noted that while this work adopted a micro, processual perspective, budgeting processes are often affected by the macroeconomic and business environment given that crises lead to a widespread reduction in demand and availability of capital (Becker, Mahlendor, Schäffer, & Thaten, 2016). During this research period, Brazil fit into this somewhat delicate economic status of crisis, with uncertainties in its political and economic environment (BCB, 2019, 2022).

The process perspective keeps in mind that OR are entwined with several artifacts (D'adderio, 2008; Pentland et al., 2016). For example, beyond the budget itself, considered a managerial instrument, artifacts related to budgeting routines considered in the present work were financial statements such as profit & loss, among others.

The objective of this research under the process perspective of routine dynamics is to identify different ways organizational members (re)construct truces at the boundaries of budgeting routines, in which (re)plannings face scarce resources and, consequently, require modifications.

This study is structured into six sections. After this introduction, the theoretical background of organizational routines will be presented followed by some budgeting theoretical background to indicate its relevant aspects. The third section is the methodology with the next sections being the main findings, the discussion and final remarks.

Theoretical background

Organizational routines: dynamics and truces

Originally, routines were viewed according to their rule-mediated, normative, repetitive and predictable characteristics. However, in light of practical theories, highlighting the role of agency in routines and the notion that a routine is "a process and not a thing," Feldman (2000, 2003) and Feldman & Pentland (2003) theorized about the recursion between the ostensive and performative constituent aspects of routines, which later came to be understood as "flexible" (Feldman et al., 2016).

In the past two decades, researchers studying the routines' endogenous flexibility from the processual perspective have built the field known as *routine dynamics* (Feldman, 2016).

Recently, researchers in routine dynamics alerted that routines do not happen in isolation. Thus, from a processual approach, there is room to better understand the interrelationship and the conflicts between interdependent/multiple routines whose bundle forms an ecology with interactions that may be more or less generative (Kremser & Schreyögg, 2016; Howard-Grenville & Rerup, 2016; Spee et al., 2016). Conflicts remain subjacent and are part of changing routines.

The role of conflicts and truce in OR was discussed in the vital work of Nelson & Winter (1982) with the approach of routines as "entities" and not exploring their internal components (Howard-Grenville & Rerup, 2016). These authors (pp. 107–112) conceptualized the "Routines as Truce," in which managers are used to maintaining a path for relatively rigid routines and a state of "defensive alertness" to avoid the risk of collapsing the "internal political equilibrium" and the truce among the routine's participants since their different concerns are already known.

Salvato & Rerup (2018, p. 171) define a truce as:

> […] an implicit agreement among routine participants to perform the routine task (e.g., developing a new product) for a period of time while suspending disputes about how to perform the routine task that their diverging interests would otherwise engender.

The authors also point out a current interest in understanding how practitioners procedurally manage their contradictory ostensive orientations for long periods. Besides, Zbaracki & Bergen (2010) highlight the relevance of a better understanding of how truces are reestablished as routine agents need to proceed with the routine change/recreation.

OR literature shows that the artifacts are nonhuman agents entwined with OR and are essential for social life with premises embedded (D'adderio, 2008).

Budgeting

Budgeting is part of the organization's planning and control system, considered short-term financial planning, that estimates and details operational plans in monetary terms for a given period (Merchant, 1998, 2007). Budgeting is recognized as formally approved; it seeks to anticipate problems and represents what managers expect to be coordinated in terms of the activities of different parts of the organization over time (Kihn, 2011).

Budgeting has two main functions:

(1) operational planning, which takes place *ex ante* and estimates operating volumes and resource allocation; and

(2) monitoring/control/dialogue, enacted *ex post*, comprising performance evaluation and communication (Ekholm & Wallin, 2011).

The controlling activities that are conducted monthly throughout the year seek to identify the variations between the figures obtained by the organizations and those estimated on the last planning turn. Whenever deviations from the target are identified, discussion and (re) planning are requested (Merchant, 1998). Regarding budgeting functions, Mucci et al. (2016) discussed their importance when researching a Brazilian energy company in a scenario of investment reduction, while Lepori and Montaui, (2020) commented that although the controlling function represents rigidity, budgeting flexibility provides organizational learning.

