RAE Journal of Business Management

RESEARCH AND KNOWLEDGE
V. 60, N. 5,
September–October 2020

fgv.br/rae

FGV | SAO PAULO SCHOOL OF BUSINESS ADMINISTRATION

ARTICLES

Reinventing everyday life: Consumption practices analysis under Certeau's optics
Fernanda Guarnieri | Francisco Giovanni David Vieira

Shareholder concentration, board structure and executive remuneration
Maria Rafaela de Oliveira Freitas | Gustavo Magno Pereira | Alessandra Carvalho de Vasconcelos | Márcia Martins Mendes De Luca

Alliance portfolio and innovative performance of Brazilian industry
Frederico G. P. Moreira | Ana L. V. Torkomian | Herick Moralles

Bad (good) news and delay (anticipation) of financial statements' disclosure
Anderson Brito Vivas | Felipe Ramos Ferreira | Fábio Moraes da Costa

PERSPECTIVES

The future(s) of work
Gazi Islam

The future of work in Brazil: Looking after institutions
Wilson Aparecido Costa de Amorim

BOOK REVIEW

Artificial intelligence, work and productivity
Rodrigo Brandão

Violence and power: Criticism of racism and anti-racist utopia
Pedro Jaime

BOOK RECOMMENDATION

The race issue in Brazil
Pedro Jaime

CONTENTS

EDITORIAL

310 THE FUTURE OF WORK AND THE WORK OF RESEARCHERS
O futuro do trabalho e o trabalho do(a) pesquisador(a)
El futuro del trabajo y el trabajo de los investigadores
Maria José Tonelli | Felipe Zambaldi

ARTICLES

311 REINVENTING EVERYDAY LIFE: CONSUMPTION PRACTICES ANALYSIS UNDER CERTEAU'S OPTICS
Reinventando o cotidiano: Análise de práticas de consumo sob a ótica de Certeau
Reinventando la vida cotidiana: Prácticas de consumo bajo la óptica de Certeau
Fernanda Guarnieri | Francisco Giovanni David Vieira

322 SHAREHOLDER CONCENTRATION, BOARD STRUCTURE AND EXECUTIVE REMUNERATION
Concentração acionária, conselho de administração e remuneração de executivos
Concentración accionaria, junta directiva y remuneración de ejecutivos
Maria Rafaela de Oliveira Freitas | Gustavo Magno Pereira | Alessandra Carvalho de Vasconcelos | Márcia Martins Mendes De Luca

336 ALLIANCE PORTFOLIO AND INNOVATIVE PERFORMANCE OF BRAZILIAN INDUSTRY
Portfólio de alianças e desempenho inovador da indústria brasileira
Portafolio de alianzas y el desempeño innovador de la industria brasileña
Frederico G. P. Moreira | Ana L. V. Torkomian | Herick Moralles

352 BAD (GOOD) NEWS AND DELAY (ANTICIPATION) OF FINANCIAL STATEMENTS' DISCLOSURE
Más (boas) notícias e postergação (antecipação) de divulgação de demonstrações financeiras
Malas (buenas) noticias y postergación (anticipación) de divulgación de estados financeiros
Anderson Brito Vivas | Felipe Ramos Ferreira | Fábio Moraes da Costa

PERSPECTIVES

365 THE FUTURE(S) OF WORK
Futuro do trabalho
El futuro del trabajo
Gazi Islam

371 THE FUTURE OF WORK IN BRAZIL: LOOKING AFTER INSTITUTIONS
Futuro do trabalho no Brasil: Cuidar das instituições
El futuro del trabajo en Brasil: Cuidar las instituciones
Wilson Aparecido Costa de Amorim

BOOK REVIEW

378 ARTIFICIAL INTELLIGENCE, WORK AND PRODUCTIVITY
Inteligência artificial, trabalho e produtividade
Inteligencia artificial, trabajo y productividad
Rodrigo Brandão

380 VIOLENCE AND POWER: CRITIQUE OF RACISM AND THE ANTIRACIST UTOPIA
Violência e potência: Crítica do racismo e utopia antirracista
Violencia y poder: Crítica del racismo y la utopía antiracista
Pedro Jaime

BOOK RECOMMENDATION

382 THE RACE ISSUE IN BRAZIL
Questão racial no Brasil
La cuestión racial en Brasil
Pedro Jaime

CC BY

ISSN 0034-7590; eISSN 2178-938X

EDITORIAL

Translated version
DOI: http://dx.doi.org/10.1590/S0034-759020200501



Maria José Tonelli
Editora-chefe



Felipe Zambaldi
Editor-adjunto

THE FUTURE OF WORK AND THE WORK OF RESEARCHERS

The Perspectives section of this issue discusses the future of work with the viewpoints of Gazi Islam and Wilson Amorim. Since the classic article "*Bringing work back in*", by S. Barley e G. Kunda (2001), the subject has been in and out of management studies' agenda. With the pandemics, the subject is back on the scene as homes being technologized for work productivity (for those who may telework, of course), work-home borders disappear, unemployment rises, companies' management systems being reorganized, among many other phenomena we are now experiencing. The growth of contract labor, as anticipated by Barley and Kunda (2004), is again in the foreground (Perreira, 2020). However, besides the changes in work organization and people management we also face difficulties doing research about the subject (Oltramari, 2020).

What does it mean to do research on work and what does the researcher's work mean today? In an interview to *O Estado de S. Paulo* newspaper, Fapesp's chairman Marco Antonio Zago (2020) says that "the world goes round because of scientific progress, not economy" and that while the cut in research funds has no immediate impact, it has serious consequences to the country in a 10-year horizon. Reducing funds for research is not an action without consequences. If we put together the lack of funds and the practical difficulties doing research on work (and many other vital phenomena in Business Management), then we may envision the future of work and the work of researchers in the country.

Doing science is hard work, but it pays off. Among its results are the articles you will find in this issue: *Reinventing everyday life: Consumption practices analysis under Certeau's optics*, by Fernanda Guarnieri and Francisco Giovanni David Vieira; *Shareholder concentration, board structure and executive remuneration*, by Maria Rafaela de Oliveira Freitas, Gustavo Magno Pereira, Alessandra Carvalho de Vasconcelos and Márcia Martins Mendes De Luca; *alliance portfolio and Brazilian industry's innovative performance*, by Frederico G. P. Moreira, Ana L. V. Torkomian and Herick Moralles; and *Bad (good) news and delay (anticipation) of financial statements' disclosure*, by Anderson Brito Vivas, Felipe Ramos Ferreira and Fábio Moraes da Costa; in the Perspectives section, *The future(s) of work*, by Gazi Islam, and *The future of work in Brazil: Looking after institutions*, by Wilson Aparecido Costa de Amorim; as for the Book Review section, we have *Artificial intelligence, work and productivity*, by Rodrigo Brandão, and *Violence and power: Criticism of racism and anti-racist utopia"*, by Pedro Jaime; finally, in the Book Recommendation section, books about *The race issue in Brazil* are suggested by Professor Pedro Jaime.

We wish that all who participate in the scientific community of Business Administration may continue with their research and teaching, which produce not only scientific articles but also the ability to think and solve complex problems like the ones we are experiencing now.

Enjoy your reading!

Maria José Tonelli[1] | ORCID: 0000-0002-6585-1493
Felipe Zambaldi[1] | ORCID: 0000-0002-5378-6444
[1] Fundação Getulio Vargas, Escola de Administração de Empresas de São Paulo, São Paulo, SP, Brazil

REFERENCES

Barley, S., & Kunda, G. (2001). Bringing work back in. *Organization Science*, *12*(1).

Barley, S., & Kunda, G. (2004). *Gurus, hired guns, and warm bodies: Itenerant experts in a knowledge economy*. Princeton: Princeton University Press.

Oltramari, A. (2020, setembro 19). *Os desafios da pesquisa sobre o trabalho na atualidade*. Nuevo Blog. Recuperado de http://nuevoblog.com/2020/09/19/os-desafios-da-pesquisa-sobre-o-trabalho-na-atualidade/

Pereira, J. L., Filho. (2020). *O futuro do trabalho e novos modelos de gestão de pessoas* (Tese de doutorado, FGV – EAESP).

Zago, M. A. (2020). *O Estado de S. Paulo*. Entrevista. Recuperado de https://sustentabilidade.estadao.com.br/noticias/geral,mundo-gira-por-causa-do-progresso-cientifico-diz-presidente-da-fapesp,70003445941

ARTICLES

Submitted 04.09.2019. Approved 03.19.2020
Evaluated through a *double blind review* process. Guest Scientific Editor: Alketa Peci
Translated version
DOI: http://dx.doi.org/10.1590/S0034-759020200502

REINVENTING EVERYDAY LIFE: CONSUMPTION PRACTICES ANALYSIS UNDER CERTEAU'S OPTICS

Reinventando o cotidiano: Análise de práticas de consumo sob a ótica de Certeau

Reinventando la vida cotidiana: Prácticas de consumo bajo la óptica de Certeau

ABSTRACT

The aim of this study is to understand how the frequency of attendance at outdoor exercise gyms by elderly people shapes their consumption practices and reinvents their daily lives. As a theoretical support, we adopted an interdisciplinary approach between postmodernism and consumer culture studies using Michel de Certeau's theory of everyday practices. Data for this qualitative study was collected through participant observation and interviews with elderly people who attended an outdoor exercise gym. Analysis followed the concept of interpretative research for organizing and categorizing information. The frequency of attendance at outdoor exercise gyms was shown to be a starting point for the reinvention of the daily life of elderly people. Reinvention of everyday life comes from new consumption practices that emerge by means of a new dynamic in their lives. Thus, we present a new possibility of theoretical investigation in consumer studies related to consumption practices.

KEYWORDS | Consumer Culture, post modernism, Michel de Certeau, Elderly, outdoor exercise gyms.

RESUMO

O objetivo deste trabalho é compreender como a frequência às Academias ao Ar Livre (AALs) por parte dos idosos molda suas práticas de consumo e (re)inventa o seu cotidiano. Como suporte teórico, adotamos uma abordagem interdisciplinar entre pós-modernismo e estudos de cultura de consumo com a teoria das práticas cotidianas de Michel de Certeau. A pesquisa é de natureza qualitativa, e as informações foram coletadas com idosos frequentadores de AALs. As análises seguiram a concepção da pesquisa interpretativista para organização e categorização das informações. A frequência à AAL revelou-se como ponto de partida para a (re)invenção do cotidiano dos idosos. Essa (re)invenção do cotidiano ocorre a partir de novas práticas de consumo que emergem por meio dos desdobramentos de uma nova dinâmica na vida deles. Ao final, indicamos nova possibilidade de investigação teórica em estudos de consumo relacionados com práticas, além da relevância apresentada no âmbito social.

PALAVRAS-CHAVE */ Cultura de consumo, pós-modernismo, Michel de Certeau, idosos, Academias ao Ar Livre.*

RESUMEN

El objetivo de este trabajo es comprender cómo la frecuencia de uso de los gimnasios al aire libre (GAL) por parte de los ancianos moldea sus prácticas de consumo y (re)inventa su vida cotidiana. Como soporte teórico, adoptamos un enfoque interdisciplinario entre posmodernismo y estudios de cultura de consumo con la teoría de las prácticas cotidianas, de Michel de Certeau. La investigación es cualitativa y las informaciones han sido recolectadas a través de observación participante y entrevistas con ancianos frecuentadores de GAL. Los análisis siguieron la concepción de la investigación interpretativa para organizar y categorizar las informaciones. La frecuencia de uso de GAL se ha revelado como punto de partida para la (re)invención de la vida cotidiana de los ancianos que ocurre a partir de nuevas prácticas de consumo que emergen desde de una nueva dinámica en sus vidas. Al final indicamos nuevas posibilidades de investigación teórica en estudios sobre consumo relacionados con prácticas.

PALABRAS CLAVE */ Cultura de consumo, posmodernismo, Michel de Certeau, ancianos, gimnasios al aire libre.*

FERNANDA GUARNIERI[1]
fernandamguarnieri@gmail.com
0000-0001-5645-7657

FRANCISCO GIOVANNI DAVID VIEIRA[1]
fgdvieira@uem.br
0000-0002-6204-0855

[1]Universidade Estadual de Maringá, Programa de Pós Graduação em Administração, Maringá, PR, Brazil

INTRODUCTION

Consumption has a central meaning in our daily practices. It allows us to place ourselves in society, (re)creating, (re)appropriating, (re)inventing, and (re)contextualizing meanings (Wattanasuwan, 2005). This perspective is part of the conception and ideas of post-modernism that consider consumption as production (Firat & Venkatesh, 1995). Through this perspective, the consumer is understood to be a creator whose actions are carried out through a cultural process (Thomas, 1997). In this context, everyday micro-practices are regarded as the aspects that best define the human condition, including its discontinuities, pluralities, chaos, instability, constant changes, and paradoxes (Venkatesh, Sherry,& Firat, 1993).

Thus, it is imperative to consider consumption as practice (Askegaard & Linnet, 2011). Consumption is similar to other practices in an individual's routine that are carried over time and space, and add meaning to his/her life (Røpke, 2009). Warde (2005) points out that the practices involve the appropriation and use of goods, services, and spaces, which interfere in the individual's understanding of the practices with which they were previously involved when thinking about consumption.

From the consumer perspective, practices have been studied based on different works, particularly Bourdieu (1977), Giddens (2009), Reckwitz (2002), Shove and Pantzar (2005), Warde (2005), Shove, Pantzar, and Watson (2012), and Sauerbronn, Teixeira, and Lodi (2019). The predominant focus of these approaches is on everyday life. However, the literature does not discuss how a certain practice unfolds into other consumption practices from the perspective of individuals overlooked in the social structure. Considering this, we focus on Certeau's theory of everyday practices, which has not yet been explored in consumer studies. Using Certeau's approach toward the theory of everyday practices as a theoretical and analytical framework, we access the view of the ordinary individual to understand everyday practices of consumption.

Certeau (2014) draws attention to the creativity of ordinary individuals who invent everyday life for themselves. In this sense, there are analytical concerns regarding the different operations and ways of using products and services on the part of these individuals, and not with the products and services acquired and used (Giard, 2014).

Askegaard and Linnet (2011) point out that practices derive from external structures, but are transformed through actions that happen continuously, which are the result of symbolic exchanges, creativity, and subversion in a given social context. For Certeau (2014), socio-economic and political strategies occur at the city level and, although these are "the dominant theme of legendary politicians" (p. 161), they are not understood as a platform where controlled and already programmed operations occur. In the face of ideological discourses, cunning and inseparable users are multiplied. It is in this scenario that daily life unfolds, which can be understood in two ways: the view from above—from urban administration and the economic and political strategies implemented—and the view from the ground, understood in the perspective of the ordinary man (Certeau, 2014).

Our investigation is motivated by certain issues—particularly, the issue of how the consumption of a certain public space (re)invents the individuals, their relationships, and their daily life. This is the starting point that we defined to establish our research objective, as presented below.

Guided by the understanding of consumption as production, appropriation, and transformation, we identified the outdoor gyms, which were developed based on the guidelines of public policy strategies in Brazil, to invest in actions for the promotion of health and preventive health, especially for the elderly. To this end, we sought the perspective of the individual to move beyond the representativeness of the increase in the number of elderly in society and attribute to them a certain consumption potential; we aimed instead to observe how they consume as a result of changes in their daily life. In this manner, we defined the objective of understanding how the use of outdoor gyms by the elderly shapes their consumption practices and (re)invents their daily lives.

The contribution of this work is based on four aspects. From a theoretical point of view, it advances the research agenda of consumer studies, specifically by innovating theoretically and building a dialogue with the theory of everyday practices based on Michel de Certeau's work. From the social perspective, we broaden the understanding of how society is organized in a given sphere, bringing academic interests closer to the interests of governments and society. From the empirical point of view, we look at a phenomenon whose dynamics involve subjects who face a condition of social invisibility, but who are able to undertake consumption practices that cause a (re)invention of their daily lives; further, we contributed to the understanding of the proposal of the space of the outdoor gym, since for its users, its social sense is evidenced before the biological sense.

CONSUMER CULTURE AND EVERYDAY PRACTICE THEORY: UNDERSTANDING THE WAYS OF DOING

In the decentralized context of postmodernism, in order to consider their daily practices, the consumer is seen through a

 CC BY ISSN 0034-7590; eISSN 2178-938X

unifying lens (Firat & Venkatesh, 1995). Within this conception, studies of consumer culture emphasize fragmentation, plurality, fluidity and hybridization of consumption and lifestyle (Arnould & Thompson, 2005; Firat & Shultz, 1997; Firat & Venkatesh, 1995).

Consumer culture studies start from a cultural orientation perspective, with cultural aspects noted in consumption relations since these occur through individuals and products and/or services full of meaning and value (Douglas & Isherwood, 1978). These meanings and values are attributed to products and/or services through the process of consumption by considering the individual as a consumer, but also as a producer of meanings within a culturally constructed world (Certeau, 2014; Douglas & Isherwood, 1978; McCracken, 1986). By using ideas, images and symbols, the individual as a consumer, through his symbolic consumption, (re)configures his identity (Schau, 2000) and life goals (Arnould & Thompson, 2005).

Thus, the essence is that the consumer searches for different experiences found not only through goods, but from the conditions of consumption practices, which can provide meaning, emphasizing interactivity and creativity (Cova, 1996; Firat, Dholakia, & Venkatesh, 1995). In post-modernity, a product or service will be increasingly less conclusive and increasingly more a process through which the consumer is able to immerse and provide *inputs*. This process is a continuous production and reproduction of symbolic images and meanings in which individuals employ their ways of doing from the understanding that the essential does not occur from the production, but from a specific production—the production of the manufacturer of the city, of services and objects (Certeau, 1985).

Consumption is seen as a daily activity that is the result of one's own production and creative appropriation, which is what some theorists postulate about the micropolitics of daily life. Daily life is understood as a way of knowing and analyzing social reality, highlighting the dynamics of the processes of accommodation and social change (Levigard & Barbosa, 2010). Its understanding occurs through "processes of interactions between subjects, artifacts and other material and symbolic aspects of society" (Oliveira, 2014, p. 33).

Certeau, Giard, and Mayol (2013) present daily life as "[...] that which is given to us each day (or which we share), pressures us day after day and oppresses us, because there is oppression in the present. [...] Daily life is what holds us intimately, from within" (p. 31). Certeau (2014) advocates discussing everyday life through its production by individuals, destroying their passivity towards society. Considering that the interactions between individuals constitute daily life and that the processes of production and appropriation occur in the spaces in these interactions, for Certeau (2014), no social space can be installed in the certainty of neutrality.

In view of this, Certeau (2014) focuses on how, through his different ways of doing, ordinary man appropriates or re-appropriates what is offered to him—that is, his operations and his uses. It is a matter of "outlining a theory of everyday practices in order to extract the ways of doing from its noise" (Giard, 2014, p. 16). The ways of doing refer to the way in which the user re-signifies structures or models of consumption, modifying and creating his own daily life (Certeau, 2014, p. 33).

Daily practices are operations and manipulations that subvert the standard conceptual understanding about being a routine or regularity (Certeau, 2014; Leite, 2010). When Certeau (1985) argues that we should "view everyday practices as practices" (p. 2), he makes an argument that seems simple but is not, since the fundamental is not what the individual eats, walks, or watches, but what is done or manufactured with what is eaten, walked, or watched (Certeau, 1985). As claimed by the author, daily practices involve an effort to interpret this "anthropophagy practiced by the consumer," who, through the act of consumption, uses a norm that is objectively imposed on him for his own interest.

To this end, Certeau (2014) distinguishes between two sets of formalities: tactics and strategies, since these practices are carried out through the relations of power and forces present in a space. Strategies are postulated in one place and refer to the ability to produce and impose an order to what is formally established, and thus, they have their own place that is delimited and stable. Tactics, on the other hand, are everyday practices that circulate between the gaps of strategic control over the space (Certeau, 2014). They are dependent on time and context, using a proper place to (re)invent a space for themselves, one that is practiced and produced, a product of the dynamics of the movements or operations of individuals or groups (Certeau, 2014).

Highmore (2006) points out that the essence of Certeau's daily practices is that they are built around acts of appropriation and re-appropriation, since the cunning, stubbornness and invisibilities of such appropriations characterize the operations of the individuals. According to Neubauer (1999), the clash between appropriation and what is imposed, whether by political, religious, or cultural authorities, represents the interface between tactics and strategies. The appropriation makes strategy understandable, humanizing the process of cultural transfer and restoring our historical understanding (Neubauer, 1999).

Thus, the practices of space are analyzed by Certeau (2014) based on the distinction that he establishes between place and space. For Certeau (2014), in the same way that place is fragmented, stability and material dimension are not necessarily

 CC BY ISSN 0034-7590; eISSN 2178-938X

physical, since the society is also constructed by discourses materialized in language (Certeau, 1985, 2014; Oliveira, 2014; Oliveira & Cavedon, 2013).

THE ELDERLY AND AGING: AN APPROACH TO THE ACTORS OF THE RESEARCH

The concept of aging is the universal course of life for human beings, which starts with conception and ends with death (Cortez, Cortez, & Costa, 2015). Theoretical concepts on the subject can be understood from two main positions (Dalmoro & Vittorazzi, 2016). One perspective highlights geriatric studies and associates the physical and psychological aspects of aging with the aesthetic devaluation of the body (Ballstaedt, 2007). This comprises various factors such as the physical limitations of aging (Barnhart & Peñaloza, 2013; John & Cole, 1986), the value of the individual to the labor market, as well as emotional vulnerability (Lee & Geistfeld, 1999), which include retirement, sons leaving home, and possible marital relationship burnout or widowhood, which deal with women to a large extent.

In contrast, the cultural view links aging to a social construction that seeks to dismantle the image of the end of life. Moschis (2012) emphasizes the adaptations in the life of the elderly that are influenced by the capacity for agency, novel life experiences, and the socio-historical context. These adaptations follow nonlinear patterns, inferred from determinism, stereotypes, and behavioral patterns associated with the age group (Debert, 2004). Contrary to the understanding of the life of the elderly as meaningless, from the cultural perspective, these same individuals are instigated to build new identities and social roles, maintaining lifestyles and their presence in the consumer market (Barnhart & Peñaloza, 2013; Dalmoro & Vittorazzi, 2016).

Our approach is close to the cultural perspective. Adopting this interpretation, we understand the plurality of experiences as we age, which takes place over time and in various ways for each individual, but which does not limit us in terms of recreating identities and lifestyles. For Logan, Ward, and Spitze (1992), the age, inherent to aging, does not refer only to the chronological concept, but also to the cultural meaning of that age, as well as to the apprehension of the self-image and the feelings of each individual.

We also emphasize the understanding of the elderly as an active agent in society with regard to the market and consequently, its consumption practices. Such practices chiefly constitute social creation and maintenance of the elderly, as well as how they influence and are influenced by it (Dalmoro & Vittorazzi, 2016), and therefore our understanding of the subjectivation of the elderly as consumers, since the construction and affirmation of identity can be understood as a basis in consumption (McCracken, 2003).

Considering consumption as a complex and multifaceted social dimension, the construction of this theoretical and conceptual framework underlies the theoretical and analytical choices made here, the methodological orientation, as well as the findings that come from empirical research.

METHOD

The qualitative approach used for this study followed the interpretive perspective (Dezin & Lincoln, 2006; Tadajewski, 2006; Vieira, 2013). The perspective of interpretivism guides this research because it allows us to move beyond what is consumed, seeking to understand how consumption practices occur in a given context, through interactions between individuals who create their own ways of doing (Arnould & Thompson, 2005; Certeau, 2014; Firat & Venkatesh, 1995). These individuals became active informants of the research, guiding the research process and providing information (Sauerbronn, Cerchiaro, & Ayrosa, 2011).

In the first stage, through the information material distributed by the City Hall of a city in the interior of the south region of Brazil, we carried out the documentary research to obtain information about the outdoor gyms. At the second stage, we carried out participant observation (Paterson, Bottorff, & Hewat, 2003) and interviews (Gaskell, 2002; McCracken, 1988). It should be noted that participant observation allowed us to understand the subtleties of everyday practices and the singularities of the ways of doing, since the latter are not possible to capture through interviews alone or by the usual models and formalizations that do not include individual operations and uses (Certeau, 2014; Highmore, 2006). All participants were approached during visits to outdoor gyms and selected based on two characteristics: they attended the outdoor gym weekly and were 60 years of age or older, according to the Brazilian Statute of the Elderly (Lei n. 10,741, 2003).

In the stage before the formal commencement of the fieldwork, we carried out an exploratory study in an outdoor gym in the municipality (see Guarnieri, Chagas, & Vieira, 2018) and visits to certain gyms. In both situations, we were able to get closer and interact with the elderly who attend the outdoor gyms, which contributed to better adaptation of the form of interaction

 CC BY ISSN 0034-7590; eISSN 2178-938X

during the fieldwork and also provided greater knowledge of the field and easier access to the informants.

As our goal goes beyond the boundaries of the outdoor gym spaces, the observations also took place in different locations and events attended by the informants, such as circle dance classes; rosary prayers; bowling championships; visits to the asylum; third age's dances; hiking in the park; stretching exercise classes; meetings in a café and supermarket; and visits to the residences. By visiting these various locations and participating in the events, we had access to those who attend the outdoor gyms, and how they interact in the outdoor gym space, what they talk about, how they dress, how they form relationships with other people outside the outdoor gym space, what and how they consume, what activities they carry out, what desires and dreams they have, among other information. This whole framework of interactions involves the daily consumption practices of the elderly who attend outdoor gyms. We highlighted that participation in these events and places did not occur with all the informants, mainly due to issues of availability and authorization. These observations were recorded in a field diary, totaling 64 pages in electronic format, and a photographic archive with 130 images.

We conducted 24 interviews, of which all but one were recorded. The duration of the interviews was between 26 minutes and 1 hour and 37 minutes. We prepared a guide for conducting the interviews, but without the intention of establishing categories for the analyses beforehand. This guide was continuously adapted according to the development of the work. All interviews were conducted in person and later transcribed in full, totaling 291 pages of transcriptions. The names of the informants were assigned in a fictitious manner in order to maintain anonymity.

The process of analysis of the *corpus* of the research was based on the guidelines of some authors, such as Ryan and Bernard (2003), Moisander and Valtonen (2006) and Saldaña (2009), for the organization and categorization of the information. The *ATLAS.ti software,* version 7, was used to organize the transcribed interviews, notes, and reflections in the field journal. We adopted the classification system by codes—coding—that emerged from the *corpus* of the research and which met the proposed objective (Ryan & Bernard, 2003). When reading the materials, we looked for repetitions, similarities and differences, behaviors, feelings, contexts, meanings, absences, among other aspects that constituted the narratives of the interviews and the notes in the field journal. This codification resided in the demarcation of segments of the texts by codes, which were later grouped into subcategories, resulting in categories.

The categories were established as follows: the proposal for the outdoor gym, the period before the start of attendance at the outdoor gym, consequences of attending the outdoor gym, new habits of consumption, new activities of consumption, relationships, and constant (re)invention. These categories constitute the *corpus* of the research on which we carried out the analyses, as explained in the next sections.

RESULTS

The results show how the frequency of attendance at the outdoor gym introduces a new dynamic to the life of these individuals, providing opportunities for constant (re)invention in their daily lives, like the development of their consumption practices. Such practices resulted from the ways in which the elderly use and appropriate this space, acting before a proposed public policy strategy. Nevertheless, these strategies are "urbanized" through the movements taken by the tactics, which proliferate. Thus, prior to the understanding of the vision of the ground, that is, of the elderly who attend the outdoor gyms, we seek to understand the vision from above regarding public policy strategies. We do not wish to confront the two visions, since the discussion of public policy strategies demands the understanding of a macro approach. We seek to characterize the proposal of the outdoor gyms, because it is from these actions of implementation that the phenomenon of consumption studied here occurs.

The Outdoor Gym proposal

The outdoor gym proposal emerged from the interest of representatives of the City Hall of a municipality in the interior of southern of Brazil, with the objective of reducing the high expenditure from public health demands, especially with medicines for chronic diseases. Based on this proposal, the first outdoor gym was inaugurated in 2006, which was initially called the Gym of the Third Age. As the name already suggests, the idea was meant for the elderly at first, as they were the part of the population that demanded the highest spending on the referred medicines.

Through the outdoor gyms, the City Hall defined the objective of "encouraging, especially among the elderly, the regular practice of physical activity, socialization, improvement of self-esteem and health in general" (information material). To achieve the proposed objective, public-private partnerships were made for the implementation of the outdoor gyms.

There are currently 62 outdoor gyms in the municipality, containing 10 pieces of gym equipment installed outdoors near basic health units, sports centers, squares, or parks, allowing the

 CC BY ISSN 0034-7590; eISSN 2178-938X

user to perform stretching, strengthening, muscle development, and aerobic exercises. These benefits, as stated in the documents analyzed and proclaimed by the City Hall, are guaranteed for those who attend the gym weekly for at least 30 minutes per day.

Through the analysis of the results, the representatives of the City Hall point out that the outdoor gym achieves its goal, since the acceptance by the population, especially the elderly with chronic diseases, was positive and significant. Likewise, they affirm that the practice of physical activity contributes to the prevention of diseases and to improving the quality of life of the users, reducing social costs, hospital admissions, and mortality (information material).

Consumption practices as (re)invention of everyday life

In seeking to understand who the elderly are that attend outdoor gyms based on a post-modern conception, we find that they are *bricoleurs* who mix their different daily practices prioritizing experiences, and are fragmented and decentralized regarding their lives and experiences, breaking with a unique reality, seeking to live the moments of their experiences linked to sensation and pleasure, building their own meaning. There is no single lifestyle associated with these elderly individuals, since they recontextualize what is given to them, making a bricolage, or even consumption as production, which can be characterized as the reversal of production and consumption, as described by Firat and Venkatesh (1995).

The elderly who attend outdoor gyms do so for their own benefit, appropriating the space and shaping its meanings according to their interests, which refers to their consumption practices. The benefits gained from attending outdoor gyms can be seen in two ways. Firstly, we observe that besides being a physical activity, the attendance to the outdoor gym works as an aid to overcoming some difficult situations, as a way of adapting to the difficulties faced, or, as in the case of a large number of widowed female informants, as a way to overcome the challenges of widowhood. Secondly, it concerns the benefits resulting from the attendance and the sociability in the outdoor gym. The benefits are not only related to the use of the gym's equipment, but mainly to the present of and interaction with people in this space. A set of observed aspects causes favorable effects on each of the informants, such as disposition. When they attributed "disposition" as the greatest benefit noticed by attending the outdoor gym, the elderly referred both to physical condition, such as vigor, energy, animation and resistance, as well as to self-care, the desire to seek to learn something new, self-esteem, and the desire and need to leave home. The following excerpt illustrates the idea behind the term *disposition*:

> Oh, I feel better. Even my daughter says I seem better... with more courage, more everything. [...] To be better is like that, more cheerful, like the depression is gone. So I feel very well. I used to sulk at home, mostly watching soap operas, but not now. Now I have better things to do (Carmen, 79).

The consumption activities of the elderly occur through meanings and values attributed to the benefits perceived after they started attending the outdoor gyms. It is in this sense that Douglas and Isherwood (1978) discuss considering the individual as a consumer and producer of meanings within a culturally constructed reality of their own. Thus, new habits and new consumption activities become the daily life of these elderly people, as a form of resistance and change regarding their daily lives and living. Given that elderly individuals act according to the circumstances of their daily lives, we emphasize the understanding of their daily practices when they are observed through a unifying lens, as indicated by Firat and Venkatesh (1995) and Certeau (2014).

The elderly began to change some habits and customs after they started attending the outdoor gym. Irrespective of whether they were harmful to health, they were habits and customs that were replaced by others, causing changes in the consumption practices of these elderly people; for example, giving up smoking and going out dancing. In particular, it is possible to identify changes in eating habits and new habits in terms of aesthetic consumption. Such changes occur due to the new way of life of these individuals. This aligns with Certeau's (2014) postulation of the ways of doing, since the elderly re-signify what is attributed to the outdoor gym space so as to (re)create and (re)invent their own daily life through the appropriation of a space and its interactions. These ways of doing are heterogeneous, stubborn, and tortuous practices that pass for invisible, as Highmore (2006) reminds us, but they are not.

Alongside the new eating habits, the fact of attending the outdoor gym, practicing physical exercise, and interacting with other people in that space produces an interest in healthy consumption. As observed in Sauerbronn et al. (2019), about the relationships between women's food consumption practices and their bodies, eating practices were altered considering their effects on body health. In addition to the concern with eating healthy, the change in this new habit also occurs through

 CC BY ISSN 0034-7590; eISSN 2178-938X

instructions from nutrition professionals. We also observed that some informants became concerned about producing their own food, most commonly vegetables, which were planted and grown in spaces in the backyard of the house. The excerpt below reveals how the informants feel about the new eating habits:

> It's changed a lot. Today I eat healthier... I eat vegetables, fruit, whole-wheat bread, stuff like that... low fat. I don't eat too much salt either and drink lots of water. You have to eat healthy stuff, because I'm how old? I'm 73(Grace, 73).

Typical of most women, but not exclusive to them, aesthetic consumption is something present in their daily practices. When asked about it, they answered that they are vain and take care of their appearance. We noticed this interest and desire for self-care not only through what they reported, but also through the way they behave and how they dress—they give attention to aspects that include "being in fashion," dressing in a harmonious way and matching different styles. They are concerned about wearing clothes that match their body type, and in a certain way, they also associate this with age. As attending the outdoor gym results in greater attention to appearance and aesthetics, we emphasize the importance of the symbolic consumption, through which the functional aspects end up being hidden since the aspects of the aesthetic dimension are emphasized, as argued by Firat and Shultz (1997). We highlight the testimony of an informant who exemplifies the changes regarding aesthetics and appearance:

> It got better, because I had clothes that I didn't wear anymore and I started wearing them. I had pants put aside for a while. I lost weight and started wearing them. Then you feel an incentive. [...] Look in the mirror and say: "I'm prettier" (laughs). I'm feeling much better (Cristina, 73).

New consumption activities are also developed, such as taking trips, and new places are visited, such as dance clubs, diners, and bars. These new activities are related to entertainment, fun, and leisure. Besides associating new activities with practices of leisure and fun, other activities, such as those that complement the practice of physical activity, become part of the daily routine of some of the research informants. Even though they attend the outdoor gym, for the various reasons and benefits mentioned and stimulated by the practice of physical activity, these elderly individuals seek to practice physical activities in paid gyms and running clubs. The new consumption activities also include new learnings, such as courses and classes. The following excerpt describes the realities mentioned:

> Now I always go out, I go to the dance club. My grandson takes me there and picks me up. I like to go to the diner with my grandson and his fiancée. Sometimes he drops me off and then picks me up. I play games of pool. My daughter goes out with her friends, am I gonna be alone inside? No way. I tell my grandson: "I'll go along too, leave me at such a diner." And I already like playing pool... and he drops me off there. I find my friends there (Carmen, 79).

Such activities occur as a form of production by the elderly, as ways of employing established norms regarding using the outdoor gyms. In this sense, it corresponds to Certeau's (2014) observation regarding the use of what is imposed—that is, the tactics of the elderly who attend the outdoor gyms, who take advantage of the opportunities and derive benefits from them, building their own reality.

