

THE "EQUALIZER" ADMINISTRATION:
MANAGERIAL STRATEGIES IN THE PUBLIC SECTOR

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ABSTRACT

The purpose of this dissertation is to understand the managerial “action” of public administrators in the management of their organizations within the Brazilian context.

The research seeks to understand the relationships between managers and formal management mechanisms exploring the complementary nature of the effective managerial action in the face of structural deficiencies and flaws, considering the possibility of overcoming the structuralism-subjectivism dichotomy present in the construction of the Theory of Organizations

Initially, the study provides a review of the literature on organizational design. It highlights the “goodness of fit” proposition on strategic choice issues concerning the main organizational variables design and organizational goal attainment. It also draws special attention to the emerging interest of designing theorists on interpretivist approaches to the matter, such that of Karl Weick.

A review of administrative reforms in Brazil is carried out from the perspective of the main stream organizational design conceptual framework. It highlights the complex dynamics of a constant search for differentiation and flexibilization subject to patterns of advances and reversals, due to the centrality, strength and pervasiveness of the bureaucratic model. It is concluded that in no single given moment, a public manager and his team, may count on a formal organizational design what meets the “congruency” criteria, as devised by organizational design conceptual frameworks, to explain organizational results in different environmental settings. Although this conclusion may explain failure in the public sector, it cannot provide understanding on the many instances of significant success attained by government operations in spite of inadequate formal administrative structures. This point calls for a better understanding, from the interpretivist approach, of how public administrators, strongly associated with good organizational results, engage into transformative action, in order to superate administrative structures flaws and dysfunctional cultural patterns of conduct, structurally present and constantly reproduced, in vigorous developing countries, such as Brazil.

The dissertation transcribes the testimony of four outstanding public administrators, doing a deep incursion in the managerial real world of public administration, as subjectively defined by them and transformed by their engagement into action. Through the thematic version of the oral history methodology, full segments of the complete interviews are categorized into the thirty two managerial strategies captured which are presented on a recategorized manner under eight main strategies: (1) Interchanging Frames of Reference; (2) Exploring the Formal Limits; (3) Playing the Bureaucracy Game; (4) Inducing the Inclusion of Others (5) Promoting Internal Cohesion; (6) Creating Shields against Transgressions; (7) Overcoming Internal Restrictions; (8) Letting the Structures Blossom. Each one of these eight blocks of

strategies presented, deserves further reflexive interpretation by the author, on the light of the interpretivist approach to organizational design.

A final effort is made, in terms of theory building, for improving understanding on this issue. In order to find a significant meaning underlining all the strategies extracted from the “practical consciousness” of the interviewers as revealed in their report, the author resort to a methapfor. This methapfor contributes to: (1) better describing and understanding a not adequately treated phenomenon, namely, good results under inadequate structural social and organizational conditions; (2) revealing the logic and the meaning underlining all the strategies adopted to generate results under these unfaithful conditions; (3) naming, according to the nature of the managerial transformative social action involved, an open ended class of managerial interventions of a pragmatic sort driven by an ethics of results much common to good managers, that is, the concept of “managerial equalization”; and (4) giving back to public administrators, represented by the interviewees, to be incorporated in their “discursive consciousness”, something the most effective and experienced public managers already have as tacit knowledge built in their “practical consciousness”, and so, help the education and development of new talents.

DEDICATION

For my children:
Glauco, Diogo and Manuela (In Memoriam),
and stepdaughters
Alessandra and Gabriela.

Se ponía la máscara, se transformaba en jaguar y así conseguía percibir las cosas de otro modo, del modo como las ve el jaguar.

Pre-Colombian Kogui Mythology

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PRESENTATION	1
INTRODUCTION	3
1. METHODOLOGY	6
1.1 Bibliographical Research	6
1.2 Administrative Case History Interviews	7
1.2.1 The depositions of public administrators and their validity as a source of knowledge: an epistemological question	7
1.2.1.1 The case histories as an instrument of commitment/engagement	9
1.2.1.2 How to get involved in the case histories	10
1.2.2 Methodological Procedures: Processing and Editing the Interviews	12
1.2.3 Reflexive Interpretation of Managerial Action	16
1.3 The Utilization of Metaphors in Communication and Science: Conclusive Inferences	16
1.4 Final Epistemological and Methodological Considerations	20
2 FROM DESIGN TO IMPROVISATION: REINTERPRETING ORGANIZATIONAL DESIGN	22
2.1 Closing the Gap between Theory and Practice	23
2.2 The Conceptual Frame of Reference for Organizational Design	24
2.3 Challenging the Foundations of Organizational Design: From Design to Designing and From Designing to Improvising	32
2.4 Implications for the Study of Design in the Public Sector	39
2.5 Concluding Inferences	41
3 ADMINISTRATIVE REFORMS IN BRAZIL FROM THE STANDPOINT OF “ORGANIZATIONAL DESIGN”	44
3.1 The public sector as an organization	45
3.2 Concessions to “differentiation”	55
3.3 The rebirth of centralization	69
3.4 Managerial Administrative Reform: the return to “differentiation”	71
3.5 The reasons behind the incoherence of Brazilian Public Administration	77

4	MANAGERS AND THEIR DEPOSITIONS	84
4.1	Biographical sketches	84
4.2	Managers and Their Depositions	96
	4.2.1. Interchanging Frames of Reference	96
	4.2.2. Exploring the Formal Limits	109
	4.2.3. Playing The Bureaucracy Game	114
	4.2.4. Inducing the Inclusion of Others	122
	4.2.5. Promoting Internal Cohesion	133
	4.2.6. Creating Shields against Transgressions	150
	4.2.7. Overcoming Internal Restrictions	167
	4.2.8. Letting the Structures Blossom	176
5	STRUCTURE AND ACTION IN PUBLIC ORGANIZATIONS: THE MANAGERIAL STRATEGY OF THE LEADERS	186
5.1	Structure and Action	188
	5.1.1 Agency	194
	5.1.2 Intentionality	197
	5.1.3 Limits of Action	198
	5.1.4 Ethics of Action	199
	5.1.5 Empirical Bases	201
5.2	The Quest for a Synthesizing Concept by Means of a Metaphor	201
5.3	The Metaphor of Equalization	204
5.4	From Design, Designing and Improvising to Equalizing	221
	BIBLIOGRAPHY	234
	APPENDIX 1	242
	APPENDIX 2	246
	APPENDIX 3	248
	APPENDIX 4	250
	APPENDIX 5	253
	APPENDIX 6	266

Presentation

As with any intellectual undertaking, this dissertation reveals the interests, concerns and apprehensions of its author. It especially reflects an academic and professional life dedicated mainly, albeit not exclusively, to study, research, teaching, technical assistance and academic management focused on Public Administration.

Early on, a number of issues became a many-headed dragon that I needed to slay if my life as a professional and citizen was to have any meaning.

The first issue concerns misunderstandings about the role of the State, its bureaucratic machinery and its public agents, employees and administrators. All of them deserve repeated attack, if not ridicule, so much so that it has almost become the favorite national sport around the world, with serious consequences for developing countries. How to explain or catalyze change in an area in which the object being studied is so lacking in credibility to the average citizen, and even the large majority of its employees, becomes an almost existential issue for the professor. One expects him or her to show solid contact with reality and a dialogue that offers substantiated hope to avoid falling into easy ridicule. This is not an easy task when teaching Public Administration.

The second discouraging factor concerns the discipline's identity and its excesses in importing knowledge generated for the business world. As for the former, namely the field or discipline, I am among those who believe the work of Dwight Waldo to be definitive, as much as any work can be definitive or immune to evolution in an area of knowledge. So, I believe, in the imperative need for further studies genuinely focused on public administration, its organizations and its managers.

A third concern refers to importing knowledge from other countries. There is still little research in Brazil and both scholars as well as academic students and professionals resent the lack of locally generated empirical and theoretical studies, despite the country being a fertile field for investigation.

Finally, in fourth place, paradigmatic apprehensions arise of an ontological, epistemological and methodological nature that lead to questioning "if" and "when" the subjective and objective worlds may meet.

Perhaps somewhat ambitiously, I have tried on this journey to confront the many-headed dragon: to focus on Public Administration, its organizations and its leaders; to find a focus that offers hope and optimism; to hone in on Brazilian reality, doing field research and theorizing; to overcome, as much as possible, the paradigmatic barriers of the subjective-objective dimensions.

When analyzing the “transformational theory” of Orion White and Cynthia McSwain, Harmon & Mayer (1986) observe that the role of theory, in the view of the former authors, and coincidentally with Karl Weick, is:

“ ... to assist in the practical project of increasing organizational actors’ understanding of situations in order that they may act sensibly... By temporarily freezing the situation, theory, very often in the form of metaphors, allows us to see what might be going on (note that these assessments are always tentative, given the inherent equivocality of situations) in order to decide what might be sensible to say next.... The standards of good theorizing that apply to practitioners of management also hold for organizational scholars and analysts. When all is said and done, good theory, which is to say practical theory, is that which we find interesting. As White and McSwain put it: ‘Something is true to the extent that it is interesting. So also it is good. As Arendt pointed out that evil is banal, we point out that banality is evil. Valid knowledge is knowledge that is interesting – in that it acts as an effective analogue in drawing out energy of the person viewing it’ (McSwain & White, p.22 in Harmon & Mayer, 1986, p.371)

This work has sought to get as close as possible to the true practitioners of public administration in Brazil. It’s author has tried to “don their masks”, i.e. to empathize with them in the performance of their roles in various situations and thus to learn through them. This work reflects the knowledge they generated in the form of **management strategies, reflexive codifications** of their action in organizational situations, and has sought to **synthesize them into the metaphor of “equalization”**. If the results are accepted as “interesting” by the academic community for being capable of extracting energy from this community, the mission will be fulfilled. If, and only if, Brazilian public executives incorporate into their “discursive consciousness” the metaphor of equalization, derived from their own “practical consciousness”, I will be happy to have made a small contribution. It will be my way of thanking those who taught me so much about aspects of serving the public by administering a very complicated machine, namely the machine of the Brazilian State.