Traditional annual budgeting has been combined with new forms of estimation for short terms: *rolling forecasts, forecasting* and *activity-based budgeting*, which are frequently used to avoid information mismatching in volatile environments, target redefinitions, decentralizing practice and to improve cost control (Hope & Fraser, 2003a; Ekholm & Wallin, 2011; Sponem & Lambert, 2016). In addition, Hope & Fraser (2003a) advocate that such decentralization processes may avoid dysfunctional managerial behavior, for example, prioritizing personal goals.

Bourmistrov and Kaarbøeb (2013) commented that organizations remain practicing large-scale budgeting routines, despite the turbulent environment. These authors highlight the relevance of better understanding how the line managers' mindset has been changing because they see themselves as more empowered and responsible for estimations while dealing with more dynamic ways to allocate resources.

Method

This interpretative research adopted the phenomenographic theoretical-methodological approach, which is based on the experiences that individuals had with a phenomenon and embraces these interviewees' viewpoint (Marton & Booth, 1997). The use of phenomenography for organizational studies began with Sandberg's (2000) work and continues to grow in this context (O'Leary & Sandberg, 2016; Rocha-Pinto, Jardim, Broman, Guimaraes, & Trevia, 2019). Furthermore, the phenomenographic approach for social sciences is appropriate for investigations on routine dynamics because it assumes that

practice is embodied *in* and *intertwined with* materiality and is context-dependent (Marton & Booth, 1997).

The categories of description identified in phenomenography studies represent different qualitative ways different people may perceive the same phenomenon and are the component fragments of this phenomenon (Marton & Booth, 1997). These categories are called "conceptions" and represent collective meanings that emerge from data by interactive analysis of the interviews' transcripts (Akerlind, 2005). The term "conceptions" combines a perception–thought–action trinomial (Cherman & Rocha-Pinto, 2016), respecting the second-order perspective instead of directly describing the phenomenon (Collier-Reed & Ingerman, 2013). These conceptions are systematized in a logical structure (inclusive and hierarchical) and are presented as a theoretical map named *outcomespace*. Explanatory dimensions explain the distinctions between each conception and the degrees of complexity (Cherman & Rocha-Pinto, 2016).

This research sought to understand the various ways of (re)constructing truces at the boundaries between budgeting routines and other interdependent OR. The central question was: *How do professionals working in budgeting perceive the (re)construction of truce(s) at the boundaries of budgeting routines?*

A varied sample of interviewees is recommended for phenomenographic studies to cover a wide range of examples of different experiences with the phenomenon (Marton & Booth, 1997; Sandberg, 2000). Table 1 provides the list of the professionals interviewed. The 22 interviewees invited for this research were intentionally selected as they are experienced with budgeting routines. They worked in Brazilian subsidiaries of 17 companies covering 11 different industries (O'Leary & Sandberg, 2016). The interviews were conducted from April to June 2019 with a script previously validated by four phenomenographic specialists jointly

Interview	Industry	Gender	Years of career	Origin	Actual role
I1	Oil & gas	Female	25	USA	Business Control Manager
I2	Pharmaceutical	Female	20	England	Finance Director
I3	Oil & gas	Male	18	Brazil	#
I4	Education services	Male	20	Brazil	TI Manager
I5	Mining	Female	>20	Brazil	Business Manager
I6	Oil & gas	Male	13	USA	Business Controller
I7	Hospitality	Female	25	USA	Commercial Director
I8	Education services	Female	28	Brazil	Controller Coordinator
I9	Medical services	Female	30	Brazil	Finance Manager
I10	Construction	Male	17	France	Supply Chain Director
I11	Pharmaceutical	Male	24	USA	Controller
I12	Pharmaceutical/Cosmetics	Female	25	France	HR Director
I13	Pharmaceutical/Cosmetics	Female	22	France	Finance Director
I14	Mining	Male	15	Brazil	Facilities Manager
I15	Education services	Female	17	Brazil	Controller
I16	Medical services	Male	18	USA	Finance Director
I17	Foods	Male	28	USA	Commercial Manager
I18	Cellulose	Male	11	Brazil	Strategic Plan Specialist
I19	Telecommunications	Female	25	Brazil	Commercial Planner
I20	Pharmaceutical	Male	15	England	Marketing Manager
I21	Insurance	Female	15	Italy	IT Projects Coordinator
I22	Insurance	Male	17	Italy	IT Manager