For all the achievements and aspects that revolve around this daily (re)invention, we identify a feeling in the informants of being able to achieve something. This feeling of being useful and capable seems to be, in some moments, a reaffirmation that opposes the notion that old people are those who engage in activities without any meaning. On the contrary, they are proud of their age, seek to be informed and to be among family and friends, want activities that provide fun and pleasure, and are concerned about health and eating right. They retire from their professional activities, but not from their desires and dreams. No matter how big their ambition is, they set goals and life projects, (re)inventing their own daily life.

DISCUSSION

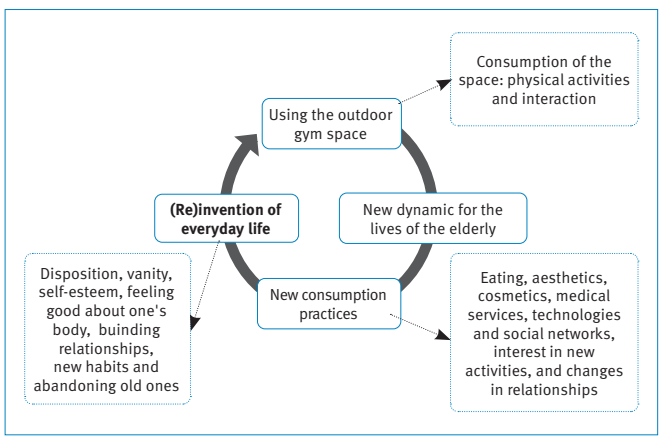
From the understanding of the consumption practices of the elderly who attend outdoor gyms as a (re)invention of their daily lives, we observe the development of the attendance in those gyms. These developments indicate their consumption practices, and so we consider the attendance of the outdoor gym space as a vector of daily (re)invention, which is the starting point from where the consumption of a certain space develops and involves the lives of these elderly, initially produced through public strategies and thereafter appropriated through the tactics of its users.

 CC BY ISSN 0034-7590; eISSN 2178-938X

As explained above, these elderly people are taking a new dynamic in their lives, which consequently implies their consumption practices. Considering the post-modern context, besides consumption of the gym space, the elderly look for different experiences performed through their consumption practices, with an emphasis on interactivity (Cova, 1996; Firat, Dholakia, & Venkatesh, 1995). Such practices include not only the consumption of the gym space itself as a place of physical activities or integration, but also new consumption habits and interest in new activities. This leads to the question of how the attendance in outdoor gyms develops.

The new consumption practices, services, and goods may or may not be directly linked to the physical activity, in the sense that they are not necessarily sports gear, such as footwear or clothing, but involve the deepest aspects of the lives of these elderly, modifying the body in a physical and mental way, such as vanity, self-esteem, feeling good with one's own body, and the building of relationships. Through a conceptual model (Figure 1), we represent the aspects that constitute this daily (re)invention.

Figure 1. **Conceptual model: attendance in the outdoor gym space as a starting point for the daily (re) invention of the elderly**



The practice of attending the outdoor gym space promotes new dynamics in the lives of the elderly. To deepen the current understanding, we showed that this new dynamic brings new consumption practices, (re)inventing everyday life. This reinvention occurs in the way the elderly experience changes in disposition, self-care, vanity, the search for new things and different occupations, establishing routines, defining commitments, practicing leisure activities, and constructing new habits and abandoning old ones.

We identified that this process, which constitutes the life of the elderly, is constant and comes from the appropriation and re-appropriation of their attendance of the outdoor gyms. The conceptual model presented here reflects the ways of doing of the elderly, since they appropriate an organized space, inventing and reinventing their own daily lives. Further, this scenario emerges from the silent and heterogeneous uses of these individuals who combine their tactics in their own way (Certeau, 2014; Highmore, 2006).

From the understanding of the consumer as producer, creator, and practitioner (Certeau, 2014), we find the non-passivity of these elderly, affirming consumption as a process of production and transformation (Firat, Dholakia, & Venkatesh, 1995). Although their daily life is given, it is manipulated according to the interests of the elderly themselves (Firat & Venkatesh, 1995). They are individuals who seek to be independent through a liberating process from what is pre-established.

As they build their reality, the elderly who use the outdoor gyms seek both the experience and the sensation, not only for mental aspects but also physical ones, as a way to communicate these sensations (Firat & Venkatesh, 1995). The concern with eating and appearance, associated with vanity and aesthetics, reflects this context, and are often associated with self-image. These forms and relationships are what Firat and Venkatesh (1995) attribute as the products of consumption.

With this understanding, we observe individuals who are the sum of all their life experiences, but who change their daily lives through their own practices. This creation and maintenance of identity emerges from their consumption practices (McCracken, 2003) in terms of the later routine of attending the outdoor gym.

CONCLUSIONS

In this study, we analyzed consumption practices as a (re) invention of the daily life of the elderly after they started attending outdoor gyms. With the immersion in the field together with elderly consumers, whose population index is growing, we shed light on an empirical reality that refers to individuals who are on the fringes of society and of their own families, as in the case of older people, who are underestimated at different times and treated as invisible or non-existent.

We observe that old age, which, for many, is a gray period of life, is the opposite for these elderly consumers, not in the sense of "better age" as propagated by others, but in how this period of human life can be (re)invented in its own way. We offer a new vision for the phenomenon of consumption, exploring how everyday consumption practices can also be liberating and be resistance practices by the elderly.

Social integration is a major factor in the practice of physical activities, reinforcing the social dynamics versus biological dynamics that involve the elderly who attend the outdoor gym. It is not just the physical activity performed in the space of the gym, but mainly the integration and socializing that occurs in this space, with the friendship and companionship of other frequenters. This is exemplified by the dimensions of the experiences acquired through the consumption of the elderly.

We highlight four major contributions of this research. The first is a new possibility of theoretical research in consumer studies related to practices, through the optics of Certeau (2014) and Certeau, Giard, and Mayol (2013). The understanding of these practices is relevant for the production of knowledge in *marketing*, since the approach of these studies consists of theoretical perspectives on consumer actions, the market, and its meanings. The interdisciplinarity contributes to a dialogue between consumption practice studies and other areas of knowledge.

In the same direction, the second contribution is linked to the fact that the study is greatly relevant for society. In addition to academic and managerial contributions, we advance the understanding of how society is organized in a given sphere. We combine the theoretical framework used with the demands on population ageing to produce a different perspective of fragility, disease, and loss, thus aligning academic interests closer to the interests of governments and society.

The third contribution is related to how everyday life can be (re)invented through consumption, with this process being a means to the establishment of the consumer's identity and self-knowledge. This is because, through the consumption of space, the material consumption occurs, causing a symbolic consumption. In other words, the practice of the attendance of the space of the outdoor gym triggers other practices, more specifically consumption practices. To this end, we sought to deepen these understandings, emphasizing the consumption practices of elderly people who attend the outdoor gyms, as well as their subjectivities and identity affirmations.

The fourth contribution emerges from the outdoor gym space proposal. A space strategically designed with a focus on biological issues, as far as the health of the elderly are concerned, becomes a space that incorporates social issues and leads developments in the (re)invention of the everyday life of these elderly, which allows us to observe that such (re)invention, in the scope of tactics, moves towards a social sense, rather than a merely biological sense. In the social sense, it emphasizes the use, sociability, appropriation, and the social and collective relations of the elderly. Through what they represent in terms of disposition, elderly consumers build the space of the outdoor gym and its meaning from their tactics, opposing and resisting what is attributed to them, especially regarding aging. The biological sense represents a discourse used in the context of these strategies.

We consider this research as the beginning of interdisciplinary engagements between consumer studies and the daily practice theory of Certeau. We suggest that future studies, especially regarding the theory of consumption practice, may appropriate this theoretical view. In the same sense, by showing that spaces can be produced by means of strategies and tactics, we demonstrate that external interventions in the public space can raise the possibility of ruptures in routines and rituals.

Finally, when we consider the material component of the practices of the equipment installed in the spaces of the gyms, we emphasize the possibilities of research based on object-oriented ontologies (OOO) or materialities like elements made of practices. Departing from our approach, future studies may not look at the gyms as the starting point for the analysis of everyday practices, but at how such gyms represent ruptures in the spatial construction of cities.

REFERENCES

Arnould, E. J., & Thompson, C. J. (2005). Consumer Culture Theory (CCT): Twenty years of research. *Journal of Consumer Research*, *31*(4), 868-882. doi: 10.1086/426626

Askegaard, S., & Linnet, J. T. (2011). Towards an epistemology of consumer culture theory: Phenomenology and the context of context. *Marketing Theory*, *11*(4), 381-404. doi: 10.1177/1470593111418796

Ballstaedt, A. L. M. P. (2007, novembro). *Comportamento e estilo de vida da população idosa e seu poder de consumo*. II Encuentro Latinoamericano de Diseño, Buenos Aires, Argentina.

Barnhart, M., & Peñaloza, L. (2013). Who are you calling old? Negotiating old age identity in the elderly consumption ensemble. *Journal of Consumer Research*, *39*(6), 1133-1153. doi: 10.1086/668536

Bourdieu, P. (1977). *Outline of a theory of practice*. Cambridge, UK: University Press.

Certeau, M. de. (1985). Teoria e métodos no estudo das práticas cotidianas. In M. I. Szmrecsanyi (Org.), *Cotidiano, cultura popular e planejamento urbano* (pp.3-17). São Paulo, SP: FAU/USP.

Certeau, M. de. (2014). *A invenção do cotidiano: 1. Artes de fazer* (22ª ed.). Petrópolis, RJ: Vozes.

Certeau, M. de., Giard, L., & Mayol, P. (2013). *A invenção do cotidiano: 2. Morar, cozinhar* (12ªed.). Petrópolis, RJ: Vozes.

Cortez, D. A. G., Cortez, L. E. R., & Costa, R. B. (2015). Antioxidantes na prevenção do envelhecimento. In D. A. G. Cortez, L. E. R. Cortez, R. M. T. Gimenes, & R. M. Bennemann (Orgs.), *Envelhecer saudável: Uma abordagem interdisciplinar do envelhecimento ativo* (pp.11-26). São Paulo, SP: Gregory.

Cova, B. (1996). What postmodernism means to marketing managers. *European Management Journal*, *14*(5), 494-499. doi: 10.1016/0263-2373(96)00043-6

Dalmoro, M., & Vittorazzi, K. (2016). Trajetórias de consumo: O sujeito-consumidor de serviços bancários na terceira idade. *Revista de Administração Contemporânea*, *20*(3), 328-346. doi: 10.1590/1982-7849rac2016140059

Debert, G. G. (2004). *A reinvenção da velhice: Socialização e processos de reprivatização do envelhecimento*. São Paulo, SP: Fapesp.

Denzin, N. K., & Lincoln, Y. S. (2006). Introdução: A disciplina e a prática da pesquisa qualitativa. In N. K. Denzin & Y. S. Lincoln (Orgs.), *O planejamento da pesquisa qualitativa: Teorias e abordagens* (2ª ed., pp.15-41). Porto Alegre, RS: Artmed.

Douglas, M., & Isherwood, B. (1978). *The world of goods: Towards an anthropology of consumption*. London, UK: Allen Lane.

Firat, A. F., Dholakia, N., & Venkatesh, A. (1995). Marketing in a postmodern world. *European Journal of Marketing*, *29*(1), 40-46. doi: 10.1108/03090569510075334

Firat, A. F., & Shultz, C. J., II. (1997). From segmentation to fragmentation: Markets and marketing strategy in the postmodern era. *European Journal of Marketing*, *31*, 283-207. doi: 10.1108/EUM0000000004321

Firat, A. F., & Venkatesh, A. (1995). Liberatory postmodernism and the reenchantment of consumption. *Journal of Consumer Research*, *22*(3), 239-267. doi: 10.1086/209448

Gaskell, G. (2002). Entrevistas individuais e grupais. In M. W. Bauer & G. Gaskell (Eds.), *Pesquisa qualitativa com texto, imagem e som: Um manual prático* (2ª ed., pp.64-89). Petrópolis, RJ: Vozes.

Giard, L. (2014). História de uma pesquisa. In M. de Certeau (Org.), *A invenção do cotidiano: 1. Artes de fazer* (22ª ed., pp.9-31). Petrópolis, RJ: Vozes.

Giddens, A. (2009). *A constituição da sociedade*. São Paulo, SP: Martins Fontes.

Guarnieri, F., Chagas, P. B., & Vieira, F. G. D. (2018). Territorialização do cotidiano a partir de intervenções governamentais: O caso das Academias da Terceira Idade (ATIs). *Revista Alcance*, *25*(1), 1-20. doi: 10.14210/alcance.v25n1.p%25p

Highmore, B. (2006). *Michel de Certeau analysing culture*. New York, USA: Continuum.

John, D. R., & Cole, C. A. (1986). Age differences in information processing: Understanding deficits in young and elderly consumers. *Journal of Consumer Research*,*13*(3), 297-315. doi: 10.1086/209070

Lee, J., & Geistfeld, L. V. (1999). Elderly consumers' receptiveness to telemarketing fraud. *Journal of Public Policy & Marketing*, *18*(2), 208-217. doi: 10.1177/074391569901800207

Lei n. 10.741, de 1º de outubro de 2003. Dispõe sobre o Estatuto do Idoso e dá outras providências. Recuperado de http://www.planalto.gov.br/CCivil_03/leis/2003/L10.741.htm

Leite, R. P. (2010). A inversão do cotidiano: Práticas sociais e rupturas na vida urbana contemporânea. *Revista de Ciências Sociais*, *53*(3), 737-756. doi: 10.1590/S0011-52582010000300007

Levigard, Y. E., & Barbosa, R. M. (2010). Incertezas e cotidiano: Uma breve reflexão. *Arquivos Brasileiros de Psicologia*, *62*(1), 84-89. Recuperado em 02 de abril de 2019, de http://pepsic.bvsalud.org/scielo.php?script=sci_arttext&pid=S1809-52672010000100009&lng=pt&tlng=pt

Logan, J. R., Ward, R., & Spitze, G. (1992). As old as you feel: Age identity in middle and later life. *Social Forces*, *71*(2), 451-467. doi: 10.1093/sf/71.2.451

McCracken, G. (1986). Culture and consumption: A theoretical account of the structure and movement of cultural meaning of consumer goods. *Journal of Consumer Research*, *13*(1),71-84. doi: 10.1086/209048

McCracken, G. (1988). *The long interview*. Beverly Hills, USA: Sage.

McCracken, G.(2003). *Cultura & consumo: Novas abordagens ao caráter simbólico dos bens e atividades de consumo*. Rio de Janeiro, RJ: Mauad.

Moisander, J., & Valtonen, A. (2006). *Qualitative marketing research: A cultural approach*. London, UK: Sage.

Moschis, G. P. (2012). Consumer behavior in later life: Current knowledge, issues, and new directions for research. *Psychology & Marketing*, *29*(2), 57-75. doi: 10.1002/mar.20504

Neubauer, J. (1999). *Cultural history after Foucault*.New York, USA: Aldine Gruyter.

Oliveira, J. S. de. (2014). *A política emocional nas práticas de organização do circo contemporâneo: Uma etnografia multissituada no contexto Brasil-Canadá*(Tese de doutorado, Universidade Federal do Rio Grande do Sul, Porto Alegre, RS).

Oliveira, J. S. de., Cavedon, N. R. (2013). Micropolíticas das práticas cotidianas: Etnografando uma organização circense. *RAE-Revista de Administração de Empresas*, *53*(2), 156-168. doi: 10.1590/S0034-75902013000200004

Paterson, B. L., Bottorff, J. L., & Hewat, R. (2003). Blending observational methods: Possibilities, strategies, and challenges. *International Journal of Qualitative Methods*, *2*(1), 29-38. doi: 10.1177/160940690300200103

Reckwitz, A. (2002). Toward a theory of social practices: A development in culturalist theorizing. *European Journal of Social Theory*, *5*(2), 243-263. doi: 10.1177/13684310222225432

Røpke, I. (2009). Theories of practice: New inspiration for ecological economic studies on consumption. *Ecological Economics*, *68*, 2490-2497. doi: 10.1016/j.ecolecon.2009.05.015

Ryan, G. W., & Bernard, H. R. (2003). Techniques to identify themes. *Field Methods*, *15*(1), 85-109. doi: 10.1177/1525822X02239569

Saldaña, J. (2009). *The coding manual for qualitative researchers*. London, UK: Sage.

Sauerbronn, J. F. R., Cerchiaro, I. B., & Ayrosa, E. A. T. (2011). Uma discussão sobre métodos alternativos em pesquisa acadêmica em marketing. *Gestão e Sociedade*, *5*(12), 254-269. doi: 10.21171/ges.v5i12.1374

Sauerbronn, J. F. R., Teixeira, C. D. S., & Lodi, M. D. D. F. (2019). Saúde, estética e eficiência: Relações entre práticas de consumo de alimentos as mulheres e seus corpos. *Cadernos EBAPE. BR*, *17*(2), 389-402. doi: 10.1590/1679-395173205

Schau, H. J. (2000). *Consumer imagination, identity and self-expression*. XXVII NA Advances in Consumer Research,Provo, USA.

Shove, E., & Pantzar, M. (2005). Consumers, producers and practices: Understanding the invention and reinvention of nordic walking. *Journal of Consumer Culture*, *5*(1), 43-64. doi: 10.1177/1469540505049846

Shove, E., Pantzar, M., & Watson, M. (2012). *The dynamics of social practice: Everyday life and how it changes*. London, UK: Sage.

Tadajewski, M. (2006). Remembering motivation research: Toward an alternative genealogy of interpretive consumer research. *Marketing Theory*, *6*(4), 429-466. doi: 10.1177/1470593106069931

Thomas, M. J. (1997). Consumer market research: Does it have validity? Some postmodern thoughts. *Marketing Intelligence & Planning*, *15*(2),54-59. doi: 10.1108/02634509710165858

Venkatesh, A., Sherry, J. F., Jr., & Firat, A. F. (1993). Postmodernism and the marketing imaginary. *International Journal of Research in Marketing*, *10*(3), 215-224. doi: 10.1016/0167-8116(93)90007-L

Vieira, F. G. D. (2013). Perspectivas e limites da pesquisa qualitativa na produção de conhecimento em marketing. *Revista de Negócios*, *18*(1), 10-24. doi: 10.7867/1980-4431.2013v18n1p10-24

Warde, A. (2005). Consumption and theories of practice. *Journal of Consumer Culture*, *5*(2), 131-153. doi: 10.1177/1469540505053090

Wattanasuwan, K. (2005). The self and symbolic consumption. *Journal of American Academy of Business*, *6*(1), 179-184. Recuperado em 02 de abril de 2019 de http://www.jaabc.com/jaabcv6n1preview.html

AUTHORS' CONTRIBUTIONS

The authors declare that they participated jointly in the conceptualization, theoretical-methodological approach, theoretical review (literature survey), and finally the writing and final review. The data collection and data analysis were performed by the first author under the supervision of the second author.

ARTICLES

Submitted 09.30.2019. Approved 04.01.2020
Evaluated through a *double blind review* process. Guest Scientific Editor: Edilson Paulo
Translated version
DOI: http://dx.doi.org/10.1590/S0034-759020200503

SHAREHOLDER CONCENTRATION, BOARD STRUCTURE AND EXECUTIVE REMUNERATION

Concentração acionária, conselho de administração e remuneração de executivos

Concentración accionaria, junta directiva y remuneración de ejecutivos

MARIA RAFAELA DE OLIVEIRA FREITAS[1]
rafitadeut@gmail.com
0000-0002-4811-378X

GUSTAVO MAGNO PEREIRA[2]
gumagno@hotmail.com
0000-0001-9319-3451

ALESSANDRA CARVALHO DE VASCONCELOS[1]
alevasconcelos.ufc@gmail.com
0000-0002-6480-5620

MÁRCIA MARTINS MENDES DE LUCA[1]
marciammdeluca@gmail.com
0000-0002-9995-5637

[1]Universidade Federal do Ceará, Programa de Pós Graduação em Administração e Controladoria, Fortaleza, CE, Brazil

[2]Universidade Federal Fluminense, Programa de Pós Graduação em Administração, Niterói, RJ, Brazil

ABSTRACT

Understanding the dynamics of agency conflicts in Brazilian firms requires investigating the influence of shareholder concentration and board structure in the remuneration level of executives. Based on a sample of 232 firms traded on B3 between 2014 and 2016, we found shareholder concentration to have a negative effect on executive remuneration, as predicted by the agency theory. The characteristics of the board structure also have repercussions on executive compensation. Some of these characteristics affect the sensitivity of compensation to shareholder concentration, which, contrary to the managerial power approach, highlights the predominance of the principal–principal conflict in Brazil.

KEYWORDS | Shareholder concentration, board of directors, executive compensation, agency conflicts, managerial power.

RESUMO

A investigação da influência da concentração acionária e da estrutura do conselho de administração no nível de remuneração de executivos permite esclarecer a dinâmica dos conflitos de agência presentes nas empresas brasileiras. Os resultados dessa investigação, em 232 empresas listadas na B3, no período 2014-2016, apontam que a concentração acionária influencia negativamente o nível de remuneração executiva, coerentemente com a Teoria da Agência. Ademais, características da estrutura do conselho de administração têm repercussão sobre a remuneração executiva, além do que algumas dessas características afetam a sensibilidade da remuneração à concentração acionária, que, contrariamente à Abordagem do Poder Gerencial, evidencia o predomínio do conflito principal-principal no Brasil.

PALAVRAS-CHAVE */ Concentração acionária, conselho de administração, remuneração de executivos, conflitos de agência, poder gerencial.*

RESUMEN

Investigar la influencia de la concentración accionaria y la estructura de la junta directiva en el nivel de remuneración de los ejecutivos arroja luz sobre la dinámica de los conflictos de agencia presentes en la empresa brasileña. Los resultados en 232 empresas que cotizan en la B3, en el período 2014-2016, apuntan a que la concentración accionaria influencia negativamente la remuneración ejecutiva, coherentemente con la Teoría de Agencia. Además, las características de la estructura de la junta directiva tienen repercusiones en la remuneración ejecutiva, y algunas de estas características afectan la sensibilidad de la remuneración a la concentración accionaria, lo que, al contrario de la Teoría del Poder Gerencial, destaca el predominio del conflicto principal-principal en Brasil.

PALABRAS CLAVE */ Concentración accionaria, junta directiva, remuneración de ejecutivos, conflictos de agencia, poder de gerencial.*

 CC BY

INTRODUCTION

The board of directors (BD), which is the main organ of corporate governance, plays an essential role in determining executive remuneration by establishing policies capable of aligning the interests of both owners and managers while maximizing shareholder wealth and reducing agency costs (Jensen, 1993).

Despite being considered an agency cost, executive remuneration is an important internal mechanism of governance that is used to moderate the relationship between agent and principal (Jensen & Meckling, 1976). On the other hand, top executives are in a position to exercise a direct influence on compensation packages; in fact, the separation between ownership and control offers managers a greater margin of discretion (Berle & Means, 1932). The managerial power approach (MPA) can be used to model the power of executives to influence their own pay (Bebchuk & Fried, 2003), which is an offshoot of agency theory centered on the classic agent–principal conflict.

Executive compensation packages may be a less effective means of mitigating agent–principal conflicts in firms with concentrated ownership and, consequently, a greater propensity for principal-principal conflicts between minority and majority shareholders (Porta, Lopez-de-Silanes, & Shleifer, 1999) agent-principal. In such scenarios, controlling shareholders tend to keep managers "on a short leash", substituting the BD in its function as monitor of managerial activities to some extent (Shleifer & Vishny, 1997). From this perspective, high ownership concentration can displace executive remuneration as a mechanism of harmonizing the interests of shareholders and managers (Mehran, 1995).

It is well documented that ownership concentration influences decisions on executive compensation (Jiang, Habib, & Smallman, 2009) according to capital structure and institutional environment. Contrary to organizations with diffuse investor structure, evidence shows that firms with highly concentrated capital tend to remunerate executives less handsomely, especially in environments with ineffective legal protection of minority shareholders (Hassen, Ouakdi, & Omri, 2015).

Like many other emerging economies, Brazil is characterized by high ownership concentration (majority shareholders control approximately 59% of shares with voting rights) (Pinto & Leal, 2013). However, few studies have been published in the national literature on the influence of ownership structure on the level of executive remuneration. Therefore, more in-depth research is needed to understand how this phenomenon impacts corporate life in Brazil.

Core, Holthausen, and Larcker (1999) show that executive remuneration may also be affected by BD structure, viewed as a component of corporate governance. It would seem that the stronger the influence of top executives on BD decision making, the more likely a firm is to pay excessive compensations. The MPA (Bebchuk & Fried, 2003) predicts that this scenario aggravates agent–principal conflicts.

The independence of the BD is compromised by highly concentrated ownership (Dutra & Saito, 2002). If the composition of the BD is of low quality (Porta, López-de-Silanes, Shleifer, & Vishny, 2000), BD structure may interfere in the balance between ownership concentration and executive remuneration. From the perspective of agency theory (Jensen & Meckling, 1976) and MPA (Bebchuk & Fried, 2003), the latter of which is still relatively untested in the Brazilian setting, we designed the present study to evaluate the influence of ownership concentration and BD structure on the level of executive remuneration in Brazilian public firms.

Our sample consisted of 696 observations from 232 non-financial firms traded on B3 in the period 2014–2016. Information on executive remuneration and BD structure was retrieved from publicly available reference forms, while financial and ownership structure data was extracted from the Economatica database.

Our results reveal that concentrated ownership is associated with lower levels of executive remuneration. Also, they support the notion that direct oversight by controlling shareholders is a substitute for executive remuneration in the mitigation of agent–principal conflicts (Hassen et al., 2015; Luo, 2015). In addition, we found that CEO duality and a high proportion of insiders on the BD also reduce the level of compensation, whereas the opposite is true for BDs with a high proportion of independent members. Moreover, when interacting the variables, a high proportion of insiders, a high proportion of independent members, and large board size increased the sensitivity of remuneration to ownership concentration, while a high proportion of BD members appointed by the controller reduced sensitivity, confirming the moderating influence of BD composition. This suggests the MPA is an inadequate framework for the Brazilian setting, which is characterized by principal–principal conflicts (Brandão & Crisóstomo, 2015).

It is noteworthy the current investigation goes beyond previous studies (Correia, Amaral, & Louvet, 2014; Ermel & Monte, 2016; Pinto & Leal, 2013) by evaluating the interaction between ownership concentration, BD structure, and executive remuneration as internal mechanisms of governance. Moreover, this study clarifies patterns of agency conflicts in the Brazilian institutional environment and the results can assist organizations in their decision-making processes and improve of governance practices.

 CC BY ISSN 0034-7590; eISSN 2178-938X

LITERATURE REVIEW AND HYPOTHESES

Ownership concentration and executive remuneration

Empirical evidence indicates that ownership structure, more specifically shareholder concentration, interferes in agency conflicts and that managers have greater discretionary power in markets characterized by diffuse capital structure (Shleifer & Vishny, 1997).

Remuneration policies are more easily influenced by managers in markets with low ownership concentration and a more clear-cut separation between ownership and control (Jensen & Meckling, 1976). This leaves the BD in charge of defining compensation policies capable of aligning the interests of shareholders and executives (Bettis, Bizjak, Coles, & Kalpathy, 2018).

Conversely, high ownership concentration tends to mitigate agent–principal conflicts when the controlling shareholder usurps the BD's role in the monitoring of management (Dyck & Zingales, 2004). In the presence of a weak governance system, this allows majority shareholders to secure private benefits of control (Bozec & Bozec, 2007; Brandão & Crisóstomo, 2015), leading to the exacerbation of principal–principal conflicts and the expropriation of minority shareholders (Porta et al., 1999, 2000). In such scenarios, the main moderator of agent–principal conflicts is oversight by majority shareholders, not executive compensation, which tends to decrease (Almazan, Hartzell, & Starks, 2005).

Young, Peng, Ahlstrom, Bruton, and Jiang (2008) find limited use for the agent–principal perspective in both developing and emerging economies, most of which are characterized by state- or family-controlled organizations with highly concentrated ownership. Brazil is no exception, with a history of ownership concentration, weak minority shareholder protection, and tardy implementation of corporate governance practices (Brandão & Crisóstomo, 2015; Pinto & Leal, 2013).

International studies confirm the influence of ownership concentration on the level of executive remuneration. Smaller compensations are awarded in markets with concentrated capital (Croci, Gonenc, & Ozkan, 2012; Firth, Fung, & Rui, 2007; Hartzell & Starks, 2003; Luo, 2015) and more lavish packages are offered in settings of shareholding dispersion (Jiang et al., 2009; John, Mehran, & Qian, 2010). In Brazil, most studies support the notion that high ownership concentration is negatively associated with executive remuneration (Anjos, Tavares, Monte, & Lustosa, 2015; Ermel & Monte, 2016; Pinto & Leal 2013).

Based on the theoretical underpinnings and empirical evidence presented above and considering the status of Brazil as an emerging economy with high levels of ownership concentration, we expect the latter to have a negative impact on executive remuneration. We therefore formulate the following hypothesis:

> H1: A high concentration of voting shares in the hands of large shareholders is negatively associated with executive remuneration.

In addition to addressing the question of ownership concentration, we evaluated the effect of BD structure on executive remuneration to determine to what extent the relationship between ownership concentration and remuneration is moderated by aspects of BD structure, as predicted by the MPA, which is relatively unexplored in the Brazilian setting.

Managerial power approach and board of directors' structure

As a complement to agency theory, Bebchuk and Fried (2003, 2004) developed the MPA, a theoretical framework capable of explaining agent–principal conflicts. The authors observed that a greater separation between ownership and control is synonymous with greater managerial discretion in decision making. As a result, actions that promote the interests of the management in detriment to the essential interest of the shareholders, that is, the maximization of returns may be implemented (Berle & Means, 1932).

According to the MPA, shareholders are unable to directly oversee managers' actions. As they have more hands-on knowledge of the firm, managers are prone to act opportunistically in relation to their own remuneration, extracting excessive benefits and establishing a link between managerial power and compensation arrangements (Abascal & González, 2019; Bebchuk & Fried, 2004). The approach predicts that compensation packages will favor the manager over the firm, especially if the BD is weak or hesitant. Bebchuk and Fried (2004) argued that managerial power over the BD aggravates the classic agent–principal conflict.

Most MPA-informed empirical studies on the influence of top executives on compensation policies include BD variables (e.g., board size, number of insiders, CEO duality) in the analysis of managerial power (Core et al., 1999; Newman & Mozes, 1999). Some studies also take the proportion of members appointed by majority shareholders and of independent members on the

 CC BY ISSN 0034-7590; eISSN 2178-938X

BD into account. Unsurprisingly, greater BD independence has been shown to restrain managerial power and inhibit excessive remuneration (Brandão, Vasconcelos, Luca, & Crisóstomo, 2019; Choe, Tian, & Yin, 2014).

Several authors have concluded that ownership concentration can be harmful to the quality of the BD structure and governance (Crisóstomo, Brandão, & Lopéz-Iturriaga, 2020; Bozec & Bozec, 2007; Porta et al., 2000) by allowing controlling shareholders to exercise private benefits of control against the interests of minority shareholders; this is a result of the principal–principal conflict, often referred to as expropriation. Hence, in a scenario of high ownership concentration such as Brazil, where large shareholders generally interfere in BD composition (Dutra & Saito, 2002), it is reasonable to assume that the association between ownership concentration and executive remuneration is sensitive to BD variables.

Jensen's (1993) seminal study identified the number of board members as a significant factor in the monitoring of management. It has been argued that the larger the BD, the more difficult it is to control decisions regarding executive compensation due to internal disunity, poor coordination, and reduced incentives to monitoring, eventually strengthening the influence of the CEO (Jensen, 1993; Lee & Chen, 2011). Similarly, evidence shows that, in environments with high ownership concentration, reducing the size of the BD can render the monitoring of managerial decisions easier and more effective (Cheung, Stouraitis, & Wong, 2005; Schiehll & Santos, 2004). Thus, based on these assumptions, we would expect executives to obtain higher levels of remuneration in firms with large BDs due to a reduction in the sensitivity of remuneration to ownership concentration. We therefore formulate the following hypothesis:

> H2: The number of board members is positively associated with the level of executive remuneration and negatively associated with the sensitivity of remuneration to ownership concentration.

Separating the functions of chairman and CEO allows more objective oversight of managerial decisions and is therefore considered a good corporate governance practice; however, CEO duality remains a common phenomenon worldwide. Like several other authors, Conyon and Peck (1997) concluded that keeping the functions of chairman and CEO separate helps restrain managerial discretion.

On the other hand, Finkelstein (1992) argues that the BD is the main instrument used by the CEO to garner power, especially if the CEO becomes the chairman as well, a position with greatly enhanced internal political influence and high risk of engagement in opportunistic behaviors. Thus, in line with the available empirical evidence, executive remuneration is on average higher in firms with poor control over the CEO, or in firms with CEO duality where the independence of the BD has been compromised (Bugeja, Rosa, Duong, & Izan, 2012; Lin & Lu, 2009). In fact, CEO duality appears to be more likely to occur in firms with large majority shareholders, that is, with high risk of power concentration in the hands of few individuals, and weak and inefficient BDs unable to monitor executive decision making (Cheung et al., 2005; Schiehll & Santos, 2004). Therefore, we formulate the following hypothesis:

> H3: CEO duality is positively associated with the level of executive remuneration and negatively associated with the sensitivity of remuneration to ownership concentration.

As documented in the literature, having a large proportion of insiders on the BD is detrimental to its monitoring ability. Insiders tend to support the CEO's choice of strategies, even when these hurt the interests of the shareholders (Grabke-Rundell & Gomez-Mejia, 2002).Thus, BDs with a large number of insiders provide CEOs with additional opportunities for increasing their compensation rather than investing efforts in the pursuit of corporate performance and greater returns on assets (Bugeja et al., 2012). In settings with high ownership concentration, BDs are composed of more insiders than outsiders, compromising the BD's mission to monitor managerial behavior (Cheung et al., 2005; Schiehll & Santos, 2004). In this study, we therefore included an evaluation of how the proportion of insiders on the BD affects the level of executive remuneration and the sensitivity of remuneration to ownership concentration. We therefore formulate the following hypothesis:

> H4: A high proportion of insiders on the BD is positively associated with the level of executive remuneration and negatively associated with the sensitivity of remuneration to ownership concentration.

Core et al. (1999) argue the BD should act as an organ of control on behalf of the shareholders but, to do so efficiently, the BD must be as independent as possible. This is best achieved when the members are outsiders, unaffiliated with the firm or the owners (IBGC, 2015). Accordingly, some authors have proposed a negative association between BD independence and CEO remuneration, arguing that a large number of independent directors reduces the CEO's power to

 CC BY ISSN 0034-7590; eISSN 2178-938X

secure remunerative advantages (Ozdemir & Upneja, 2012). Such independence would be a moderating factor in both agent–principal and principal–principal conflicts (Brandão et al., 2019). An independent BD would limit the CEO's influence on remuneration policies and thereby avoid encumbering the firm with excessive compensation packages (Chhaochharia & Grinstein, 2009). However, the independence of the BD may be compromised in firms with high ownership concentration where controlling shareholders serve as board members or appoint family members with this purpose (Cheung et al., 2005; Schiehll & Santos, 2004). Based on it, a high proportion of independent directors on the BD can be expected to have a negative influence on the level of executive remuneration and a positive influence on the sensitivity of remuneration to ownership concentration. We therefore formulate the following hypothesis:

> H5: A high proportion of independent directors on the BD is negatively associated with the level of executive remuneration and positively associated with the sensitivity of remuneration to ownership concentration.