Introduction

Performing a managerial role in government organizations involves challenges that, at times, appear insurmountable. Despite being subject to the requisites of efficiency that infuse the rational management of any undertaking, public administration is also the object of issues of power that identify their political nature. This attribute of Public Administration alone justifies it as a field of disciplinary knowledge deserving specialized study. Such studies should promote better understanding at descriptive and analytical or, even, reflexive levels, while always favoring normative interventions that improve decisions, actions and, consequently, results. The applied nature of the field study of Public Administration demands it.

In the so-called developing countries, the elements that make public administration more complex are even greater. Their societies are characterized by the presence, side by side, of the traditional and the modern, which Riggs (1964) brilliantly described in his prismatic model when studying developing countries. In these environments, politics assumes the tones and nuances of “*patrimonialismo*”¹, “*patronismo*”², “*corporativismo*”³, and “*nepotism*”⁴, if not the ever-present “*coronelismo*”⁵. These expressions of traditional cultural politics coexist in dynamic equilibrium with the symbols, instruments, technologies, management doctrines and contemporary institutions of administration in globalized societies. Fragile democratic political regimes alternate with recurring authoritarian or dictatorial governments of institutionalized military or civil ‘leadership cults’ (“*caudilhismo*”).

Understanding the management of public organizations in the context of a particular administrative policy is of fundamental importance. Success coexists in the same institutional spaces with resistant organizations that deliver mediocre results. It is important to demonstrate the viability of professional management in these less favorable environments and to discover and present the educational value they can offer in preparing public administrators and developing their organizations.

The purpose of this dissertation is to understand the managerial “action” of public administrators in the management of their organizations within the Brazilian context, which, in many aspects, is typical of developing nations.

From a conceptual standpoint, the starting point is the theory of organizations and its contribution to organizational design. Its main focus, however, is on the managerial “action” of the public administrator within an organizational context of “action”. It seeks to understand the

relationships between managers and formal management mechanisms by exploring the complementary nature of the effective managerial action in the face of structural deficiencies and flaws; and understand these relationships by exploring the possibility of overcoming the structuralism-subjectivism dichotomy present in the construction of the Theory of Organizations.

Chapter 1 contains the methodology used in this work. In fact, it involves different methodological approaches corresponding to the distinct nature of its objectives. Thus, the chapter makes use of the bibliographical research needed for explanation and analysis of organizational contexts in which public administrators operate and evolve. Oral History, though more subjective from an epistemological viewpoint, is treated rigorously here as a valid method to obtain knowledge from the narrative of public managers. The chapter further describes the procedures adopted to obtain the Case Histories, as well as the approaches used to interpret the thematic content received. Finally, it discusses the use of the metaphor as a methodological tool for theoretical conceptual development.

Chapter 2 seeks to describe the formal organizational variables and the ideal interactive behavior to ensure results, according to the normative approach, for a logical positivist slant on organizational design. Such an approach is derived from analytical and explanatory developments in the Theory of Organizations. The study explains the criterion of “congruence” in the design of the organizational variables which is essential for obtaining results in a systemic-functional perspective. It also calls attention to the relevance of the concept of “differentiation” in systems as an element promoting design congruence in complex environments. A possible new trend in organizational design toward the recognition of the subjectivist approach is also examined due the precarious nature of structures these days and the need for constant redesigning caused by intensive change and the need for adaptation. It concludes that in less favorable institutional and organizational contexts, like those common in developing countries, it is reasonable to presume that the action of administrators is made far more difficult by the lack of support from inadequately designed formal structural mechanisms, which also points to the relevance of the new trend mentioned above.

Putting the situation in context and adding depth to the theoretical conclusion of the previous chapter, Chapter 3 analyzes administrative reforms in Brazil, observing a process that has been characterized by successive advances and reversals in the constant search for ‘differentiation’. The chapter interprets the difficulties in achieving greater success in reforms, using the criterion of congruence in the design of management structures and mechanisms, inferred from the conceptual and normative developments of the study of organizations

analyzed in chapter 2. The implications that the problems of designing formal management mechanisms have for public administrators in managing their organizations are also examined.

Chapter 4 presents the depositions of public administrators, followed by reflexive interpretations by the author that draw on available literature. The “work field” reveals organizational and administrative life histories. In them, interviewees report their management strategies. More precisely, they relate how they were able to generate significant results, despite the design deficiencies in the formal management structures and mechanisms to which their organizations were subject and over which they had no control. The depositions of well-known people is preceded by brief background material, which identifies them socially and professionally, followed by cases and considerations concerning the lack of coherence in organizational design in their organizational universe.

Finally, Chapter 5 seeks to interpret the logic underlying the use of the different strategies revealed, making use of equalization (as a metaphor) as a source of speculation and theoretical formulation. The conclusive results of this effort are the development of the concept of the “equalizer administration”, a goal strategy capable of explaining the success of public administrators in obtaining satisfactory results, even though they were operating in restrictive organizational environments with inadequate designs of formal management mechanisms. Chapter 5 advances the possibility of overcoming the structural-subjective dichotomy in the construction of the Theory of Organizations. It does this through integrating the concepts developed. These were based on an understanding of the relationships between the volitional and structural elements concerning managerial action in the organizational context, as the use of the “equalizer administration” concept suggests.

¹ - For a conceptual understanding of the term “patrimonialismo” see: Pereira (1998).

² - For a conceptual understanding of the term “patronismo” (“clientelismo”), as well as of its regionalized usage, see: Bobbio (1986) and Diniz (1982).

³ - For a conceptual understanding of the term “corporativismo” see: Bobbio (1986).

⁴ - For a conceptual understanding of the term “nepotism” in Brazil see: Matta (1990).

⁵ - For an understanding of “coronelismo” in Brazil see: Leal (1975), Queiroz (1976) and Vilaça (1978).

1. METHODOLOGY

The purpose of this chapter is to present the methodology used in the preparation of this study. It involves the different approaches adopted on the basis of two criteria: (1) the appropriateness of each of the approaches to the objectives of the parts constituting the study; (2) the integrating complement to validate its conclusions. The following methodological approaches were used: bibliographical research; interviews of administrative life histories (transcribed); the reflexive interpretation of managerial action (highlights from the transcriptions); and metaphorical inference of a speculative order. The chapter also presents epistemological considerations relevant to the research concerning the life histories and the use of the metaphor to construct theory.

1.1 Bibliographical Research

The first stage of the study, Bibliographical Research, is divided into two parts.

It seeks initially, in Chapter 2, to identify in the literature the determining normative orientations of adequate organizational design, with the achievement of satisfactory results in mind. To do so, key organizational variables are identified and the relationships between them are discussed. From this study, a fundamental proposition indicative of the attributes of the solution for an ideal organizational design is derived in accordance with established thinking. The bibliographical research here favors conceptual theoretical explanations and normative guidelines produced by authors committed to important lines of research in the field of organizational design.

The conceptual frame of reference emerging from this bibliographical research orients the other stages of the study: it is instrumental in the analysis of the evolution of Administrative Reforms in Brazil (Chapter 3); it orients the formulation of the interviews with selected leaders; and it is compared to the highlights of the transcriptions of those interviewed to analyze the data and inferences drawn from the conclusions (Chapter 4).

Once the normative guidelines of organizational design have been identified, the bibliographical research focuses on the evolution of Administrative Reforms in Brazil (Chapter 3). More precisely, the research contemplates descriptive analyses prepared by Brazilian

authors dedicated to understanding the successive designs which the State administrative apparatus has experienced since 1930.

1.2 Administrative Case History Interviews

The second stage of this study is dedicated to interviews with managers as an empirical source of knowledge and to a reflexive analysis of the content thereof.

1.2.1 The depositions of public administrators and their validity as a source of knowledge: an epistemological question

It is not only in the use of metaphors that positivist orthodoxy plays an inhibiting role by demanding literal, precise, and unambiguous language, but it also has little effect on social sciences in general and Public Administration in particular. To the extent that in this field the main alternative to acquiring knowledge is the written records of oral depositions – case studies and narrative descriptions¹ – it is understood that the criticisms regarding the lack of scientific method are directed to such forms of producing knowledge.

In a stimulating article, Ralph Hummel refutes the critics of the current production of knowledge in the field of Public Administration, who attack it for its absence of scientific “objectivity” and for distancing itself from “pure reason”. He affirms that the form in which managers interpret their world – “*telling their stories*” – is a valid means of producing and accumulating knowledge and that this source is as replete with credibility for academics and scholars in the field as it is for the administrators. (Hummel, 1991, p.31)

More precisely, the knowledge that the managers seek must answer the question “*what is happening here?*” before any analytical attempt to measure what is happening, where and when.