Source: Created by the authors

in a meeting. The intermediary questions asked for examples of difficulties with budgeting routines. The interviews lasted an average of 50 min (ranging from 36 to 85 min). The theoretic saturation was achieved before the 20th interview (Sandberg, 2000; O'Leary & Sandberg, 2016). About half of the respondents worked in finance routines, while the other half worked with diverse OR/areas such as sales, supply chain, marketing, HR, strategic planning, procurement, IT and shared services (Table 1). Inviting these nonfinancial professionals reinforced the conflicting interest context.

This inductive phenomenographic work transcript analysis searched for similarities and differences in the meanings exposed by interviewers to identify what is tacit and subjacent (Akerlind, 2005; Marton & Booth, 1997). Through the analysis of the transcripts, quotes with similar meanings were grouped and gathered in a pool of meanings (Akerlind, 2005; Marton & Booth, 1997) (Table 2). Three conceptions and six explanatory dimensions were identified parsimoniously and iteratively, representing meanings at a collective level (i.e. not related to an individual attribute) (Collier-Reed & Ingerman, 2013). Table 2 shows the methodological path of the present research.

Phenomenography is not limited to being a method as analyzing the relationships between conceptions can provide insights into theoretical propositions (Collier-Reed & Ingerman, 2013; Rocha-Pinto et al., 2019).

Main findings

This phenomenological empirical research investigated the varied ways of truce (re) construction at the boundaries of budgeting routines. These conceptions represent the different logically related ways of perceiving the phenomenon (Akerlind, 2005) of truce's (re) construction in routines since truces are not only stable but possibly breakable whenever latent conflicts are awakened by significant modifications in routines (Zbaracki & Bergen, 2010). Furthermore, this study aimed to advance the current understanding about the truce *in* and *between* interdependent routines.

According to interview transcriptions, the professionals confirmed their participation in repetitive planning cycles (forecasts) whose frequency and difficulties were aggravated by the economic crisis since the organizations were not achieving their goals of operational profit. Thus, most of the interviewees (except one) narrated experiences of discussions searching for savings (reductions on the OR level of expenses for daily activities while OR deliveries remained). Consecutively, these "cuts" demanded diverse operational and support routine modifications.

Interviewers	Script	Field (interviews)	Data treatment and analysis	Findings
• Variated involved in budgeting • 22 people	• Previously validated by phenomenographic researchers • One pilot interview	Conflicts were promptly narrated by interviewers when asked about difficulties in budgeting	• Contrast analysis of similarities and differences in meanings • Collective meanings • "Pool of meanings"	• Three conceptions • Six explanatory dimensions • Three propositions

Table 2.
The methodological path

Source: Created by the authors

This phenomenographic research identified three conceptions, which describe how professionals (re)construct a truce to end disputes over budgetary resources in order to proceed with the financial plans' definitions.

Table 3 demonstrates the three systematized conceptions and the six explanatory dimensions that clarify *why* and *how* of structure and meanings and the growing complexity degrees related to the interviewer's focal awareness. The six dimensions identified are as follows:

(1) The Nature of Power dimension is intervening in the way professionals relate to each other and undertake their actions. It starts with a centralized nature of power in a single instance of authority and flows to a nature where the power is distributed (horizontalized).

(2) The Agency's Manifestation dimension concerns how professionals make choices to undertake their actions. This notion was inspired by the agency approach pointed out by Feldman & Pentland (2003) then reelaborated in this work in terms of the degree of complexity that manifests it.