In settings characterized by high ownership concentration, such as Brazil, the BD is often served by members appointed by the controlling shareholders (Dutra & Saito, 2002). This may be expected to reduce executives' ability to determine their own remuneration due to monitoring by the owners and their appointees on the BD (Claessens & Yurtoglu, 2013). Nevertheless, while this may attenuate agent–principal conflicts, it tends to accentuate principal–principal conflicts (Brandão & Crisóstomo, 2015; Chen & Keefe, 2018). This notion is supported by Bertucci, Bernardes, and Brandão (2006), who evaluated the influence of majority shareholders on remuneration policies. We therefore formulate the following hypothesis:

> H6: A high proportion of BD members appointed by controlling shareholders is negatively associated with the level of executive remuneration and positively associated with the sensitivity of remuneration to ownership concentration.

METHODS

The study population consisted of all non-financial firms traded on B3 in the period 2014–2016, for which the required information was available, corresponding to 232 firms (696 observations). Information on executive remuneration and BD structure was extracted from the reference forms of each firm found on the website of the Brazilian Securities Exchange Commission, while financial and ownership data was retrieved from the Economatica database during September and November, 2017.

Our empirical model used multiple linear regression, estimated using the ordinary least squares method, which is the most widely used model in studies on aspects of executive remuneration (Anjos et al., 2015; Ermel & Monte, 2016; Pinto & Leal, 2013; Teiss & Beuren, 2017). The independent variables were represented by ownership concentration and BD composition. Their effect on the dependent variable (executive remuneration) was analyzed considering mutual interactions. The control variables were the most commonly adopted in this type of study, namely company size, performance, and leverage. The proposition of our empirical model is illustrated in Equation 1.

$$TREMN_{it} = a + \beta_1 OWNCON_{it} + \beta_2 BDSTRCT_{it} + \beta_3 OWNCON_{it} * BDSTRCT_{it} + \beta_4 LnSIZE_{it} + \beta_5 LEV_{it} + \beta_6 PERFM_{it} + \varepsilon \quad (1)$$

where

$TREMN_{it}$ is the total remuneration of the executive directors of firm *i* in the period *t*,

$OWNCON_{it}$ represents the variables of ownership concentration, expressed as voting shares of the largest shareholders, of firm *i* in the period *t*,

$BDSTRCT_{it}$ represents the variables of board structure of firm *i* in the period *t*,

$LnSIZE_{it}$ is the size of firm *i* in the period *t*,

LEV_{it} is the leverage of firm *i* in the period *t*,

 CC BY ISSN 0034-7590; eISSN 2178-938X

$PERFM_{it}$ is the performance of firm *i* in the period *t*,

a is the intercept of the line,

β_1, β_2, β_3, β_4, β_5 and β_6 are the angular coefficients of the explanatory variables,

ε is the error term of the equation.

The coefficient (β_3) of the interaction variable $OWNCON_{it}$ * $BDSTRCT_{it}$ tested whether BD structure affected the sensitivity of remuneration to ownership concentration (β_1). Other estimations (not shown) were performed with the control variables "year" and "sector," but the coefficients were non-significant and had no measurable influence on the significance of the variables of interest.

A detailed description of the study variables is provided in Exhibit 1.

Exhibit 1. **Description of variables**

Variable	Description
Level of remuneration of executive directors (TREMN)	Natural logarithm (Ln) of the total remuneration of the executive directors (LnTREMN)
Ownership concentration (OWNCON)	Proportion of shares with voting rights belonging to the largest (SVR_1), the two largest (SVR_2), the three largest (SVR_3), the four largest (SVR_4),and the five largest shareholders (SVR_5)
Board size (BDSIZE)	Total number of sitting board members
CEO duality (CEODU)	Dual role as chairman and CEO (dummy variable: scored as 1 in the presence of duality; 0 otherwise)
Insiders (BDEXE)	Proportion of sitting board members who hold executive positions in the firm
Independent BD members (BDIND)	Proportion of independent members on the board
BD members appointed by large shareholders (BDAPP)	Proportion of sitting board members appointed by controlling shareholders
Company size (LnSIZE)	Natural logarithm (Ln) of assets
Leverage (LEV)	Total debts divided by total assets
Corporate performance (PERFM)	Net earnings divided by total assets

It should be noted that BD structure was quantified in relation to the total number of sitting board members of each firm.

 CC BY ISSN 0034-7590; eISSN 2178-938X

RESULTS

Descriptive statistics

The descriptive statistics of the variables used in the model are presented in Table 1. The mean annual gross remuneration of the executives was BRL 10.2 million, with little variation in the sample as revealed by the variation coefficients. This scenario is compatible with the findings of Anjos et al. (2015) for firms traded on BM&FBovespa in the period 2011–2013.

Table 1. **Descriptive statistics of the variables**

Variable	Minimum	Maximum	Mean	Std. Dev.	Variation coefficient
TREMN	8.688,00	93,304,626.83	10,210,300.74	12,708,135.98	1.245
LnTREMN	9.070	18.351	15.404	1.462	0.095
ROA	-8.256	2.218	-0.029	0.454	-15.891
LnSIZE	7.520	20.618	14.574	2.019	0.139
LEV	0.001	12.267	0.727	0.908	1.250
SVR_1	0.034	1.000	0.490	0.259	0.529
SVR_2	0.068	1.000	0.629	0.243	0.387
SVR_3	0.069	1.000	0.695	0.226	0.325
SVR_4	0.069	1.000	0.731	0.214	0.292
SVR_5	0.069	1.000	0.752	0.205	0.273
BDSIZE	1.000	20.000	8.115	3.572	0.440
BDIND	0.000	1.000	0.193	0.210	1.087
BDEXE	0.000	1.000	0.111	0.132	1.183
BDAPP	0.000	1.000	0.705	0.331	0.469

Note: TREMN=level of remuneration of executive directors; LnTREMN=natural logarithm of total remuneration of executive directors; ROA=return on assets; LnSIZE=natural logarithm of assets; LEV=leverage; SVR_1=proportion of shares with voting rights belonging to the largest shareholder; SVR_2=proportion of shares with voting rights belonging to the two largest shareholders; SVR_3=proportion of shares with voting rights belonging to the three largest shareholders; SVR_4=proportion of shares with voting rights belonging to the four largest shareholders; SVR_5=proportion of shares with voting rights belonging to the five largest shareholders; BDSIZE=board size; BDIND=proportion of independent members on the board; BDEXE=proportion of sitting board members with executive positions; BDAPP=proportion of sitting board members appointed by controlling shareholders.

On the average, 49% of the voting shares were controlled by the largest shareholder, rising to 75.2% when the five largest shareholders were pooled. The sample was relatively homogenous with regard to ownership concentration, matching the results of previous Brazilian studies showing a high concentration of voting shares (Brandão & Crisóstomo, 2015; Silveira, Leal, Carvalhal-da-Silva, & Barros, 2010).

The mean number of board members was eight, with little variation in the sample. The observed number is compatible with IBGC guidelines (2015) and with the findings of Brandão et al. (2019) for firms on the IBrX 100 ranking in the period 2013–2015.

Independent members (19.3%) were more prevalent than insiders (11.1%), but a very high percentage (nearly 70%) were appointees of controlling shareholders. These figures are consistent with the findings of Brandão and Crisóstomo (2015) for top Brazilian public firms between 2010 and 2013.

The results of the correlation analysis of the quantitative study variables are presented in Table 2.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Table 2. **Correlation between metric variables**

Variable	LnTREMN	BDSIZE	BDIND	BDEXE	BDAPP	LnSIZE	LEV	ROA	SVR_1	SVR_2	SVR_3	SVR_4	SVR_5
LnTREMN	1.000												
BDSIZE	0.441(**)	1.000											
BDIND	0.290(**)	0.025	1.000										
BDEXE	-0.394(**)	-0.399(**)	-0.263(**)	1.000									
BDAPP	-0.125(**)	-0.065	-0.446(**)	0.110(**)	1.000								
LnSIZE	0.717(**)	0.597(**)	0.196(**)	-0.362(**)	-0.034	1.000							
LEV	-0.228(**)	-0.143(**)	-0.093(*)	0.321(**)	-0.007	-0.225(**)	1.000						
ROA	0.179(**)	0.146(**)	0.048	-0.151(**)	-0.042	0.230(**)	-0.491(**)	1.000					
SVR_1	-0.259(**)	-0.055	-0.422(**)	0.088(*)	0.356(**)	-0.132(**)	0.144(**)	-0.075(*)	1.000				
SVR_2	-0.334(**)	-0.069	-0.471(**)	0.117(**)	0.357(**)	-0.194(**)	0.135(**)	-0.067	0.909(**)	1.000			
SVR_3	-0.370(**)	-0.089(*)	-0.484(**)	0.156(**)	0.338(**)	-0.224(**)	0.155(**)	-0.063	0.826(**)	0.967(**)	1.000		
SVR_4	-0.377(**)	-0.101(**)	-0.493(**)	0.153(**)	0.331(**)	-0.234(**)	0.137(**)	-0.053	0.750(**)	0.913(**)	0.981(**)	1.000	
SVR_5	-0.386(**)	-0.120(**)	-0.491(**)	0.159(**)	0.318(**)	-0.253(**)	0.126(**)	-0.046	0.700(**)	0.870(**)	0.952(**)	0.990(**)	1.000

Note: *, **, and *** = significant 10%, 5%, and 1% level, respectively.

LnTREMN=the natural logarithm of total remuneration of executive directors; BDSIZE=board size; BDIND=proportion of independent members on the board; BDEXE=proportion of sitting board members with executive positions; BDAPP=proportion of sitting board members appointed by controlling shareholders; LnSIZE=natural logarithm of assets; LEV=leverage; ROA=return on assets; SVR_1=proportion of shares with voting rights belonging to the largest shareholder; SVR_2=proportion of shares with voting rights belonging to the two largest shareholders; SVR_3=proportion of shares with voting rights belonging to the three largest shareholders; SVR_4=proportion of shares with voting rights belonging to the four largest shareholders; SVR_5=proportion of shares with voting rights belonging to the five largest shareholders.

A negative association was observed between ownership concentration and the level of executive remuneration, similar other emerging markets (Firth et al., 2007; Luo, 2015). Regarding board composition, both board size and the proportion of independent members were positively associated with the level of executive remuneration. In contrast, negative associations were observed for the proportion of insiders and of members appointed by controlling shareholders.

The interaction between ownership concentration and variables of BD structure revealed a negative correlation for board size and the proportion of independent members on the BD. However, a positive correlation was observed for the proportion of members with executive positions and of members appointed by majority shareholders, suggesting that the high ownership concentration in the sampled Brazilian firms was detrimental to governance quality and, consequently, to BD structure (Crisóstomo et al., 2020).

Regression analysis

The main results of 25 estimations of the regression model testing the influence of ownership concentration and BD structure on the level of executive remuneration are reported in Table 3. None of the estimations displayed multicollinearity between the explanatory variables, as shown by the low variance inflation factors (range: 1.00–1.62) (Fávero, Belfiore, Silva, & Chan, 2009). Using the Durbin-Watson test, the independence of the residuals was confirmed by high *p*-values in all estimations. Problems of heteroscedasticity were detected with Breusch–Pagan/Cook–Weisberg tests and treated in all analyses by adopting robust standard errors obtained with White's robust correction.

CC BY

ISSN 0034-7590; eISSN 2178-938X

Table 3. **Results of estimations of Equation 1**

Independent variables	(i)		(ii)		(iii)		(iv)		(v)	
SVR_1	-0.913	(***)	-0.674	(***)	-0.899	(***)	-0.800	(***)	-0.850	(***)
BDSIZE	0.010									
BDIND			0.718	(***)						
BDEXE					-1.581	(***)				
BDAPP							-0.231	(*)		
CEODU									-0.363	(***)
SVR_1*BDSIZE	-0.181	(***)								
SVR_1*BDIND			-3.299	(***)						
SVR_1*BDEXE					1.802					
SVR_1*BDAPP							2.269	(***)		
SVR_1*CEODU									0.513	
ROA	-0.067		-0.059		-0.040		-0.077		-0.039	
LnSIZE	0.487	(***)	0.486	(***)	0.465	(***)	0.497	(***)	0.489	(***)
LEV	-0.097	(**)	-0.095	(**)	-0.033		-0.104	(**)	-0.072	
Constant	8.738	(***)	8.566	(***)	9.258	(***)	8.775	(***)	8.772	(***)
N	696		696		696		696		696	
R^2	0.545		0.553		0.561		0.547		0.549	
F	165.33		170.85		176.39		166.66		168.59	
p-value	0.000		0.000		0.000		0.000		0.000	
SVR_2	-1.197	(***)	-0.973	(***)	-1.167	(***)	-1.103	(***)	-1.121	(***)
BDSIZE	0.013									
BDIND			0.553	(***)						
BDEXE					-1.544	(***)				
BDAPP							-0.166			
CEODU									-0.312	(**)
SVR_2*BDSIZE	-0.080	(*)								
SVR_2*BDIND			-1.973	(**)						
SVR_2*BDEXE					-0.323					
SVR_2*BDAPP							1.683	(***)		
SVR_2*CEODU									0.970	
ROA	-0.056		-0.052		-0.030		-0.063		-0.032	
LnSIZE	0.470	(***)	0.478	(***)	0.453	(***)	0.485	(***)	0.478	(***)
LEV	-0.094	(**)	-0.093	(**)	-0.033		-0.100	(**)	-0.073	
Constant	9.257	(***)	8.998	(***)	9.718	(***)	9.204	(***)	9.217	(***)
N	696		696		696		696		696	
R^2	0.557		0.561		0.572		0.558		0.560	
F	173.86		176.80		184.75		174.22		176.07	
p-value	0.000		0.000		0.000		0.000		0.000	
SVR_3	-1.404	(***)	-1.188	(***)	-1.351	(***)	-1.314	(***)	-1.323	(***)
BDSIZE	0.013									
BDIND			0.478	(**)						
BDEXE					-1.470	(***)				
BDAPP							-0.153			
CEODU									-0.283	(**)
SVR_3*BDSIZE	-0.016									
SVR_3*BDIND			-1.246							
SVR_3*BDEXE					-2.997	(**)				
SVR_3*BDAPP							1.628	(***)		
SVR_3*CEODU									0.114	
ROA	-0.038		-0.037		-0.014		-0.046		-0.017	
LnSIZE	0.463	(***)	0.473	(***)	0.449	(***)	0.479	(***)	0.472	(***)

Continue

Table 3. Results of estimations of Equation 1

Conclusion

Independent variables	(i)		(ii)		(iii)		(iv)		(v)	
LEV	-0.082	(*)	-0.083	(*)	-0.025		-0.088	(*)	-0.064	
Constant	9.573	(***)	9.295	(***)	9.978	(***)	9.504	(***)	9.507	(***)
N	696		696		696		696		696	
R^2	0.563		0.566		0.577		0.564		0.566	
F	178.33		180.40		188.37		178.56		180.08	
p-value	0.000		0.000		0.000		0.000		0.000	
SVR_4	-1.491	(***)	-1.268	(***)	-1.437	(***)	-1.396	(***)	-1.408	(***)
BDSIZE	0.013									
BDIND			0.460	(**)						
BDEXE					-1.474	(***)				
BDAPP							-0.158			
CEODU									-0.287	(**)
SVR_4*BDSIZE	0.012									
SVR_4*BDIND			-0.862							
SVR_4*BDEXE					-3.431	(**)				
SVR_4*BDAPP							1.497	(***)		
SVR_4*CEODU									-0.307	
ROA	-0.036		-0.035		-0.012		-0.044		-0.015	
LnSIZE	0.461	(***)	0.471	(***)	0.446	(***)	0.476	(***)	0.470	(***)
LEV	-0.089	(*)	-0.089	(*)	-0.031		-0.094	(**)	-0.070	
Constant	9.724	(***)	9.433	(***)	10.134	(***)	9.656	(***)	9.660	(***)
N	696		696		696		696		696	
R^2	0.564		0.566		0.577		0.564		0.566	
F	178.64		180.56		188.81		178.99		180.52	
p-value	0.000		0.000		0.000		0.000		0.000	
SVR_5	-1.533	(***)	-1.296	(***)	-1.477	(***)	-1.430	(***)	-1.449	(***)
BDSIZE	0.011									
BDIND			0.478	(**)						
BDEXE					-1.467	(***)				
BDAPP							-0.175			
CEODU									-0.297	(**)
SVR_5*BDSIZE	0.027									
SVR_5*BDIND			-0.651							
SVR_5*BDEXE					-3.636	(**)				
SVR_5*BDAPP							1.513	(***)		
SVR_5*CEODU									-0.407	
ROA	-0.032		-0.032		-0.008		-0.041		-0.010	
LnSIZE	0.459	(***)	0.468	(***)	0.443	(***)	0.473	(***)	0.466	(***)
LEV	-0.094	(**)	-0.093	(**)	-0.036		-0.099	(**)	-0.074	
Constant	9.829	(***)	9.521	(***)	10.239	(***)	9.770	(***)	9.773	(***)
N	696		696		696		696		696	
R^2	0.562		0.565		0.576		0.563		0.565	
F	177.63		179.81		187.72		178.25		179.75	
p-value	0.000		0.000		0.000		0.000		0.000	

Note: *, **, and *** = significant 10%, 5%, and 1% level, respectively. (i), (ii), (iii), (iv), and (v) represent model estimations.

BDSIZE=board size; BDIND=proportion of independent members on the board; BDEXE=proportion of sitting board members with executive positions; BDAPP=proportion of sitting board members appointed by controlling shareholders; CEODU=CEO duality; LnSIZE=natural logarithm of assets; LEV=leverage; ROA=return on assets; SVR_1=proportion of shares with voting rights belonging to the largest shareholder; SVR_2=proportion of shares with voting rights belonging to the two largest shareholders; SVR_3=proportion of shares with voting rights belonging to the three largest shareholders; SVR_4=proportion of shares with voting rights belonging to the four largest shareholders; SVR_5=proportion of shares with voting rights belonging to the five largest shareholders.

CC BY

ISSN 0034-7590; eISSN 2178-938X

The first hypothesis (*H1*) was confirmed at the 1% level of significance, regardless of which measure of concentration (the proportion of voting shares of the largest or the 2, 3, 4, or 5 largest shareholders) was used in the model. Similar patterns have been observed for other markets (Hassen et al., 2015; Luo, 2015).

Board size *per se* had no influence on the level of executive remuneration, but when interacted with ownership concentration the variable increased the sensitivity of remuneration to ownership concentration quantified as the proportion of voting shares of the largest or two largest shareholders. Based on this result, our second hypothesis (*H2*) was rejected.

CEO duality affected executive remuneration negatively, contrary to our expectations (*H3*). However, when interacted with ownership concentration, the variable had no impact on the sensitivity of remuneration to ownership concentration.

The results for insiders was also surprising, considering our fourth hypothesis (*H4*). The proportion of members with executive positions was found to be negatively associated with remuneration. Also, when it interacted with ownership concentration, increased the sensitivity of remuneration to ownership concentration quantified as the proportion of voting shares of the 3, 4, or 5 largest shareholders.

The proportion of independent members on the BD had a positive effect on the level of executive remuneration, contradicting our fifth hypothesis (*H5*). However, when interacted with ownership concentration, the proportion of independent members on the BD tended to increase the sensitivity of remuneration to ownership concentration quantified as the proportion of voting shares of the largest or two largest shareholders.

Finally, the proportion of members appointed by majority shareholders *per se* did not affect the level of executive remuneration, as posited by the sixth hypothesis (*H6*). Nevertheless, when interacted with ownership concentration, the proportion of members appointed by majority shareholders reduced the sensitivity of remuneration to ownership concentration, regardless of how this was quantified. Regarding the control variables, company size was positively associated with executive remuneration, confirming the common notion that larger firms offer higher compensations (Cao, Pan, & Tian, 2011).

Overall, our findings for BD structure diverge from international studies, suggesting the MPA (Bebchuk & Fried, 2003, 2004) is not an ideal framework for the Brazilian setting.

DISCUSSION

The observed negative influence of the metrics of ownership concentration on the level of executive remuneration suggests that controlling shareholders assign little importance to remuneration policies and tend to offer top executives less handsome compensations. The substitution of closer monitoring for remuneration as a moderator of agent–principal conflicts would explain this (Almazan et al., 2005).

The negative association between ownership concentration and executive remuneration observed herein is consistent with other studies from Brazil (Anjos et al., 2015; Ermel & Monte, 2016; Pinto & Leal, 2013), Asia, the US, and Europe (Croci et al., 2012; Firth et al., 2007; Hartzell & Starks, 2003; Hassen et al., 2015; Luo, 2015).

Our results reflect the fact that ownership concentration impacts the relationship between principal and agent. According to Dyck and Zingales (2004), the concentration of power in the hands of a small number of shareholders encourages the pursuit of private benefits of control, with little concern for the cost involved in excessive compensation packages (Cao et al., 2011; John et al., 2010). Unfortunately, although it attenuates agent–principal conflicts, this behavior on part of the controllers tends to exacerbate conflicts between majority and minority shareholders (Luo, 2015).

The rejection of our hypotheses regarding insiders and CEO duality (negatively associated with the level of executive remuneration) suggests that the MPA has little relevance in the Brazilian setting. This is most likely because principal–principal conflicts are more prevalent than agent–principal conflicts in family-owned firms and other firms with high ownership concentration whose controllers are apt to interfere in the choice of top executives (Brandão & Crisóstomo, 2015; Pinto & Leal, 2013). This also reinforces the notion that, in such scenarios, less independent executives tend to be paid smaller compensations.

When interacted with ownership concentration, board size and the proportion of independent members on the BD increased the sensitivity of remuneration to ownership concentration. This may be due to low board quality in an environment of high ownership concentration when controllers, by way of substitution, take over an important part of the board's monitoring functions (Crisóstomo et al., 2020). This makes it easier to persuade board members to support policies in the controller's interest, such as lower levels of executive remuneration and the establishment of private benefits of control, which is to the detriment of minority shareholders, leading to a situation of expropriation.

The observed positive influence of the proportion of independent members on the level of remuneration may be explained as a trade-off between monitoring and remuneration, suggesting that independent board members believe in the use of financial incentives to align the interests of managers and owners, as well those of majority and minority shareholders (Mehran, 1995).

However, when the proportion of independent members on the BD and ownership concentration were interacted, the presence of independent directors was found to increase the sensitivity of remuneration to ownership concentration. A possible explanation for this finding is that, despite being an indicator of good governance, board independence is not a valued trait in firms with high ownership concentration, leading to accentuated principal–principal conflicts. Similarly, the observed negative effect of the proportion of members appointed by majority shareholders on the sensitivity of remuneration to ownership concentration is compatible with the common practice of tunneling among controllers (Cheung et al., 2005), facilitating the direct extraction of private benefits of control through opportunistic remuneration policies.

CONCLUSION

Considering agency theory and MPA, we evaluated the influence of ownership concentration and BD structure on the level of executive remuneration. Our findings have significant implications for the understanding of agency conflicts and governance on the Brazilian capital market.

The empirical evidence confirms that Brazilian public firms are most often controlled by a handful of majority shareholders. This is highly relevant for formulating corporate policies and strategies involving executive compensation.

Reinforcing the results of earlier studies, the first contribution of our investigation was to document the negative influence of ownership concentration on the level of executive remuneration, with a clear indication that controllers prefer to mitigate the classic agent–principal conflict by directly monitoring managerial actions rather than by negotiating attractive compensation packages. By doing so, controllers substitute the BD with regard to this particular function.

The lower level of remuneration controlling shareholders offer managers is an incentive to the exercise of private benefits of control, a strategy that is eventually reflected in the exacerbation of principal–principal conflicts and the expropriation of minority shareholders.

On the other hand, as the second contribution, our analysis of the influence of BD structure on executive compensation shows that the MPA is not an adequate framework for the Brazilian setting. Despite their influence on the BD, managers are unable to extract higher levels of remuneration due to the predominance of principal–principal conflicts within the Brazilian institutional context of high ownership concentration.

The notion that low BD quality is associated with high ownership concentration is supported by the observation that BD structure affects the sensitivity of remuneration to ownership concentration. This third contribution confirms that when controllers exercise power over executive remuneration policies, they also expropriate minority shareholders and substitute the BD as a monitoring body while extracting private benefits of control.

This study has some limitations, especially the short period covered by our sample and the small number of firms included. However, we believe that, by probing the relationship between ownership concentration, BD structure and executive remuneration, which is a relatively unexplored topic in the Brazilian setting, our findings are highly relevant to the debate on the dynamics of different types of agency conflicts on the Brazilian capital market and to how this relationship impacts corporate life and governance.

Future studies may consider extending the study period, including firms from other markets, incorporating institutional determinants, employing more robust statistical methods, and evaluating a wider set of governance mechanisms.

REFERENCES

Abascal, R., & González, F. (2019). Shareholder protection and bank executive compensation after the global financial crisis. *Journal of Financial Stability*, *40*, 15-37. doi:10.1016/j.jfs.2018.11.004

Almazan, A., Hartzell, J. C., & Starks, L. T. (2005). Active institutional shareholders and costs of monitoring: Evidence from executive compensation. *Financial Management, 34*(4), 5-34. doi:10.1111/j.1755-053X.2005.tb00116.x

Anjos, L. C. M., Tavares, M. F. M., Monte, P. A., & Lustosa, P. R. B. (2015). Relações entre controle acionário e remuneração de executivos. *Enfoque*, *34*(1), 45-56. doi:10.4025/enfoque.v34i1.22493

Bebchuk, L. A., & Fried, J. M. (2003). Executive compensation as an agency problem. *Journal of Economic Perspectives*, *17*(3), 71-92. doi:10.1257/089533003769204362

Bebchuk, L. A., & Fried, J. M. (2004). *Pay without performance: The unfulfilled promise of executive compensation*. Cambridge, USA: Harvard University Press.

Berle, A. A., & Means, G. C. (1932). *The modern corporation and private property*. New York, USA: Transaction Publishers.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Bertucci, J. L. O., Bernardes, P., & Brandão, M. M. (2006). Políticas e práticas de governança corporativa em empresas brasileiras de capital aberto. *Revista de Administração, 41*(2), 183-196. doi:10.1590/S0080-21072006000200006

Bettis, J. C., Bizjak, J., Coles, J., & Kalpathy, S. (2018). Performance-vesting provisions in executive compensation. *Journal of Accounting and Economics*, *66*(1), 194-221. doi: 0.1016/j.jacceco.2018.05.001

Bozec, Y., & Bozec, R. (2007). Ownership concentration and corporate governance practices: Substitution or expropriation effects? *Canadian Journal of Administrative Sciences, 24*(3), 185-195. doi: 10.1002/cjas.23

Brandão, I. F., & Crisóstomo, V. L. (2015). Concentração de propriedade e qualidade da governança da empresa brasileira. *Revista Brasileira de Finanças, 13*(3), 438-472. doi: 10.12660/rbfin.v13n3.2015.45739

Brandão, I. F., Vasconcelos, A. C., Luca, M. M. M. De, & Crisóstomo, V. L. (2019). Composição do conselho de administração e sensibilidade da remuneração executiva ao desempenho de mercado. *Revista Contabilidade & Finanças, 30*(79), 28-41. doi: 10.1590/1808-057x201806610

Bugeja, M., Rosa, R. S., Duong, L., & Izan, H.Y. (2012). CEO compensation from M&As in Australia. Journal of Business Finance & Accounting, 39(9-10), 1298-1329. doi: 10.1111/j.1468-5957.2012.02299.x

Cao, J., Pan, X., Tian, G. (2011). Disproportional ownership structure and pay-performance relationship: Evidence from China's listed firms. Journal of Corporate Finance, 17(3), 541-554. doi: 10.1016/j.jcorpfin.2011.02.006

Chen, Z., & Keefe, M. O. C. (2018). Board of director compensation in China: To pay or not to pay? How much to pay? Emerging Markets Review, 37(C), 66-82. doi: 10.1016/j.ememar.2018.05.003

Cheung, Y. L., Stouraitis, A, & Wong, A. W. S. (2005). Ownership concentration and executive compensation in closely held firms: Evidence from Hong Kong. *Journal of Empirical Finance*, *12*, 511-532. doi:10.1016/j.jempfin.2004.10.001

Chhaochharia, V., & Grinstein, Y. (2009). CEO compensation and board structure. *The Journal of Finance, 64*(1), 231-261. doi: 10.1111/j.1540-6261.2008.01433.x

Choe, C., Tian, G. Y., & Yin, X. (2014). CEO power and the structure of CEO pay. *International Review of Financial Analysis, 35*(5), 237-248. doi: 10.1016/j.irfa.2014.10.004

Claessens, S., & Yurtoglu, B. B. (2013). Corporate governance in emerging markets: A survey. *Emerging Markets Review, 15*(2), 1-33. doi: 10.1016/j.ememar.2012.03.002

Conyon, M. J., & Peck, S. I. (1997). Board control, remuneration committees, and top management compensation. *Academy of Management Journal, 41*(2), 146-157. doi: 10.2307/257099

Core, J. E., Holthausen, R. W., & Larcker, F. D. (1999). Corporate governance, chief executive compensation, and firm performance. *Journal of Financial Economics, 51*(3), 371-406. doi: 10.1016/S0304-405X(98)00058-0

Correia, L. F., Amaral, H. F., & Louvet, P. (2014). Remuneração, composição do conselho de administração e estrutura de propriedade: Evidências empíricas do mercado acionário brasileiro. *Advances in Scientific and Applied Accounting, 7*(1), 2-37.doi: 10.14392/ASAA.2014070101

Crisóstomo, V. L., Brandão, I. F., & Lopéz-Iturriaga, F. J. (2020). Large shareholders' power and the quality of corporate governance: An analysis of Brazilian firms. *Research in International Business and Finance*, *51*(C), 1-15. doi:10.1016/j.ribaf.2019.101076

Croci, E., Gonenc, H., & Ozkan, N. (2012). CEO compensation, family control, and institutional investors in Continental Europe. *Journal of Banking & Finance, 36*(12), 3318-3335. doi:10.1016/j.jbankfin.2012.07.017

Dutra, M. G. R., & Saito, L. (2002). Conselhos de administração: Análise de sua composição em um conjunto de companhias abertas brasileiras. *Revista de Administração Contemporânea, 6*(2), 9-27. doi:10.1590/S1415-65552002000200003.

Dyck, A., & Zingales, L. (2004). Private benefits of control: An international comparison. *The Journal of Finance, 59*(2), 537-600. doi:10.1111/j.1540-6261.2004.00642.x

Ermel, M. D. A., & Monte, P. A. (2016). Controle acionário, remuneração de executivos e desempenho empresarial: Evidências para o mercado brasileiro. FGV/EAESP *Working Papers Series, 6*(1), 1-32. doi:10.26512/2015.06.D.19144

Fávero, L. P., Belfiore, P. P., Silva, F. L. da, & Chan, B. L. (2009). Análise de dados: Modelagem multivariada para tomada de decisões. Rio de Janeiro, RJ: Elsevier.

Finkelstein, S. (1992). Power in top management teams: Dimensions, measurement, and validation. *Academy of Management Journal, 35*(3), 505-538. doi:10.2307/256485

Firth, M., Fung, P. M. Y., & Rui, O. M. (2007). How ownership and corporate governance influence chief executive pay in China's listed firms. *Journal of Business Research, 60*(7), 776-785. doi:10.1016/j.jbusres.2007.01.014

Grabke-Rundell, A., & Gomez-Mejia, L. R. (2002). Power as a determinant of executive compensation. *Human Resource Management Review, 12*(1), 3-23. doi:10.1016/S1053-4822(01)00038-9

Hartzell, J. C., & Starks, L. T. (2003). Institutional investors and executive compensation. *Journal of Finance, 58*(6), 2351-2374. doi:10.1046/j.1540-6261.2003.00608.x

Hassen, R. B., Ouakdi, J. E., & Omri, A. (2015). Executive compensation and ownership structure. *The Journal of Applied Business Research, 31*(2), 593-609. doi:10.19030/jabr.v31i2.9156

Instituto Brasileiro de Governança Corporativa. (2015). *Código brasileiro de governança corporativa*: Companhias abertas. São Paulo, SP: IBGC.

Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *The Journal of Finance, 48*(3), 831-880. doi: 10.1111/j.1540-6261.1993.tb04022.x

Jensen, M. C, & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305-360. doi: 10.1016/0304-405X(76)90026-X

Jiang, H., Habib, A., & Smallman, C. (2009). The effect of ownership concentration on CEO compensation-firm performance relationship in New Zealand. *Pacific Accounting Review, 21*(2), 104-131. doi:0.1108/01140580911002053

John, K., Mehran, H., & Qian, Y. M. (2010). Outside monitoring and CEO compensation in the banking industry. *Journal of Corporate Finance, 16*(4), 383-399. doi:10.1016/j.jcorpfin.2010.01.001

Lee, S. P., & Chen, H. J. (2011). Corporate governance and firm value as determinants of CEO compensation in Taiwan. *Management Research Review, 34*(3), 252-265. doi:10.1108/01409171111116286

Lin, B. X., & Lu, R. (2009). Managerial power, compensation gap and firm performance- evidence from Chinese public listed companies. *Global Finance Journal, 20*(2), 153-164. doi:10.1016/j.gfj.2008.12.002

Luo, Y. (2015). CEO power, ownership structure and pay performance in Chinese banking. *Journal of Economics and Busines, 82*(C), 3-16. doi:10.1016/j.jeconbus.2015.04.003

Mehran, H. (1995). Executive compensation structure, ownership, and firm performance. *Journal of Financial Economics, 38*(2), 163-184. doi:10.1016/0304-405X(94)00809-F

Newman, H. A., & Mozes, A. H. (1999). Does the composition of the compensation committee influence CEO compensation practices? *Financial Management, 28*(3), 41-53. doi: 10.2307/3666182

Ozdemir, O., & Upneja, A. (2012). Board structure and CEO compensation: Evidence from U.S. lodging industry. *International Journal of Hospitality Management, 31*(3), 856-863. doi: 10.1016/j.ijhm.2011.10.004

Pinto, M. B., & Leal, R. P. C. (2013). Ownership concentration, top management and board compensation. *Revista de Administração Contemporânea, 17*(3), 304-324. doi: 10.1590/S1415-65552013000300004

Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Corporate ownership around the world. *The Journal of Finance, 54*(2), 471-517. doi:10.1111/0022-1082.00115

Porta, R., López-de-Silanes, F., Shleifer, A., & Vishny, R. W. (2000). Investor protection and corporate governance. *Journal of Financial Economics, 58*(1-2), 3-27. doi:10.1016/S0304-405X(00)000659

Schiehll, E., & Santos, I. O. (2004). Ownership structure and composition of boards of directors: Evidence on Brazilian publicly traded companies. *Revista de Administração*, *39*(4), 373-384. Recuperado de http://200.232.30.99/busca/artigo.asp?num_artigo=1138

Shleifer, A., & Vishny, R. (1997). A survey of corporate governance. *Journal of Finance*, 52(2), 737-783. doi:10.1111/j.1540-6261.1997.tb04820.x

Silveira, A. D. M., Leal, R. P. C., Carvalhal-da-Silva, A. L., & Barros, L. A. B. C. (2010). Endogeneity of Brazilian corporate governance quality determinants. *Corporate Governance*, *10*(2), 191-202. doi:10.1108/14720701011035701

Theiss, V., & Beuren, I. M. (2017). Estrutura de propriedade e remuneração dos executivos. *Revista de Administração da UFSM, 10*(3), 533-550. doi:10.5902/1983465913062

Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D., & Jiang, Y. (2008). Corporate governance in emerging economies: A review of the principal-principal perspective. *Journal of Management Studies*, *45*(1), 196-220. doi:10.1111/j.1467-6486.2007.00752.x

AUTHORS' CONTRIBUTIONS

The authors declare that they participated in all stages of development of the manuscript. From the conceptualization and theoretical-methodological approach, the theoretical review (literature survey), data collection, as well as data analysis, and finally, writing and final review.