The main positivist criticism concerns the inability of case histories and studies to satisfy scientific validity criteria, such as those of reliability and applicability to similar situations. For Hummel, such criticisms, by pre-defining knowledge as a scientific analytical form, forget to appreciate what managers may learn with case studies, based on their synthetic view of the problems. In his opinion, managers demonstrate that they are highly capable of:

- (a) defining their realities;

- (b) judging the types of knowledge that are useful to them; and
- (c) developing valid knowledge standards relevant for their world (a world substantially different from that of the scientists). (Hummel, 1991)

In what aspects does the manager's view differ from that of the scientists? Or, put differently, how do managers define their world?

Hummel responds to this question by pointing to three important examples:

(i) managers question the value of mere objectivity. Managers prefer to hear those involved with a problem rather than an uncommitted objective observer, such as a consultant, for example: they think that they can work better with inter-subjectivity rather than mere objectivity;

(ii) managers question the direct relevance of science and pure reason to the solution of problems. They express concern with the difficulty in judging. For them, aggregate facts or the rules derived from them do not directly concern a new problem and must be judged regarding their applicability;

(iii) managers question the value of scientific or rationalistic neutrality. They value the sensitivity that results from being immersed in events rather than being distanced from them. (Hummel, 1991, p.33)

Calling on Kant, Heidegger and Weber to make the point that not all manner of acquiring knowledge must satisfy analytical standards of validation, Hummel offers a reply to the question *"Why can't we resolve the research issue in public administration?"* There is, he says, *"an embarrassingly simple answer. It is because some analytic scientists confuse two operations: the analytic operation of taking a reality apart and the synthesizing operation of putting a reality together."* (Hummel, 1991, p.35)

Managers resist appeals to analytical validation of knowledge, because they are, quite naturally, deeply involved in their main task, which is to fit the pieces together and thus maintain the work world; in other words, integration.

It thus becomes necessary to identify validation standards for the synthesis. If they exist, concludes Hummel, *"If there are, and to the extent that managers exercise them, their knowledge of how a world is put together must be considered as potentially as valid for its*

purpose as analytic scientists' knowledge of how a world can be taken apart." (Hummel, 1991, p.36)

The intersections between the worlds lived in by the manager who relates a story and those that read or listen to it are the structural elements of the case history, which have primacy as such, as well as serving as a reference point in issues of validation: structural validation.

The standards of validation of a case history consist, in the first place, of relevance, followed by factual criteria.

"The emerging relevance standards test both the relevance of all parts of the story to each other and to me and my world. They are further distinct from factual standards in that they open up a world, when they are met, while factual standards can only foreclose what is not fact and thereby close worlds. Beyond ringing true, a story well and properly told opens up possibilities of action for me, rather than foreclosing them; it broadens and deepens my world." (Hummel, 1991, p.38)

1.2.1.1 The case histories as an instrument of commitment/engagement

With Hummel (1991, p.36), we must understand that the many stories told by the four deponents – from which selected parts will be reproduced further on in this study – can have two results for readers, professionals and students of public administration:

(i) it includes them in the interview world; that is, engages them in the effort to define situations and problems and get their commitment with the solutions; that is, practice constructing reality;

(ii) it gets them to expand their own world, or their definitions of reality, by enabling them to internalize the different or even unknown experiences lived by the deponents; that is, make the new situations become part of the world previously experienced by the reader, broadening his or her parameters and deepening or intensifying the significance of the content pertinent to them.

It is important to observe that in each of the two, the events only take on managerial significance when the deponent adopts a solution, does something, behaves in this or that manner, says this or that, acting on the problem. But when the story is read, the events do not take on meaning *"until we have read ourselves into the story"*.

While analytical science furnishes data that represents a fragmented reality, a story always gives us events that intend to be coherent and meaningful, something that cannot occur unless we become involved with them. (Hummel, 1991, p.36)

1.2.1.2 How to get involved in the case histories

Also according to Hummel (1991), it is possible to draw up a list to guide reading the case histories, one that will contribute to learning and can be suggestive of the validation process itself, while at the same time being important pieces for building knowledge relevant for public managers and students of Public Administration. To do so, as has been said, the structure of the story is the axis connecting the interviewee, his or her story and the reader and functions as the principal element of reference for its validation as well.

The question that leads us to the list is the following: Do the oral reports contain those structures that the reader needs to guide him or her in the new world that the story relates?

(i) There must be a **subject** with which the reader can identify. It is important to observe that in some of the stories told in this study, or in parts of them, the principal subject transfers his role or shares it with a superior or a political team that experiences with him or her the managerial administrative situation. Ordinarily, however, the subject is the one interviewed who, from his ontological viewpoint, reports an event, a situation, a small world ultimately, in which he or she establishes a relationship with one or more of his objects.

(ii) There must be an **object**, whose existence is conceivable as described. If the object is a person or persons, with a recognizable personality trait or attribute of bureaucratic behavior, for example, it could facilitate establishing a connection with the reader. If the object is an institutional disposition, like a rule, the question is whether or not there is something familiar or even unfamiliar that might connect with the reader's world. The object in question in this study consists of formal organizational variables: task, structure, information and decision making processes and mechanisms for integrating people that involve compensation systems and human resource policies.

(iii) There must be a **likely relationship** taking place between the object and subject, as presented. In practical terms, this practically means connecting the subject/object relationship to situations – similar or contrasting – previously experienced by the reader. In this study, the object situations refer to the performance of the managerial role in the context of

administrative functions (planning, organization, leadership, coordination and control) and formal organizational variables.

(iv) The **case history field** must be sustained overall. In other words, this concerns the question of whether or not the story makes sense as a whole.

Hummel describes this process nicely: to the extent readers wear the manager's hat and face the task of how to deal with the object situation, it becomes thematic for them, moving it to the forefront of their concerns. Meanwhile, the objects of their own worlds become nebulous and move out of focus. By putting themselves in the position of the subject, readers not only construct that which the manager's world would tell them had meaning, but it also enables them to reproduce the structural steps that the manager had to take in constructing their world.

"Even though the listener's solution might be different, the listener touches base with the same structural elements in the story that construct his or her own world: subject involved in relationship with an object and through this relationship constituting a field." (Hummel, 1991, p.37)

The validity of the story thus lies much more within these structural elements and their relationships than in the facts themselves.

"The fundamental criterion of validity for a story is therefore the ability of the listener to literally "re-cognize" - in the original sense of knowing again - the familiar even in an unfamiliar story. On the level of practice there is no mystery in this; this is simply how human beings expand their horizons of knowledge." (Hummel, 1991, p.38)

In this sense, instead of judging whether the responses given (behaviors and strategies adopted by the deponents) fit the problems brought up in the case histories, it is more important to get the readers commitment to participate in co-defining the events in question.

In Hummel's opinion:

"Only the commitment of the individual to both the perception of the problem and possible efforts directed at a solution can bring about an answer that "fits" - fits not merely the past "facts" of the situation but its future resolution. Any validity standard applied to this active synthesis will have to answer the question: Can the story so engage the listener so that he or she will contribute to co-defining what the story is about - the problem - and work on solving it? The ultimate test is that a new and desired reality is

jointly created. Clearly managers are first in the creation business not the analysis business.” (Hummel, 1991, p.36)

The co-definition of the problems related by the managers, with the participation of professionals and students of public administration, could shed more light on the choices of individual actions, as well as on joint efforts toward administrative reform.

1.2.2 Methodological Procedures: Processing and Editing the Interviews

The research procedures adopted are based on the qualitative methodology of investigation.

The qualitative method is characterized, in the opinion of Bogdan and Taylor (1975), by the production of descriptive data - written or spoken words of a person that enable an understanding of human behavior based on the actor himself, within a phenomenological perspective. It thus makes a holistic analysis possible (Caema, 1993, p.139), i.e., not examining behavior in isolation but capturing it by inserting individuals, their era, political group, family, and the organizations in which they exercise their functions.

In this research, the method makes use of managerial stories given in oral depositions obtained in semi-open interviews granted by a select group of public administrators.

The interviews are based on the Oral History methodology adopted by the Getulio Vargas Foundation's Center for Contemporary Brazilian History Research and Documentation - CPDOC/FGV. Instigated by the FGV, the methodology chosen by the Center, in the opinion of one of its founders, represents an epistemological break instigated by FGV in the manner in which social sciences in general and history in particular are conducted in Brazil. (Camargo, 1999, p.285)

Oral history, in Alberti's opinion, is not an end in itself, but a means to knowledge whose employment *“is only justified in the context of scientific investigation, which presupposes its articulation with a previously defined research project”* (Alberti, 1990, p.12 - free translation of the Portuguese).

In this research, such a project contemplates a “thematic” version of Oral History, in contrast to “life history”. Based on interview stimuli, the managerial life experienced by the actor is amplified and compared to other dimensions of his life.

The field research is based on procedures set forth by Alberti and observes the following steps:

- (i) Identifying and inviting the public administrators to be interviewed.

A limited number of interviews was decided upon, 4 (four), bearing in mind the qualitative nature of the study, the requirements of an in-depth interview, the intention to transcribe each of them completely for epistemological reasons, and the high cost of transcribing their recordings.