(3) The Commitment in Ecology dimension concerns the perceptions about how professionals contemplate the interrelationships and the respective possible multiple effects for the interrelated routines that make up ecology.

(4) The Transparency Valorization dimension involves the clarity and completeness of the information disclosed for the budgeting discussions and estimations. It also considers accountability for what happened.

(5) The Budget Cycles dimension concerns how the organizational structures can influence the relationships and the truce (re)construction. It goes from the reinforcement of centralized decisions to the encouragement of broader involvement in the decision-making process.

(6) The Domain expertise in Budget Artifacts dimension refers to the degree of knowledge of the economic-financial language as well as the expertise in the artifacts: financial reports, spreadsheets, systems, and others.

First conception: authority subjection

The first conception known as authority subjection views the (re)construction of truces happening because the OR participants abide the budgets cuts and recognize the centralized authority power. They behave obediently. The agency of employees in this concept is limited because they do not feel as coresponsible for budget planning. However, as they comply with the standards, they express enough agency to reactively make adaptations in OR, acting according to the top-down ordered cuts. Then they practice an *effortful accomplishment* to modify the OR affected by those cuts (Feldman & Orlikowski, 2011).

We found several examples of acceptance of the hierarchical mandatory determinations about the cuts on expenditures. However, further analysis identified that this obedience corresponded mostly to a recognized centralized authority such as finance/controlling teams who, though in a parallel position, used to coordinate the budgeting routines and presented the domain expertise of the economic-finance language of the budget artifacts.

In this conception, the participants' views contemplate only their side of the boundaries, so they were perceived as incapable of glimpsing the interrelations between OR in the ecology and not acknowledging the financial techniques involved in budgeting discussions.

The conceptions	Authority subjection	Categories of description – the conceptions	
		Prudent assimilation	Participatory interactions
	• Mandatory definitions • Obedience to adapt routine activities according to budget cuttings	• Assimilations that it is prudent to maintain OR without changes (without resources reductions) due to potential risks for the organization	• Continuous and exhaustive participatory efforts to negotiate beyond routines' boundaries
Explicative dimension:			
Nature of power	Centralized		Distributed
Agency's manifestation	• Obedient • Adapt OR	Related to specific know-how and experience • Persuade about priorities • Assimilate with prudence	• Cross boundaries to negotiate collaboratively
Commitment ecology	Limited to only one routine	Partial	Considers interdependencies
Transparency valorization	NA	Perceived on planning	Perceived on planning, with accountability
Budget cycles	Conducts centralized decisions	Reinforces domain expertise	Promotes broader participation
Domain expertise in budget artifacts	Gaps in finance language	Values domain expertise	Also values learning on the job place

Source: Elaborated by the authors

Table 3.
Outcomespace

The budgeting cycles (meetings, systems, delegations) reinforce a centralized control of budgeting information.

The testimonies given by respondents I18 and I13 illustrate how professionals from different routines accept budgetary definitions from a centralized authority without participation in their elaborations.

> Budget preparation and execution are top-down with governance and management. This is defined by the shareholder and is carried out by the people. A discussion that is not democratic. (I18)

> There is a [steady] respect for what they [the finance professionals] say. They are seldom questioned because they are based on rules. (I3)

In this conception, testimonies do not consider possible economic/financial learning improvements for some budgeting routine participants. For example, I18 explains that: "the base of the pyramid has difficulties in financial concepts," while I15 says: "They can't see the problem of the company as a whole."

Second conception: prudent assimilation

The second conception, named prudent assimilation, assumes that the (re)construction of truces happens because organizational members prudently do not restrict the allocation of budget resources to specific OR, which is seen as essential for preventing/reacting to contingencies or external influences that may negatively affect the performance of others OR and even the very continuity of the organization. In addition, this type of OR requires that its practitioners possess specific expertise such as information technology, legal and environmental safety.

In this conception, while the professionals with the mentioned domain expertise try to persuade others about their priority on resource allocation processes, the latter assimilate (and "agree") to their arguments.