 CC BY

ARTICLES

Submitted 09.30.2019. Approved 04.01.2020
Evaluated through a *double blind review* process. Scientific Editor: André Luis de Castro Moura Duarte
Translated version
DOI: http://dx.doi.org/10.1590/S0034-759020200504

ALLIANCE PORTFOLIO AND INNOVATIVE PERFORMANCE OF BRAZILIAN INDUSTRY

Portfólio de alianças e desempenho inovador da indústria brasileira

Portafolio de alianzas y el desempeño innovador de la industria brasileña

ABSTRACT

The main objective of this study is to analyze the relationship between Alliance Portfolio Diversity (APD) and the firm's innovative performance, especially when R&D capacity (RDCAP) and Specialized Complementary Assets (SCA) moderate this relationship at different points in the firm's value chain; the study also identifies the nature of the relationship between such moderators. It applies econometric methods to a database comprised of 13,020 companies from Brazilian industry. The results reveal an inverted U-shaped curvilinear relationship between APD and innovative performance, as well as the effective positive moderation of this relationship by the RDCAP and the SCA. This research contributes to the literature on firm knowledge, especially theories of open innovation and absorptive capacity (AC). The former is progressing to emerging economic contexts and the second, contributing a new way of understanding AC by investigating its spatial dimensions, in addition to the skills and competencies dimensions.

KEYWORDS | Alliance portfolio diversity, innovative performance, R&D capacity, specialized complementary assets, firm's value chain.

RESUMO

O principal objetivo deste artigo é analisar o relacionamento entre a Diversidade do Portfólio de Alianças (APD) e o desempenho inovador da firma, especialmente quando esse relacionamento é moderado pela capacidade de P&D (RDCA) e pelos Ativos Complementares Especializados (SCA) em pontos distintos de sua cadeia de valor, bem como identificar a natureza da relação existente entre tais moderadores. Métodos econométricos foram aplicados a uma base de dados composta por 13.020 empresas da indústria brasileira. Os resultados mostraram relação curvilinear em forma de U-invertido entre a APD e o desempenho inovador, bem como a efetiva moderação positiva desse relacionamento, por parte da RDCA e dos SCA. Esta pesquisa contribui para a literatura que aborda o conhecimento da firma, especialmente para as teorias da inovação aberta e da capacidade de absorção (AC),a primeira avançando em direção aos contextos econômicos emergentes e a segunda adicionando uma nova forma de compreender a AC, que pode ser investigada também a partir de suas dimensões espaciais, além das dimensões de habilidades e competências.

PALAVRAS-CHAVE */ Diversidade de portfólio de alianças, desempenho inovador, capacidade de P&D, ativos complementares especializados, cadeia de valor da firma.*

RESUMEN

El objetivo principal de este documento es analizar la relación entre la diversidad de portafolio de alianzas (APD) y el desempeño innovador de la empresa, especialmente cuando esa relación está moderada por la capacidad de I&D (CAPID) y los activos complementarios especializados (SCA), en puntos distintos de su cadena de valor, así como identificar la naturaleza de la relación entre dichos moderadores. Los métodos econométricos se aplicaron a una base de datos compuesta por 13.020 empresas de la industria brasileña. Los resultados mostraron una relación curvilínea en forma de U invertida entre la APD y el desempeño innovador, así como la moderación positiva efectiva de esta relación por parte de la CAPID y los SCA. Esta investigación contribuye a la literatura que aborda el conocimiento de la empresa, especialmente para las teorías de innovación abierta y capacidad de absorción (AC). Para la primera, al avanzar hacia contextos económicos emergentes y para la segunda, al agregar una nueva forma de entender la AC, que también puede investigarse desde sus dimensiones espaciales, además de las dimensiones de habilidades y competencias.

PALABRAS CLAVE */ Diversidad de portafolio de alianzas, desempeño innovador, capacidad de I&D, activos complementarios especializados, cadena de valor de la firma*

FREDERICO G. P. MOREIRA[1]
fredgpm@gmail.com
0000-0002-7973-2647

ANA L. V. TORKOMIAN[2]
torkomia@ufscar.br
0000-0002-8090-9526

HERICK MORALLES[2]
herickmoralles@dep.ufscar.br
0000-0002-5521-9443

[1] Universidade Federal do Pará, Departamento de Engenharia Civil, Belém, PA, Brazil

[2] Universidade Federal de São Carlos, Departamento de Engenharia de Produção, São Carlos, SP, Brazil

INTRODUCTION

The knowledge-based literature on firms is rich in analyses of organizational environments and mechanisms related to firms' strategies of accessing various types of knowledge (Benner & Tushman, 2003; Cohen & Levinthal, 1990; March, 1991). These analyses consolidate the importance of accessing knowledge and technologies in a firm's external sources (Chesbrough, 2003, 2006). The greater the range of knowledge or technologies accessed, the greater are the chances that the firm develops new combinations of knowledge and ideas. However, this implies that the firm's absorptive capacity (AC) also has to increase (Cohen & Levinthal, 1990; Zahra & George, 2002).

These considerations lead to the specific context of the Alliance Portfolio Diversity (APD) (Faems, Visser, Andries, & Looy, 2010) as a driver of the firm's innovative performance. This study defines APD considering portfolio as a set of formal active alliances of the focal firm (Baum et al., 2000; Leeuw, Lokshin, & Duysters, 2014) and diversity as the distribution of differences among these alliances, in relation to an attribute "X" (Leeuw et al., 2014). Regarding this topic, the literature has investigated the characteristics and relationships with partners (Lavie & Miller, 2008; Leeuw et al., 2014) and the characteristics of the resources and knowledge involved (Asgari, Singh, & Mitchell, 2017; Srivastava & Gnyawali, 2011; Vasudeva & Anand, 2011). Further, the literature has examined the management of tasks and tools (Oerlemans, Knoben, & Pretorius, 2013) and the frequency of new strategic and tactical competitive actions (Andrevsky, Brass, & Ferrier, 2016). The functions, relationships, and routines of alliance portfolio management have also been studied in relation to public institutions (Milagres, Rezende, & Silva, 2017).

However, correlating partner diversification with the existence of resources along a firm's value chain has been little explored, especially in emerging economic scenarios where companies exhibit low adherence to open innovation practices (Bogers, Burcharth, & Chesbrough, 2019). Idiosyncrasies related to the protection of intellectual property, immature industrial standards, as well as a weakening of social capital, help explain such contexts, including the Brazilian one (Bogers et al., 2019). To address this academic gap, this study postulates that successful innovation requires capabilities existing upstream of the value chain—in terms of R&D activities—and capabilities downstream of the value chain, where market-related activities occur (Bruyaka & Durand, 2012; Rothaermel & Hill, 2005).

Bruyaka and Durand (2012) showed the simultaneous existence of exploration and exploitation activities at different stages of a firm's value chain, which involves the development of different organizational units and also contradictory organizational processes (Benner & Tushman, 2003). These activities aim to invent a novelty, as well as to create the structure and strategy for launching it into the market (Rothaermel & Deeds, 2004). Therefore, in the context of an alliance portfolio, different partners provide different types of knowledge and skills (Leeuw et al., 2014) at different points of a firm's value chain (Bruyaka & Durand, 2012). Thus, firms face trade-offs between the interactions and distribution of costs and the benefits generated by these activities (March, 1991). With high levels of variability, the rising costs related to integrating new knowledge can outweigh the benefits (Faems et al., 2010).

Thus, the main objective of this study is to understand the relationship between APD and a firm's innovative performance, incorporating investments in R&D capacity (RDCA) and Specialized Complementary Assets (SCA) as moderating organizational factors. RDCA occurs predominantly at the beginning of the firm's value chain and the SCA along the chain and at the end of it. It is assumed that such organizational factors will positively moderate the relationship between costs and benefits generated by APD, as well as clarify the relationship between these organizational factors. Based on data from the Innovation Research database (Pintec) of the Brazilian Institute of Geography and Statistics (IBGE), this study incorporated a sample of 13,020 Brazilian companies belonging to 5 sectors of the extractive industry and 24 sectors of the manufacturing industry. The results show substantial support for the hypothesis of an inverted U-shaped relationship between APD and innovative performance, as well as for the hypotheses regarding the moderating effects. The hypothesis that predicted a positive relationship between the moderating factors was refuted.

THEORY AND HYPOTHESES

According to the concept of open innovation, a firm can exploit knowledge developed by a partner or can license its own knowledge to other partners so they can exploit it (Chesbrough, 2003; Huizingh, 2011). Through these channels, the firm creates and disseminates new knowledge throughout the organization, embedding it in products, services, and systems (Caloghirou, Kastelli, & Tsakanikas, 2004). Contact with and absorption of knowledge originating from many agents that are external to the organization are important (Katila, 2002; Laursen & Salter, 2006, 2014), since only a few can generate viable combinations (Nelson & Winter, 1982).

 CC BY ISSN 0034-7590; eISSN 2178-938X

Leeuw et al. (2014) highlight studies that address the importance of diversity of competencies and skills accessed externally. Examples of this are suppliers improving production processes, process innovations, and cost reductions (Sobrero & Roberts, 2002), or customers and consumers feedback reducing the uncertainty associated with new product introductions, market expansions, and adaptations to existing products and services (Tether, 2002). Other examples include competitors allowing access to industry-specific knowledge and sharing costs/research facilities (Kim & Higgins, 2007), and universities and public research institutes generating new scientific and technological knowledge (Leeuw et al., 2014).

Therefore, developing a portfolio of alliances can be an important strategy for an innovative firm; such a portfolio is the set of all types of strategic alliances that a firm currently maintains, as well as those it developed in the past.

Only some partnerships will be viable; this implies that AC reflects a "firm's ability to recognize the value of new and external information, assimilate it and apply it for commercial purposes" (Cohen & Levinthal, 1990, p. 128). Assimilating and applying information for commercial purposes indicates that AC should not be a construct restricted to creating a new product (R&D), but also to producing and marketing it. The concept of AC reviewed by Zahra and George (2002) emphasizes the skills of acquisition and assimilation of new and external knowledge—potential AC—and the skills of transformation and exploration of this knowledge—realized AC. This approach establishes two conditions implicit in the concepts of potential AC and realized AC: a) they are different from each other, and b) they occur at different times. The theoretical view of the "functional diversity of a firm's partners in their different positions in its value chain" (Bruyaka & Durand, 2012, p. 9) incorporates a third condition: the aforementioned skills are acquired at different stages in the firm's value chain.

Decisions to invest in RDCA, as well as in certain SCA, can be critical to the development of an alliance portfolio. The first type of investment, upstream in the chain, enables the firm to identify the partner that generates more benefits than costs when accessing new knowledge/technology—potential AC (Cohen & Levinthal, 1990; Zahra & George, 2002). The second type of investment, downstream in the chain, enables the firm to identify the partner that generates more benefits than costs when accessing the market—realized AC (Teece, 1986; Zahra &George, 2002). "Innovative firms without manufacturing requirements and related capacities may die, even if they are the best in innovation" (Teece, 1986, p. 285). Thus, ensuring that the appropriate type of external knowledge is absorbed at different points in the firm's value chain presupposes the existence of diversity in the focal firm's partners.

Organizations that try to balance such very different activities have to reconcile very different internal subunits that are not substantially integrated with each other in terms of structure (Benner & Tushman, 2003). This management challenge is highly likely to emerge in APD contexts. As the complexity of its alliance portfolio increases, the organization needs to develop functions and relationships at its corporate level, in an area especially dedicated to alliances (Faems et al., 2010; Milagres et al., 2017). This increases the number of tasks and skills required and, consequently, changes the firm's internal cost structure (Faems et al., 2010; Kale & Singh, 2009).

These costs are related to the creation of relationships and communication networks between the firm and the external environment. The reliability of knowledge can be negatively affected, as the firm's capacity to correctly assimilate new knowledge decreases if the diversity of alliances increases excessively (Lee, 2007). Further, the resulting profit can also be negatively impacted, especially when this increase in diversity is related to speedy and regular portfolio expansion (Hashai, Kafouros, & Buckley, 2018). Faems et al. (2010) concluded that APD positively impacted the innovative performance of 305 Belgian manufactures but the increase in portfolio diversity triggered additional control and monitoring costs that made the net effect negative. Jiang, Tao, and Santoro (2010) found results showing the cancellation of the benefit provided by the last partner added to the alliance portfolio of 138 multinationals in the global automotive industry. Therefore, based on the aforementioned contexts and considering the theoretical and empirical contributions reviewed here, the first hypothesis of the present study is as follows:

> H1: APD has an inverted U-shaped relationship with a firm's innovative performance.

The knowledge-based view of the firm attributes the significance of R&D routines not only as an activity that creates the firm's knowledge but also as an activity that develops its AC (Cohen & Levinthal, 1990; Jong & Freel, 2010). Therefore, R&D initiatives are activities often considered to have a positive relationship with the firm's innovative performance, including the development of competitive advantages (Andrevsky et al., 2016; Cassiman & Veugelers, 2006).

On the other hand, the uncertainty and often irrecoverable costs associated with innovation are also automatically associated with R&D activities. Due to these levels of uncertainty, R&D activities are often conducted on a cooperative basis (Chesbrough,

 CC BY ISSN 0034-7590; eISSN 2178-938X

2003). Nevertheless, according to Oxley (1997), hierarchical alliances are chosen when ownership risks are high.

If firms whose knowledge or technologies are complementary form an R&D partnership (Cassiman & Veugelers, 2006; Tsai & Wang, 2008), the combination of their technologies will occur in a more straightforward and efficient way, which in most cases can generate incremental innovations. If, on the contrary, the partner firms' technologies are substitutes (Laursen & Salter, 2006), the interactions between the two partners' R&D areas can generate redundant knowledge or technology, generating irrecoverable costs and few possibilities for new combinations. However, substitutability may be preferable when it increases flexibility and provides a firm with a greater possibility to develop more exploratory combinations (Dibiaggio, Nasiriyar, & Nesta, 2014) and, therefore, have more possibilities to arrive at unprecedented knowledge (March, 1991).

Despite the inconclusive results of studies on complementarity and substitutability (Ceccagnoli, Higgins, & Palermo, 2014), this study emphasizes the complementarity between firms' R&D areas for three reasons: a) the "path-dependent" nature of knowledge or innovation (Cohen & Levinthal, 1990; March, 1991); b) the wide predominance of incremental innovations in the Brazilian industry (Pintec, 2011); and, c) the critical importance of the firm's AC (Ceccagnoli et al., 2014), especially in APD environments.

Thus, the higher a firm's level of investment in internal R&D upstream in its chain, the greater its potential CA is (Spithoven & Teirlinck, 2015). Subsequently, its alliance portfolio may be more diverse or effective. Therefore, the positive moderation of investments in RDCA manifests as a "smoothing out" of the curvilinear relationship between a firm's APD and its innovative performance. In other words, despite their costs, such investments allow extending the advantageous condition of the innovative performance that diversified partners provide. Hence the second hypothesis proposed is as follows:

> H2: A firm's RDCA positively moderates the curvilinear relationship between the firm's APD and its innovative performance.

In innovation contexts, "almost all successful cases of commercializing an innovation require that the knowledge in question be used together with other complementary capabilities or assets" (Teece, 1986, p. 288). Complementary Assets (CA) are, therefore, activities related to specialized capacities in manufacturing, marketing, access to distribution channels, after-sales, service networks, and complementary technologies (Teece, 1986). In a framework of fragile intellectual property (such as the Brazilian framework), if the product is easily imitated and the CA are generic, the firm will not have to make large investments, as the product and CA will be available in the industry. However, if the CA are specialized, the firm that owns them will have a clearly advantageous position (Teece, 1986). Thus, cooperation emerges, either initiated by a small innovative firm that needs SCA (as in the biotechnology and pharmaceutical market) (Rothaermel, 2001) or by the large firm that owns the SCA. Among the main incentives to license an external technology, there are three categories of CA that positively moderate a firm's technological diversification strategy and the firm's performance: marketing resources, production resources, and human capital (Chiu, Lai, Lee, & Liaw, 2008).

Therefore, the more a firm invests in SCA—downstream in its value chain—the more effective its APD can be, which will positively impact its innovative performance. Because they are specialized, SCA take time to be developed or imitated (Teece, 1986) and are, therefore, important drivers of a firm's decision to engage in alliances. Thus, the positive moderation of investments in SCA manifests as a "smoothing out" of the curvilinear relationship between a firm's APD and its innovative performance. In other words, despite their costs, such investments allow extending the advantageous condition of the innovative performance that diversified partners provide. Thus, the third hypothesis proposed is as follows:

> H3: A firm's SCA positively moderate the curvilinear relationship between the firm's APD and its innovative performance.

In conclusion, if the two moderating variables are organizational factors located at different points in the firm's chain, the most likely way that synergistic activities are truly beneficial is that the relationship between these two factors should be complementary. If a firm adopts one strategy, the marginal return of another strategy also increases if the two strategies are complementary. Similarly, if these strategies are substitutes for each other, an increase in one activity reduces the marginal benefit of the other (Cassiman &Veugelers, 2006; Hagedoorn & Wang, 2012), which incurs costs for redundant results.

Teece (1986) attributed important implications to a firm's R&D strategy as a result of the firm's investments in SCA, reinforcing the concept of complementarity between these two variables. Therefore, a firm's SCA condition its decisions regarding investments in R&D (Teece, 1986) in response to technological changes, acting both as resources that lessen the effects of these changes and as prisms through which the firms visualize these changes. Thus, they determine the amount and direction in which the firm will invest in these resources (Wu, Wan, & Levinthal, 2014).

 CC BY ISSN 0034-7590; eISSN 2178-938X

The simultaneous search for knowledge at the various stages of the firm's value chain "provides the basis for unique resource combinations that can become sources of superior performance" (Hess & Rothaermel, 2011, p. 906). This statement also indicates the hypothesis of complementarity between upstream and downstream activities, which impacts the firm's innovative performance. This complementarity represents the effective connections between the organization's subunits, enabling firms to transition to a new technology (Taylor & Helfat, 2009). From these observations emerges the fourth and last hypothesis of this study:

> H4: Within the context of alliances between innovative firms, a firm's RDCA and SCAs are complementary variables to the extent that, when interacting, they have a positive impact on each other.

METHODS

Data

The database used in this study is Pintec, from IBGE. Until the data collection of this article, Pintec was composed of data from five trienniums, starting with 1998–2000 and ending with 2009–2011. Due to the limitations of the database related to the unavailability of research variables in older triennia, this study uses the last two triennia (2006–2008 and 2009–2011). Based on the third edition of the Oslo Manual and on the model proposed by the Eurostat and Community Innovation Survey, Pintec offers "information regarding behavior, activities undertaken, impacts, incentives, obstacles and other factors related to the company as a whole (the innovative agent)" (IBGE, 2011, p. 14).

The final sample included only innovative companies—according to IBGE, those that implemented at least one new or substantially improved product and/or process in the period studied. This framework is consistent with the fact that the dependent variable in the proposed model is the firm's innovative performance. In addition, to minimize the potential occurrence of selection bias, companies that developed innovative projects were also considered innovative, even if these projects were incomplete or abandoned within the studied period. Pintec provides variables taking several types of values—percentages, Likert scales, absolute values, and dichotomous values—which reduces the possibility of common method bias. As the data are part of two independent trienniums also helps to prevent this type of bias. The response rate exceeds 90% (IBGE, 2011), which minimizes non-response bias (Laursen & Salter, 2004). Despite precautions of this type, Pintec exhibits limitations with regard to the specificities of the innovative organizational environment, which, to some extent, can impact the obtained results.

Investigating the repetition frequency of individual entities (companies) in the three-year periods studied resulted in identifying 10,524 distinct companies distributed across the trienniums. Matching these companies with those in the final sample (13,020 companies) was done to identify whether the data could be considered as panel data. As it was unfeasible to use the data in panel format, a transversal study (pooled cross-sectional) of the data was decided, with the 2006–2008 and 2009–2011 data being "stacked." Thus, the sample comprised 13,020 companies that met the "innovative" criterion. Based on another criterion, among the firms that developed an alliance portfolio as a cooperation strategy for innovation, those that considered this a high- or medium-magnitude strategy were selected. These companies are distributed across sectors CNAE 5 to CNAE 33 (National Classification of Economic Activities), with 5 and 24 sectors belonging to the extractive industry and the manufacturing industry, respectively.

Measurements

Dependent variable

Following Laursen and Salter (2006) and Berchicci (2013), the dependent variable—innovative performance—was defined as the percentage of the firm's internal net sales related to product innovation, obtained by summing the relevant variables. Three questions in the questionnaire addressed these innovations with respect to their levels of originality, considering the national and world markets. The sum of the values of the corresponding variables is converted to the total percentage of sales corresponding to two types of product innovation: incremental and radical (TOTAL_IN). Because it is in percentage form, the dependent variable assumes values between 0 and 1.

Independent variable

The independent variable is APD. This variable was measured in a similar way as in Duysters and Lokshin (2011), Faems et al. (2010), Oerlemans et al. (2013), and Leeuw et al. (2014).

First, a cut-off criterion identified the question that defined which companies had been involved in cooperative arrangements, in a "yes" or "no" format. Then, using a second criterion, based on the questions that defined the degree of importance of this type of arrangement, the companies that indicated significant

 CC BY ISSN 0034-7590; eISSN 2178-938X

involvement were chosen, based on four response options (non-relevant, low, medium, and high). The APD variable was defined for the companies that considered their external cooperation activities to be of high or medium importance, taking a value of 1 for high and medium importance and 0 for the other response options.

In relation to a firm's partners' locations, the questionnaire questions corresponding to national partners were combined into a value of 1, while 0 was assigned to international partners. Subsequently, this information was added for the group of respondents who classified the cooperation as high and medium importance. The same logic, conversely, was applied to the response option of international partners. Thus, the APD variable was measured by the percentage of the number of partner types in a firm's portfolio out of the maximum possible number of types of partners. There are seven possible types of partners in the questionnaire (customers/consumers, suppliers, competitors, another company in the group, consulting companies, universities/institutes, and training centers and testing and certification institutions) and two possibilities for partner location (national or international). Thus, the maximum possible number of types of partners is 14 (7 x 2). The present study recognizes the limitation in how this variable was measured, in terms of the possibility of obtaining the same score from different combinations of partner types. Another possible bias is related to the difference in effectiveness among the different types of partners. Partnerships with universities, for example, tend to generate more basic knowledge (Trajtenberg, Henderson, & Jaffe, 1997), that is, they are associated with more embryonic stages of technologies and, therefore, with more uncertainty (Ziedonis, 2007). However, the literature recognizes this form of measurement as valid, as in Oerlemans et al. (2013) and Leeuw et al. (2014).

Moderating variables

According to Berchicci (2013), Cassiman and Veugelers (2002), and Escribano, Fosfuri, and Tribó (2009), the variable RDCA is the ratio of two other variables from the Pintec questionnaire: a) the number of people dedicated exclusively and partially to R&D activities, according to their qualification levels (PhD, Master's, or Bachelor's degree) and b) the firm's net revenue. The ratio of these two variables aims to reduce the occurrence of sample bias due to firm size.

The SCA variable involves four ratios based on two variables from the Pintec questionnaire. The argument for applying these variables is justified by the theory presented in previous sections (Chiu et al., 2008; Teece, 1986). The numerator for each ratio is each of the expenditures or investments (in monetary units) in the four types of SCA: a) acquisition of machinery and equipment, b) training, c) introduction of technological innovations in the market, and d) other preparations for production and distribution. Each of the four denominators is the total number of persons employed by the firm, once again aiming to correct the bias caused by firm size. The four different ratios are added together to obtain the value of the SCA variable.

Control variables

Since the regional and specific characteristics of the companies in the sample can affect the dependent variables assessed here, to capture the net effect of RDCA and SCA, the present study also considered a set of control variables. Therefore, to control for factors specific to the companies included in the sample, a sectoral control dummy variable that represents the difference between the two types of industries in the sample—the extractive industry and the processing industry (IND_TRANS)—was first used (Laursen & Salter, 2006). "Firm size" was also considered, as the logarithm of the firm's total number of employed persons (Laursen & Salter, 2014). The variable "years" (YEAR), which defines one of the three-year periods as a basis for comparison, was also used. Another control variable was the role of the partnership or object of cooperation (RDFUN = R&D function), a variable controlled in the model, to account for the heterogeneity of the different types of accessed knowledge. The "origin of the controlling capital" (ORIGCAP) was another dummy control variable incorporated into the model to represent the impacts of the "internationalization" of the alliance portfolio on a firm's performance (Lavie & Miller, 2008). To control for the differences among R&D capacities, the variable "Internal R&D" (INTRD) was included, representing the firm's expenditures for internal R&D, in monetary units (Laursen & Salter, 2014). These expenditures were divided by the firm's total number of employed persons. Two other control variables included indicated whether the costs for the aforementioned activities were "financed by financial institutions" (FINPUB) or subsidized by the parent company (SUBSID). Another control variable indicated the "company's main market," that is, whether the firm was an exporter (EXPORT) or not. Finally, dummy variables (REGION) were used to capture time-invariant factors specific to each region.

Econometric model and estimation strategy

The dependent variable varies between 0 and 1 as it is a percentage; thus, it is a censored variable. A sample "where the

 CC BY ISSN 0034-7590; eISSN 2178-938X

returnee's information is only available for a few observations is known as a censored sample" (Gujarati & Porter, 2011, p. 571). Similarly, in the sample of innovative companies used in this study, there is a group of companies that declared themselves as innovative but did not declare any sales percentage related to innovative products. Such companies may have had other types of results corresponding to alternative responses in Pintec. For example, they may have reported an increase in the quality or variety of products offered, or a reduction in production costs. Therefore, a certain number of observations in the sample have no information about the respondent.

The econometric model suitable for this type of context is the Tobit model, a regression model with a censored dependent variable, estimated by maximum likelihood (Greene, 2003; Gujarati & Porter, 2011; Wooldridge, 2011).

With regard to the statistical inconsistency resulting from endogeneity caused by bidirectional causality, studies on portfolios of alliances and innovation such as Oerlemans et al. (2013) did not reject the hypothesis of exogeneity of the regressors using the Durbin–Wu–Hausman test, demonstrating that the results presented in the next section tend to be statistically consistent.

However, studies such as Lavie and Miller (2008) and Hashai et al. (2018) mention the unavailability of appropriate instruments (which, at times, are marginally relevant), which makes it difficult to assess possible endogeneity. In addition, the wide use of lagged dependent variables does not guarantee the exogeneity of the regressors. Therefore, as indicated by Bruyaka and Durand (2012), the careful assessment of possible endogeneity problems should be a subject for future studies.

RESULTS AND DISCUSSION

Sample

Table 1 indicates that 10,180 companies (78.19%) did not develop APD and may have realized some weak or not important partnerships. The innovative companies that developed APD (which attributed high and medium importance to their developed partnership(s)) totaled 2,840. Therefore, the present study was conducted based on the levels of variation in the "total sample" (13,020 companies) and a "subsample" (2,840 companies).

Table 1. **Number of observations by number of partner type, for companies that developed APD.**

Number of partner type	Frequency	Percent
0	10,180	78.19
1	813	6.24
1	576	4.42
2	452	3.47
3	355	2.73
4	281	2.16
5	192	1.47
6	88	0.68
7	28	0.22
8	22	0.17
9	22	0.17
10	8	0.06
11	0	0
12	3	0.02
13	0	0
14	0	0
Total	13,020	100.00

In Table 2, the percentage of sales from incrementally and radically innovative products reaches an average of 17% when all 13,020 observations are considered. The average number of people employed by the companies is 475; this variable exhibits a high standard deviation, which indicates a large dispersion in its values. The average of the APD variable is 0.047. This value can be explained as follows: in Table 2, this variable was based on the total sample (13,020 observations), including the 10,180 companies that did not attribute importance to their developed partnerships, which means they did not achieve APD.

Table 2. **Descriptive statistics and correlation matrix**

	Variable	Average	Standard D.	Obs.	1	2	3	4	5	6	7	8	9	10	11	12	13
1	TOTAL_IN	0.166	26.96	13,020	1												
2	Specialized complementary assets	9.27	119.88	12,874	0.025*	1											
3	Alliance Portfolio Diversity	0.047	0.112	13,020	0.090*	0.001	**1**										
4	R&D Capacity	0.607	10.54	12,915	0.001	0.001	0.14*	**1**									
5	R&D function	0.280	0.858	13,020	0.086*	-0.00	0.74*	0.15*	**1**								
6	Number of Persons Employed	475.78	1,893.26	13,020	0.008	-0.004	0.22*	0.47*	0.21*	**1**							
7	Internal R&D	0.096	5.73	12,874	-0.003	0.012	0.01	0.001	0.02*	-0.00	**1**						
8	Exporter	0.054	0.226	13,020	- 0.011	-0.001	0.08*	0.04*	0.07*	0.09*	-0.00	**1**					
9	Controlling Capital Origin	0.131	0.338	13,020	0.033*	0.016	0.14*	0.05*	0.16*	0.13*	-0.00	0.19*	**1**				
10	Financed Financial Institutions	5.06	18.96	13,020	0.005	0.03*	0.04*	0.01	0.06*	0.01	0.00	-0.01	0.05*	**1**			
11	Subsidiary	0.213	0.409	13,020	0.040*	0.010	0.16*	0.06*	0.16*	0.18*	-0.00	0.12*	0.40*	-0.01	**1**		
12	Transformation Industry	0.992	0.085	13,020	0.028*	-0.004	-0.02*	-0.001	-0.007	-0.01	0.00	-0.03*	-0.00	-0.01	-0.03*	**1**	

Significant correlations: * denotes p ‹ 0.01

Table 3 shows the descriptive statistics, highlighting the differences between the total sample (all innovative firms) and the subsample (innovative firms that developed APD).

Table 3. **Means and standard deviations of variables in the sample and subsample**

	Innovators = 13,020 observations				Innovators/APD = 2,840 observations			
	2008 (n=6,848)		2011 (n=6,172)		2008 (n=1,217)		2011 (n=1,623)	
	Average	SD	Average	SD	Average	SD	Average	SD
TOTAL_IN	16,793	26,634	16,411	27,333	19,845	26,154	21,299	29,153
Alliance Portfolio Diversity	0.034	0.095	0.062	0.128	0.195	0.140	0.236	0.147
R&D Capacity	0.533	10,004	0.689	11.120	2,140	23,508	2,067	21,491
Specialized Complementary Assets	8,085	43,305	10,598	168,204	12,441	78,307	7,371	22,732
R&D function	0.219	0.759	0.348	0.952	1,231	1,413	1,322	1,467
Employed People	475	1,772	475	2,018	1,045	3,130	945	3,443
Internal R&D	0.119	7,294	0.071	3,218	0.062	0.466	0.207	6,286
Exporter	0.056	0.231	0.051	0.220	0.082	0.274	0.074	0.261
ORIGCAP	0.137	0.344	0.125	0.331	0.240	0.427	0.195	0.396
Financed Financial Institutions	6,677	22,213	3,283	14,324	6,959	22,025	5,891	18,600
Subsidiary	0.250	0.433	0.171	0.376	0.403	0.498	0.280	0.449
Industry Transformation	0.985	0.117	1	0	0.984	0.124	1	0
Region	4,310	1,003	4,205	1,058	4,378	0.992	4,210	1,067

SD: Standard deviation

Companies in the Brazilian industry seem to be incorporating the APD strategy. In 2008, the average number of types of partners was 2.73 (0.195 x 14) and, in 2011, this average increased to 3.30 (0.236 x 14). The average percentage of sales of innovative products was 19.84% in 2008, increasing to 21.30% in 2011. The average number of employees is higher in the subsample, which indicates that companies that develop APD tend to be larger.