The basic criteria adopted in selecting the interviewees were: (1) their public recognition as successful managers in the public sector, taking into consideration from an “impressionistic” perspective the results achieved by their organizations during their periods of management; and (2) the relationship between these results and the pro-active role of the selected managers. The study is not intended to reveal would-be heroes or supermen and their grandiose achievements, but simply to tell the administrative experiences of individuals who, although certainly gifted with special attributes, are good representatives of the most committed Brazilian public administration managers over time. It concerns people whose professional careers have been systematically and recurrently associated with the public sector and whose engagement in action was mainly oriented toward results.

As a fortuitous result of the invitations accepted, different segments and dimensions of the public sector are contemplated, to wit:

- Direct Administration, which includes the central administration bodies responsible for typically un-delegatable government activities (public administration *stricto sensu*) relative to the formulation and implementation of public policies;
- Indirect Administration, which includes government agencies, state companies (joint public/private state companies), public companies and foundations. As corporate entities under private or public law, these organizations are supposedly endowed with greater financial and operational autonomy, integrating with the public sector;
- The Federal and State spheres of government;
- Administrative Support, Substantive Policy Areas, and Top Executive General Administration activities.

Table I below indicates, “ex post factum”, the segments and dimensions of public administration experienced by the interviewees, as well as their names and the dates and locations where they were held.

Table I – Organizational Segment by Interviewee

			Interviewee, date and location of the interview			
			Irapoan Cavalcanti de Lyra (02/12/1992) - Rio de Janeiro/RJ	Paulo Vieira Belotti (03/30/1992) - Rio de Janeiro/RJ	Sergio Rudge (04/10/1992) - Rio de Janeiro/RJ	Ozires Silva (06/03/1992) - São José dos Campos/SP
Organizational Segment	Administration	Direct	X	X		X
		Indirect	X	X	X	X
	Government Level	Federal	X	X	X	X
		State			X	
	Area	Administrative Support	X			
		Substantive Policy Areas	X	X	X	
		Top Executive General Administration	X	X	X	X

(ii) The collection of public information regarding the professional past and present of the leaders selected, their achievements and responsibilities in the positions exercised, as well as information on the organizations in which they worked, to build the dossier;

(iii) An initial approach to obtain their collaboration and agreement in formalizing the consent to use the interview material;

(iv) Mailing correspondence to formalize the invitation and schedule the interview.

(v) Processing (transcription) of the interviews.

Once recorded, the interviews were processed, which included transcribing the recorded tapes and checking the accuracy of the transcription. The results of this first stage constitute a text that maintains the dynamics of the oral dialogue, including repetitions and digressions. Such elements often affect the information and make the reading difficult. As a result, editing the depositions is essential.

(vi) *Editing.* The job of editing is designed to highlight the information provided by the interviewees through condensing and ordering, which includes eliminating repetition, condensing information and ordering the depositions based on chronological or thematic marks.

The following activities comprise the interview processing and editing stages:

- *Transcription:* The first stage in converting the interviews from oral to written form is its complete transcription, which produces the extensive raw material that provides the basis for all subsequent work. To carry out this task, transcribers had to be hired to transcribe about 8 hours of recorded tapes, corresponding to approximately 2 hours per interview.

- *Checking the accuracy of the transcription:* Checking the accuracy of the deposition transcription is essential in the oral history methodology. After all, an unedited transcription is never free from errors, omissions and undue additions that may alter the content of what was said. Thus, the recording must be listened to carefully in order to verify that the transcribed version effectively corresponds to the content of the tapes.

- *Text edition transcribed and checked:* Ordering the interviews by item in accordance with a thematic structure, condensing the content and eliminating repetitions.

- *Preparation of notes:* The mentioning, during the course of the interviews, of events, institutions or persons whose significance is not always known recommends the use of footnotes. The purpose of such notes is to enhance the material presented and support future research on the subject dealt with, supplying the reader with the information needed to effectively understand its content. The preparation of notes is preceded by researching different sources (reference works, books, periodicals, archive documents, etc.);

- *Onomastic index:* The inclusion of onomastic indexes at the end of the edited interviews is very useful, since it permits rapid and efficient retrieval of information. The job of editing the interviews thus includes preparing the lists of names cited in the depositions that will constitute the structure of the onomastic index.

· *Introduction:* The texts of the edited interviews are preceded by an introduction (brief background material), putting the subjects covered in historical context and specifying the methodology utilized both in the production and editing of the interview.

After the stages described above, the interviews are ready to be incorporated.

1.2.3 Reflexive Interpretation of Managerial Action

After presentation of each of the eight sets of story blocks, the study offers reflexive interpretations, referring to the interpretative literature to reveal the sense of managerial action. In this manner, it seeks an understanding of the action, based on situations, interactions and meanings more or less shared and attributed to elements of the organizational world. Although the figure of the manager assumes prominence in the context of the acts, the latter are interpreted in their social essence when isolated acts take on the aspect of action over the course of time (“durée”); i.e. administrative historicity².

1.3 The Utilization of Metaphors in Communication and Science: Conclusive Inferences

Finally, the third stage of this study is devoted to construction of theory by means of a metaphor which permits the creation of a new concept.

Arising reflexively from the study, the association of managerial conduct with the formal organization variables that are the object of organizational design, there emerges a sufficiently inclusive concept; one that summarizes and helps to understand the instrumental logic underlying the managerial conduct adopted. This is the integrating concept resulting from an interpretive search for understanding that reveals the strategic nature of managerial “action”, expressed by the different conduct adopted by the interviewees, but theoretically grasped in their entirety.

Thus, in the conclusion stage of the study, the metaphor of electronic equalization is used as an instrument of conceptual creation rather than as a simple figure of language, following current trends in the literature of those social sciences which are more impervious to positivist critics. Based on the “world view” and the experiences of the managers interviewed,

the metaphor contributes to an interpretation of managerial action, despite the restrictive formal structural conditions. In addition it stimulates the development of new ideas about the managerial phenomenon and its relationships with established administrative structures at a given political and administrative time.

Colin Cherry (1966) uses the writer and orator as examples of those who do not communicate their own thoughts through words, but rather through their representation. Similarly, a painter does not repeat reality, but creates a representation of it through the materials at his disposal. When representations stimulate thoughts in other people that correspond to the desires of the one who writes, speaks, or paints, then communication has occurred. Thus, the goal is to make the “best” representation within the limitations of the means of communication available.

The metaphor, in such cases, plays a highly efficacious role by importing ideas through a vehicle- language, thereby establishing linguistic associations. Although to a certain extent the imported concepts may be artificial in their contexts, metaphors enlarge the scope of words while new concepts and abstract relationships accumulate.

This technique, one of the “figures of language or style,” gives the expression an additional strength or coloring, intensity and beauty. Cegalla (1990) defines it as a “*deviation from the proper meaning of a word, born from a mental comparison or a common characteristic between two beings or facts.*” The metaphor impacts our sensibility with its emphatic, incisive, and direct character, giving it great evocative and emotive force.

In a study on metaphors, Max Black (1966) classifies them using an interactive approach:

(1) The substitutive focus, contending that metaphors are used instead of other literal equivalent expressions so that the word or expression employed in a metaphoric way is on par with a meaning that could be literally expressed. The author replaces the literal expression with the metaphor. This leaves the inference of this substitution to the reader, who uses the literal significance of the latter as a clue to the literal significance of the former.

In this case, the metaphor is considered a method of “decoration,” to which no other more serious function would be incumbent except “to understand.”

(2) The comparative focus states that a metaphor consists of the presentation of an analogy or subjacent similarity. It is then admitted that the metaphoric expression replaces an equivalent literal expression, presenting itself merely as a more elaborate paraphrase.

This approach is criticized for being rather vague. If, when used literally, the metaphor presents a meaning that is similar to the one expressed by the literal term itself, no extra information is provided. The metaphor must be employed specifically in cases for which, at a given moment, there is no specific literal expression. Thus, they become a proper and unique form of communication.

(3) The interactive focus states that a metaphor reaches a new sense that is not its literal meaning, and could not have any literal substitute. The new concept forces the metaphorical word or expression to become an extension of its significance.

The focus of the metaphor is the “common characteristics” of the terms. The use of a metaphorical expression requires the reader to select the characteristics identified in the literal expression and extend their meaning. It is, therefore, a case of the interaction of two thoughts in simultaneous activity. Characteristics of this approach are:

(1) The metaphorical expression presents two separate subjects (or “themes”): the “principal” and the “subsidiary”;

(2) The best way to consider these subjects is, generally, as “systems” of things and not as specific things;

(3) The metaphor functions by application to the principal subject of a group of “implications” accompanying the subsidiary;

(4) Such implications are in themselves relevant to this subsidiary; however, in some cases, the author may make them deliberately conflicting;

(5) The metaphor selects, stresses, abolishes, and organizes the characteristics of the principal subject by assigning to it an expression imputed to the subsidiary;

(6) This subsidiary absorbs the meaning of certain words belonging to the same system as the metaphorical expression, which may often consist of metaphorical transfers;

(7) There is no reason whatever for the acceptance of certain meanings. No explanation is given for the fact that some of the metaphors work and others fail. (Black, 1966, p.54)

According to Black, the use of metaphors is considered dangerous, but forbidding their use would be an arbitrary restriction, which is disadvantageous to our investigative capacity. However, to make these figures of speech work, it is necessary to use interactive metaphors that require a peculiar intellectual operation from the reader. This thought process leads the

reader to the simultaneous capture of two subjects and does not limit him to a mere comparison of the two. However, the reader must capture the common implications and select, stress, and organize them into a distinct field. This process results in the use of a subsidiary subject to assist in understanding the principal subject.