Some other OR were also recognized in this conception when their experienced practitioners used similar persuasion arguments to immunize their specific activities against resource cuts. Such behavior was seen in examples of routines linked to using merchandising materials, customer attendance and road transportation to clients. Participants of those market-oriented routines give alerts about the risk of losing revenues if the current routine is modified.

The agency's manifestation dimension is perceived when those professionals with specific domains argue that OR modifications may generate further worse consequences to the organization such as an information technology breakdown. Organizational members with this prudent assimilation conception value the transparency of information estimations but are not perceived to be accountable for incidents of "overspending" in the past.

So, in this category, agency manifests through a practitioner's ability to leverage the power of their specific expertise. Then, this nature of power remains in the hands of those professionals with particular domains.

Interviewee I10's report demonstrates the broad consent that the area of safety in road transportation has priority over resources:

> No manager will feel comfortable saying: "Cut [safety road transport expenses]" [. . .] I am responsible for my budget. I don't need to ask for authorization from finance (I10).

Similarly, the I5 interviewee affirmed that the company's legal department has no restriction on budget resources: "it's like a bottomless bag":

I have my budget with everything I imagined for the year because I have a separate cost center [. . .] I can't tell the company that I don't have enough resources to defend a criminal or civil legal process. [. . .] In my business account, my budget has no limit. (I5)

Interviewee I21 explains that priority is given to Information Technology, even if expenses with equipment, software, or services are higher than expected:

I've never seen it happen there: to stop an IT project because of budget cuts. IT projects are never interrupted due to budget. [. . .] What [really] happens is the opposite; we estimate "x" but spend "y". (I21)

Interviewee I20 expresses that in the commercial and trade marketing areas, though sales estimations are "usually optimistic," changes in plans do not reduce resources because it is perceived that changes in routines could reduce revenues even more.

I never went through an acute case of budget cut [. . .] the communication of the point of sales and sell-out activities are well perceived by almost all areas of the company. It is understood as something important. If your intention is to grow in retail, you need to do things at the point of sale [. . .] because it is very risky. (I 20)

Third conception: participatory interactions

The third conception called participatory interactions provides that the (re)construction of truces occurs through interactive practices that seek to be as anticipated, exhaustive and participatory as possible so that the participants can negotiate while dissolving boundaries temporarily. Thus, the truce (re)construction can occur when practitioners share information transparently and with an insight into the effects of budget decisions both among routines and at the organizational level.

This conception was identified as the most complex and its manifestations of agency values self-management as opposed to the exercise of power, meaning that budgeting practices are perceived as decentralized and accountability is highly valued in terms of information transparency and coresponsibility, both in *ex ante* planning activities and accounting about performance or troubles in place. The professionals involved in these discussions intend to balance the divergent objectives collaboratively by negotiating exhaustively.

The structural conditions in the budget cycles favor the standardization of ostensible decentralization. In addition, the routine participants are perceived as being encouraged to learn at work, about the financial language linked to budget artifacts.

In this conception, Interviewers I12 and I11 perceived that budget discussions are integrative and participative while transparency is valued. They remark on a sense of responsibility for the estimates (also doing predictive alerts):

The great connection that [our] area has with finance is to show risks and opportunities in the most transparent and honest possible way. [. . .] Isn't it better for us to show the bursts at the moment and work to compensate for them than to deceive ourselves? (I12)

We have Opex meetings with the areas. [. . .] I see each department as responsible for its budget. [. . .] We report the budget, but we also report the risks and opportunities, putting a percentage of probabilities. (I11)

The following statement illustrates how budget cycle structures support the participation of professionals from different areas and levels in budget discussions:

Last October we brought together all areas of the company. [. . .] This exercise involves everything from the company's committee to the sales reps. [. . .] We are taking the [positive] outputs of this now. (I2)

This concept of participatory interactions can dialogue with the findings of Salvato & Rerup (2018, p. 31) in terms of regulatory actions giving voice and interactions "to build mutual understandings across the limits of each OR." In addition, the interactions generate the "goodwill" of making concessions to each other.