Regressions

In Table 4, model 1 includes only the main variables for the empirical model. In model 2, the independent variable APD squared is added. Model 3 includes the interaction of APD and the SCA variable, reflecting the moderating function of the latter variable. In Model 4, the interaction APD and the RDCA variable is inserted, reflecting the moderating function of the latter variable. Model 5 incorporates the last interaction term, of the moderating variables SCA and RDCA, reflecting the combined effect of these variables on the dependent variable. Finally, model 6 includes all the variables of the empirical model proposed above.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Table 4. **Tobit regressions – Dependent variable: TOTAL_IN**

Dependent Variable: TOTAL_IN (sum of sales percentages for incremental and radical product innovations)						
	Model 1	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**
Alliance Portfolio Diversity (APD)	31.12***	56.68***	57.31***	56.69***	56.65***	57.29***
Specialized Complementary Assets (SCA)	0.008**	0.008**	0.0002	0.008*	0.008*	-0.0004
R&D Capacity (RDCA)	-0.044**	-0.024	-0.024	0.831***	-0.027	0.988***
APD squared		-75.53***	-82.71***	-70.24***	-75.39***	-78.37***
APD squared x SCA			0.982*			1.140*
DPA x SCA			-0.136*			-0.145*
APD squared x RDCA				2.764***		2.981***
DPA x RDCA				-3.380***		-3.725***
RDCA x SCA					0.0004	-0.005**
R&D Function						2.748***
Number of Employed Persons						0.000
Internal R&D						0.003
Exporter						-7.923***
Controlling Capital Origin						4.723***
Financed Financial Institutions						-0.009
Subsidiary						3.568*
Transformation Industry						18.308*
Region						
2						-0.463
3						-5.710**
4						-2.955
5						-5.375**
Year						
2011						-4.465***
CONSTANT	-12.107**	-10.632**	-10.581**	-10.435**	-10.630**	-10.417**
Number of Obs	12.874	12.874	12.874	12.874	12.874	12.874
F	(16, 12,858) 21.11	(17, 12,857) 21.02	(19, 12,855) 19	(19, 12,855) 19	(18, 12,856) 19	(22, 12,852) 17
Prob › F	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

* p‹0.10, **p‹0.05, and ***p‹0.01

CC BY

ISSN 0034-7590; eISSN 2178-938X

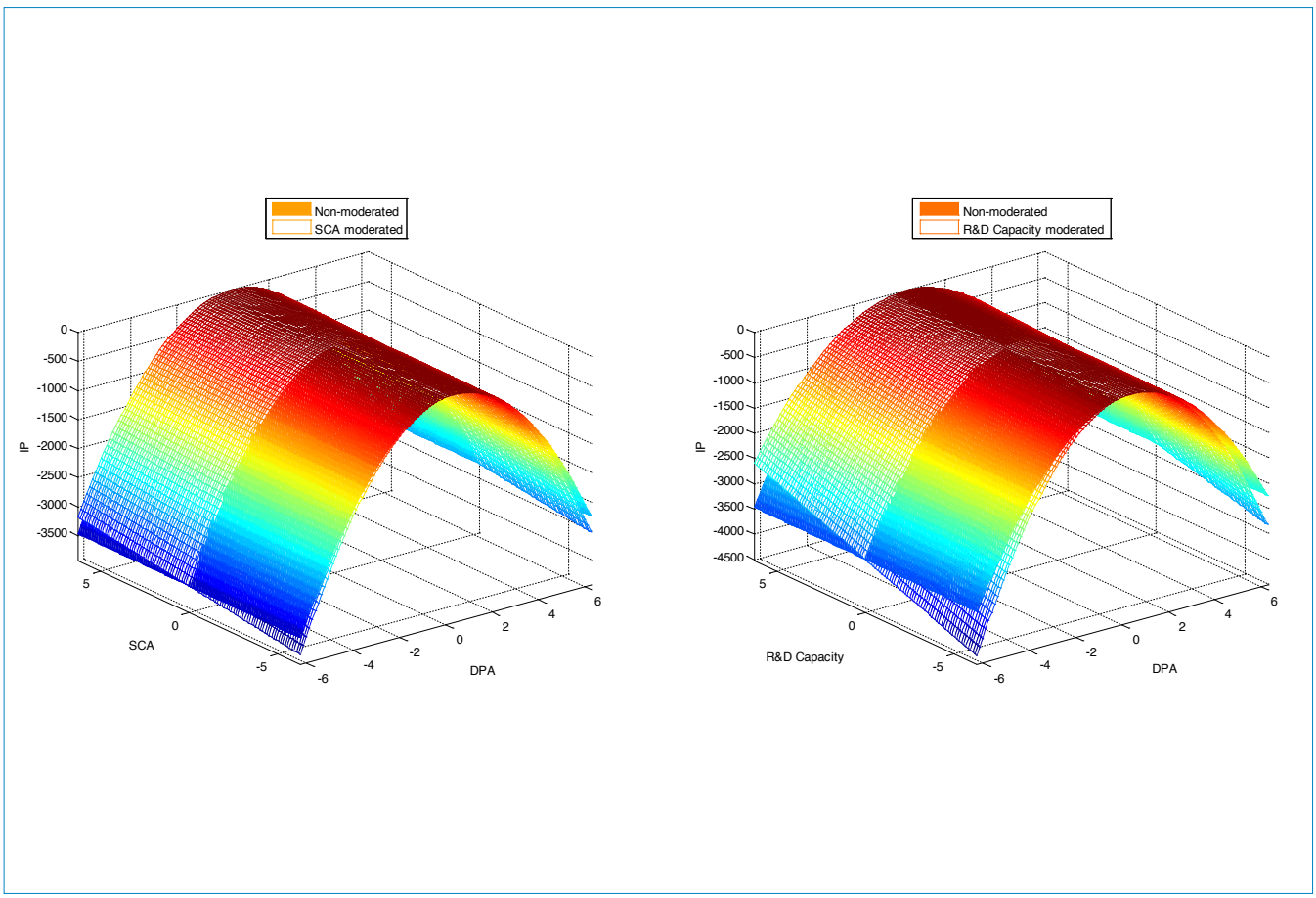
In model 1, APD has a positive and statistically significant relationship with innovative performance. However, as APD increases, the benefits from this strategy do not outweigh the costs involved. This is shown by the significantly negative sign of the quadratic term of APD in model 2. This result confirms the inverted U-shaped relationship between APD and innovative performance, in line with hypothesis 1. The six estimated Tobit models confirm the signs of the relationships stated in hypothesis 1, as well as show their high degree of statistical significance.

Based on model 4, hypothesis 2 is also confirmed. The curvilinear relationship between APD and the firm's innovative performance is smoothed (flattened) if the firm invests in RDCA. The moderation of RDCA is indicated by the positive sign of the interaction between this variable and the quadratic term of APD. Model 6 also confirms this relationship.

Model 3 shows a significantly positive relationship between the quadratic term of APD and SCA. This finding supports hypothesis 3, confirming that, in the presence of SCA, the curvilinear relationship between APD and innovative performance is softened (flattened). This relationship can also be seen in model 6.

Hypothesis 4 was not confirmed. The positive sign of the relationship between the moderating variables SCA and RDCA was expected. In model 6, the interaction term between these two variables significantly negative. This result contradicts complementarity and substitutability between these two variables. The curvilinear relationship and the moderating effects are shown in Graphs 1 and 2.

Graphs 1 and 2. **Impact of RDCA and SCA on the (APD X Innovative performance) relationship**



Similar to the Tobit models, six OLS (Ordinary Least Squares) models were also fit, to test the stability of the results (Table 5). The results for the relationships between the variables of interest remained stable. Hypotheses 1, 2, and 3 were also confirmed by the OLS models. The only exception was the interaction term of the moderating variables RDCA x SCA (hypothesis 4), which lost statistical significance in the complete model (model 6).

Table 5. **OLS regressions - Dependent variable: TOTAL_IN**

Dependent Variable: TOTAL_IN (sum of sales percentages for incremental and radical innovations)						
	Model 1	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**
Alliance Portfolio Diversity (APD)	15.09***	23.58***	24.08***	23.36***	23.56***	23.85***
Specialized Complementary Assets (SCA)	0.005***	0.005***	-0.001	0.005***	0.005***	-0.001
R&D Capacity (RDCA)	-0.020*	-0.013	-0.014	0.399***	-0.016	0.494***
APD²		-25.60**	-31.44**	-22.40*	-25.51*	-28.84**
APD² x SCA			0.797**			0.891*
APD x SCA			-0.109*			-0.113**
APD ² x RDCA				1.317***		1.451***
DPA x RDCA				-1.625***		-1.834***
RDCA x SCA					0.0002	-0.003
R&D Function						1.299***
Number of Employed Persons						-0.0002*
Internal R&D						-0.023*
Exporter						-2.558**
Controlling Capital Origin						1.082
Financed Financial Institutions						-0.002
Subsidiary						1.376**
Transformation Industry						6.109***
Region						
2						2.346
3						-1.789
4						-1.555
5						-2.700**
Year						
2011						-0.942**
CONSTANT	12.08***	12.58***	12.62***	12.65***	12.58***	12.67***
Number of Obs	12.874	12.874	12.874	12.874	12.874	12.874
F	(16, 10,523) 9.40	(17, 10,523) 9.23	(19, 10,523) 8.58	(19, 10,523) 15	(18, 10,523) 8.7	(22, 10,523) 1
Prob › F	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
R²	0.0136	0.0140	0.0144	0.0151	0.0140	0.0157
Root MSE	26.689	26.685	26.681	26.672	26.686	26.666

* p‹0.10, **p‹0.05, and ***p‹0.01

CC BY

ISSN 0034-7590; eISSN 2178-938X

Discussion, implications, and limitations

The confirmation of hypothesis 1 indicates that companies in the Brazilian industry have been diversifying their alliance portfolios and have been benefiting from this strategy in terms of innovation. However, the industry faces the issue of APD costs neutralizing benefits after a certain point. On average, the number of partner types has increased from 2.73 in 2008 to 3.30 in 2011. Within the group that adhered to APD, the sales percentage corresponding to product innovations increased by almost two percentage points in the same period. According to Graphs 1 and 2, the inflection point of the curve indicates that five is the "ideal number" of different types of partners. The data suggest that there is still room for APD in the Brazilian industry, since 65% of the companies that adhered to APD developed up to two types of partners and 87.21% of all companies developed between one and four types. Thus, although companies in the Brazilian industry have been assimilating the cooperation strategy, they seem to be doing so cautiously.

The types of innovation that have impacted sales are "only process" and "product and process." "Product only" innovation has significantly decreased (IBGE, 2011). Thus, the general classification of the Brazilian industry as exhibiting imitation and incremental innovation seems to be a coherent conclusion (Carvalho & Avellar, 2015; Cavalcante & Negri, 2011; Kannebley, Porto, & Pazello, 2004; Mendes, Lopes, & Gomes, 2012).

Although APD is spreading, companies—and their partners—have not been able to make the Brazilian innovation environment more dynamic with disruptive innovations. The emphasis on suppliers and customers/consumers as being the most and second-most important reinforces incremental and process innovation (Leeuw et al., 2014; Sobrero & Roberts, 2002). It can also be considered that this behavior reflects companies' accommodation to the needs of the domestic market. This possibility helps one understand why the significantly negative coefficient of the export control variable in the 6 regression models. The low percentage of exporting companies (5%) and of companies with foreign capital (13%) in the sample and the sharp drop in the percentage of companies belonging to the largest business group—25% to 17%—reinforce this perception.

Regarding hypothesis 2, when comparing innovative companies with innovators that developed APD, the latter's investments in RDCA are significantly (three times) higher than those of the former. This finding explains the stability of the results related to the moderating effect of RDCA shown by the regression models. However, when analyzing the estimated standard deviations, this variable exhibited high variation among the companies that adhered to APD, suggesting that this strategy still lacks maturity and consistency.

CA, together with the intellectual property regime and the dominant product paradigm, form part of the theoretical scenario supported by hypothesis 3. According to Teece (1986), these are the elements that define who benefits from an innovation: the innovative firm or the imitating firm. Based on the current consideration of the Brazilian industry as an imitator, this study suggests that companies invest in CA not only to compete internally, offering good market access structures, but also to become attractive partners for innovative companies. Thus, in a competitive environment where the ownership regime is not strong, a firm with a good market-access structure (production, distribution, and marketing) can capture the profits of an innovation via cooperation or imitation, even if entering the market late.

Not confirming the fourth hypothesis reinforces the substitutability relationship between RDCA and SCA. Further analyzing this relationship, this study corroborates the contributions of Lane and Lubatkin (1998) and Teece (1986). At the beginning of the firm's value chain, the firm's R&D area involves skills and competencies linked to access to knowledge or technologies, with the firm seeking new combinations of ideas and establishing the "dominant product paradigm" (Teece, 1986). At the end of the firm's value chain, SCA provide skills and competencies to access the market and to establish efficient production and marketing structures, which is the company's "dominant logic" (Lane & Lubatkin, 1998).

In this context, how can it be guaranteed that a given firm aligns the "dominant product paradigm" with the "dominant logic"? Non-alignment between these two theoretical elements can bring about the Schumpeterian occurrence of "creative destruction," where the dominant product paradigm can destroy the competencies established at the end of the firm's value chain, and the latter can discourage the search for the former. To place this discussion in the context of APD, one can see that these efforts, at the beginning and at the end of the chain, are developed through alliances with external partners.

Another possible explanation comes from Andrevsky et al. (2016), who tested and proved that portfolio configuration disproportionately influences a firm's strategic competitive actions (product development) and tactical competitive actions (commercialization). This possible explanation also corroborates the approach of Milagres et al. (2017), who emphasized the importance of the functions and relationships developed between the area that manages alliances and other areas of the organization.

 CC BY ISSN 0034-7590; eISSN 2178-938X

The forces that exist in this type of context exert "inertial pressures," because the individual who conducts the research may not be the same individual who decides whether the research will continue (Kapoor & Klueter, 2015). In the specific context of this study, the lack of alignment between these pressures may explain the negative sign of the interaction term between RDCA and SCA. The "creative destruction" is not fully realized in the creation of new competencies or radical skills, since, on average, companies in the Brazilian industry innovate incrementally. In terms of APD, the importance of suppliers and customers may be causing this situation. Partnerships with universities/research institutes, only appearing in third place and at a much smaller proportion than the first two partnership types, also support this conclusion. However, even if these forces are not completely aligned, their individual effects on the relationship between APD and innovative performance were detected, which validates the theoretical/empirical model proposed here.

In general, based on Graphs 1 and 2, one can perceive the weak moderating effects stated in hypotheses 2 and 3, even though such effects were statistically significant. The weak "flattening" of the curve appears to reflect the Brazilian innovative environment. Corporate R&D initiatives still seem immature while SCA, to be more effective, may need an environment where greater legal certainty exists since these assets are included in categories of activities less subject to normative institutional controls. In other words, RDCA and SCA positively moderate an innovative result but this still needs to be consistently kept in mind. Finally, the weak flattening of the curve may reflect the substitutability between RDCA and SCA.

The contribution of this study to the theory of open innovation is that it identifies APD as a strategy that benefits a firm's performance. The present study also extends AC theory as it considers APD not as an element that has more than one dimension only in terms of skills and competencies but also in terms of a spatial dimension. Thus, AC, when used by a firm's other internal subunits, can be indirectly connected to the vision of the firm's knowledge and learning. From a managerial perspective, the importance of the firm's senior management performance is explicit, in terms of its emphasizing synergies and neutralizing conflicts that may emerge between the subunits that act like radars in the competitive environment, seeking useful alliances.

The limitations of this study relate to the sample's high heterogeneity, as well as the treatment of APD as a homogeneous strategy, that is, without considering, for example, the level of internationalization of this strategy. In addition, due to Pintec's data limitations, this study did not use a more effective approach for attributing causality between the variables, which require using panel data. Other limitations related to the Pintec database, which may have impacted the sample, involve the specificities of the innovative organizational environment. In the case of the variable measuring a firm's R&D efforts—which was a sample selection criterion—the study's scope indicated the option of using this variable as a moderating variable (level of investments and external environment) and as a control variable (level of investments and internal environment). This option proved to be the best among other alternatives.

However, it is recognized that such limitations, either due to the database or the scope of the research, may have impacted the results. For instance, they may have caused the modest moderation effect of the curvilinear relationship captured by the figures, as well as the cases of marginal statistical significance, especially that of the SCA moderating variable.

Thus, there are opportunities for future research related to sample segmentation strategies, for example, using the criterion of technological intensity or a regional analysis. It is also possible to consider the insertion of variables specifically relevant to the relationships between the subunits of the firm, or the specific evaluation of the effects of joint ventures on innovative performance. Finally, innovative performance can be measured in ways that are less obvious than those normally found in the literature, such as the impacts of this performance on costs, market share, and also environmental issues.

REFERENCES

Andrevsky, G., Brass, D. J., & Ferrier, W. J. (2016) Alliance portfolio configurations and competitive action frequency. *Journal of Management*, *42*(4), 811-837. doi: 10.1177/0149206313498901

Asgari, N., Singh, K., & Mitchell, W. (2017). Alliance portfolio reconfiguration following a technological discontinuity. *Strategic Management Journal*, *38*, 1062-1081. doi: 10.1002/smj.2554

Baum, J. A. C.; Calabrese,T.; Silverman, B. S. (2000). Don't go it alone: alliance network composition and startups' performance in canadian biotechnology. *Strategic Management Journal 21*, 267–294. doi: 10.1002/(SICI)1097-0266(200003)21:33.0.CO;2-8

Benner, M. J., & Tushman, M. L. (2003). Exploitation, exploration, and process management: The productivity dilemma revisited. *Academy of Management Review, 28*(2), 238-256. doi: 10.2307/30040711

Berchicci, L. (2013). Towards an open R&D system: Internal R&D investment, external knowledge acquisition and innovative performance. *Research Policy*, *42*(1), 117-127. doi: 10.1016/j.respol.2012.04.017

Bogers, M., Burcharth, A., & Chesbrough, H. (2019). Open innovation in Brazil: Exploring opportunities and challenges. *International Journal of Innovation*, *7*(2), 178-191. doi: 10.5585/iji.v7i2.417.2318-9975

Bruyaka, O., & Durand, R. (2012). Sell-off or shut-down? Alliance portfolio diversity and two types of high tech firms' exit. *Strategic Organization*, *10*(1), 7-30. doi: 10.1177/1476127011432366

Caloghirou, Y., Kastelli, I., & Tsakanikas, A. (2004). Internal capabilities and external knowledge sources: Complements or substitutes for innovative performance? *Technovation*, *24*(1), 29-39. doi: 10.1016/S0166-4972(02)00051-2

Carvalho, L., & Avellar, A. P. M. (2015). *Comportamento inovativo da indústria brasileira: Uma análise do perfil das empresas com base na Pintec*. VIII Congresso do Instituto Franco-Brasileiro de Administração de Empresas (IFBAE), Gramado, RS.

Cassiman, B., & Veugelers, R. (2002). R&D cooperation and spillovers: Some empirical evidence from Belgium. *American Economic Review*, *92*(4), 1169-1184. doi: 10.1257/00028280260344704

Cassiman, B., & Veugelers, R. (2006). In search of complementarity in innovation strategy: Internal R&D and external knowledge acquisition. *Management Science*, *52*(1), 68-82. doi:10.1287/mnsc.1050.0470

Cavalcante, L. R., & Negri, F. De. (2011). Trajetória recente dos indicadores de inovação no Brasil (*Texto para Discussão*, n. 1.659). Brasília, DF: IPEA.

Ceccagnoli, M., Higgins, M. J., & Palermo, V. (2014). Behind the scenes: Sources of complementarity in R&D. *Journal of Economics and Management Strategy*, *23*(1), 125-148. doi:10.1111/jems.12048

Chesbrough, H. W. (2003). *Open innovation: The new imperative for creating and profiting from technology* (Vol. 2.006). Boston, USA: Harvard Business School Press. doi: 10.1111/j.1467-8691.2008.00502.x

Chesbrough, H. W. (2006). *Open business models: How to thrive in the new innovation landscape*. Boston, USA: Harvard Business Review Press.

Chiu, Y. C., Lai, H. C., Lee, T. Y., & Liaw, Y. C. (2008). Technological diversification, complementary assets, and performance. *Technological Forecasting and Social Change*, *75*(6), 875-892. doi:10.1016/j.techfore.2007.07.003

Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, *35*(3), 128-152. doi:10.1177/0149206310369939

Dibiaggio, L., Nasiriyar, M., & Nesta, L. (2014). Substitutability and complementarity of technological knowledge and the inventive performance of semiconductor companies. *Research Policy*, *43*(9), 1582-1593. doi:10.1016/j.respol.2014.04.001

Duysters, G., & Lokshin, B. (2011). Determinants of alliance portfolio complexity and its effect on innovative performance of companies. *Journal of Product Innovation Management*, *28*(4), 570-585. doi:10.1111/j.1540-5885.2011.00824.x

Escribano, A., Fosfuri, A., & Tribó, J. A. (2009). Managing external knowledge flows: The moderating role of absorptive capacity. *Research Policy*, *38*(1), 96-105. doi:10.1016/j.respol.2008.10.022

Faems, D., Visser, M. De, Andries, P., & Looy, B. Van. (2010). Technology alliance portfolios and financial performance: Value-enhancing and cost-increasing effects of open innovation. *Journal of Product Innovation Management*, *27*(6), 785-796. doi:10.1111/j.1540-5885.2010.00752.x

Greene, W. H. (2003). Econometric analysis. *Journal of the American Statistical Association*, *97*. doi:10.1198/jasa.2002.s458

Gujarati, D. N., & Porter, D. C. (2011). *Econometria básica*. Porto Alegre, Brasil: Amgh Editora. doi:10.1126/science.1186874

Hagedoorn, J., & Wang, N. (2012). Is there complementarity or substitutability between internal and external R&D strategies? *Research Policy*, *41*(6), 1072-1083. doi:10.1016/j.respol.2012.02.012

Hashai, N., Kafouros, M., & Buckley, P. J. (2018) The performance implications of speed, regularity, and duration in alliance portfolio expansion. *Journal of Management*, *44*(2), 707-731.

Hess, A. M., & Rothaermel, F. T. (2011). When are assets complementary? Star scientists, strategic alliances, and innovation in the pharmaceutical industry. *Strategic Management Journal*, *32*(8), 895-909. doi:10.1002/smj.916

Huizingh, E. K. R. E. (2011). Open innovation: State of the art and future perspectives. *Technovation*, *31*(1), 2-9. doi:10.1016/j.technovation.2010.10.002

Instituto Brasileiro de Geografia e Estatística. (2011). Rio de Janeiro, Brasil: *IBGE-PINTEC – Pesquisa de Inovação – triênios 2006-2008 e 2009-2011*.

Jiang, R. J., Tao, Q. T., & Santoro, M. D. (2010). Research notes and commentaries alliance portfolio diversity and firm performance. *Strategic Management Journal*., 31, 1136–1144. doi:10.1002/smj.869

Jong, J. P. J. De, & Freel, M. (2010). Absorptive capacity and the reach of collaboration in high technology small firms. *Research Policy*, *39*(1), 47-54. doi:10.1016/j.respol.2009.10.003

Kale, P., & Singh, H. (2009). Managing strategic alliances: What do we know now, and where do we go from here? *Academy of Management Perspectives*, *23*(3), 45-62. doi:10.5465/AMP.2009.43479263

Kannebley, S., Júnior, Porto, G. S., & Pazello, E. T. (2004). Inovação na indústria brasileira : Uma análise exploratória a partir da Pintec. *Revista Brasileira de Inovação*, *3*(1), 87-128. doi: 10.20396/rbi.v3i1.8648893

Kapoor, R., & Klueter, T. (2015). Decoding the adaptability-rigidity puzzle: Evidence from pharmaceutical incumbents' pursuit of gene therapy and monoclonal antibodies. *Academy of Management Journal*, *58*(4), 1180-1207. doi:10.5465/amj.2013.0430

Katila, R. (2002). New product search over time: Past ideas in their prime? *Academy of Management Journal*, *45*(5), 995-1010. doi: 10.2307/3069326

Kim, J. W., & Higgins, M. C. (2007). Where do alliances come from?. The effects of upper echelons on alliance formation. *Research Policy*, *36*(4), 499-514. doi:10.1016/j.respol.2007.02.017

Lane, P. J., & Lubatkin, M. (1998). Relative absorptive capacity and interorganizational learning. *Strategic Management Journal*, *19*(5), 461-477. doi:10.1002/(SICI)1097-0266(199805)19:5<461::AID-SMJ953>3.3.CO;2-C

Laursen, K., & Salter, A. (2004). Searching high and low: What types of firms use universities as a source of innovation? *Research Policy*, *33*(8), 1201-1215. doi:10.1016/j.respol.2004.07.004

Laursen, K., & Salter, A. (2006). Open for innovation: The role of openness in explaining innovation performance among U.K. manufacturing firms. *Strategic Management Journal*, *27*(2), 131-150. doi:10.1002/smj.507

Laursen, K., & Salter, A. J. (2014). The paradox of openness: Appropriability, external search and collaboration. *Research Policy*, *43*(5), 867-878. doi:10.1016/j.respol.2013.10.004

Lavie, D., & Miller, S. R. (2008). Alliance portfolio internationalization and firm performance. *Organization Science*, *19*(4), 623-646. doi:10.1287/orsc.1070.0341

Lee, G. K. (2007). The significance of network resources in the race to enter emerging product markets: The convergence of telephony communications and computer networking, 1989-2001. *Strategic Management Journal*, *28*, 17-37. doi:10.1002/smj.566

Leeuw, T. De, Lokshin, B., & Duysters, G. (2014). Returns to alliance portfolio diversity: The relative effects of partner diversity on firm's innovative performance and productivity. *Journal of Business Research*, *67*(9), 1839-1849. doi:10.1016/j.jbusres.2013.12.005

March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, *2*(1), 71. doi:10.1287/orsc.2.1.71

Mendes, C. S., Lopes, L. S., & Gomes, A. P. (2012). Eficiência dos dispêndios em inovação nas indústrias de transformação do Brasil. *Revista Brasileira de Inovação*, *11*(1), 193-218. doi: 10.20396/rbi.v11i1.8649031

Milagres, R., Rezende, O., & Silva, S. A. G. (2017). Papel e posição do departamento de alianças: Caso Embrapa. *Revista de Administração Pública*, *51*(3), 431-450 doi:10.1590/0034-7612160046

Nelson, R., & Winter, S. (1982). *An evolutionary theory of economic change*. Cambridge, USA: The Belknapp Press of Harvard University Press.

Oerlemans, L. A. G., Knoben, J., & Pretorius, M. W. (2013). Alliance portfolio diversity, radical and incremental innovation: The moderating role of technology management. *Technovation*, *33*(6-7), 234-246. doi: 10.1016/j.technovation.2013.02.004

Oxley, J. (1997). Appropriability hazards and governance in strategic alliances: A transaction-cost approach. *The Journal of Law, Economics & Organization*, *13*(2), 387-409. doi:10.1093/oxfordjournals.jleo.a023389

Rothaermel, F. T. (2001). Incumbent's advantage through exploiting complementary assets via interfirm cooperation. *Strategic Management Journal*, *22*(6-7), 687-699. doi:10.1002/smj.180

Rothaermel, F. T., & Deeds, D. L. (2004). Exploration and exploitation alliances in biotechnology: A system of new product development. *Strategic Management Journal*, *25*(3), 201-221. doi:10.1002/smj.376

Rothaermel, F. T., & Hill, C. W. L. (2005). Technological discontinuities and complementary assets: A longitudinal study of industry and firm performance. *Organization Science*, *16*(1), 52-70. doi: 10.1287/orsc.1040.0100

Sobrero, M., & Roberts, E. B. (2002). Strategic management of supplier-manufacturer relations in new product development. *Research Policy*, *31*(1), 159-182. doi:10.1016/S0048-7333(00)00157-8

Spithoven, A., & Teirlinck, P. (2015). Internal capabilities, network resources and appropriation mechanisms as determinants of R&D outsourcing. *Research Policy*, *44*(3), 711-725. doi:10.1016/j.respol.2014.10.013

Srivastava, M. K., & Gnyawali, D. R. (2011). When do relational resources matter? Leveraging technological resources for breakthrough innovation. *Academy of Management Journal*, *54*(4), 797-810. doi: 10.5465/AMJ.2011.64870140

Taylor, A., & Helfat, C. E. (2009). Organizational linkages for surviving technological change: Complementary assets, middle management, and ambidexterity. *Organization Science*, *20*(4), 718-739. doi:10.1287/orsc.1090.0429

Teece, D. J. (1986). Profiting from technological innovation: Implications for integration, collaboration, licensing and public policy. *Research Policy*, *15*(6), 285-305. doi: 10.1016/0048-7333(86)90027-2

Tether, B. S. (2002). Who co-operates for innovation, and why: An empirical analysis. *Research Policy*, *31*(6), 947-967. doi:10.1016/S0048-7333(01)00172-X

Trajtenberg, M., Henderson, R., & Jaffe, A. (1997). University versus corporate patents: A window on the basicness of invention. Economics of Innovation and New Technology, 5(1), 19-50. doi: 10.1080/10438599700000006

Tsai, K. H., & Wang, J. C. (2008). External technology acquisition and firm performance: A longitudinal study. *Journal of Business Venturing*, *23*(1), 91-112. doi:10.1016/j.jbusvent.2005.07.002

Vasudeva, G., & Anand, J. (2011). Unpacking absorptive capacity: A study of knowledge utilization from alliance portfolios. *Academy of Management Journal*, *54*(3), 611-623. doi: 10.5465/amj.2011.61968108

Wooldridge, J. M. (2011). *Introdução à econometria: Uma abordagem moderna*. São Paulo: Cengage Learning.

Wu, B., Wan, Z., & Levinthal, D. A. (2014). Complementary assets as pipes and prisms: Innovation incentives and trajectory choices. *Strategic Management Journal*, *35*(9), 1257-1278. doi:10.1002/smj.2159

Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of Management Review*. 17(2), 185-203. doi:10.5465/AMR.2002.6587995

Ziedonis, A. A. (2007). Real options in technology licensing real options in technology licensing. *Management Science*, *53*(10), 1618-1633.

AUTHORS' CONTRIBUTIONS

The authors declare that they participated in all stages of development of the manuscript, including the conceptualization and theoretical-methodological approach, the theoretical review (literature survey), the data analysis, and finally, the writing and final review of the article. The data collection was conducted by the first author.

ARTICLES

Submitted 07.11.2019. Approved 04.14.2020
Evaluated through a double blind review process. Guest Scientific Editor: Bolívar Godinho
Translated version
DOI: http://dx.doi.org/10.1590/S0034-759020200505

BAD (GOOD) NEWS AND DELAY (ANTICIPATION) OF FINANCIAL STATEMENTS' DISCLOSURE

Más (boas) notícias e postergação (antecipação) de divulgação de demonstrações financeiras

Malas (buenas) noticias y postergación (anticipación) de divulgación de estados financeiros

ABSTRACT

Managers have discretion over the timing of accounting information disclosure; existing literature has investigated the potential determinants regarding this choice. Thus, this study aimed to evaluate whether the type of accounting information is a factor that influences the anticipation of its disclosure to external users. The dataset comprises information provided by Brazilian companies listed on the Brasil Bolsa Balcão (B3) between 2010 and 2016. The research employed linear regression and the logistic regression model to evaluate whether type of news is a determinant for the timing of financial disclosures. Empirical evidence indicates that the nature of information (i.e., good or bad news) is related to the time taken (i.e., postponement or anticipation) in disclosing quarterly accounting figures of companies. Overall, our results contribute to the disclosure literature in Brazil and indicate that postponements are associated with the disclosure of negative news.

KEYWORDS | Disclosure, type of news, timeliness, disclosure date, discretion.

RESUMO

Gestores de companhias possuem discricionariedade sobre o momento de divulgação dos resultados contábeis das companhias, levando a literatura a investigar potenciais determinantes da tempestividade da evidenciação. Nesse sentido, o objetivo deste estudo foi o de avaliar se o tipo de notícia a ser divulgada é fator que influencia a antecipação ou postergação da divulgação de informações ao mercado. Com base em dados de companhias abertas brasileiras listadas na Brasil Bolsa Balcão (B3), entre 2010 e 2016, foi implementada uma estratégia de se avaliar, por meio de regressão linear e logística, se o tipo de notícia está relacionado com a decisão do momento da publicação das demonstrações contábeis. As evidências encontradas indicam que as más (boas) estão relacionadas com a postergação (antecipação) da divulgação dos resultados contábeis trimestrais das companhias. Os resultados, portanto, contribuem com a literatura de evidenciação no Brasil e indicam que postergações estão associadas à divulgação de notícias negativas.

PALAVRAS-CHAVE */ Evidenciação, tipo de notícia, tempestividade, data de divulgação, dicricionariedade.*

RESUMEN

Los gerentes tienen la facultad de decidir el momento oportuno de la divulgación de los resultados contables de las compañías, lo que lleva a la literatura a investigar los determinantes potenciales del momento de la divulgación. En ese sentido, el objetivo de este estudio fue evaluar si el tipo de noticias que se divulgarán es un factor que influye en la anticipación o el aplazamiento de la divulgación de información al mercado. Con base en datos de empresas brasileñas que cotizan en la Brasil Bolsa Balcão B3 entre 2010 y 2016, se implementó una estrategia para evaluar, a través de regresión logística y lineal, si el tipo de noticias se relaciona con la decisión del momento de la publicación de los estados financieros. La evidencia indica que las malas (buenas) noticias están relacionadas con el aplazamiento (anticipación) de la divulgación de los resultados contables trimestrales de las compañías. Los resultados, por lo tanto, contribuyen a la literatura de divulgación en Brasil e indican que los aplazamientos están asociados con la divulgación de noticias negativas.

PALABRAS CLAVE */ Divulgación, tipo de noticias, momento oportuno, fecha de divulgación, dicreción.*

ANDERSON BRITO VIVAS[1]
andersonvivas@gmail.com
0000-0002-7630-5404

FELIPE RAMOS FERREIRA[1]
felipe.ramos@fucape.br
0000-0002-0469-9176

FÁBIO MORAES DA COSTA[1]
fabio@fucape.br
0000-0002-2098-4006

[1] Fucape Business School, Programa de Mestrado Profissional em Ciências Contábeis, Vitória, ES, Brazil

INTRODUCTION

According to Beyer, Cohen, Lys, and, Walther (2010), accounting information plays two roles in market economies: allowing capital providers to assess the potential return of investment opportunities and to monitor the use of their own capital. For Bagnoli, Kross, and Watts (2002), the usefulness of accounting information is not only related to its nature and content but also to the time at which it is disclosed, that is, whether it is timely. Information relevant for market participants may not be useful if it is not disclosed to the public on time. Therefore, to assess the quality of the information disclosed, one must take into account the time at which it is made available to the users.

The international literature has explored the timing of information disclosure, focusing on its determinants. Bagnoli et al. (2002) and Haw, Qi, and Wu, (2000) suggest that when the disclosure of information is delayed in relation to the date expected by the market, it is likely that the report released will contain bad news. This topic has not yet been explored in Brazil since the national literature has not considered timeliness in relation to the disclosure date expected by the market but rather in relation to the number of calendar days between the baseline date of the financial statements and the date of disclosure (Barcellos, Costa, & Laurence, 2014; Kirch, Lima, & Terra, 2012; Paixão, Avelino, & Takamatsu, 2017).

The methodology applied in this study is different in several ways from the approaches used in previous studies focusing on the Brazilian market, especially regarding the analysis of delaying/advancing the delivery of information and the delay in the delivery of financial statements. It is reasonable to believe that companies maintain a standard of disclosure for their financial statements and that they respect this standard under normal conditions of disclosure. This behavior is explored in several research studies based on naive models (Begley & Ficher, 1998; Boulland & Dessaint, 2017; Givoly & Palmon, 1982). In addition, when the delay or earliness in the delivery of accounting information is analyzed, it is possible to examine and understand managers' decisions regarding the time of disclosure and how the results presented may influence this decision.

Based on the foregoing paragraphs, the purpose of this study is to investigate, for Brazilian companies listed on *Brasil Bolsa Balcão* (B3), whether the type of news (good or bad) is one of the determinants of the delay or earliness of their financial statement delivery, in relation to the expected date of disclosure (based on a naive model).

Because the delay/earliness in the delivery of financial statements to the market is a subject poorly addressed in academic research on the Brazilian stock market, the relevance of the subject increases, and the subject has been debated by the participants of this market. Further, based on the development process of the Brazilian capital market, it is necessary to create models that allow the prediction of the types of news to be disclosed by publicly traded companies.

The sample consisted of 5,356 quarterly and annual disclosures of companies listed on B3, between 2010 and 2016. The companies' disclosure dates were collected manually. Quarters in which financial statements were restated, as well as the estimated date of disclosure for the following year, were disregarded in the analysis. The expected date for disclosure of financial information to the market was considered to be the same day of the week used for the disclosure in the corresponding period of the immediately preceding year. This was the same approach used in other studies in the international literature (Bagnoli et al., 2002; Boulland & Dessaint, 2017). For the typification of the news, companies that showed a net profit higher (lower) than the net result of the same period in the previous year were considered to be presenting good news (bad news). This goal was indicated by executives as the most important one for quarterly profit (Graham, Harvey, & Rajgopal, 2005).

The results suggest that companies with bad news (good news) delay (advance) the disclosure of financial information in relation to its expected date. Additionally, empirical evidence has also shown that the size of the company, its indebtedness, and the fact that the company delayed the delivery of the financial information in the previous period also influence the disclosure of financial statements.

This study contributes to the advancement of the literature on evidence and dissemination in Brazil, more specifically, regarding the relationship between the delay or advance of this information delivery when compared to the date expected by market participants and the type of news released. In practice, the study's contribution is that it can help market participants (investors, managers, market analysts, etc.) to understand the relationship between the delay or earliness in the delivery of financial statements and companies' performance. In addition, it allows a better understanding of the disclosure mechanisms used by companies in Brazil.