The use of the metaphor in the context of producing of knowledge implies, contrary to the basic notions of logical positivism, that cognition is the result of mental construction. As explained by Ortony, *“the knowledge of reality, be it brought about by perception, language, memory, or any other thing, is the result of an incursion beyond the given information. It emerges through the interaction of said information with the context in which it is presented and with the previous awareness of the knowing person”* (Ortony, 1979, p.1). Therefore, the metaphor may function as a “cognitive instrument,” permitting different forms of perception when something new is presented (Black, 1979).

When viewing the metaphor as an instrument with which to extract implications based on the similarities and structured analogies between two subjects belonging to two different domains, Black recognizes that ambiguity is a necessary by-product of the suggestive power of the metaphor (Black, 1979, p.30). But he also suggests that, in some cases, the metaphors create the similarities or analogies on which they themselves depend.

Boyd calls attention to the fact that Black sees these characteristics of the metaphor as *“indicative of an important difference between the metaphorical uses of language and those endowed with the attributes of explicitness that are the characteristic of the scientific use”* (Boyd, 1979, p.357). Considering Boyd’s understanding, this view may lead to the belief that the use of metaphoric language in a scientific context is limited to the pre-theoretical stage of development of a discipline or to the realm of the heuristics pedagogy or, in the case of the established sciences, analysis.

As opposed to Black’s perspective, Boyd develops a position supporting his own view of the metaphor’s role in the theory’s development, by stating:

- 1) There is an important class of metaphors playing a role in the development and articulation of theories in relatively mature sciences;
- 2) This function is a type of characters, that is, the metaphors are used to introduce theoretical terminology where none previously existed;
- 3) The use of the metaphor is one of many methods that the scientific community may use to adapt scientific language to the causal structure of the world.

“With this I want to say that the task of introducing terminology is to modify the use of the existing one, in such a way that linguistic categories

describing the causal and explanatory characteristic of relevance for the world are available. Roughly speaking, this is the task of disposing our language so that our linguistic categories 'may effect an epistemological incision of the world in their articulations'. What I want to argue here is that the use of the metaphor does not act as a defining instance, in establishing a reference that is particularly well adjusted to the introduction of terms concerning species whose real essences consist more of complex relational properties than of characteristics of an internal constitution."
(Boyd, 1979, p.358)

In this sense, I, like Boyd, believe that the metaphorical assertion that a manager is an equalizer may bring valuable insights to the research on management in the public sector, where a greater understanding of manager/structure relationships is required. The "equalizer" metaphor will permit different forms of perception of such relationships and introduce theoretical terminology where none previously existed.

1.4 Final Epistemological and Methodological Considerations

Some final observations are necessary to understand the study from an epistemological and methodological viewpoint.

The bibliographical research supports the starting point of the study. Its selection, as a means of access to knowledge, is practically free from epistemological or methodological controversies. Through it, one sees theoretical and conceptual explanations and normative guidelines relevant to the Theory of Organizations and Organizational Design, as well as descriptive analyses relevant to the evolution of Administrative Reforms in Brazil.

However, the reflexive interpretation resulting from the interviews, although it relies upon ordinary qualitative information classification standards in methodological terms, is subject to complaints of an epistemological order. This arises because of the essential choice made to use Oral Case Histories as a valid method in epistemological terms for the conception of the study. This method is used to prepare, conduct and transcribe the interviews as sources for generating valid knowledge.

The use of Oral Life History was dealt with previously in an in-depth manner because of its relevance in supporting this research. In a certain way, as has been seen, it would be valid to assume as sufficient the access to knowledge through life histories, dispensing with a reflexion on the data generated by the interviews. This could be done by setting aside an orthodox logical positivist attitude and adopting a phenomenological paradigmatic perspective

(Burrell & Morgan, 1980). In fact, the knowledge generated by the interviewees at an “understanding” level (Weber, 1967), is only fully achieved within the context of the depositions presented themselves. The qualitative analysis made of the data highlighted in the transcriptions of the interviews is a concession to the rationalism that, from a phenomenological viewpoint, contaminates the original discourse of the deponents with the interpretations of the author as an analyst, removing from it the “flavor” and the “wisdom” provided by the unique context of the narrative in which it is inserted. On the other hand, an interpretation of the highlights of the interviews is a requirement imposed by the need for a conceptual preparation of the research focus, management strategies in the public sector, which opens a window for overcoming the subjectivism/objectivism dichotomy in the theoretical construction.

As a means of ensuring both the perspective of the conceptual development of the management strategies and its contextualization and qualification in the public sector in real life terms, rich in meaning, the author opted to use the entire transcription of the interviews, as well as to proceed to an interpretive analysis of their highlights that was directly associated with the management strategies.

The interpretive results of the depositions highlighted in the transcriptions lend themselves to the conceptual preparation as inputs inspired by the use of the creative metaphor.

Organized in segmented interview blocks, the relationships between the structural conditioners of organization and the subjective universe of the compensatory managerial actions of the administrators (equalizing strategies) are analyzed. Such an analysis suggests a path to overcome the dichotomous paradigmatic view prevalent in the construction of the Theory of Organizations concerning the structuralist-subjectivist axis of the ontologies, epistemologies and methodologies in question.

¹ See a good case for life story in Life History Methodology in Jones (1983).

² This phenomenological approach to the interviews may be contrasted with the work of Norma M. Riccucci (1995), *Unsung Heroes: Federal Execucrats Making a Difference*. Riccucci was interested “...in examining the effectiveness of execucrats – who are not necessarily aligned with any particular administration – in shaping and influencing public policy” (Riccucci, 1995, p. 13). More concerned with analysis of the behavior of federal executives her emphasis is on personal and managerial attributes, specific skills and strategies rather than on interpreting action.

2 From Design to Improvisation: Reinterpreting Organizational Design

The main objective of this chapter is to analyze some conceptual developments related to Organizational Design and to present some reflections regarding the consequences of these developments for the study of organizational change in the public sector. The relevance of the interpretative approaches to organizational design, specifically the contribution of Karl Weick, will emerge as a result of this journey.

The second section of the chapter will address the bridge between the theory of organizations and the practice of organizational design. Here the role of two perspectives is highlighted: organizational design and organizational development.

The third part of the work summarizes the basic conceptual frame of reference of organizational design, explaining its paradigmatic roots in terms of the systemic-functional approach of structural functionalism, the dominant focus in the theory of organizations. It also examines the conversion of theories of organization into integrated frames of reference capable of guiding diagnostics and organizational design interventions.

The fourth section presents an interpretive view of design, highlighting the contribution of Karl Weick, who understands organizational design as a daily exercise in improvisation. Based on a view of the organization as an entity that emerges from the actions, arrangements and networks of relationships, Weick's innovative approach highlights the precariousness of objectified structures and emphasizes the importance of the multiple reflexive interpretations of individuals.

In the fifth section, some implications regarding organizational design in the Brazilian public sector and future research questions are presented.

Finally, the sixth section offers some summary conclusions of a general nature.

2.1 Closing the Gap between Theory and Practice

Organizational theory is rich in research and diversified in terms of paradigmatic orientations (Burrell & Morgan, 1980). As a result, two important focii have contributed to the systematization and the use of knowledge to benefit organizations more pragmatically: (1) Organizational Design; and (2) Organizational Development (Cavalcanti, 1979).

Although both focii were concerned with questions related to organizational performance, organizational development focused on the interactive processes between individuals and groups based on a behavioral perspective. In contrast, organizational design focused on intervention in the set of the organization's formal variables to find integration between the micro-focus of organizational behavior and the macro-focus of organizational structures and processes.

In this sense, organizational design, evolving from consolidation of a more descriptive and explanatory organizational theory, sought to develop more normative models. These models apply research and analysis (Van de Ven & Ferry, 1980) and offer guidelines for the general design of organizational variables (Galbraith, 1977). In spite of the multiple theoretical matrices and significant evolutionary steps, it is possible to summarize these models and guidelines of organizational design, in which elements are synthesized and fundamental propositions of organizational theory are suggested.

What can easily be observed is the concrete attempt to bring theory and practice closer together, using the theory of organizations to support the search for a solution to the problem of organizational design (Galbraith, 1977, p.02). The concept of organizational design results from a combination of definitions regarding the organization and the concept of strategic choice. Thus, organizational design is perceived as a:

“... process promoting coherence between the objectives or purposes for which the organization exists, the standards of division of work and coordination between units and the people who will perform the tasks. The notion of strategic choice suggests that choices are made about objectives and purposes, choices as to different ways of organizing, choices of processes to integrate individuals into the organization and finally, a choice

referring to whether the objectives, the method of organization, the individuals, or some combination of these elements should be altered, so that environmental changes could be adapted." (Galbraith, 1977, p.05)

Considering the different contributions to the theory of organizations and starting with well-known authors, the researchers in organizational design developed basic models with strategically chosen variables. These models concentrate on the alternatives available for strategic choices and the probable consequences of any change in one of the variables or the set as a whole.