The present work can elucidate how much the perceptions of different natures of power are at stake in the different ways of (re)constructing the truce. In addition, it suggests the different instances that can be reached depending on the degree of commitment to ecology and transparency.

Table 3 demonstrates the *outcomespace,* which is a conceptual map that systematizes the categories of descriptions identified in this phenomenographic work, also showing each explanatory dimension.

Propositions

This work proposes to contribute beyond the results systematized in the *outcomespace* (Table 3) with some theoretical conjectures, so this research includes a further cross-analysis between conceptions, which generated three theoretical propositions, which are as follows:

Proposition about awareness of systemic complexity (ASC)

ASC of ecology can improve the defense of a specific agenda of interests along the truce (re)construction process. This ACS developed from participatory interactions can expand the capacity to support arguments and mobilize people/mechanisms for negotiations.

By repeating participatory interactions, an ASC may be developed with a better understanding of the interests at stake in the routine interconnections. It also reveals the trends and complexities of other OR beyond the boundaries. Besides, ASC can favor the professionals in arguments to defend their plans and agendas in future negotiations.

The broadest commitment to ecology and power dilution, both expressed in participatory interactions together with structures and information sharing, may reinforce a new managers' mindset of responsibilities (Bourmistrov & Kaarbøeb, 2013) while preventing organizational risks from collapsing and losing the capacity to coordinate budgeting routines in the face of the movement toward decentralizing responsibilities (Bourmistrov & Kaarbøeb, 2013).

Proposition about the collective configuration of relationship networks

The competence collectively developed through the construction of relationship networks in routines can help the teams carry out participatory interactions to (re)construct truces through these networks. At the same time, by behaving according to the collective efforts of this conception, teams may manage the network more efficiently.

This proposition focuses on the collective configuration of teams with competences collectively formed while performing their routines. The network relations developed by these teams (Broman, Ruas, & Rocha-Pinto, 2019) can support and conduct the organizational members in the relational aspect and in valuing transparency.

Also, collective negotiations with adjacent routines are characterized by cooperative behavior and fluidity in team responsibilities, so these "more cooperative" negotiations show less internal competition among team members (Le Boterf, 2014). These teams can also demonstrate a collective competence-forming attribute defined by Retour & Krohmer (2011) as *subjective engagement,* in which the participants of those teams feel responsible for their actions and are collectively engaged in solving problems.

Proposition about learning in participatory interactions

A learning process is developed by the repetitive practice of participatory interactions among professionals that work in different boundaries of interdependent OR, which may contribute to more dynamism in truces once its subjacent conflicts are revealed and may be considered in further routine negotiations.

Participatory interactions, as arenas that involve several professionals in an environment of conflicts and negotiations, are configured as situations wherein learnings can be understood by a social learning approach (Brandi & Elkjaer, 2011). To achieve this experience-based learning, individuals need to understand the consequences of their actions and relate them to both their past and future experiences.

The learning processes developed during the participatory interactions encompass the best knowledge of the "others' reality" so that future negotiations can be more conciliatory, with transparency, a more effective exchange of information, and a willingness to listen to the other side. In addition, this process of "learning by doing" on a social basis can contribute to future truces dynamics and to the generativity of routines (Sele & Grand, 2016).

Discussion

This work's main contribution is to present theoretical and practical propositions to support advances in the knowledge about the subtheme of truce, currently discussed in the literature of dynamic routines, considering that OR are flexible and have diverse interdependencies (Howard-Grenville & Rerup, 2016; Feldman et al., 2016; Salvato & Rerup, 2018).

This phenomenographic investigation aimed to identify conceptions about how professionals (re)construct truces at the boundaries of their interdependent routines when conflicts among them emerge due to significant endogenous changes in the OR that lead to existing truce collapses (Zbaracki & Bergen, 2010). Then, with a process perspective, this research presented three categories of description (named "conceptions") about the different ways to (re)construct truce *in* and *between* OR. In this sense, we conceive these truces need to be (re)constructed to proceed with the proposed changes in OR.