DEVELOPMENT OF HYPOTHESES

According to Dantas, Zendersky, Santos, and Niyama (2008), the purpose of accounting is to provide relevant information to investors and creditors. For the financial statements to be relevant for their users, they must include all the disclosures necessary to

 CC BY ISSN 0034-7590; eISSN 2178-938X

accurately convey to the reader the current economic and financial status of the company analyzed.

According to Healy and Palepu (2001), disclosure is crucial for the efficient operation of a capital market. Companies conduct disclosure through regulated financial reports, including financial statements, explanatory notes, management discussion and analysis, and other records required by regulations. In addition, some companies conduct voluntary disclosures, which may include, without limitations, management forecasts, analyst presentations, audio conferences, press releases, and websites.

Verrecchia (2001) and Dye (2001) argue that one of the important factors appearing in disclosure theory may be linked to endogenous issues, that is, to the company's/manager's decision whether or not to disclose information. This disclosure or lack thereof, which is based on the company's/manager's judgment, may indicate which factors influence the company's/manager's decision regarding the company's disclosure strategy. Givoly and Palmon (1982) is one of the precursor studies on the determinants of the timing of accounting information disclosure; they find evidence that, in the American context, companies tend to delay the disclosure of bad news.

Kross and Schroeder (1984) analyzed the association between the type of news reported and the date of disclosure of quarterly accounting information in the North American market, as well as the impact of the disclosure date on abnormal returns on stock values. The abnormal returns of companies with early disclosures were significantly higher than the returns of companies with delayed disclosures.

Bagnoli et al. (2002) analyzed the performance of companies in which the management discloses accounting information after the company's expected date of disclosure (based on information captured by a specialized company). The results indicate that the report published contained bad news and that the longer the delay, the worse the news was. In 91% of the cases with a delay, the market analysts did not update the stock price estimate after the delay in disclosure. However, the average returns in the trading days following the expected report date were negative.

Trueman (1990) analyzed two alternative explanations for the change in the stock price when the disclosure report is delayed or early. Both analyses were based on the premise that some companies with unfavorable earnings increase their reported revenue through earnings management. In one case, earnings management caused a delay in releasing the report while in the other case a delay was caused by the manager's desire to first observe the earnings of other companies. Both cases analyzed led to positive market reactions when reports were advanced and negative when delayed, in accordance with previous empirical findings.

Chen, Cheng, and Gao (2005) evaluated the date of announcement of results in the Chinese market, one of the few markets globally with a four-month disclosure period. The results indicated that companies with early disclosures tend to lead to greater market reactions, as indicated by the volume of trades and the corresponding stock prices. On the other hand, later announcements are more predictable, as indicated by the weaker reactions based on trading volume and stock prices.

Further, regarding the Chinese market, Haw et al. (2000) concluded that companies with good news report their results before companies with bad news. Consistent with previous research, they also concluded that companies accelerate or delay the disclosure of results relative to their disclosure pattern, depending on the type of news to be disclosed.

Sengupta (2004) investigated the factors that led companies to choose to release their quarterly results relatively earlier compared to other companies. The results were based on data from the North American market from 1995 to 2000 and indicated that the nature of the investor base, litigation costs, accounting complexity, and type of news were directly related to the reported delay, which was defined as the number of calendar days after the end of the quarter.

In the Brazilian market, Kirch et al. (2012) investigated the factors determining the lag (period elapsed between the year-end closing and the results disclosure date) in the disclosure of the financial statements. The results show that companies with consolidated financial statements and/or with losses exhibit a greater lag in the delivery of their financial information to market participants, that is, they disclose the information more calendar days after the baseline date compared to other companies.

Based on the previous discussion and in line with Haw et al. (2000), a study on the emerging Chinese market, the present study presents the following research hypothesis:

> H1: Companies with bad (good) news delay (advance) the disclosure of financial information in relation to their expected release dates.

RESEARCH DESIGN AND SAMPLE

For this study, all open stock companies listed on B3 were used, and the mandatory disclosure of their financial statements was analyzed. Quarterly information and annual financial statements disclosed from 2010 to 2016 were examined.

In this study, the disclosure date was considered to be the one recorded for each company in the active financial statements on the Securities and Exchange Commission website

 CC BY ISSN 0034-7590; eISSN 2178-938X

(CVM; Comissão de Valores Mobiliários, www.cvm.gov.br). Data on the date of delivery of the financial information were collected manually, and the remaining data used were extracted from the Economática® database.

Periods in which companies restated their financial statements were removed from the data, since the restatement may have changed the type of news contained in the original statements. If a financial statement is restated in a given period, it becomes unfeasible to estimate the date of disclosure of the statement in subsequent periods. In addition, the funds, finance, and insurance sectors were also excluded because they had different accounting treatment than that of other sectors (e.g., classification of earnings accounts). The breakdown of the sample used in this study is shown in Table 1.

Table 1. **Sample**

Number of observations (firm–quarter)	**13,691**
No comparative data (2009 or first year listed)	(-) 2,026
Exclusion of restatements	(-) 3,149
Exclusion of periods following restatements	(-) 2,038
Exclusion of funds, finance, and insurance industries	(-) 595
Missing data	(-) 527
Number of observations used in the analysis (firm-quarter)	5,356

Several methods can be used to classify the type of news disclosed by companies as "good news" or "bad news," such as meeting or exceeding the consensus of the analysts' forecasts or meeting or exceeding the profit of the same quarter in the previous year. In this study, due to the small number of analysts covering Brazilian companies and the difficulty of obtaining historical forecasts of Brazilian market analysts, a disclosure was deemed as containing good (bad) news if a company exhibited higher (lower) net earnings than those in the compared period. This method is in line with Graham et al. (2005), who identify that increasing quarterly profits is the most important objective (goal) for companies, based on a study involving several executives.

Comparisons among models for expected disclosure dates undertaken by Bagnoli et al. (2002) suggest that market participants can forecast disclosure dates better than estimated models (naive models). Further, forecasting the disclosure date to be the same day of the week as the previous year's disclosure date is more accurate when compared with forecasting the disclosure to be the same day as the previous year's disclosure date.

In this study, considering the lack of historical data on the disclosure dates of Brazilian companies expected by market participants, and in line with the efficacy test by Bagnoli et al. (2002), the expected disclosure date is taken to be the same day of the week and the same week of the month as those of the disclosure date in the previous year. For example, if the disclosure of a given year occurred on March 12, 2015—a Thursday—the expected disclosure date for the following year would be March 10, 2016, also a Thursday, in the same week of the month. If a company discloses its results after the expected date, then this is considered a delay in the delivery of financial information to market participants. If the information is released before the expected date, this is considered an early disclosure.

Table 2 shows the distribution of the number of days of delay or earliness in the delivery of financial information relative to the expected date.

Based on Table 2, there is a significant trend in the aforementioned distribution over the last few years. In 2010, 20.2% (18/89) of the companies delivered the financial statements on their expected dates. On the other hand, in 2016, the percentage of deliveries on their expected dates was 28.4% (315/1109). In the total sample, 21.1% of the companies delivered their statements on the expected dates.

Graphic 1 shows, for recent years, the trend in the percentage of companies delivering their financial statements on the expected date.

In 2016, the Brazilian market behaved very similar to the findings of Bagnoli et al. (2002); this evidence suggests that a disclosure on the same day of the same week in the corresponding quarter of the previous year is a rule used by a sizeable portion of Brazilian companies (28.4%), as well as by American ones (33.4%). One possible explanation for this phenomenon is that companies tend to meet a pre-established standard in previous periods, to reveal a future commitment to agents, hence reducing the level of information asymmetry.

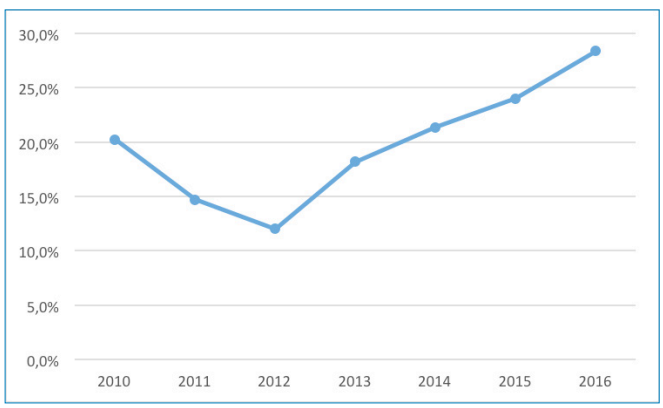
Even if we consider a three-day window around the expected date in the delay/earliness analysis, the significant trend persists in the percentage of companies delivering their statements on the expected date. In 2010, 21.34% of the companies delivered their financial statements around the expected date (interval of 3 days, -1 to +1 days relative to the expected date) while, in 2016, the corresponding percentage of deliveries was 48.7%. In the total sample, the percentage of companies that delivered their statements within this interval was 43.9%. Graphic 2 shows an apparently normal distribution of companies' delay or earliness in the disclosure of their financial statements. Such evidence suggests that in the Brazilian market, there is a pattern in the number of days of delay/earliness in the delivery of financial information to the market.

 CC BY ISSN 0034-7590; eISSN 2178-938X

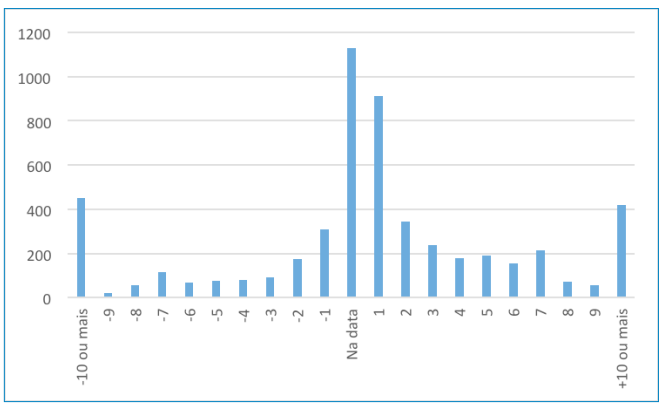
Table 2. Distribution of delay and earliness cases

Number of days early (-) or delayed (+)	2010	2011	2012	2013	2014	2015	2016	sample	%
-10 or more	29	63	74	68	86	52	80	452	8.4%
-9	0	2	6	8	6	3	4	20	0.4%
-8	1	5	13	10	15	8	11	55	1.0%
-7	1	9	25	18	23	30	16	115	2.1%
-6	1	3	14	11	15	18	13	69	1.3%
-5	0	3	15	28	8	12	14	75	1.4%
-4	0	9	16	17	13	15	15	81	1.5%
-3	1	3	20	9	19	22	22	93	1.7%
-2	2	9	41	27	29	21	46	173	3.2%
-1	5	8	40	49	58	70	79	308	5.8%
0	18	36	94	178	224	265	315	1,130	21.1%
1	6	24	86	216	231	210	139	913	17.0%
2	1	18	56	65	77	73	52	344	6.4%
3	5	11	29	32	51	46	61	238	4.4%
4	4	4	67	20	26	30	25	180	3.4%
5	0	1	60	33	27	31	32	189	3.5%
6	1	9	38	28	15	32	27	156	2.9%
7	2	6	20	36	45	42	56	214	4.0%
8	1	0	10	14	6	19	15	73	1.4%
9	0	0	2	17	11	13	6	58	1.1%
+10 or more	11	22	57	95	63	91	81	420	7.8%
Total	**89**	**245**	**783**	**979**	**1,048**	**1,103**	**1,109**	**5,356**	100.0

Graphic 1. Percentage of Companies with Disclosures on the Expected Date



Graphic 2. Distribution number of days of delay or earliness



To test the research hypothesis, an ordinary least squares model was used in the main analysis and a Logit model in a sensitivity analysis, considering the dependent variable in binary form.

Equation 1 (ordinary least squares):

$$POSTERGAÇÃO_{it} = \beta_o + \beta_1 SURPRESA_{it} + \beta_2 ROA_{it} + \beta_3 PREJ_{it} + \beta_4 LAG_POSTERGAÇÃO_{it} + \beta_5 DEFASAGEM_{it} + \beta_6 TAM_{it} + \beta_7 END_{it} + \beta_8 GOV_{it} + \beta_9 TRI4_{it} + \varepsilon_{it}$$

Equation 2 (Logit — Logistic model):

$$D_POSTERGAÇÃO_{it} = \beta_o + \beta_1 SURPRESA_{it} + \beta_2 ROA_{it} + \beta_3 PREJ_{it} + \beta_4 LAG_POSTERGAÇÃO_{it} + \beta_5 DEFASAGEM_{it} + \beta_6 TAM_{it} + \beta_7 END_{it} + \beta_8 GOV_{it} + \beta_9 TRI4_{it} + \varepsilon_{it}$$

The only difference between these two models is the dependent variable, delay. The dependent variable in model 1, $POSTERGAÇÃO_{it}$ is the difference in days between the disclosure date and the expected disclosure date. The dependent variable in model 2, $D_POSTERGAÇÃO_{it}$, is a binary variable, which assumes a value of 1 when the delivery of the financial statement is delayed in relation to the expected date and a value of 0 if it is not. Since the dependent variable in model 2 is binary, the most suitable model for this context is a Logit model.

$SURPRESA_{i,t}$ represents the type of news disclosed to the market (good or bad). This variable is calculated by subtracting the earnings in year *t* from the earnings in year *t-4*, with the result divided by the company's assets in period *t*. We divide by the assets to avoid possible distortions in the analysis, considering that larger companies are expected to present larger values in their accounting reports. Additionally, we also run the same models replacing type of news with a binary variable $SURPRESA_POS_{i,t}$ equal to 1 when the news is good, and equal to 0, otherwise.

Based on the literature on the timing of the delivery of financial information, we added control variables to the models used. Some of these variables have already been used in previous studies conducted on the lag in the delivery of information in the Brazilian market (Barcellos et al., 2014; Kirch et al., 2012; Paixão et al., 2017) and have been demonstrated to be related to the delivery date of financial statements.

The control variable $PREJ_{it}$ is a binary variable that assumes a value of 1 if the company had a loss in period *t*, and a value of 0, otherwise. It was used in the model due to the higher level of reluctance to disclose losses to the market, given the greater need for the management to explain the negative results (Moreira, Ramos, Kozak-Rogo, & Rogo, 2016). To control for companies' complexity, since there is significant heterogeneity among them, we controlled for company size through the variable TAM_{it}, the natural logarithm of the company's total asset in period *t*.

In addition, the variables ROA_{it}, END_{it}, GOV_{it}, $LAG_POSTERGAÇÃO_{it}$, $DEFASAGEM_{it}$ and TRI_{it} were used. ROA_{it} was used to control the profitability of the company and was calculated by dividing the earnings presented in period *t* by the total assets in period *t*. To control for the level of indebtedness of each company, the variable END_{it} was used, calculated by dividing the gross onerous debts by the total assets. The companies' level of governance may affect their likelihood of avoiding a delay in information disclosure, since monitoring tools may inhibit the manager's discretionary practices, such as the decision about the time of disclosure. Therefore, the variable GOV_{it} was used, which is a binary variable that assumes a value of 1 if the company has adhered to some special level of corporate governance (Novo Mercado, Levels 1 and 2; Bovespa Mais and Bovespa Mais level 2) and a value of 0, otherwise. The past behavior of the company may partially explain its current behavior; thus, the variable $LAG_POSTERGAÇÃO_{it}$ was included, which assumes a value of 1 if the company delayed the delivery of its financial statement in the previous period and 0 if it did not. In turn, the variable $DEFASAGEM_{it}$ was calculated as the number of calendar days from the baseline date of the financial statements to their disclosure date. It was used as a control because it is believed that companies exhibiting a greater lag (number of calendar days between the baseline date of the financial statements and the disclosure date) are more likely to delay the delivery of information to market participants. The variable $TRI4_{it}$ which assumes a value of 1 if the information is for the fourth quarter and a value of 0, otherwise, has been added to control for potential differences between the delivery of quarterly and annual information.

To control for the fixed effects of year and sector, indicator variables for each year and sector were included in both models. In addition, both models were run by using a robust error matrix for better statistical quality.

ANALYSIS OF RESULTS

Table 3 shows the descriptive statistics for the variables used in the two models. All continuous variables were *winsorized* at levels 1% and 99% to address possible outliers in the sample, which could affect the results of statistical analyses if they are not removed.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Table 3. **Descriptive Statistics**

Variables	Observations	Mean	Standard Deviation	Minimum	Maximum
POSTERGAÇÃO	5,356	-2,666	31,132	-243,000	84,000
D_POSTERGAÇÃO	5,356	0.512	0.500	0.000	1,000
DEFASAGEM	5,356	52,377	30,111	23,000	245,000
SURPRESA	5,356	0.006	0.319	-1,429	2,188
SUPRESA_POS	5,356	0.479	0.500	0.000	1,000
ROA	5,356	-0.168	0.834	-0.643	0.215
PREJ	5,356	0.597	0.491	0.000	1,000
TAM	5,356	13,497	3,134	2,887	18,443
END	5,356	1,444	4,720	0.001	39,333
GOV	5,356	0.409	0.492	0.000	1,000
TRI4	5,356	0.229	0.420	0.000	1,000

POSTERÇÃO is the difference in days between the disclosure date and the expected disclosure date. D_POSTERGAÇÃO is a binary variable that assumes a value of 1 when the delivery of the financial statements is delayed in relation to the expected date, and a value of 0, otherwise. DEFASAGEM is the logarithm of the number of calendar days from the baseline date of the financial statements until the date of disclosure. SURPRESA represents the type of news and is calculated by subtracting the earnings in period t from those in period t-1, divided by the assets in period t. SURPRESA_POS is a dummy variable that assumes a value of 1 when the news is positive and a value of 0, otherwise. ROA is the company's net profit in period t, divided by the total assets in period t. PREJ is a dummy variable that assumes a value of 1 if the company has reported losses in period t, and a value of 0, otherwise. TAM is the natural logarithm of the company's total assets in period t. END is the total gross debt of company t, divided by the total assets in period t. GOV is a dummy variable equal to 1 if the company has a special level of corporate governance, and equal to 0, otherwise. TRI4 is a dummy variable equal to 1 for the 4th quarter, and equal to 0, otherwise. All continuous variables were winsorized at the 1% and 99% levels.

Based on Table 3, on average, companies disclose their financial statements approximately two to three days before the expected date and the average lag in the disclosure of these statements is approximately 52 days. This lag is affected by both the maximum disclosure deadline of quarterly information (45 calendar days after the baseline date), and by the maximum disclosure deadline of the annual financial statements (90 calendar days after the baseline date), as defined by the CVM through CVM Instruction No. 480/2009. Approximately 52% of the companies in the sample delay the disclosure of their financial information. Although this number is relevant, it should be noted that this does not mean that companies deliver their statements outside of the period required by CVM. In the last five years, an increasing percentage of companies that deliver their financial information by the expected date has been observed: in 2012, this percentage was 45% and in 2016, 55%.

Approximately 48% of companies present good news in their disclosures. Table 3 also shows that the mean of the variable $PREJ_{it}$ is approximately 0.38. As it is a binary variable, it is concluded that approximately 38% of the observations in the sample are from companies that reported losses, and the remaining 62% are from companies with earnings greater than or equal to zero. Based on the binary variable GOV_{it}, approximately 40% of the companies in the sample exhibit the aforementioned special levels of corporate governance.

Table 4 shows the correlations between the variables used in the two models.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Table 4. **Correlation Matrix**

	POSTERGAÇÃO	D_POSTERGAÇÃO	DEFASAGEM	SURPRESA	SURPRESA_POS	ROA	PREJ	TAM	END	GOV	TRI4
POSTERGAÇÃO	1.000										
D_POSTERGAÇÃO	**0.321**	1.000									
DEFASAGEM	-0.008	**0.130**	1.000								
SURPRESA	**-0.051**	**-0.034**	**0.025**	1.000							
SURPRESA_POS	**-0.036**	**-0.059**	**-0.034**	**0.310**	1.000						
ROA	-0.012	**-0.027**	**-0.087**	**0.076**	**0.084**	1.000					
PREJ	**0.039**	**-0.065**	**-0.189**	**0.048**	**0.279**	**0.307**	1.000				
TAM	**0.038**	**-0.050**	**-0.142**	**-0.053**	**0.012**	**0.551**	**0.371**	**1.000**			
END	**-0.044**	0.011	**0.068**	**0.036**	**-0.023**	**-0.067**	-0.108	0.087	1.000		
GOV	0.017	**-0.063**	**-0.217**	0.006	0.022	**0.158**	**0.181**	**0.432**	-0.001	1.000	
TRI4	**0.025**	**-0.037**	**0.620**	0.004	0.013	**-0.047**	0.017	-0.015	-0.001	**-0.024**	1.000

POSTERÇÃO is the difference in days between the disclosure date and the expected disclosure date. D_POSTERGAÇÃO is a binary variable that assumes a value of 1 when the delivery of the financial statements is delayed in relation to the expected date, and a value of 0, otherwise. DEFASAGEM is the logarithm of the number of calendar days from the baseline date of the financial statements until the date of disclosure. SURPRESA represents the type of news and is calculated by subtracting the earnings in period t from those in period t-1, divided by the assets in period t. SURPRESA_POS is a dummy variable that assumes a value of 1 when the news is positive, and a value of 0, otherwise. ROA is the company's net profit in period t, divided by the total assets in period t. PREJ is a dummy variable that assumes a value of 1 if the company has reported losses in period t, and a value of 0, otherwise. TAM is the natural logarithm of the company's total assets in period t. END is the total gross debt of company t, divided by the total assets in period t. GOV is a dummy variable equal to 1 if the company has a special level of corporate governance, and equal to 0, otherwise. TRI4 is a dummy variable equal to 1 for the 4th quarter, and equal to 0, otherwise. All continuous variables were winsorized at the 1% and 99% levels. Numbers in bold represent statistically significant coefficients at a level of 10% or lower.

Based on the correlation analysis, there is a negative association between the delay variables (*POSTERGAÇÃO* and *D_POSTERGAÇÃO*) and the type of news variables (*SURPRESA* and *SURPRESA_POS*), indicating that good news are related to the earliness of financial information disclosure. This evidence is in line with the research hypothesis presented above; however, the correlation is only a preliminary association analysis between the two variables, without considering the control variables.

Table 5 shows the results on the relationships between the delay/earliness in the delivery of financial statements and the type of news. In the first two columns, the statistical coefficients for model 1 are presented; those for type of news in a continuous form (*SURPRESA*) are in the first column and those for type of news in a binary form (*SURPRESA_POS*) are in the second column. In the third and fourth columns, the results for model 2 are presented; as in model 1, the third column corresponds to *SURPRESA* and the fourth column to *SURPRESA_POS*.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Table 5. Relationship between type of news and delay in the delivery date

Independent Variable	[a] POSTERGAÇÃO			[a] POSTERGAÇÃO			[b] D_POSTERGAÇÃO			[b] D_POSTERGAÇÃO		
	Coefficient	t-statistic		Coefficient	t-statistic		Coefficient	z-statistic		Coefficient	z-statistic	
SURPRESA	-4,239	-2,350	**				-0.221	-2,240	**			
SUPRESA_POS				-2,174	-2,510	**				-0.157	-2,600	***
ROA	-1,957	-4,300	***	-2,131	-4,780	***	0.005	0.110		-0.002	-0.050	
PREJ	3,620	3,850	***	4,081	4,320	***	-0.022	-0.340		0.016	0.230	
LAG_POSTERGAÇÃO	9,099	10,160	***	9,143	10,160	***	0.537	9,320	***	0.537	9,310	***
DEFASAGEM	0.866	0.200		0.733	0.170		1,656	9,220	***	1,647	9,170	***
TAM	0.573	3,220	***	0.616	3,500	***	-0.003	-0.230		-0.002	-0.140	
END	-3,137	-1,940	*	-3,295	-2,060	**	-0.047	-0.700		-0.055	-0.830	
GOV	0.096	0.090		-0.036	-0.030		0.003	0.040		-0.003	-0.050	
TRI4	3,192	1,140		3,247	1,150		-1,103	-8,340	***	-1,099	-8,300	***
Intercept	-40,900	-2,240	**	-39,785	-2,160	**	-7,619	-8,870	***	-7,523	-8,740	***
Year fixed effects	Yes			Yes			Yes			Yes		
Industry fixed effects	Yes			Yes			Yes			Yes		
Observations	5,356			5,356			5,356			5,356		
R2 or Pseudo R2	0.079			0.078			0.062			0.062		

POSTERGAÇÃO is the difference in days between the disclosure date and the expected disclosure date. D_POSTERGAÇÃO is a binary variable that assumes a value of 1 when the delivery of the financial statements is delayed in relation to the expected date, and 0, a value of otherwise. DEFASAGEM is the logarithm of the number of calendar days from the baseline date of the financial statements until the date of disclosure. SURPRESA represents the type of news and is calculated by subtracting the earnings in period t from those in period t-1, divided by the assets in period t. SURPRESA_POS is a dummy variable that assumes a value of 1 when the news is positive, and a value of 0, otherwise. ROA is the company's net profit in period t, divided by the total assets in period t. PREJ is a dummy variable that assumes a value of 1 if the company has reported losses in period t, and a value of 0, otherwise. TAM is the natural logarithm of the company's total assets in period t. END is the total gross debt of company t, divided by the total assets in period t. GOV is a dummy variable equal to 1 if the company has a special level of corporate governance, and equal to 0, otherwise. TRI4 is a dummy variable equal to 1 for the 4th quarter, and equal to 0, otherwise. All continuous variables were winsorized at the 1% and 99% levels. ***, **, and * represent statistically significant coefficients at the 1%, 5%, and 10% levels, respectively.

To evaluate our research hypothesis that companies with bad news delay the disclosure of their financial information in relation to the expected dates, we analyzed the variable *SURPRESA*, which represents the type of news given to the market. The results in Table 5 indicate that in both models, the coefficient of this variable is negative and statistically significant at the 5% level. The results from model 1, whether for the continuous or binary form of type of news, shows evidence that, on average, companies release good news two to four days early. The results from model 2 show evidence in the same direction, that is, if the news to be announced to the market is good, it decreases the likelihood the company will delay the delivery of the information.

Such evidence is in line with the results of Bagnoli et al. (2002), who analyzed the performance of companies in which the management releases statements after their own expected date of disclosure.

Additionally, based on our results, there is evidence that if a company delayed the delivery of financial information in the previous period, the likelihood it will delay the delivery in the current period increases. Such a relationship suggests that when the company breaks the pattern expected by the market, the chances that it repeats the same behavior increase. Regarding the other performance measures, the results from model 1 provide evidence that companies with losses are more likely to postpone the delivery of financial statements; conversely, the higher the returns on assets, the earlier financial statements are released. Such evidence is in line with the idea that good news is more likely to be released early and bad news more likely to be delayed.

Company size, according to the results from model 1, also influences the delivery time of the financial information: the larger the company, the longer the delay in the delivery. It is likely that such evidence is related to the complexity of the company, which may influence the time when the financial information is ready to be disclosed to the market. In model 2, company size was not statistically significant.

The company's level of indebtedness also exhibits a statistically significant influence on the time a company delivers its financial statement. Based on model 1, the more indebted the company is, the faster it releases its statement. This may be related to the fact that market participants already know the company's level of indebtedness, since the variation from one quarter to another tends to be low, so the company opts to advance the release of its statement, assuming that the market already has its indebtedness information. In model 2, no statistically significant evidence of such a relationship was found.

Both the lag, that is, the time it takes the company to deliver its financial information after the end of the financial year, and whether the information is an annual financial statement also influence the likelihood of the company delaying the release of the report. Based on the results of model 2, the greater the lag, the greater is the likelihood of delaying the delivery of financial information. It is reasonable to expect such behavior since the larger the number of calendar days the company takes to deliver the information, the greater is the chance that the delivery will occur after the expected date of disclosure. Regarding the fourth quarter, the results of model 2 suggest that it is less likely that companies will delay the delivery of financial information when compared to the delivery of annual information. Such evidence is also reasonable since the annual information tends to be more important and more eagerly expected by market participants, and delaying such information could likely have an even more negative impact on the company.

Regarding corporate governance, no statistically significant evidence was found that this variable influences the delay of financial information disclosure. A higher level of monitoring was expected to influence the timing of disclosure of financial information. However, no evidence for this relationship was found; this may be related to the fragility of the proxy used to capture companies' true levels of corporate governance.

ADDITIONAL ANALYSES

To verify the results above, two additional analyses were performed. For the first, the sample was restricted to annual information only, since this information can be seen as more important than quarterly information, and thus may demonstrate a different behavior of the company. The results remained unchanged, as can be observed in Table 6 (Panel A). In other words, good news is, on average, released between four and five days before the expected date of disclosure.

In the second analysis, the binary variable of delay (*D_POSTERGAÇÃO*) and, consequently, that of the recurrence of delay (*LAG_POSTERGAÇÃO*) were replaced by the binary variables D_POSTERGAÇÃO (2) and LAG_POSTERGAÇÃO (2). These were defined to assume a value of 1 when a company delivered the information on the expected date (0) or with up to one day of delay (+1) and a value of 0, otherwise. Thus, we expanded the expected delivery deadline by one day, that is, we indirectly reduced the number of companies with a delay in the delivery of financial information. The results, presented in Table 6 (Panel B), remained largely unchanged, corroborating the evidence above that when the type of news to be disseminated is good news (bad news), this leads to an early (delayed) disclosure of financial statements.

Table 6. Relationship between disclosure time and type of news (robustness tests)

Panel A: Robustness Test: Annual												
Independent Variables	**[a] POSTERGAÇÃO**			**[a] POSTERGAÇÃO**			**[b] D_POSTERGAÇÃO**			**[b] D_POSTERGAÇÃO**		
	Coefficient	**t-statistic**		**Coefficient**	**t-statistic**		**Coefficient**	**z-statistic**		**Coefficient**	**z-statistic**	
SURPRESA	-4,172	-3,090	***				-0.304	-1,890	*			
SUPRESA_POS				-5,686	-3,660	***				-0.473	-3,630	***
Controls	Yes			Yes			Yes			Yes		
Year fixed effects	Yes			Yes			Yes			Yes		
Industry fixed effects	Yes			Yes			Yes			Yes		
Number of observations	1,225			1,225			1217			1,217		
R2 or Pseudo R2	0.057			0.064			0.067			0.073		
Panel B: Robustness Test: Alternative proxy												
Independent Variables	**[a] POSTERGAÇÃO**			**[a] POSTERGAÇÃO**			**[b] D_POSTERGAÇÃO (2)**			**[b] D_POSTERGAÇÃO (2)**		
	Coefficient	**t-statistic**		**Coefficient**	**t-statistic**		**Coefficient**	**z-statistic**		**Coefficient**	**z-statistic**	
SURPRESA	-4,458	-2,460	**				-0.164	-1,550				
SUPRESA_POS				-2,253	-2,590	**				-0.189	-2,970	***
LAG_POSTERGAÇÃO (2)	8,293	10,080	***	8,321	10,060	***	0.587	9,410	***	0.584	9,360	***
Controls	Yes			Yes			Yes			Yes		
Year fixed effects	Yes			Yes			Yes			Yes		
Industry fixed effects	Yes			Yes			Yes			Yes		
Number of observations	5,356			5,356			5,356			5,356		
R2 or Pseudo R2	0.074			0.073			0.061			0.062		

POSTERGAÇÃO is the difference in days between the disclosure date and the expected disclosure date. D_POSTERGAÇÃO is a binary variable that assumes a value of 1 when the delivery of the financial statements is delayed in relation to the expected date, and a value of 0, otherwise. SURPRESA represents the type of news and is calculated by subtracting the earnings in period t by those in period t-1, divided by the assets in period t. SURPRESA_POS is a dummy variable that assumes a value of 1 when the news is positive and a value of 0, otherwise. LAG_POSTERGAÇÃO (2) is a binary variable that assumes a value of 1 when the delivery of the financial statements in the previous quarter is delayed in relation to the expected date and a value of 0, otherwise. All continuous variables were winsorized at the 1% and 99% levels. ***, **, and * represent statistically significant coefficients at 1%, 5%, and 10% levels, respectively.

CONCLUSION

The present study analyzed the relationship between the earliness/delay in the release of accounting information and the type of news disclosed to the market. Generally, the results suggest that when the company has bad (good) news to communicate to the market, there is a greater likelihood that the company will delay (advance) such a disclosure.

The evidence found has important implications for the literature on national evidence, as well as for the Brazilian capital market. Regarding the national literature, it was possible to diagnose that, as in the American market, Brazilian companies follow a pattern of expected dates of disclosure of financial information that can be captured by an estimation model (naive model). Thus, it contributes empirical evidence related to the disclosure theory about companies' behavior in relation to the timing of the delivery of their financial statements in the Brazilian market.

Regarding the capital markets, this study contributes to the evidence that companies, on average, meet CVM's requirements regarding the maximum deadline for the delivery of financial statements. However, approximately half of the Brazilian companies are not timely in the delivery of financial information compared to the release date expected by the market. Apparently, in recent years, companies have been more concerned about releasing their financial information on time, respecting the expected disclosure pattern, probably as a way to meet the expectations of market agents. This indicates a possible improvement in the Brazilian capital market.

The limitations of this research are mainly related to the proxies used to calculate the earliness/delay in the release of financial information, as well as to the definition of good or bad news, despite both proxies being based on studies from the international literature. The lack of a historical basis of market participants' forecasts for the date of disclosure is also a limitation, and only the application of an estimation model (naive model) is possible. Additionally, the results of this study are limited to the behavior of the Brazilian capital market from 2010 to 2016.

For future research, we suggest that the effects of other potential determinants in the delay of the delivery of financial statements are studied, such as earnings management and monitoring mechanisms. We also recommend different models of estimation of disclosure dates or market forecasts are used, such as those based on corporate events calendars. Finally, new studies on the consequences of the delay in the delivery of financial information would also be interesting, as well as studies on market reactions to the timing of disclosure of financial statements.

AUTHORS 'NOTE

This study is based on Anderson Brito Vivas's master's dissertation, which was supervised by Felipe Ramos Ferreira. Fábio Moraes da Costa was one of the members of the defense panel.

