



STAKEHOLDERS' PERCEPTION OF CONTROL SYSTEMS IN NON-PROFIT INSTITUTIONS: THE CASE OF MISERICÓRDIA DE CABECEIRAS DE BASTO

ABSTRACT

Non-Profit Organizations (NPOs) have been growing in number and relevance globally, playing a crucial role in various fundamental sectors of society, such as healthcare, education, and social services. In this context, it is essential to understand the type of management applied in these organizations, as well as the influences and pressures exerted by stakeholders.

This study aims to analyze how the management control systems used by Santa Casa da Misericórdia de S. Miguel de Refojos, in Cabeceiras de Basto, impact stakeholders' perceptions of the organization. To achieve this, a qualitative approach and an interpretative research philosophy were adopted. Through semi-structured interviews with the institution's stakeholders, Mitchell et al.'s (1997) Stakeholder Salience Theory will be applied to understand the influence these stakeholders have on the organization and the role they play. Furthermore, empirical studies will be analyzed to understand how similar organizations experience these dynamics.

Additionally, the concept of accountability will be explored within the NPO context, emphasizing the importance of transparency, credibility, and governance capacity—critical aspects in a sector where profit generation is not the primary objective. The Misericórdia de Cabeceiras de Basto has been striving to improve its control systems. It currently employs a budgetary control system complemented by an activity plan based on three strategic pillars aimed at defining short- and long-term objectives and targets.

This study will seek to understand stakeholders' perceptions of using management control systems and classify them according to Stakeholder Salience Theory. The research will contribute to the literature by providing a deeper understanding of how different stakeholders perceive management control systems in NPOs. Moreover, it will offer valuable insights for the Misericórdia de Cabeceiras de Basto managers and other NPO leaders, promoting greater accountability and encouraging stakeholders' active participation in organizational processes.

Keywords: Accounting; Management Control Systems; Accountability; Stakeholders; NPOs