2.2 The Conceptual Frame of Reference for Organizational Design

Organizational design literature produced from the 1970s onwards is characterized by a set of converging elements. The first of them is the technical foundation for the development of theories of organization constructed under the aegis of the functionalist paradigm, which *"...provided the dominant framework for the conduct of academic sociology and the study of organizations"* (Burrell & Morgan, 1980, p.25). Most of the efforts to construct theories of organization were rooted in the ontological, epistemological and methodological assumptions of functionalism, as well as on its view of man. The commitment to an objectivist view of the organizational world, entailed the regulation, equilibrium and stability of systems. In this pragmatic perspective of producing knowledge, greater commitment to instrumental reasoning (Ramos, 1981), oriented toward solving practical problems, is required.

One also observes the conversion of the theories of organization of a functionalist nature, into integrative conceptual frames of reference capable of technically orienting organizational design and redesign diagnoses and interventions. On the technical plane of organizational design, the same assumptions for the theories of organization that underpin it are assumed. Resorting to the model used by Burrell & Morgan (1980, p.03) to analyze the assumptions regarding the nature of social science, comparing objectivist and subjectivist approaches, one observes that the objectivist approach to organizational design assumes realism in its ontology, positivism in its epistemology, determinism in its understanding of human nature, and the nomothetical nature of its methodology.

(i) As for “realism” in the ontological view, the organization, its structures, processes, mechanisms and management instruments, as well as the social interactions produced or reproduced in its sphere, are understood to be empirical entities that have their own stable existence, something concrete and material, that does not depend on the awareness and appreciation of individuals. Nominalism is the opposite to this preponderant realism. It assumes the view that entities only “exist” in that ethereal and magical moment when one or more individuals in them are aware and make interpretations, in general differentiated if not contradictory, about them, drawing multiple meanings, meanings that could be different in the very next moment, transforming them to the subjective plane.

(ii) As for “positivism” in the epistemological view, so-called “applied knowledge”, developed and “validated” in the universe of organizational design interventions, comes from organizational diagnoses that seek to identify regularities, mainly in terms of dysfunctional patterns of behavior and interactions and the causal relationships associated with these patterns relative to the organization’s constitutive elements. Evidently, in organizational diagnoses, “validation” of the knowledge produced is only expected to meet very loose criteria when compared to the requisites adopted in academic research, either because of the rejection of hypotheses or because of controlled experimental research. The validation of knowledge in a diagnostical context comes from its comparison with the results of trial and error (evaluation of results “ex post factum”), benchmarking, informed intuition or even a combination of these methods. The opposite of positivism is anti-positivism, a view in which *“the social world is essentially relativistic and can only be understood from the point of view of the individuals who are directly involved in the activities which are to be studied”* (Burrell & Morgan, 1980, p.05). In this sense, the anti-positivists reject the search to identify laws and regularities, the possibility of significant generalizations and the validation of knowledge by observers and actors outside of the action. For them, objective knowledge is not only irrelevant, it is impossible in the social realm.

(iii) With respect to determinism, students of organizational design assume that the behavior of individuals and their activities are in large measure determined by the environment in which they are inserted. Thus, they attribute fundamental importance to rationality in the designing of structures, processes and procedures, believing in the inductive role of functional behavior that these mechanisms exercise on individuals and activities, bearing in mind the

realization of organizational objectives. The informal organization is also recognized as an inductor of behavior, but as a secondary phenomenon, whether or not it is associated with the logic of functionality, as officially stipulated. Non-functional or dysfunctional behavior for the organization tends to be viewed as unfortunate, at least until it reveals a “hidden” functionality, which often happens. The challenge of design and the reason for its existence is to influence (control) behavior through formal management mechanisms. In the voluntarist view of human nature, individuals do not submit to the structures that surround them, being free and autonomous in their choices. Both virtuous behavior and behavior transgressing some established order, whether good or bad according to moral or functional criteria, are fundamentally the fruit of volition and therefore independent, if not of influences, certainly of structural determinations.

(iv) As for the nomothetical nature of its methodological apparatus, organizational analysis and the diagnoses for organizational redesign largely make use of quantitative techniques to analyze data, surveys, questionnaires, managerial style tests and other standardized research instruments. On the other hand, studies taking an ideographic approach seek first hand knowledge of the subject under investigation.

“It (ideographic approach) thus places considerable stress upon getting close to one’s subject and exploring its detailed background and life history. The ideographic approach emphasizes the analysis of the subjective accounts which one generates by ‘getting inside’ situations and involving oneself in the everyday flow of life – the detailed analysis of the insights generated by such encounters with one’s subject and the insights revealed in impressionistic accounts found in diaries, biographies and journalistic records. The ideographic method stresses the importance of letting one’s subject unfold its nature and characteristics during the process of investigation”. (Burrell & Morgan, 1980, p.06)

As explained previously, the technical and academic universe of organizational design identifies itself with the objectivist approach. The introduction in the previous paragraphs of the opposite to the objectivist approach, that is, the subjectivist stand points, is justified for two reasons. First, because it facilitates a better understanding, through a contrary perception, of the basic objectivist premises that underlie the technical interventions of organizational design and the academic debate on the topic. Secondly, because, as will be seen below, insights

generated by students that adopt that (subjectivist) approach increasingly inspire, if not paradigmatic conversions, enriching concessions in design studies and interventions.

Within the elements that comprise the literature of organizational design, one also observes convergence in the more precise identification of the formal structural variables, whose appropriate design presumably leads to the achievement of organizational results in efficacy, efficiency, profitability, innovation, competitiveness, etc. The current assumption is that design variables, identified in various conceptual frameworks, are subject to decisions or strategic choices (Galbraith, 1977 and 1995; Tushman & Nadler, 1992; Hardy, 1994; Hall, 1984) of chief executives and managers, being, therefore, under their control. As Galbraith, referring to the conceptual framework he developed, explains, “*The framework consists of a series of design policies that is controllable by management and can influence employee behavior*” (Galbraith, 2002, p.09). Highlighted among the variables are: Strategy¹ (values, mission, objectives, goals, products, services, markets), Structure (specialization, form, distribution of power, departmentalization), Processes (plans, programs, budgets, systems and vertical and lateral information flows), Rewards (salaries, promotions, bonuses, profit sharing, stock options, non-monetary rewards), and People (recruiting, selection, rotation, training and development).

Another important convergence in the literature is higher value placed on the variables of Processes, Rewards and People as a focus of design, over the variables related to Structure, which is now seen as relatively obsolete.

When analyzing the literature available, the assumption that formal organizational variables are systemically inter-related is fundamental to the argument of this thesis. This assumption imposes, from the point of view of organizational design, the criterion of coherence, compatibility, consonance, alignment or congruence in the choices of design adopted in order to ensure high standards of performance and results. In the words of Nadler and Tushman:

“An organization can therefore be thought of as a set of components – the task, the individuals, the formal organization, and the informal organization. In any system, however, the critical question is not what are the components, but what is the nature of their interaction and how do the

relationships among the components affect how they combine to produce output.

A relative degree of congruence exists between each pair of organizational components. The congruence between two components is defined as the degree to which the needs, demands, goals, and structures of one component are consistent with the needs, demands, goals, and structures of another component. Congruence is therefore a measure of how well pairs of components fit together....The aggregate model, or whole organization, displays a relatively high or low degree of system congruence in that pairs of components have high or low congruence". (Nadler & Tushman, 1992, p.51-2)

Formalization of the hypothesis for the basic model is as follows:

"other things being equal, the greater the total degree of congruence among the various components, the more effective will be the organization, effectiveness being defined as the degree to which actual organizational output is similar to expected or planned output as specified by strategy". (Nadler & Tushman, 1992, p.52)

The central importance of the concept that certainty and uncertainty levels are associated with the nature of the organization's task and its environmental relationships derives from the requisite for congruence. The importance of the concept of uncertainty lies in its capacity to reflect, express and summarize the qualitative nature of organizational/environmental interactions, as measured against the task and strategy defined. Equally relevant is its pertinence for decisions, since the level of uncertainty to which a system is subject is "measured" or evaluated as a function of the availability of information for the decision making process. It is important to recall that one of the major breakthroughs in the theory of organizations and, consequently, in modern organizational analysis, was undoubtedly the substitution of action (efficient) for decision (satisfactory) as the principal unit of analysis (Simon, 1960). As Galbraith defines it operationally: "*Uncertainty is the difference between the amount of information required to perform the task and the amount of information already possessed by the organization*" (Galbraith, 1977, p.36-7). The determinants of the information required by the task encompass the diversity of objectives, the degree of internal diversity and the performance level of objectives. From this angle, "*variations in organizing modes are actually variations in the capacity of organizations to process information and make decisions about events which cannot be anticipated in advance*" (Galbraith, 1977, p.39). Therefore, in situations of great uncertainty, the information required for the task tends to be

collected, distributed and processed for the decision, one might say, “in real time”, i.e. during execution of the task.

In this sense, the literature shares an understanding of the functional nature of organizational design. Simpler strategies are associated with lower levels of uncertainty and, consequently, more traditional organizational models of a bureaucratic-mechanistic type. Higher levels of uncertainty are associated with more complex strategies, requisites of an organizational design that is capable of generating attributes opposite to those of the bureaucratic model, such as flexibility, velocity, integration and innovation (Ashkenas *et al*, 1999).