REFERENCES

Bagnoli, M., Kross, W., & Watts, S. G. (2002). The information in management's expected earnings report date: A day late, a penny short. *Journal of Accounting Research*, *40*(5), 1275-1296. doi: 10.1111/1475-679X.t01-1-00054

Barcellos, L. P., Costa, J. V., Júnior, & Laurence, L. C. (2014). Determinantes do prazo de divulgação das demonstrações contábeis das companhias não financeiras listadas na Bovespa. *Revista de Contabilidade e Organizações*, *8*(20), 84-100. doi: 10.11606/rco.v8i20.69265

Begley, J., & Fischer, P. (1998). Is there information in an earnings announcement delay? *Review of Accounting Studies*, *3*, 347-363. doi: 10.1023/A:1009635117801

Beyer, A., Cohen, D. A., Lys, T. Z., & Walther, B. R. (2010). The financial reporting environment: Review of the recent literature. *Journal of Accounting and Economics*, *50*(2), 296-343. doi: 10.1016/j.jacceco.2010.10.003

Boulland, R. & Dessaint, O. (2017). Announcing the announcement. *Journal of Banking & Finance*, *82*, 59-79. doi: 10.1016/j.jbankfin.2017.05.007

Chen, G., Cheng, L. T. W., & Gao, N. (2005). Information content and timing of earnings announcements. *Journal of Business Finance & Accounting*, *32*(1-2), 65-95. doi: 10.1111/j.0306-686X.2005.00588.x

Dantas, J. A., Zendersky, H. C., Santos, S. C., & Niyama, J. K. (2008). A dualidade entre os benefícios do disclosure e a relutância das organizações em aumentar o grau de evidenciação. *Economia & Gestão*, *5*(11), 56-76. Recuperado de http://periodicos.pucminas.br/index.php/economiaegestao/article/view/40/34

Dye, R. (2001). Na evaluation of "essays on disclosure" and the disclosure literature in accounting. *Journal of Accounting & Economics*, *32*, 181-235. doi: 10.1016/S0165-4101(01)00024-6

Givoly, D., & Palmon, D. (1982). Timeliness of annual earnings announcements: Some empirical evidence. *The Accounting Review*, *57*(3), 486-508. Recuperado de https://www.jstor.org/stable/246875

Graham, J. R., Harvey, C. R., & Rajgopal, S. (2005). The economic implications of corporate financial reporting. *Journal of Accounting and Economics*, *40*(1), 3-73. doi: 10.1016/j.jacceco.2005.01.002

Haw, I. M., Qi, D., & Wu, W. (2000). Timeliness of annual report releases and market reaction to earnings announcements in an emerging capital market: The case of China. *Journal of International Financial Management & Accounting*, *11*(2), 108-131. doi: 10.1111/1467-646X.00058

Healy, P. M., & Palepu, K. G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics*, *31*(1), 405-440. doi: 10.1016/S0165-4101(01)00018-0

 CC BY ISSN 0034-7590; eISSN 2178-938X

Kirch, G., Lima, J. B. N., & Terra, P. R. S. (2012). Determinantes da defasagem na divulgação das demonstrações contábeis das companhias abertas brasileiras. *Revista Contabilidade & Finanças*, *23*(60), 173-186. doi: 10.1590/S1519-70772012000300003

Kross, W., & Schroeder, D. A. (1984). An empirical investigation of the effect of quarterly earnings announcement timing on stock returns. *Journal of Accounting Research*, *22*(1), 153-176. doi: 10.2307/2490706

Moreira, N. C., Ramos, F., Kozak-Rogo, J., & Rogo, R. (2016). Conference calls: An empirical analysis of information content and the type of disclosed news. *BBR. Brazilian Business Review*, *13*(6), 291-315. doi: 10.15728/bbr.2016.13.6.6

Paixão, L. M. D., Avelino, B. C., & Takamatsu, R. T. (2017). Determinantes do momento de divulgação das demonstrações contábeis de empresas que compõem o Índice da Bolsa de Valores de São Paulo (Ibovespa). *Revista de Contabilidade & Controladoria*, *9*(1), 47-66. doi: 10.5380/rcc.v9i1.47940

Sengupta, P. (2004). Disclosure timing: Determinants of quarterly earnings release dates. *Journal of Accounting and Public Policy*, *23*(6), 457-482. doi: 10.1016/j.jaccpubpol.2004.10.001

Trueman, B. (1990). Theories of earnings-announcement timing. *Journal of Accounting and Economics*, *13*(3), 285-301. doi: 10.1016/0165-4101(90)90035-3

Verrecchia, R. (2001). Essays on disclosure. *Journal of Accounting & Economics*, *32*, 97-180. doi: 10.1016/S0165-4101(01)00025-8

AUTHORS' CONTRIBUTIONS

Anderson Brito Vivas contributed to all parts of the article, including the theoretical review, data collection, and analysis, as well as the writing. Felipe Ramos Ferreira worked on the conception of the research idea, methodological design, data analysis, and the writing. Fábio Moraes da Costa worked on the additional analysis with the robustness tests, the writing, and finally, final review.

PERSPECTIVES

Invited article
Original version
DOI: http://dx.doi.org/10.1590/S0034-759020200506

THE FUTURE(S) OF WORK

Speculations about the future of work are notoriously slippery (Watson, 2008), ranging from technologically utopian and progressive narratives (e.g., Handy, 1984) to pessimistic predictions about the end of work (e.g., Rifkin, 1995). Yet the impossibility of empirically establishing what "might be" (Watson, 2008) means that a hefty dose of imagination is required in both formulating and evaluating such speculations. This is particularly true in times of social upheaval, which call into question the confidence around future inferences from past trends. In such periods—such as our own—workplace scholarship faces a delicate balance between demands to inform public debates around work on one hand, and the shifting socioeconomic coordinates that recontextualize such debates on the other. Imaginaries around human futures in the face of crisis act simultaneously as predictions and as performative gestures (cf. Roux-Rosier, Azambuja, & Islam, 2018), shaping as they predict, and mingling scientific and political responsibilities. The calm distance enjoyed by researchers in "normal" times shows itself as no more than the security of the privileged to maintain an illusion of normalcy. What could previously be justified as a disinterested consideration of publicly important questions appears, in crisis moments, as an abdication of social responsibility. In this sense, to write today about the future of work is to construct axes around which that future can be built.

In short, the future of work today is deeply uncertain, and this uncertainty must be acknowledged without letting it paralyze the sociological imagination or depoliticize social action. Seen from one angle, the COVID-19 epidemic has deeply challenged modes of work and organizing (Grint, 2020; Kniffen et al., 2020). Beyond the pandemic, a looming series of ecological and climactic crises will shake the foundations of productive organization (Roux-Rosier et al., 2018). In the meantime, the artificial intelligence and big data revolutions are predicted to radically alter the nature and existence of work as we know it (West, 2018). Yet, from another perspective, some argue that these crises simply deepen and accelerate existing workplace trends, such that far from enabling new work regimes to emerge, they may simply entrench and consolidate the most harmful aspects of current work regimes (Kniffen et al., 2020).

In the context of this double-sided view of the status quo vis-à-vis both rupture and continuity (or the entwinement of rupture and continuity), my intention is to reflect on the future without presuming to predict its concrete forms. To do so, I will focus on three arenas in which I believe the struggles over the future of work will take place. I consider these as "struggles" because their outcome remains undetermined, and yet the forms they take will constitute what activities constitute "work," who will be involved in those activities, and who will benefit from them. Running through these themes are concerns vis-à-vis the role of work in a broader and emerging social order.

GAZI ISLAM[1,2]
gazi.islam@grenoble-em.com
0000-0002-6503-6018

[1]Grenoble Ecole de Management, Department of People, Organizations and Society, Grenoble, France

[2]Institute for Research in Management and Economics, Annecy, France

The boundaries of work

One of the most frequently discussed impacts of the COVID-19 pandemic is the way in which the boundaries between work across social spheres have been reshaped through policy responses

CC BY

ISSN 0034-7590; eISSN 2178-938X

(or lack thereof) to the pandemic (Cho, 2020). On one hand, significant segments of work have been redefined as "tele-work," from bureaucratic office work and tele-medicine to education (Sewell & Taskin, 2015). These relocations of work to the home (or other online-connected spaces) have effectively converted those spaces into sites of (formally recognized) economic production, bringing with them the various norms and power dynamics that characterize the different social spheres (Hatton, 2017). At the same time, bringing the office into the household implies bringing the home-space into the office, making it possible to question prevailing workplace norms, such as the presence of children at work, the formality of work versus household conduct, and the requirements of constant connection versus "deconnection" time (cf., Morel, 2017). This blurring of the home–work interface has also made visible the "hidden" labor of maintaining a household (e.g., Hatton, 2017), making it more difficult to separate paid work from reproductive labor that has largely remained outside the monied economy (Fraser, 2014).

Loosening these home–work boundaries offers multiple possibilities. Erosion of the space between the home and the office can take the form of colonization, of the former by the latter; in the process the household "lifeworld" is converted into a rationalized "system" of economic production (Habermas, 1981). However, this loosening can also open spaces for de-rationalization, to the extent that workplace or professional decorum is relaxed as an adaptation to working from home. If rationalized work systems require sectioning off a space of work versus that of "life," the impossibility of this separation may force a reckoning between these spheres that carries emancipatory possibilities at work. It is (perhaps) more likely that rationalization will seep into the home itself, Taylorizing the home into an increasingly rationalized space where daily activities are organized around productivity. A struggle at this interface seems inevitable, and how it is resolved is a matter of both macro-level policy and micro-level negotiations, both of which will take place against the background of widening power asymmetries.

The wave of discussion concerning tele-work, however, must not obscure the fact that this transformation directly involves a very limited subset of workers. Most work will not, as yet, become tele-work. Just as professional and office work adapted online, a vast array of "front-line" workers remain physically exposed to contagion, and have been adapting to a changed work landscape without the possibility of tele-work (Parks, Nugent, Fleischhacker, & Yaroch, 2020). While the front line often receives attention and applause when it consists of medical workers (and without necessarily translating into material benefits for those workers), precarious workers in transport and delivery, food and agricultural production, and other manual-labor sectors constitute an "invisible front line." In many cases, such as industrial food production, these workers exist within spaces that are at risk for infection and many pay with their lives (Waltenberg, Victoroff, Rose et al., 2020). Moreover, in economies with large informal sectors, small-business retailers and other informal jobs have continued in the face of crisis, with the workers therein assuming similar risks.

In some of these situations, such as factory production, the formal boundaries of work are maintained, even as the dynamics of contagion spill over readily from work to home as families and colleagues are exposed to disease. For gig workers and other jobs at the periphery of the formal economy, the lack of formal protection forces precarious workers to choose exposure in the absence of economic options. In the first case, the lack of worker protections has led to the assertion of workplace boundaries against the interests of the workers. In the second case, a lack of boundaries has given workers a lack of safe haven as they spend their days seeking micro-rents on otherwise empty streets in the midst of a pandemic. In some jobs, such as those of Amazon workers, a mix of both situations is evident.

Third, as unemployment figures soar to unprecedented levels in much of the world (Blustein et al., 2020; Coibion, Gorodnichenko, & Weber, 2020), the boundary between work and life becomes a wall separating bare life from the possibility of materially earning a living. Despite the provision of help in the form of various unemployment protections, significant variations in impacts across populations (Acs & Karpman, 2020) are likely to increase inequality; moreover, such protections may be insufficient to sustain populations over extended periods. The dividing line between production and consumption, a formative myth of modern work, is sustainable only insofar as the gains from production can subsidize the necessary conditions of life. In the current context, it is difficult to imagine how this tacit contract between the worlds of work and life can be sustained.

To be clear, the issues of technological mediation and tele-work, precarity, and lack of worker protections, alongside inadequate unemployment safety nets, are not unique to the time of COVID-19; indeed, these concerns pre-existed the pandemic. However, the "stress test" of COVID-19 has accelerated their effects, making their outlines more salient and thus rendering these boundary issues central to public discussion. The future of work will depend, in part, on how these boundaries are maintained, removed, or reshaped in the wake of the crisis.

 CC BY © RAE | São Paulo | **60(5)** | **September-October 2020** | 365-370 ISSN 0034-7590; eISSN 2178-938X

The solidarities of work

A corollary to the discussion about work boundaries is the question of reconfiguring communities in the face of work-related changes. To change the boundaries of work, after all, is also to change the social categories defined by those boundaries.

Contemporary discussions of postindustrial work have struggled with the difficulties of traditional "proletarian" conceptions of work, as well as the class-based social and political struggle tied to these conceptions (Baldry et al., 2007; Gorz, 1982). Challenges have come from many angles, concerning the shifting constitution of the "working class." Early discussions around managerialism questioned the relevance of an enlarged managerial class for defining workers. For example, should managers (as salaried employees) be thought of as workers, or are they (as agents of worker control) more akin to owners of capital (cf., Boltanski, 1982; Marks & Baldry, 2009)? Outside of organizations, as mentioned, a vast swath of hidden labor has been increasingly recognized as "hidden abodes" of production (Fraser, 2014), leading to expanded definitions of workers as including value production beyond the organization in the wider "social factory" (cf., Mumby, 2020). The increasing splintering of work production activities across an atomized global value chain (Gereffi, 2005) and in nonsalaried forms of labor masked as "independent contracts," "gig jobs," or the "sharing economy" (Kalleberg & Vallas, 2018; Petriglieri, Ashford, & Wrzesniewski, 2019) has made it increasingly difficult to locate the workplace as it becomes distributed across communities and geographies. Finally, the advent of digital labor and social networking—where participation and communication form data-driven business models rely on user-produced content and clicks (Scholz, 2013)—means that connection itself constitutes micro-work that is usually unpaid, but is nonetheless massively profitable for data aggregators such as Google, Amazon, or Facebook.

Although these and other developments in the world of work are distinct from each other and have different causes and effects, they share the common aspect of broadening the category of workers so as to include communities outside of the working class as traditionally conceived (Baldry et al., 2007). This development has been cited as part of a growing crisis of labour politics, in which the increased dispersion and pulverization of the workforce, as well as its lack of a common basis in geography, culture, or shared experience, create challenges in establishing solidarity or political action. Indeed, recent discussions around precarious work have highlighted the difficulties inherent in organizing across different publics and work types, individualized contracts, and part and full-time work; these constitute variations that make it difficult to find common demands and guarantee worker protections (e.g., Gibson-Light, 2018). Moreover, such pulverization makes it easier for different worker groups to consider each other irrelevant or as competitors; set against each other in this way, they find it more difficult to find among their unique grievances an overarching set of common struggles.

On the other hand, the extension (or recognition) of economic aspects in diverse kinds of social activities creates possibilities for broadened forms of social solidarity that could support radical democratic movements. Rather than represent a working class in the narrow sense, contemporary labor organizing may need to place itself at the intersections of class, gender, ethnicity, and other social movements to build coalitions around distinct yet related justice concerns (cf., Fraser, Bhattacharya, & Arruzza, 2019). Doing so forces worker movements to look beyond narrow group interests and focus on pluralistic goals and long-term social change. Broadening beyond an immediate horizon for organizing at the level of formal organization (although this remains tactically important) forces work organizers to re-politicize work in the broad sense of promoting a more just society, rather than in narrow visions of power politics.

In summary, as the economically productive aspects of social life are decoupled from traditional salaried labor and spread between formal and informal work, home and office, and in the micro-practices of communication and participation themselves, what constitutes a "worker" changes. Not only workers, but consumers, contractors, sharers, and the catch-all category of "users" reconstitute the categories within which politics can take place, thus requiring new discourses and practices of solidarity.

The rents of work

Related to but distinct from the issues of work boundaries and communities, the questions of the economic status of work and its role within the broader socioeconomic system have been receiving increased attention (e.g., Dejours, Deranty, Renault, & Smith, 2018; Pitts & Dinerstein, 2017). Several of the aforementioned points—from the creation of economic value from the "social factory" (i.e., the unpaid sphere) to the pulverization and distribution of work across global value chains—imply that a one-to-one coupling of individual value creation and remuneration appears to be increasingly impossible. In fact, such a coupling, tied as it is to the ideology of meritocracy and individual-level performance, has always been a myth. However, the reconfigurations described above, coupled with reduced social mobility (e.g., Milburn, 2016) and system-level shocks such

 CC BY © RAE | São Paulo | **60(5)** | **September-October 2020** | 365-370 ISSN 0034-7590; eISSN 2178-938X

as pandemics, financial crises, and the coming climate crisis, are likely to make such myths increasingly untenable.

Specifically, as noted above, the economics of "use," in which social value production through participation, communication, socialization, and other unpaid activities support rent-extraction business models, decouple work from pay. This is most obvious in online platforms (e.g., Scholz, 2013; Zuboff, 2019), where social interaction is quantified into data that are commoditized, usually without remuneration: most of the rents of such work occur without the "workers" even being aware that they are working. Similar modes of "prosumption" mix rent accumulation into social consumption experiences, where individuals work for free or even pay to produce value for companies. While such free labor has always characterized the extractive economies of domestic housework and other informal economies, its systematization into global architectures of "sharing" has built an enormous machine that undertakes the corporate extraction of social value, decoupled entirely from the expectation of a salary.

Second, the disintegration of production that has marked global value chains (Gereffi, 2005) has made it increasingly difficult to understand the components of value in terms of individual inputs, making a just determination of pay-for-work impossible in many cases. Even when each step of a global value chain is tracked digitally, the relative contributions of actors along that chain have little to do with their remuneration, which is instead determined by their structural positions on the chain. The domino-like subcontracting structure of certain value chains—such as those relating to construction and agricultural work—have given rise to working conditions approaching or constituting modern slavery (Crane, 2012), with many taking advantage of and reinforcing geopolitical power asymmetries so as to extract value from parties while giving them little to no negotiating leverage. Under such conditions, the link between worker effort and compensation is illusory and does not provide the basis for a social contract between workers and society. An incentive structure through which such a contract is premised—namely, that workers build skills, deploy them for socially valuable ends, and are compensated for their efforts—becomes increasingly removed from reality.

Finally, the system-level events seen during the 2008 financial crisis, the 2020 COVID-19 pandemic, and the likely future events that will relate to climatic and environmental shocks belie neoliberal dreams of sustaining life through individual enterprise and effort (Monbiot, 2016). Such events derive from global-level human activities, and so they require global responses (Fraser, 2008). Social safety nets (e.g., health care, unemployment insurance, and other public services) provide buffers against such shocks. These arguments are not new, but in the current context they take on particular urgency: in the current conjuncture, attempts to maintain a competition-based model of human wellbeing risk running a Malthusian gauntlet in which the isolation and security of a small group is bought at the price of mass suffering. This dystopian fantasy, always latent in liberal thought (Foster, 2000), has been able to coexist with a veneer of "civilization" in periods of sustained growth; in moments of hardship, however, civilization must be measured by the extent to which society protects its most vulnerable members.

Although not exhaustive, these three phenomena—namely, the emergence of mass unpaid work-as-use, the concentration of rents and spreading of precarity through complex value chains, and exposure to recurrent global shocks—all suggest the anachronism of tying monetary compensation to social value production at the individual level. Alternatives to such models, such as some forms of universal basic income and increased investment in public goods and other forms of socially just value distribution, are needed. Such alternatives could free work from its more coercive roles and allow it to take other forms in producing social goods.

Summary

Taken together, these three distinct but related issues around work—the establishment of its boundaries, the communities constituted by it, and the distribution of its rents—will shape the future of work. In each of the broad areas, several themes appear in various places, including the tense frontier between the home and the office/factory, the growing precariat and its relation to traditional work, and the possibility of major upheavals involving social and natural forces that render unstable and provisory any work arrangement.

Running across the broad themes is the sense of a dual, yet asymmetric, evaluation of the emancipatory versus oppressive consequences of each theme. The breakdown of the home–work boundary will (most likely) be at the expense of the safe space of the home, rather than the rationalized domination of work. However, the same opening provides an opportunity for work itself to be changed by the increased mingling with more human spaces of lived social value. The extension of digital platforms and "sharing" solutions most likely relates to the acceleration of surveillance capitalism (Zuboff, 2019) and its data-driven commodification of everything. Nonetheless, it also opens new terrains of contestation in which democratic possibilities persist.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Although the hopeful voices of digital democracy that were so vocal during the so-called Arab Spring (Boros & Glass, 2014) were soon supplanted by horror at its consequences, the proverbial jury may still be out on the democratic potentials of social media platforms, if decoupled from their corporate hosts (Scholz & Schneider, 2016). While the shocks of financial crises and pandemics will likely give rise to new forms of control and economic hardship, they may also open spaces for deep change in "business as usual."

Such likelihoods are, it goes without saying, not based on empirical analysis—and even if they were, these would be difficult to justify in the midst of uncertain times, when believing the future will resemble the past is no more than an article of faith. So from where do they come? My response is that to think about the future of work in the midst of the COVID-19 pandemic requires the sobering sense of a hard and overgrown road ahead—a road that is not a dead end, but rather one that is under construction. Our past ways of path-making have ultimately wrought destruction, but people in the future must remain hopeful (but careful) about overly progressive narratives or majestic visions of humanity. Where until now work has been considered a "way out," it must now become a way back in. Although it may not be recognizable as such, there remains and will continue to be work to be done.

REFERENCES

Acs, G., & Karpman, M. (2020). *Employment, income, and unemployment insurance during the Covid-19 Pandemic*. Washington, USA: Urban Institute.

Baldry, C., Bain, P., Taylor, P., Human, J., Scholarios, D., Marks, A., ... Bunzel, D. (2007) *The meaning of work in the new economy*. New York, USA: Palgrave Macmillan.

Blustein, D. L., Duffy, R., Ferreira, J. A., Cohen-Scali, V., Cinamon, R. G., & Allan, B. A. (2020). Unemployment in the time of Covid-19: A research agenda. *Journal of Vocational Behavior*, onlinefirst.

Boltanski, L. (1982). *Les cadres: La formation d'un groupe social.* Paris, France: Minuit.

Boros, D., & Glass, J. M. (2014). Introduction. In D. Boros, & J. M. Glass (Eds.), *Re-imagining public space: The Frankfurt School in the 21st Century* (pp. 1-18). New York, USA: Palgrave Macmillan.

Cho, E. (2020). Examining boundaries to understand the impact of Covid-19 on vocational behaviors. *Journal of Vocational Behavior*, onlinefirst.

Coibion, O., Gorodnichenko, Y., & Weber, M. (2020). *Labor markets during the Covid-19 crisis: A Preliminary* [NBER Working Paper n. 27017].

Crane, A. (2012). Modern slavery as a management practice: Exploring the conditions and capabilities for human exploitation. *Academy of Management Review*, *31*(1), 49-69. doi: 10.5465/amr.2011.0145

Dejours, C., Deranty, J. P., Renault, E., & Smith, N., (2018). *The return of work in critical theory.* New York, USA: Columbia University Press.

Foster, J. B. (2000) *Marx's ecology: Materialism and nature*. New York, USA: Monthly Review Press.

Fraser, N. (2008). *Scales of justice: Reimagining political space in a globalised world.* Cambridge, UK: Polity Press.

Fraser, N. (2014) Behind Marx's hidden abode: For an expanded conception of capitalism. *New Left Review*, *86*, 55-72.

Fraser, N., Bhattacharya, T., & Arruzza, C. (2019). *Feminism for 99%: A manifesto*. London, UK: Verso.

Gereffi, G. (2005) The global economy: Organization, governance and development. In N. Smelser, & R. Swedberg (Eds.), *Handbook of economic sociology* (pp. 160-182). Princeton, USA: Princeton University Press.

Gibson-Light, M. (2018). Classificaiton struggles in semi-formal and precarious work: Lessons from inmate labor and cultural production. *Research in the Sociology of Work*, (31), 61-89. doi: 10.1108/S0277-283320170000031002

Gorz, A. (1982) *Farewell to the working class*. Boston, USA: South End Press.

Grint, K. (2020). Leadership, management and command in the time of the Coronavirus. Leadership, 16(3), 314-319. doi: 10.1177/1742715020922445

Habermas, J. (1981). The theory of communicative action, vols. 1 and 2 (T. McCarthy, Trans.). Boston: Beacon Press.

Handy, C. (1984) *The future of work.* Oxford, UK: Basil Blackwell.

Hatton, E. (2017). Mechanisms of invisibility: Rethinking the concept of invisible work. *Work, Employment and Society*, *31*(2), 336-351. doi: 10.1177/0950017016674894

Kalleberg, A. L., & Vallas, S. P. (2018). Probing precarious work: Theory, research, and politics. *Research in the Sociology of Work*, *31*, 1-30. doi: 10.1108/S0277-283320170000031017

Kniffin, K. M., Narayanan, J., Anseel, F., Antonakis, J., Ashford, S., Bakker, A. B., ... Vugt, M. Van. (2020, June 15). *Covid-19 and the workplace: Implications, issues, and insights for future research and action*. Retrived from https://hbswk.hbs.edu/item/covid-19-and-the-workplace-implications-issues-and-insights-for-future-research-and-action

Marks, A., & Baldry, C. (2009). Stuck in the middle with who? The class identity of knowledge workers. *Work, Employment & Society*, *23*(1), 49-65. doi: 10.1177/0950017008099777

Milburn, A. (2016). *The social mobility index.* Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496103/Social_Mobility_Index.pdf

Monbiot, G. (2016). How did we get into this mess? Politics, equality, nature. London, UK: Verso Books.

Morel, L. (2017). Le droit à la déconnexion en droit français : La question de l'effectivité du droit aurepos à l'ère du numérique. *Labor & Law Issues*, *3*(2), 1-16. doi: 10.6092/issn.2421-2695/7570

Mumby, D. K. (2020). Theorizing struggle in the social factory. *Organization Theory*, *1*(2), onlinefirst.

 CC BY ISSN 0034-7590; eISSN 2178-938X

Parks, C. A., Nugent, N. B., Fleischhacker, S. E., & Yaroch, A. L. (2020). Food system workers are the unexpected but under protected Covid heroes. *The Journal of Nutrition*, onlinefirst.

Petriglieri, G., Ashford, S. J., & Wrzesniewski, A. (2019). Agony and ecstasy in the gig economy: Cultivating holding environments for precarious and personalized work identities. *Administrative Science Quarterly*, *64*(1), 124-170. doi: 10.1177/0001839218759646

Pitts, F. H., & Dinerstein, A. C. (2017). *Postcapitalism, basic income and the end of work: A critique and alternative* [Bath Papers in International Development and Wellbeing No. 55]. University of Bath, UK.

Rifkin, J. (1995) *The end of work: The decline of the global labour force and the dawn of the post-market era*. New York, USA: Putnam.

Roux-Rosier, A., Azambuja, R., & Islam, G. (2018). Alternative visions: Permaculture as imaginaries of the Anthropocene. *Organization*, *25*(4), 550-572. doi: 10.1177/1350508418778647

Scholz, T. (Ed.). (2013). Digital labor: The internet as playground and factory. New York, USA: Routledge.

Scholz, T., & Schneider, N. (2016) *Ours to hack and to own: The rise of platform cooperativism, a new vision for the future of work and a fairer internet.* New York, USA: OR books.

Sewell, G., & Taskin, L. (2015). Out of sight, out of mind in a new world of work? Autonomy, control, and spatiotemporal scaling in telework. *Organization Studies*, *36*(11), 1507-1529. doi: 10.1177/0170840615593587

Waltenburg, M. A., Victoroff, T., Rose, C. E. et al. (2020). Covid-19 response team. Update: Covid-19 among workers in meat and poultry processing facilities – United States, April-May 2020. *MMWR Morb. Mortal.Wkly.Rep.2020*, *69*, 887-892.

Watson, T. J. (2008). *Sociology, work and industry* (5th ed.). London, UK: Routledge.

West, D. M. (2018) *The future of work: Robots, AI, and automation*. Washington, USA: Brookings Institution Press.

Zuboff, S. (2019). *The age of surveillance capitalism: The fight for a human future at the new frontier of power.* London, UK: Profile Books.

AUTHOR' CONTRIBUTION

The author declare that they participated in all stages of development of the manuscript. From the conceptualization and theoretical-methodological approach, the theoretical review (literature survey), data collection, as well as data analysis, and finally, writing and final review the article.

PERSPECTIVES

Invited article
Translate version
DOI: http://dx.doi.org/10.1590/S0034-759020200507

THE FUTURE OF WORK IN BRAZIL: LOOKING AFTER INSTITUTIONS

INTRODUCTION

Any reflection on the future must address the passage of time. Therefore, the most important conditions of the present must be minimally delimited to speculate and project probable scenarios. However, understanding what is most relevant at present is an arduous task. The public and private management world is struggling with this issue, attempting to anticipate the possible scenarios and shape the future through planning.

Despite the technology available for data processing, the search for predictability or for reducing uncertainty remains a task comparable to the feat of Sisyphus rolling the boulder up the hill. When we suppose that the search is complete by the arrival of the future, we realize that the present continues to be full of doubts. In that moment, our boulder rolls down the slope again.

Just as Sisyphus endeavors to roll the boulder up the hill, we constantly reflect about the future. This article uses Gazi Islam's work, which also included in this issue and section of *RAE,* to share similar concerns presented there. The author observes the international scenario and indicates three arenas where significant struggles will take place in the future of work - limits, solidarity, and the gains derived from work. He also suggests implications regarding the space and time of the positioning of work; the arrangement of work in production and society; and the economic *status* of work. This study reflects on the future of work in Brazil based on an aspect common and transversal to the three arenas indicated by Islam (2020)— the importance of public policies, and ultimately, of the institutions of regulation and support available to work in the country.

From the perspective of public policies and international labor institutions, privileged spaces such as those of the International Labor Organization (ILO) have been primarily aimed at highlighting the old and new tensions resulting from the progress of economy on a global scale. In this context, with a comprehensive scope, the ILO's decent work agenda has been propagated for over 20 years seeking to promote access to labor markets, equal opportunities, and social dialogue as a way to enable these objectives (International Labor Organization, 2019). In Brazil, the issues raised by global competition and technological transition have led to the establishment of national innovation policies, which are aimed at promoting the development of compatible human capital, and reaching the world of work in countries such as Germany, United States, and China (Arbix, Salerno, Zancul, Amaral, & Lins, 2017).

In addition to the basic questions presented by Islam, the discussion on the future of work in Brazil currently encompasses extremely challenging conditions for public policies and their institutions.

WILSON APARECIDO COSTA DE AMORIM[1]
wamorim@usp.br
0000-0002-0983-1447

[1] Universidade de São Paulo, Faculdade de Economia, Administração, Contabilidade e Atuária, São Paulo, SP, Brazil

 CC BY

The first aspect includes the effects of the prolonged economic crisis that affected the Brazilian labor market from mid-2014 to early 2020. This period has witnessed both an increase in unemployment, underemployment, informal work, and the reinforcement of several inequalities. The second phenomenon, which is related to this crisis, and in general, to the insertion of the Brazilian economy into the global market, is the acceleration of technological transition that clearly affects both the top and bottom levels of the occupational structure of the labor market. Among these effects are the increase in the number of formal self-employed workers (such as business service providers) and particularly informal workers. The third important element is the definitive entry of the country into a labor environment prioritizing the flexibilization of hiring methods, with the approval and implementation of the November 2017 Labor Reform. These elements comprise tens of millions of people who constituted the unprotected labor supply in Brazil, which is being consolidated as of 2014. In other words, the elements of the present and/or the recent past are the drivers of an obscure and bleak future for work.

In this article, I propose that the reflection on the future of work in Brazil should be based on the evolution of institutions of work in the country in its most general sense, considering them as conditioning factors. This approach is justified by the recent dwindling of institutional spaces, where the support for work in Brazil is discussed, and the risk it poses to the national sustainable development.

LABOR MARKET IN BRAZIL: INCOMPLETE INSTITUTIONALITY

Although an exhaustive explanation of the labor market in Brazil is not essential, it is important to present at least three of its aspects: formation, characteristics of regulation, and evolution until mid-2010.

The formation of a labor market is closely related to the structure and behavior of a country's economy and society. The constitution of the labor market in Brazil was a late phenomenon compared to developed countries due to slavery.

The Brazilian labor market began to be established as such at the beginning of the 20th century, with the intensification of urbanization in areas such as the city of São Paulo. In that period, the first movements of industrialization focused on domestic consumption emerged, mainly in São Paulo. At that time, a growing contingent of immigrants arrived, initially to work in the coffee-growing sector; however, they were soon redirected to employment in the cities.

The abolition of slave labor in 1888 had ongoing effects on the labor market. The liberation occurred without any compensatory policy or support for those who, becoming formally free men, needed to seek their livelihood. The former slaves and their descendants, regardless of their poor qualification, were integrated into the structural conditions of a nascent labor market. The combination of demand for workers in the industry and the growing supply of work force has gradually shaped an urban wage labor market in the country (Barbosa, 2008). Moreover, the attraction exerted by these urban centers extended to other regions of the country and created a dynamic movement of people from the interiors and other regions to the capitals and the Southeast.

From the 1930s onwards, the intensification of urban wage earning was accompanied by the emergence of labor legislation. The Consolidation of Labor Laws (CLT) resulted from the progressive elaboration of legal norms from 1936, which granted workers several rights when companies hired them.

This legislation imposed strong state control over union action on the functioning and funding of entities representing workers and entrepreneurs. It emerged in an authoritarian period (Estado Novo - new state), even before the trade union movement became a relevant actor to the point of taking its demands to public debate and state decision forums (Gremaud, Saes, & Toneto, 1997).

The CLT institutionally inaugurates the Brazilian social protection structure to workers in a unique moment for Brazil, not too distant from the emergence of concern with the issue of labor in global terms, represented by the creation of the ILO in 1919. The structure of CLT prioritizes the protection of urban employment and is characterized, over time, by its low effectiveness in practice (Dedecca, 2005).

North (1991) defined institutions as the rules of the game and CLT - like an institution - ruled the labor interefering in the Brazilian political and social-economic environment. In its own way, Brazilian labor legislation has become a stable structure, conditioning the movements of labor actors and reducing their uncertainties. Under its influence, the most favorable conditions for hiring urban labor in industrialized regions have permanently attracted workers from poorer and/or rural regions for decades. With these institutional conditions, the Brazilian labor market has engendered a permanent excess of labor supply.

A labor market based on regional inequality and heterogeneity in terms of workers' qualifications, income, and quality of employment has been consolidated over years. Although the dynamism in the generation of jobs has been a strong characteristic of the Brazilian labor market, this market

 CC BY ISSN 0034-7590; eISSN 2178-938X

has always been marked by great informality, i.e., hiring workers without authorizing their work record booklet nor fully complying with workers' rights (Pochmann, 2010). As this informality increased because companies moved away from the main employer, the industry, the heterogeneity also proved to be sectoral (Inter-Union Department of Statistics and Socioeconomic Studies [Departamento Intersindical de Estatística e Estudos Socioeconômicos] [DIEESE], 2012).

The robust economic development experienced by the country in the post-war period ensued in a disparity with social development, since no effective social policy proposed redistributive mechanisms. The limited institutionality of the Brazilian labor market has resulted in unemployment with complex characteristics, given the existence of underemployment and/or informal occupation in the country (Dedecca, 2005). Unemployment insurance, a classic instrument of public policies aimed at the labor market, was created only in 1986 in Brazil, with subsequent integration into the set of social rights established by the Constitution in 1988.

Although the labor market in Brazil has expanded vigorously since the post-war period, it has experienced crises in the early 1980s that were associated with the contingencies of the national economy. At this stage, for the first time, there was significant growth in unemployment and a reduction in the dynamism observed in previous decades with increased job creation. In the 1990s, a combination of elements raised the level of unemployment in the country to levels previously unknown. The first half of the decade was marked by a hyperinflationary environment, and the effects of the abrupt opening of the national economy, which occurred at the very beginning of President Fernando Collor's administration, were remarkable. Trade liberalization has disrupted entire productive chains, until then protected by the market reserve that characterized the Brazilian development model. The unemployment rate almost doubled, and the average real income of employees decreased by about 20% at the beginning of the decade (DIEESE, 2001).

In 1994, Real Plan introduced new economic conditions in the country by decreasing inflation, relying on the de-indexation of the economy, higher interest rates, and overvaluation. The minor economic growth of the period did not positively influence the labor market.

In that decade, the diagnosis made by the government after 1994 was that the Brazilian labor market was guided by a rigidity incompatible with the improved insertion of the national economy into the globalization agenda. Consequently, a view of public policy aimed at making the labor market more flexible has started to prevail. The end of wage policies and the establishment of legislation in profit sharing and working hours in the form of time banks were measures taken to make hiring more flexible (Dedecca, 2005). Despite the loss of bargaining power caused by high unemployment, the unions achieved some veto power on the advancement of further measures for making the hiring of labor more flexible (Almeida, 1998).