Most interviewees narrated experiences of rivalry that started/emerged because organizations were facing financial results below targets, making it necessary to reduce the level of resources previously allocated to diverse OR activities. Consequently, these routines needed to be adapted/recreated to face the new situation (the same level of requests, but with fewer expenses) as "effortful accomplishments" (Feldman & Orlikowski, 2011).

The three conceptions identified in this work describe the ways that truce is (re)constructed, as well as highlight an increasing awareness of OR interdependencies in each conception. The participants with the first conception of authority subjection do not show commitment in ecology and still do not feel "coresponsible" for the financial planning, but the ones for the most complex conception of participatory interactions promote that the decisions shall be decentralized. This agent awareness of interrelated routine interests may prevent a novelty from disrupting other routines (Sele & Grand, 2016).

The three conceptions and the theoretical propositions may also be seen as a practical contribution as managers can promote organizational practices by following directions and the systematized way the conceptions are interrelated as shown in Table 3.

The social learning on interactions and the competences collectively formed on networks may help professionals understand better "how" and "where" OR limits are. Meanwhile, the ASC may improve team negotiations, anticipate the consequences of each part's interests in ecology, acknowledge technology's roles across interrelated routines and mobilize people and institutional mechanisms in each part's favor. These improved ways in which teams may perform routine flexibilities may address Pentland et al. (2016)

alerts about OR limits being ill-defined, i.e. whose multidimensional interdependencies are entangled with artifacts.

The second theoretical proposition addresses the performance in the collective of teams that are "collectively competent." Thus, these teams have building relationship networks competences that are collaborative, value transparency, are capable of self-organizing and come with a desire to replace/help each other whenever necessary, showing an attribute of collective competency of a subjective engagement (Retour & Krohmer, 2011). These collectively competent networks may improve how teams deal with conflicts that reemerge while routines are modified such as the disputes that Zbaracki & Bergen (2010) detected on price adjustment routines.

The third theoretical proposition discusses the learning developed through negotiation experiences as practice-based learning (Brandi & Elkjaer, 2011), enabling the participants of different routines to broaden their understanding of the interests and conflicts in place, which endorses allegations that OR are a *locus* for learning (Parmigiani & Howard-Grenville, 2011).

These propositions may help the analysis of findings in studies located in situations when departments/companies face scarce resources and where there may be scenarios for conflicts. Regarding resourcing theories, Schneider, Bullinger & Brandl (2021) discuss when employees take organizational assets as applicable or reelaborate them in tense situations such as working directly with end customers. Taking the resourcing perspective at a microlevel resourcing as a dynamic process, the routine participants with ASC may be more skilled in improving network ideas about using resources "cost-efficiently."

Final remarks

The results presented in this work contribute to organizational practices since managers may implement guidelines expressed by the dimension of ecology commitments, supporting initiatives that improve decision decentralization and share a sense of responsibility for their financial plans and targets. So, to engage and develop participatory interactions, managers may decide to encourage behavioral aspects that value information transparency, a sense of being accountable and openness to continuous learning, along with the will to collaborate.

The present research conducted in the empirical field of budget routines highlighted how a mutual power/agency configuration affects different ways to (re)construct truces, disseminating a holistic notion of the organization.

Future research may investigate the instability of truces in OR under the new agile methodologies that are being widely implemented in organizations. The Mckinsey (2019) executive paper (p. 7) states that agile projects fail due to a lack of attention to the budgeting backbones.

Alternatively, new investigations may adopt the process perspective to study the resourcing practices in conflicting situations of scarce resources during an economic crisis. In other words, explore how professionals behave to creatively reelaborate the assets in use while needing to make truces.

Considering the current context of a global economic crisis (BCB, 2022), the emergence of conflicts, as discussed in this research, will most likely not slow down in the coming years. Instead, the relationship among the multiple actors and how they behave collectively to minimize disputes on their routine dynamics may be put in the spotlight.

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Further reading

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