One also observes in the literature the assertion that, although at any given moment relative differences exist regarding the levels of uncertainty to which different organizations or their subsystems are subject, the intensity and rate of change in a globalized scenario indicate a definite trend towards designs distinct from those that prevailed in the 20th century, which used the bureaucratic model as its major point of reference. The empirical assertions and proposals regarding forms and mechanisms of this nature consist of the horizontal organization, the virtual corporation, the modular organization, customer-oriented structures, multi-dimensional teams, electronic coordination and others (Galbraith, 2002). The designers of today’s organizations must deal with an interesting paradox. They must assume the relative uncertainty levels to which different organizations, (Woodward, 1965 and Burns & Stalker, 1961) or their subsystems (Lawrence & Lorsch, 1972) are subjected, and consequently, the organizational model choices that have a greater or lesser degree of affinity with the attributes of the bureaucratic model. However, the increased rate and complexity of change in the current globalized society, points to a rapid departure from the more bureaucratic mechanisms of management in a generalized way. But, in spite of this trend, the “here and now” of design decisions requires consideration of the concepts of **differentiation and integration**, such as introduced by Lawrence & Lorsch (1972, p.12-3), at the end of the 1960s. As will be seen below the concept of differentiation is a fundamental block in building the argument of this thesis, for although today’s world imposes the need for more flexibility on all subsystems, a relativistic contingential sense still holds pragmatic relevance.

Finally, one can observe in the literature the assertion that the rate of change in the organizational environment and the consequent imposition of organizational changes, leads designers to become “daily agents of change”. As Galbraith observes, referring to organizational design decisions:

“But no sooner is a decision made than the situation changes, requiring that management relearn and redecide. The combination of variety, multiple dimensions, and change causes the company to make still more decisions, more frequently..” (Galbraith, 2002, p.05)

The systemic-functional nature of organizational design is central, especially regarding the need to achieve congruence in the design of the organizational variables, while keeping results in mind. The formal elements of the organizational model, therefore, act as a structure of signals, inductors of functional employee behavior, if adequately designed, i.e. when designed to remain compatible with each other and as a whole relative to the organizational strategy adopted.

The signals “emitted” by the components (the organizational variables) are of a probabilistic, rather than deterministic character, given the very nature of the human being in social relationships and the “informal organization” (Pfeffer and Sherwood, 1965). Regardless of the rate and intensity of change in our times, the artificial nature of organizations requires formal management structures and mechanisms, even when subject to redesign over short time spans. These behavior “signals” can be compared to the modern ILS (Instrument Landing System) that guides aircraft landings under conditions of limited visibility. In this case, the possibility of the signal being distorted that would lead the pilot to disaster is simply unthinkable. In the realm of organizations, however, incompatibilities are common in the design of management structures, policies and mechanisms. Many of the signals produced mutually cancel each other out instead of reinforcing each other, as they ought to. In such situations of inappropriate organizational models, management, instead of receiving support for its action, finds that these mechanisms are sources of problems and an obstacle to performance. With plans that contain unbudgeted priorities, employees, in turn, feel disoriented by consulting mechanisms that do not correspond to the urgency of events, by rewards that recompense incompetence, or by rules that interfere with the realization of programmed goals.

It is important to point out and even contrast two considerations made by Jay Galbraith at different times regarding design efforts. The first is in his *Organization Design*, 1977, where he assumes:

“ ... that a consciously designed structure based on the current theories of organization can improve the effectiveness of organizations because the best structure is not likely to evolve spontaneously out of human interactions over a reasonable time span. However, an organization cannot be designed without the people who are to operate within it. Participation of members is needed not only for acceptance of the new design but also to generate the new design which must take account of the many unique features of any specific organization.”
(Galbraith, 1977, p. 9)

The author’s intense research program, in tune with developing events, however, seems to have led him more recently to observe that:

“A few years ago, top managers were not interested in organization, let alone in acquiring a superior understanding of it or skill in its creation. Organization was perceived to be something about charts and job descriptions-necessary evils or bureaucratic activities. ... Today’s organizations must be responsive and flexible. The necessary business strategies require state-of-the-art organizations. Like most difficult issues, such decisions land on the desk (or find their way into the e-mail in-box) of the chief executive. Chief executives, like it or not, are being forced to become involved in organizational design....” (Galbraith, 2002, p. 1 and 6)

On comparing the two discoveries by Galbraith, one observes that organizational design has moved from being a technical problem, subject to the treatment of specialists, with a greater or lesser degree of participation by those involved, to become the concern and responsibility of chief executives as a high priority issue with definite implications for their companies’ results. In the past, the greatest difficulties and challenges involved in conceiving and implementing a new design concerned the issue of resistance to change, widely studied in the 1960s and 1970s, given the implications of power and status involved, as well as vested interests. In the current reality that companies face, such difficulties migrate, in good measure, to other equally more challenging factors, because they do not find an ultimate solution in the power and authority imposed by the hierarchy. These consist of the dizzying rate of environmental change, which requires constant organizational redesigning over increasingly

shorter time spans, and the complexity of organizations and their relationships with the environment and, as a consequence, of successively redesigned organizational models to attain strategic alignment (Hardy, 1994). In Galbraith's assessment, designs that facilitate variety, change, velocity and integration are difficult to execute, and even imitate, because they are an intricate combination of many different design policies. According to the author, "...*what makes the company's advantage sustainable is its unique blend of practices, values, autonomous structures, funding processes, rewards, and selection and development of product champions.*" (Galbraith, 2002, p. 07)

2.3 Challenging the Foundations of Organizational Design: From Design to Designing and From Designing to Improving

However, the current literature of organizational design does not come close to the argument that this work seeks to develop, by merely pointing out the central importance of the chief executive as an organization designer, a "*decision shaper*", more than the traditionally considered "*decision maker*", who chooses those who decide and design the processes that influence how things are decided. (Galbraith, 2002, p.06).

By calling attention to the need to achieve a "balanced perspective" as one of the major challenges of design, Galbraith is concerned with specifying the role of the chief executive as an organization designer in the dynamically changing organizational environment. Such a perspective criticizes the improper and perhaps unwarranted use of models in vogue, as well as the rejection or insensitivity to the potential in new practices that lack the stamp of authority or simply are not in vogue.

Equally important, in this balanced perspective, is recognizing that the choice of a model involves trade-offs. It is impossible for a model to serve properly all values and activities equally well, to provide a variety of products for a variety of customers in short time cycles, and at the same time to obtain economies of scale that generate low costs.

Galbraith clearly states the task for the leader, concerning his role and his immediate organizational environment:

“The business strategy should set the criteria necessary for determining the priority task to accomplish. An organization can then be designed to meet those criteria.... The leader’s task is to help the organization choose. This choice is the trade-off decision.

Any organization design has positives and negatives involved in every choice. The hype usually glosses over the negatives.... The negatives are what the leader will have to manage”. (Galbraith, 2002, p. 8)

It is interesting to note that this approach of Galbraith seems to have points in common, however superficial, with subjectivist approaches like that of Karl Weick (1995), who understands organizational design as a daily exercise in improvisation. Perhaps it is revealing that Galbraith’s seminal book, published in 1977, was entitled “Organization Design”, and his most recent work (2002), received the suggestive name “**Designing Organizations**”. The use of the gerund itself, full of ontological meaning, constitutes the symbolic foundation stone of Weick’s masterpiece (1979), “The Social Psychology of **Organizing**”. In it, Weick presents a view of the organization as an entity that emerges, every moment, from actions, communications, arrangements and relationship networks. A changing entity that results from continuous “organization processes”, changeable, cooperative and conflicting, produced by human relationships. Something very different from the conception of an entity based on assumptions of systemic equilibrium and guaranteed by the more stable structures that prevail in the functionalist theory of organizations and, consequently, in the approaches of organizational design. One already begins to see an influence of the interpretive view assumed by Weick in the emerging perspective of organizational design, a view in which the structure is understood in its dynamism and precariousness as a continuous process of socially constructing reality. In the words of Ranson et al., for example, the structure is conceived as being “...a complex medium of control which is continually produced and recreated in interaction and yet shapes that interaction: structures are constituted and constitutive” (Ranson et al., 1980, p.03). It is interesting to observe that the interest in Weick’s arguments is perhaps much more a function of the accelerated rate of change imposed by the current organizational reality than one of genuine acceptance of the ontological assumptions. Many persons may perceive the precariousness of objectified structures to be a consequence of continuous functionally determined changes rather than as an intrinsic attribute of its dynamic, fluid and precarious existential nature, derived from the more or less shared

multiple interpretations of individuals and the intersubjective processes of negotiated interpretation of reality or of domination.

This new interest on the part of students of organizational design, firmly rooted in functionalist thinking, had one of its important manifestations in a collection of papers resulting from an intense program of longitudinal research that was carried out in the second half of the 1980s over a 5 year period: “Organizational Change and Redesign. Ideas and Insights for Improving Performance” (Huber & Glick, 1995). Using as the object of the study 153 organizations in diverse industries, the purpose of the program was “...to generate new knowledge about when and how different types of change occur, and what their effects are on organizational performance” (Huber & Glick, 1995, p.v). The research program enjoyed the participation of various scholars from important universities and the contribution of Weick as a consultant playing the role of devil’s advocate. In their introduction to the collection, the editors’ invitation to read his chapter explains their intention to give him a provocative, if not demolishing, role:

“In chapter 11 Karl Weick shakes us free from whatever complacency we might have developed while reading the previous chapters. He challenges and enriches our understanding of organizational design by suggesting that the process is less like the process engaged in by an architect than it is the process engaged in by the actors involved in a theatrical improvisation...The contributions of Chapter 11 are its fresh insights and its well-argued challenges to conventional wisdom.” (Huber & Glick, 1995, p.14)

Concluding and referring specifically to the chapter preceding Weick’s, the authors did not shrink from challenging their readers: “Chapter 10 and 11 stand in sharp contrast to one another, and they will provoke readers to consider whether and how these disparate perspectives can be reconciled” (Huber & Glick, 1995, p.14). In the same provocative tone, they question in the closing chapter where to extract from the work the new learning it contains: “Can executives stimulate continuous and discontinuous changes through improvisation and bricolage?” (Huber & Glick, 1995, p.388).