Since the mid-2000s, the Brazilian labor market has followed the growth trajectory of the economy and shown dynamism through increased job creation and reduction of informality. The pressure for more flexibility in the hiring of labor was sidelined during the PT governments. In this period, due to the consecutive favorable performance of the economy, there was an increase in the volume of wage earners in the private sector. Trade unions occupied a prominent place in labor relations, and strikes were once again part of the labor scenario (Amorim, 2015; Cardoso, 2014). Although informal work declined, it continued to be a structural feature of the country.

CHANGE IN THE INSTITUTIONAL LABOR ENVIRONMENT IN BRAZIL

By the end of 2014, this positive cycle for the Brazilian labor market was interrupted by an economic crisis and political uncertainty in the country. Dilma Roussef's impeachment in 2016 radically changed the play of forces in the political arena. In general terms, the unions have lost space in the new government, and in conjunction with the political and economic factors resulting from the recession, their veto power in national debates has virtually faded. This situation has lasted until the Labor Reform was processed, approved, and entered into force between the end of 2016 and 2017 (November 2017).

Note that it is not a question about whether it is necessary to change the CLT . At an international level, labor reforms have been common in developed or developing countries, highlighting adjustments made worldwide in search of more competitiveness and responses to the conditions of globalization (Adascalitei & Morano, 2015; Philips & Eamets, 2007).

Moreover, in Brazil, since the end of the dictatorship in the 1980s, public debate has been important on several occasions for promoting changes and updates in the long and complex legislation that, since 1943, regulated the hiring of labor, union life, and the action of the Labor Justice. On various occasions when these changes were attempted, the path proposed was some form of tripartite understanding, such as in the National Labor Forums of 1993, 2003/2004 (Amorim, 2007), or even in the attempt to reach consensus on a national agenda for decent

 CC BY ISSN 0034-7590; eISSN 2178-938X

work in 2012 (Ministry of Employment and Labour [Ministério do Emprego e Trabalho] [MTE], 2011). On these occasions, in addition to the consensus on the need for change in labor legislation, in one way or another, there was a tie or a double veto by the parties involved when they were addressing the changes in trade union organization or labor rights. The changes have always been marginal due to the strong positioning of all parties.

In 2017, the parties involved reached a consensus. With the active participation of the employers' confederations (National Confederation of Industry [Confederação Nacional da Indústria] [CNI], 2017; MTE, Federation of Commerce of the State of São Paulo [Federação do Comércio do Estado de São Paulo] [Fecomércio], 2017) and the support of the Labor Justice Summit at that time, the Labor Reform was proposed and approved in the parliament, without a chance for resistance. Flexibility and cost reduction were prioritized for hiring labor. Over 100 amendments were made in the CLT to create new methods of flexible hiring, withdraw official financing from unions, shrink the reach of Labor Justice and emphasize individual hiring (DIEESE, 2017; Krein, 2018).

Until then, the institutionality of incomplete protection, which, although tolerating informality, still regulated the rights of a core labor market, was mitigated. The understanding that a labor relationship takes place between potentially equal actors, as in a common commercial relationship, has come to prevail in law.

The sudden loss of financing practically immobilized the workers' unions. Arguably, the continuity of recession did not allow for an effective test of the adoption of more flexible methods of hiring (e.g., intermittent, temporary work) by companies. However, the level of hiring rights was reduced in the new modalities, and the first workers were hired. In terms of Labor Justice, a strong legal uncertainty still exists regarding many aspects of the approved legislation. These elements are linked to the virtually one-sided manner in which the new legislation has been drafted, with no room for raising doubt and legal gray areas.

At the public level, the arguments in favor of reform were that more flexible hiring would reduce bureaucracy and the costs of hiring. Greater job generation was also indicated as an expected result. Based on the economic knowledge available, this is unlikely because of its microeconomic approach. Nonetheless, within this principle, on the margins of the legislation, there is a never ending pressure for flexibility still seeking ways to mark down the hiring of labor by reducing labor charges, in a liberal and market-oriented vision.

In this environment, work agenda is no longer a priority. A clear example of the loss of priority of work was the extinction of the Ministry of Labor in 2019 and its accommodation in the secretariat of the Ministry of Economy, which in practice meant the end of a more active or visible orientation of the government toward the promotion of work. One of the consequences was the recent mobilization of people working for food delivery or transportation apps in Brazil, which has generated more regulatory pressure within states and municipalities than the federal government. This can certainly generate confusion in a country with the territorial dimensions of Brazil.

Similar to a steamroller, the Labor Reform took place without counterpoint from other actors, leading to an unknown institutional environment in Brazil. The loss of priority of work in the national public debate has become one of the major existing obstacles to the visualization of a more promising future for work in the country.

PANDEMIC: SHOCK AND LEARNING

By the beginning of 2020, the weak timid reaction of the Brazilian economy to the prolonged crisis experienced since 2014 had not yet produced significant effects on the labor market. In total, the labor supply was formed by 106 million people. Among the employed, 11.6 million were informal wage earners, 4.9 million were formal self-employed workers, and 19.3 million were informal self-employed workers (Brazilian Institute of Geography and Statistics [Instituto Brasileiro de Geografia e Estatística] [IBGE], 2020). In other words, besides a large volume of unemployed workers, there are still almost 31 million informal workers that do not have labor rights, confirming the structural trait of Brazil.

The arrival of the pandemic in February 2020 has economic and structural effects that are not yet fully measurable, but are certainly devastating. It generated anguish by drastically shrinking the planning horizon of economic, social, and individual actors in the labor market, and turned into reality the unimaginable deterioration of an already serious situation. In weeks, at least two important movements were observed. The employed population decreased by 8.9 million people, and simultaneously, another 8.9 million people have lost their jobs.

With the paralysis of the economy, the pandemic has resulted in the precariousness of labor and social institutions. In addition to the formal wage earners who lost their jobs and pursued unemployment insurance, tens of millions have lost their jobs and income overnight and have no one to turn for survival.

The gravity of the situation has led the government to perform emergency actions to maintain income and employment for the unemployed, self-employed, and employed. Among employees, the possibility of job retention and wage reduction

 CC BY ISSN 0034-7590; eISSN 2178-938X

combined with access to unemployment insurance resources has emerged, as well as the negotiation of terms in collective and individual agreements (according to the salary received) (DIEESE, 2020a).

The inexistence or inadequacy of the records of the State and the little preparation clearly indicated the inadequacy of institutionality to handle this situation. And, remembering its liberal economic orientation, it is possible to affirm that the govern was in fact forced to adopt this kind of public policy to deal with the emergency clearly indicated the inadequacy of institutionality to handle this situation. In a short period, it was discovered that in addition to the contingent of unemployed, underemployed, and informal workers, and informal workers, there exists an unidentified population without the social security number or/ and unknown identity for state public policies.

It can be argued that, due to the unpredictability of the situation created by the pandemic, it would be difficult for any state to respond in a timely manner to the emerging social demand. However, for reflection purposes, the pandemic in Brazil dramatically concentrated, in weeks, to a labor market scenario, which was already known since 2014, in an almost natural way, without any special preparation or plan proposed by the governments of the period.

Even with a strong liberal orientation, the government found itself obliged to set up structures and policies to attack the risk of social disintegration due to hunger and poverty. In other words, in the face of critical circumstances, societies defend themselves through institutions and propose public policies to defend them from the excessive rigors that markedly market views, and therefore contrary to intervention, intend to impose (Polanyi, 2012).

The emergency measures were accepted in the private environment with the emergence of collective agreements regulating the situation in metallurgical, commercial, and transport categories (DIEESE, 2020b). Moreover, several independent companies announced initiatives to secure jobs at the beginning of the pandemic. The delay and difficulty of access to emergency relief, in turn, demonstrated the inefficiencies in the effective implementation of these policies. The continuity and its proportion within the public budget have become a point of apprehension in the government's economic; however, they are already included on the political debate. Representative democracies, even in their imperfections, reject and avoid collective hunger (Sen, 2010). In its own way, Brazil has attempted the same.

Amid the harshness imposed by the pandemic, this is perhaps one of the main lessons learned about the Brazilian labor market. It is necessary to reinstate it in the center of national priorities and take advantage of the moment to reshape its institutionality.

FUTURE OF WORK IN BRAZIL: NEED FOR AN AGENDA

The pandemic has illustrated the urgent need for a comprehensive agenda for work in Brazil that is connected to the conditions for modernizing the economy soon. From this perspective, it is assumed that if the pre-Labor Reform situation was not ideal, neither is the situation now.

The ILO's concerns regarding the future of labor around the world is also noteworthy. The entity proposes the establishment of a human-centered work agenda based on investments in three pillars: people skills, labor institutions, and decent and sustainable work (ILO, 2019). This is focused on recommendations for the labor institutions. For the ILO, the possibilities of sustainable socio-economic development are conditioned by the search for a decent standard of work, to be defined nationally, but based on social dialogue, regulation, and the search for compliance with the current rules for hiring to formalize work, reducing poverty and inequality.

Considering the Brazilian case, throughout the historical trajectory thus far, the issue of informality remains a problem yet to be addressed. In the last 40 years, the only period in which informality decreased was when the economic growth was significant (2003-2014), a phenomenon still unlikely in the coming years. However, it was revealed that the growing contingent of self-employed workers is also dependent on the progress of the economy, and consequently, on the disposable income of companies and families.

With regard to the issue of informality, it is necessary to guarantee the effectiveness of labor legislation for wage earners, even though regulation has become more flexible and less demanding.

It is also clear that the growth in the volume of service providers requires the establishment of a regulation that considers the inherent instability of the activity while encompassing the commercial nature that also seems to characterize this activity. The possibility of these workers being disguised employees is not small; however, given the new legislation, it is inevitable to go beyond their characterization as employees and consider their specificities. Thus, if for the prevalent wage-earning work, informality meant the non-fulfillment of labor rights and charges; in the case of the self-employed, this issue results in tax evasion

 CC BY ISSN 0034-7590; eISSN 2178-938X

or tax fraud. This generates another set of challenges with general effects, including social security.

Another important aspect of labor institutions is the need to take a step forward by considering labor rights as social rights to the self-employed and informal workers. Thus, coverage or rights currently associated with the employee (e.g. maternity allowance, social security, accidents at work, and professional qualification) must also reach self-employed and informal workers. Such an extension would contribute to the reduction of inequalities within the Brazilian labor market if this measure is applied now and/or in the future.

According to Commons (1931), institutions are formed over time as a collective action aimed at controlling, liberating, and expanding the lives of individuals. The author opposed the narrower view of the liberal economy that labor is a commodity to be traded freely in the markets. After all, work is not dissociated from workers. He considered that labor institutions were aimed at the stability of the labor market through the regulated interaction between its actors and the resulting greater progress.

Therefore, aligning with the ILO's proposals, it is worth considering social dialogue as a component of labor institutions in the Brazil of the future. After all these years, this appears true particularly in the Brazilian case. Social dialogue can help in the creative search for alternatives for the fair regulation of the labor market, and help overcome and improve the difficult situation of the recent years. In short, it would be useful in building a future with less uncertainty.

Until then, without rest, Sisyphus will continue to roll the boulder up the hill in the years ahead.

ACKNOWLEDGMENTS

The author would like to thank Fausto Augusto Junior for the insightful discussions and suggestions.

REFERENCES

Adascalitei, D., & Morano, C. P. (2015). *Labour market reforms since the crisis: Drivers and consequences.* International Labour Organisation, Research Department. Geneva, Switzerland: ILO.

Almeida, M. H. T. (1998). Sindicatos em tempos de reforma. *São Paulo em Perspectiva*, *12*(1). Recuperado de http://produtos.seade.gov.br/produtos/spp/v12n01/v12n01_01.pdf

Amorim, W. A. C. (2007). Greves no Brasil: Uma análise do período recente e tendências. In Amorim, W. A. C. (2015) *Negociações coletivas no Brasil: 50 anos de aprendizado*. São Paulo, SP: Atlas.

Amorim, W. A. C. (2007), *A evolução das organizações de apoio às entidades sindicais brasileiras: Um estudo sob a lente da aprendizagem organizacional* (Tese de doutorado, FEA USP).

Arbix, G., Salerno, M. S., Zancul, E., Amaral, G., & Lins, L. M. (2017, novembro). *Novos estudos*. Cebrap, *36*(3), 29-49.

Barbosa, A. F. (2008). *A formação do mercado de trabalho no Brasil*. São Paulo, SP: Alameda.

Cardoso, A. (2014). Os sindicatos no Brasil. *Boletim Mercado de Trabalho: Conjuntura e Análise - IPEA*, *20*(56), 21-27.

Commons, J. R. (1931). Institutional economics. *American Economic Review*, *21*, 648-657.

Confederação Nacional da Indústria. (2017). *Modernização trabalhista: Lei nº 13.467 de 13 de julho de 2017, panorama anterior e posterior à aprovação*. Confederação Nacional da Indústria. Brasília, DF: CNI.

Dedecca, C. S. (2005). Notas sobre a evolução do mercado de trabalho no Brasil. *Revista de Economia Política*, 25(197), 94-111.

Departamento Intersindical de Estatística e Estudos Socioeconômicos. (2001). *A situação do trabalho no Brasil*. São Paulo, SP: DIEESE.

Departamento Intersindical de Estatística e Estudos Socioeconômicos. (2012). *A situação do trabalho no Brasil na primeira década dos anos 2000*. São Paulo, SP: DIEESE.

Departamento Intersindical de Estatística e Estudos Socioeconômicos. (2017, maio). *Relações de trabalho sem proteção: De volta ao período anterior a 1930?* [Nota Técnica nº 179].

Departamento Intersindical de Estatística e Estudos Socioeconômicos. (2020a). *O Programa Emergencial de Manutenção do Emprego e da Renda diante dos impactos da Covid-19* [Nota Técnica nº 232].

Departamento Intersindical de Estatística e Estudos Socioeconômicos. (2020b). *Acordos negociados pelas entidades sindicais para enfrentar a pandemia do coronavírus – Covid 19* [Estudos e Pesquisas nº 91].

Gremaud, A. P., Saes, F. A. M. de, & Toneto, R. J. (1997). *Formação econômica do Brasil.* São Paulo, SP: Editora Atlas.

Instituto Brasileiro de Geografia e Estatística. (2020). Indicadores IBGE. Pesquisa Nacional por Amostra de Domicílios Contínua – PNAD Contínua. *Principais destaques da evolução do mercado de trabalho no Brasil 2012-2019*. Rio de Janeiro, RJ: IBGE.

International Labor Organization. (2019). *Work for a brighter future*. Global Commission on the Future of Work International Labour Office. Geneva, Switzerland: ILO.

Islam, G. The future(s) of work. *RAE-Revista de Administração de Empresas, 60*(5), 365-370. doi: 10.1590/S0034-759020200506

Krein, D. (2018). O desmonte dos direitos, as novas configurações do trabalho e o esvaziamento da ação coletiva: Consequências da reforma trabalhista. *Tempo Social*, *30*(1), 77-104. doi: 10.11606/0103-2070.ts.2018.138082

Ministério do Emprego e Trabalho. (2011). *I Conferência Nacional de Emprego e Trabalho Decente*. Brasília, DF.

Ministério do Emprego e Trabalho, Federação do Comércio do Estado de São Paulo. (2017). *Contratos: O que o empregador deve saber*. Brasília, DF; São Paulo, SP.

North, D. C. (1991). Institutions. *The Journal of Economic Perspectives*, *5*(1), 97-112. doi: 10.1257/jep.5.1.97

Philips, K., & Eamets, R. (2007). *Approaches to flexicurity: EU models*. European foundations for the improvement of living and conditions of life. Dublin, Ireland.

Pochmann, M. (2010). *Desenvolvimento, trabalho e renda no Brasil: Avanços recentes no emprego e na distribuição dos rendimentos*. São Paulo, SP: Editora Fundação Perseu Abramo.

Polanyi, K. (2012). *A grande transformação*. Rio de Janeiro, RJ: Elsevier.

Sen, A. (2010). *Desenvolvimento como liberdade*. São Paulo, SP: Companhia das Letras.

AUTHOR' CONTRIBUTION

The author declare that they participated in all stages of development of the manuscript. From the conceptualization and theoretical-methodological approach, the theoretical review (literature survey), and finally, writing and final review the article.

 CC BY ISSN 0034-7590; eISSN 2178-938X

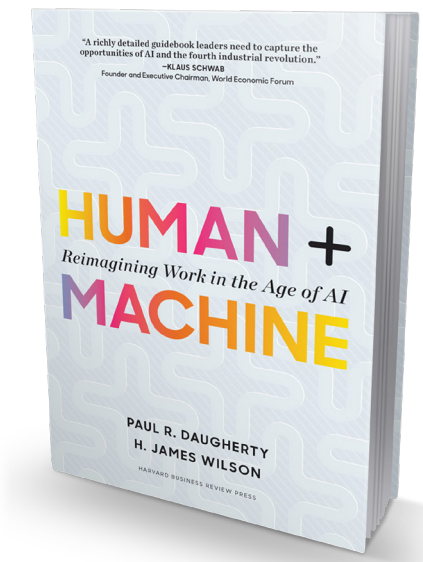
BOOK REVIEWS

Translated Version
DOI: http://dx.doi.org/10.1590/S0034-759020200508

ARTIFICIAL INTELLIGENCE, WORK AND PRODUCTIVITY

HUMAN + MACHINE: REIMAGINING WORK IN THE AGE OF AI

Paul R. Daugherty & H. James Wilson. Boston, USA: Harvard Business Review Press, 2018. Kindle edition.



By

RODRIGO BRANDÃO[1]
brandao-cs@usp.br
0000-0003-0127-4989

[1]Universidade de São Paulo, Departamento de Sociologia, São Paulo, SP, Brazil

Recent advances of new technologies promise to shift different dimensions of society, particularly the labor market. Especially in this area, several researchers have focused on the possibilities of broadening automation and job destruction it may cause (Frey & Osborne, 2013). Without ignoring such risk, Paul R. Daugherty and H. James Wilson, senior executives at global consulting company Accenture, explore an alternative possibility: creating work tasks or even fully new jobs linked to Artificial Intelligence (AI), understood as "[...] systems able to expand human capacity for detecting, understanding, acting and learning" (position 5%).

In a global study involving 1,500 companies using or testing AI, researchers found these types of tasks and jobs in about 9% of the sample. These companies include technology giants, as well as companies from other segments, such as Coca-Cola and Rio Tinto, thus providing evidence of the pervasive impact of the new technologies. A common characteristic of the members of this select group is their concern for the missing middle.

The word *middle* refers to the work dynamics where humans and machines collaborate with each other very closely, an almost symbiotic situation. In such organic partnerships, humans enable machines to do what they do best: doing repetitive tasks, analyzing significant volumes of data, and dealing with routine cases. Due to reciprocity, machines enable humans to have their potentialities "strengthened" for tasks such as resolving ambiguous information, exercising judgment of difficult cases, and contacting dissatisfied clients. On the other hand, the word *missing*, indicates that despite its being indispensable, companies hardly ever discuss the *middle*, and very few pay heed to it. New occupations and tasks include, for example, the "explainers", those in charge of explaining decisions and recommendations made by machines to members of their organization once the operation of the algorithms sustaining these decisions and recommendations has become hazy even for those who work with them directly.

By promoting such strong connection between their employees and AI-linked technologies, the companies in question are able to meet floating demands and customized orders placed by their clients. Hence, the authors conclude that the organizations studied herein are using AI to increase the potential of human-machine relationships (and thus increasing productivity), instead of promoting massive rounds of automation. It is therefore argued that companies that use AI only to substitute workers will obtain only circumstantial gains.

Daugherty and Wilson also observed new and successful types of human-machine interactions in occupations and tasks in various areas. In other words, even in activities and abilities deemed simpler, new technologies do not represent an imminent danger to workers. In the case of General Electric, "[it] and the buyers of its equipment will always need maintenance workers, and they'll need those workers to be able to work well with new systems that can fuse their skills with advanced technologies in novel ways" (position 15%). In this case, employees' good performance depends on their capacity for formulating questions for the software they work with to obtain the information they need, such as service history and wear-and-tear rates of the product they are supposed to fix; the authors refer to this as intelligent interrogation ability. In cutting-edge companies, so-called fusion skills are among the capacities that organization leaders have been developing among their employees with the aim of "filling up" the missing middle.

However, the authors do not clarify how the abilities in question have been developed by the companies studied, and they do not investigate the process of creating new tasks and new jobs. Filling these gaps is vital for research agendas in other areas. As an example, consider the task-based model, which assumes the activities that, taken together, constitute the different occupations, as the unit of analysis. Manyika, Chui, Miremadi, Bughin, George, Willmott, and Dewhurst (2017) is one of its main representative studies. This study analyzed 2,000 work tasks in 800 different occupations globally, and concluded that half (totaling US$ 15 trillion in salaries) could be automatized by adapting already existing technologies. Less than 5% of occupations could be fully automated and 60% have at least 30% automatable tasks.

An in depth-examination of work tasks has two advantages:

(i) it allows parsimonious analyses of the number of jobs to be created and destroyed by new technologies, thus discouraging dystopic visions of a jobless future; (ii) it stimulates investigation of changes in the nature of work. For example, as in Daugherty and Wilson, how maintenance employees perform their role. For the task-based model to advance, other incursions within the production units are necessary. As highlighted by Acemoglu and Restrepo (2018), creating and destroying tasks "[...] is not an autonomous process advancing at a predetermined rate, but one whose speed and nature are shaped by the decisions of firms, workers and other actors in society" (p. 2).

In spite of its gaps, Daugherty and Wilson's study is important to understanding that process, mainly because of the questions it poses:

> (i) When tasks are eliminated, what is the decision to retrain or fire employees based on? When tasks are created, have companies been able to find qualified employees in the market? If not, has the strategy of qualifying labor been more in-house training or in partnership with technical education institutions? In other words, have those strategies varied according to the structure of the labor relations in each country (as in the sociological literature regarding varieties of capitalism, linked to Hall & Soskice [2001])?
>
> (ii) Even when a certain company understands investments in new technologies as investment in human talents, the risk of shutting down jobs is always a possibility. Powered by anxiety, which strategies have employees adopted to prevent the adoption of such technologies and how have organization leaders tried to circumvent them?

As can be seen, *Human + Machine: Reimagining work in the age of AI* is a thought-provoking book. Moreover, it is strategic for defining interdisciplinary research agendas concerned about investigating the oncoming paths of work and productivity.

REFERENCES

Acemoglu, D., & Restrepo, P. (2018). *Artificial intelligence, automation and work* (No. w24196). National Bureau of Economic Research. doi: 10.3386/w24196

Frey, C. B., & Osborne, M. A. (2013). The future of employment: How susceptible are jobs to computerisation? *The Oxford Martin Programme on Technology and Employment*. Retrieved from https://www.oxfordmartin.ox.ac.uk/downloads/academic/future-of-employment.pdf

Hall, P., & Soskice, D. (2001). *Varieties of capitalism: the institutional foundations of comparative advantage*. USA: Oxford University Press.

Manyika, J., Chui, M., Miremadi, M., Bughin, J., George, K., Willmott, P., & Dewhurst, M. (2017). A future that works: Automation, employment, and productivity – Executive summary. *McKinsey Global Institute*. Retrieved from https://www.mckinsey.com/~/media/mckinsey/featured%20insights/Digital%20Disruption/Harnessing%20automation%20for%20a%20future%20that%20works/MGI-A-future-that-works-Executive-summary.ashx

AUTHOR' CONTRIBUTIONS

The author declare that they participated in all stages of development of the manuscript. From the conceptualization and theoretical-methodological approach, the theoretical review (literature survey), and finally, writing and final review.

 CC BY ISSN 0034-7590; eISSN 2178-938X

BOOK REVIEWS

Translated Version

VIOLENCE AND POWER: CRITIQUE OF RACISM AND THE ANTIRACIST UTOPIA

CRÍTICA DA RAZÃO NEGRA

Achille Mbembe. São Paulo, SP: n-1 edições, 2018. 320 p.



By

PEDRO JAIME[1,2]
pedrojaime@fei.edu.br

0000-0002-9292-220X

[1] Centro Universitário FEI, Programa de Mestrado e Doutorado em Administração, São Paulo, SP, Brasil

[2] Escola Superior de Propaganda e Marketing, Cursos de Publicidade e Propaganda e Jornalismo, São Paulo, SP, Brazil

Achille Mbembe 's *Crítica da razão negra* (see *Critique of Black Reason*, for the English translation) is a provocative book. It is provocative because it challenges the readers by calling upon them to carefully reflect on each page. It is not an easy or quick read. It requires the reader to pause, to breathe, to consider, and to feel. Moreover, by calling upon the reader it causes pain, at least in those who are not insensitive to the brutal side of human experience. However, pain can be the starting point for a new stance. There is a French saying: "there is no growth without pain." If growth can be said to equal hope, then as a carrier of pain, the book is also a carrier of hope.

Mbembe, originally from Cameroon, is a professor of history and political science at the University of Witwatersrand in Johannesburg, South Africa and at Duke University in the United States. His works include the classic *De la postcolonie: Essai sur l'imagination politique dans l'Afrique contemporaine*, and he also authored *Sair da grande noite: Ensaio sobre África descolonizada* and *Necropolítica (On the poscolony, Out of the dark night and Necro-politics,* in English), both published in Portuguese. *Crítica da razão negra(Critique de la raison nègre, in French)* further reveals the weight and erudition of its author, who uses knowledge from diverse areas ranging from philosophy to post-colonial studies, drawing on history, psychoanalysis, and literature. However, despite the complexity of the analysis, the narrative is engaging delivered in poetic prose.

The introduction, titled "The becoming-black of the world," invites the reader into the book while situating its socio-historical context. During the period described, Europe has ceased to be the international "center of gravity" in a world now characterized by the globalization of markets, privatization, and increasingly complex financial and economic systems, the military apparatus, and informational devices. This stage of capitalism—where there are no longer workers but only entrepreneurs of the self (Foucault's expression.), and where the drama of the subalternized is no longer its exploitation by capital but its relegation to the status of so much useless flesh, and where profit generation is useless (I'm not sure if this phrase translated what I meant . An alternative: ... the subaltern's drama is no longer that of being exploited by capital, but that of being relegated to a superfluous humanity, without any use for the production of profit) —signals the universalization of the black condition. For the first time in human history, "black subject" refers not only to peoples of African origin but to all vulnerable bodies manufactured on a worldwide scale by neoliberal and security policies, new wars of occupation and predation, and zoning practices.

Six linked chapters deliver a central message: blacks and Africa were the object of and stage for violence that revealed the bestiality of Western civilization. Nevertheless, black people also have power. This ambivalence is expressed in the scrutiny to which the term black reason, an ambiguous term that designates multiple things simultaneously, is subject. It consists of a set of knowledge, statements, and nonsense, whose object is "the thing itself"

 CC BY ISSN 0034-7590; eISSN 2178-938X

or people of African origin. Since its origins, it has been a fabled activity, aiming at inventing stories and composing images. Several mediators took part in its construction: erudite societies, universal exhibitions, museums, and amateur collections of "primitive art." Therefore, it is a divergent, contradictory, and changing constellation of discourses and practices of texts and rituals, which sometimes portray black people as savages subject to moral disqualification and practical instrumentalization. Black reason is the western conscience of black people, and then it is violence (D'ont you think that violence sounds better, because I have used it in the title?).

However, it is more than that. It is also a gesture of self-determination, a mode of presence, a utopia. Through it, black people describe themselves as beings who cannot be dominated, who are not where they claim to be, nor where they are sought, but only where they are not thought of (Consider this: Through it, black people describe themselves as beings who cannot be dominated, who are not where they are said to be, nor where they are sought, but only where they are not thought of) Rewriting history is a moral act of based on vestiges mobilized to account for the fragmented experiences of a people scattered worldwide who are struggling to define themselves not a silly composite but "as a community whose blood stains are visible on the entire surface of modernity." (Consider this: Black reason is a moral act of rewriting history based on vestiges mobilized to account for the fragmented experiences of a people scattered worldwide who are struggling to define themselves not as a silly composite but "as a community whose blood stains are visible on the entire surface of modernity).

A definition of black reason is needed that (considers) their freedom to choose, their search for emancipation, and the transition from slave to ordinary citizen. Therefore, black reason is also the black consciousness of black people and, thus, it is power (D'ont you think that power sounds better, because I have used it in the title?).

These two versions of the same plot intertwine in a complex way. The second definition reveals traces of the first, sometimes expressed as a short-sighted demand for absolute rupture or in cunning reproduction. Consequently, to debate black reason is to think about the set of disputes over the rules for defining the black person. New ways of imagining black identity can emerge from these disputes, recycling violence into power. For example, Mbembe states, "A 'black person' is one who, trapped against a wall without a door, still believes that everything will eventually open." But the narrative does not backslide into the weak discourse around resilience as the single solution for structural inequalities. It does not propose to turn the page, as so hastily recommended by those who resist facing the wounds of humanity, the "injuries and deep marks." Mbembe argues that, for the most part, "history has been a process of getting used to the death of the other —slow death, death by asphyxiation, sudden death, assigned death." The proposed critique does not follow linearities; it is dialectical: it stresses that "a body needs to be able to move," that it "is made, first of all, to move."

For all these reasons, the black-power or the black as power carries a message of hope. Although Mbembe states that the colonizer is brutalized through his own brutality, he bets on a global universalism. This is expressed in the utopian possibility "of each human being and each people to rise, to walk with their own feet, to write with their hands, face, and body their own work, their own part of the history of the world that we all share and in which we are all interested parties and heirs. " The bet is not at all naive. It does not subscribe to the idea that we live in a post-racial era, nor does it suggest a unique path to counter racism. When questioning which rights black people should continue to fight for, Mbembe states: "Everything depends on the place where they are, the historical context in which they live, and the objective conditions that are presented to them." He adds: "Everything also depends on the nature of the racial formations within which they exist."

Mbembe offer reads powerful questions: "Whatever the places, the times, and the contexts, the horizon of these struggles remains the same: how can we fully belong to this common world? [...] How to take part in the building and sharing of the world?" He warns that the fight must be conducted not separately but in solidarity with all humanity, and the fight must strive to reconcile its multiple facets. Mbembe takes this even further arguing, "There is only one world, at least for now. [...] It is a whole made up of a thousand parts. From all over the world. From all worlds." Sharing the world with other living beings (animals, plants, molecules, deities, materials, objects, the earth that trembles, the volcanoes that light, the winds and storms, the waters that rise, the sun that shines and burns), among which humanity is in a unique, but at the same time fragile, vulnerable, and partial position: this is the debt par excellence. This is, above all, the key to the durability of both humans and non-humans.

May so-called Western civilization, beset by so many and such different crises (economic, but also social, environmental, above all moral and, why not say spiritual) hear this message and thus launch itself into a critique of white reason. Perhaps then we can make our most ambitious utopias real.

AUTHOR' CONTRIBUTIONS

The author declare that they participated in all stages of development of the manuscript. From the conceptualization and theoretical-methodological approach, the theoretical review (literature survey), and finally, writing and final review.

 CC BY ISSN 0034-7590; eISSN 2178-938X

BOOK RECOMMENDATION

Translated Version

THE RACE ISSUE IN BRAZIL

PEDRO JAIME[1, 2] | pedrojaime@fei.edu.br | ORCID: 0000-0002-9292-220X

[1] Programa de Mestrado e Doutorado em Administração, Centro Universitário FEI, São Paulo, SP, Brazil

[2] Cursos de Publicidade e Propaganda e Jornalismo, Escola Superior de Propaganda e Marketing, São Paulo, SP, Brazil

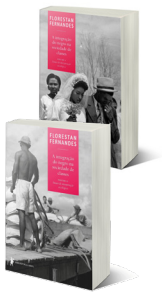
There has been fierce debate on the race issue in Brazil in recent years. This is due to factors such as the achievements accumulated by the black movements since the beginning of the 20th century, the contributions of engaged social scientists, the results of socio-economic research undertaken by government agencies and civil society entities, the emergence of a new generation of black intellectuals and researchers and of a new wave of activism led by black bloggers and anti-racist white people, which has achieved great capillarity given the rhizomatic character of social networks. The field Management Science (I would prefer Management Science) has forgotten this topic that dates back to the origins of Sociology and Anthropology, at the end of the 19th century. The following are references curated by Professor Pedro Jaime to help overcome this gap.



REDISCUTINDO A MESTIÇAGEM NO BRASIL: Identidade nacional *versus* identidade negra

Kabengele Munanga. Belo Horizonte, MG: Autêntica, 2019. 5a ed., 152 p.

Born in the Democratic Republic of Congo and settled in Brazil since 1975, anthropologist Kabengele Munanga is one of the leading scholars of Afro-Brazilian populations. In this book, he problematizes the idea of "mestizaje" as a symbol of national identity and proposes another image of the nation. Munanga removes from the center stage the supposed cultural homogeneity and harmony in social relations. Instead, he emphasizes the pluralism and the racist violence that characterize us.



A INTEGRAÇÃO DO NEGRO NA SOCIEDADE DE CLASSES

Florestan Fernandes. Rio de Janeiro, RJ: Editora Globo, 2008. 2 vols., 440 p. e 624 p.

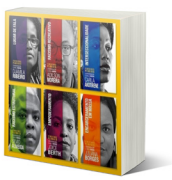
This dense work is the result of one of our greatest social scientists' participation in the UNESCO Project, a research program funded in the 1950s by the United Nations. It takes a closer look at the supposedly successful Brazilian experience in race relations. It is written in two volumes and based on a methodological eclecticism that includes historical reconstruction, socio-economic analysis, biographical narratives, and ethnography. It is one of the first works to unmask the myth of racial democracy in Brazil.



O GENOCÍDIO DO NEGRO BRASILEIRO: Processo de um racismo mascarado

Abdias do Nascimento. São Paulo, SP: Perspectiva, 2016. 232 p.

Originally published in 1978 when the Unified Black Movement was founded, this important black intellectual and activist turns the dominant view on our formation upside-down. It deconstructs the myth of the benevolent lord. It denounces the sexual exploitation of African women and the strategies of genetic and cultural whitening perpetrated by the elites. The book not only seeks to overcome the barriers to a "forbidden" race discussion but also indicates ways to react to this mutilation.



COLEÇÃO FEMINISMOS PLURAIS

Djamila Ribeiro (Coord.). São Paulo, SP: Pólen, 2018.

Organized by Djamila Ribeiro, a philosopher and prominent representative of black feminism in contemporary Brazil, this collection gathers profound and accessible titles written by black intellectuals. They address major issues comprising the anti-racism agenda today. Those interested in the public debates on the race issue can get an in-depth understanding of the concepts such as place of speech, structural racism, intersectionality, empowerment, and cultural appropriation.



EXECUTIVOS NEGROS: Racismo e diversidade no mundo empresarial

Pedro Jaime. São Paulo, SP: Edusp-Fapesp, 2016. 424 p.

I ask permission for this self-reference, because this is one of the rare books on race in business, and it has achieved academic and editorial recognition. It has been awarded the Jabuti and Brazilian Association of University Publishers (ABEU) prizes, arousing the interest of management professionals. In this book, I analyze the professional careers of two generations of black executives in their respective socio-political and organizational contexts.

 CC BY ISSN 0034-7590; eISSN 2178-938X