The questioning of those authors is of central importance when one seeks to understand and explain the management strategies of executives capable of improving their

organizations' performance based on an understanding of their relationships with existing structures and people.

What is the relevance of Weick's contribution to the studies regarding organizational design processes?

Recognizing the dynamic and fluid nature of the organization, Weick calls attention to a design that emphasizes the "verb" instead of the "noun", a perspective that, instead of emphasizing stability, recognizes the importance of unpredictability. He breaks down the basic assumptions of the traditional approach to organizational design and offers alternative assumptions that lead to its re-conceptualization, emphasizing its perceptive and dynamic basis.

To do so, Weick uses the metaphor of theatrical improvisation rather than the typical metaphor of architecture that is widely used in studies in this field. Basing perception about organizations on the architectural metaphor, students of the field conceive organization as a limited activity that takes place at a fixed point in time. The activity is mainly concerned with the decision-making, concentrated in small groups, that translates intentions into plans. These same plans are based on assumptions about structures, avoiding consideration of the processes. Structures are considered as stable solutions to a set of problems that modifies itself in an incremental fashion (Weick, 1995).

Introducing the improvisation metaphor, Weick brings to the study of organizations many of the ideas of Garfinkel's ethnomethodological approach (1967), for whom the social order is constituted as a practical activity in the course of daily interaction rather than deriving automatically from shared values and social roles. Referring to a stock of culturally available descriptions (Powell & Di Maggio, 1990), action is justified mainly after the fact.

The assumptions of ethnomethodology are present in the improvisation metaphor:

"The revised assumptions that lie behind this rewrite include such ideas as redesign is a continuous activity, responsibility for the initiation of the redesign is dispersed, interpretation is the essence of design, resourcefulness is more crucial than resources, the meaning of an action is

usually known after the fact, and a little structure goes a long way”.
(Weick, 1995, p.347)

Coordination, based on the theatrical improvisation metaphor, does not occur because people have identical views about “design”, but because they share equal views about what is happening and what this means. Equivalency enables coordination and individual expression to occur simultaneously. Thus, design is historical, not architectural.

To move the concept of design from a static to a dynamic stage, Weick tries to break down the assumptions that drive traditional conceptions about design. He reminds us that while the concepts, the categories, help us to conceive the world, they also hinder us from expanding our understanding beyond the limits that the category establishes. *“In other words, what every concept does is exclude, as well as include; ignore, as well as concentrate; send to obscurity as well as bring into the headlights”* (Burrell, 1997, p.445).

Another important but neglected contribution of Weick concerns his conception regarding social constructivism. Although Weick shares the assumptions of social constructivism (Berger & Luckmann, 2001), he contributes greatly to demystifying the use of this current in social studies, criticizing (as more recent studies do - see Latour (2002)) the conception that the “material” that participates in the construction process is only of a social nature. Making use of the concept of *bricolage*, borrowed from Levi-Strauss, Weick reminds us that one of the main characteristics of the *bricoleur* is that *“this person makes do with whatever tools and materials are at hand”* . It is not concerned solely with social material or objects, but with a heterogeneous set of different associations of the two.

The manager’s function is that of the *bricoleur*, but a *bricoleur* (which we all are) who is more “skillful” in terms of intimate knowledge of resources, careful observation, intuition etc.

The proposition of students of design, among other aspects, contains an interesting point that deserves highlighting: *“To a great extent, the design of an organization...directly impacts the ability of individual managers to make and to implement ...decisions”* (Weick, 1995, p.349). Weick rejects this proposition, affirming that *“In many ways, the idea of an*

individual manager is a fiction” (Weick, 1995, p.359). Weick’s argument is sustained in his view of management and organizing as processes, which, as a result, relegates the ontological meaning of the expression “*individual manager*” to fiction. For Weick:

“Managing is a composite of partial contributions made by many individuals whose identity is defined by their social relations. Management work is profoundly social, which means that the dispersion and meaning of a design is not easily controlled. Designs don’t create social systems; they are created by social systems. And design effectiveness is determined by the existing social relationships that are engaged by the design”. (Weick, 1995, p.359)

Organizational design is constructed by social entities, such as the “*top management team*” (Hurst, Rush & Withe, 1989, in Weick, 1995, p.358), by the vertical bonds linking superior and subordinate (Graen & Scandura, 1987, in Weick, 1995, p.360), as well as by the horizontal intergroup relationships mobilized by the leadership. Integrative actions based on relational dynamics produce design. As Burns and Stalker remind, “*decisions are made either in the presence of others or with the knowledge that they will have to be implemented, or understood, or approved by others*” (Burns & Stalker, 1961, p.18).

With Weick we see that:

“Designs are shaped in the service of others who matter, just as those others who matter are themselves shaped by the designs they construct. Design reflects social interests, and they also structure social interests. Any act by an ‘individual manager’ is actually an act by a representative, whose stature and membership are on the line... What is unreal is to regard it as the activity of just one person”. (Weick, 1995, p.360)

Highlighting the importance of the interpretation and *sense-making* processes, Weick goes back to the concept of “management of meaning”, introduced by Smircich & Morgan (1982), according to which the role of the manager, in large part, consists of generating a reference point around which a sense of organization and leadership emerge. An improvised design creates a point of reference around which meanings form. Redesigning means re-specifying this generating point. The commitment becomes the key to the redesigning process, since it makes it possible to adjust people to turbulent environments; it enables adjustment to

dubious cause and effect relationships; and it drives the processes of interpretation and patterns of action.

Commitment is a plausible design instrument when we assume that action is driven by interpretation and not by decision (Garfinkel, 1967). Designing for interpretation assumes that people feel confused but not ignorant regarding their actions and that this confusion is reduced by interaction, opportunities for consensual validation, self-organization, collective memory, conversation and narratives. The designs that help people to remove these ambivalences tend to be more social, tolerate improvisation and are more affected by action than designs based on decision-making processes.

In this context, direct control becomes more difficult, partially because there are no exact standards for measuring performance. Nevertheless, even improvisation involves control. Such control is based on: (1) *frames of reference* that the participants take for granted, embedded in procedural and substantive routines; (2) the organization's vocabulary; (3) preferred channels of communication; (4) selection criteria; (5) meeting schedules; and (6) socialization practices.

In conclusion, people who propose to construct designs forget that these entities insert themselves in social contexts that escape total control and understanding. In doing so, they ignore emerging designs, the manners in which interdependent actors become self-organized to face largely unspecified designs, they ignore the power of retrospection. They ignore the ways in which action generates its own meaning. Leaving turbulent environments can depend on continuous improvisation in the face of continuous changes. In Weick's view, designing replaces design. But, while Galbraith sees the chief executive assuming the role of key designer more as a "decision shaper" rather than a "decision maker", Weick understands the design process to be more fragmented and shared. An "interpretations shaper" process where social interaction constructs and reconstructs the meaning of always precarious structures.

2.4 Implications for the Study of Design in the Public Sector

It is no exaggeration to state that in Brazil administrative structures preceded society itself, not having originally flowed from evolution of the social interplay, but rather from a tailored transplant conceived to ensure loyalty, order and economic exploitation to benefit the Portuguese crown. The first caravel brought noblemen, public servants, some relatives, soldiers, deportees, and... regulations and minute instructions that rigorously ruled their actions and interactions with each other and the natives, in accordance with the interests of the court (Castor, 2000).

The administrative history of modern Brazil, including efforts toward urbanization, industrialization and social development, is conditioned, on the cultural plane, by the heritage of imposition, proliferation and precedence of rule and reinforced, on the practical level, by the juridical 'academic' culture derived from that heritage.

The New State (1937-1945), which emerged from the Lieutenant Movement of 1922 and the Revolution of 1930, planted the bases for sustaining federal power in DASP (Departamento Administrativo do Serviço Público), a contrast to the fragmented conservative power of the rural exporting oligarchies that were characteristic of the First Republic. An instrument for exercising central authoritarian power, albeit one committed to the developmentalist project, the all powerful DASP served the State, by exercising control over organization and methods, the government budget, personnel organization and government procurements under the aegis of the usefulness of administrative rationality transformed into an instrument of power. Although not equating administration with administrative law, as did the Portuguese tradition, the innovating DASP was unable to avoid the conditioning of cultural influences. By definition, DASP, and its replacements over time, was an agency of organizational design in the public sector, which had as its paradigmatic reference the bureaucratic model. This resulted from the reading of Weber and the principles of William Willoughby and Woodrow Wilson by students and reformers from the United States. The first proposed a clear, structurally defined distinction between programmatic activities and administrative service activities (Wahrlich, 1984, p.50). Wilson, in his seminal essay of 1890, proposed what was taken to be a clear distinction between politics and administration.

The rationalization and standardization plans instituted by DASP, as well as the analytical basis of the principles that compartmentalized social realities, made it progressively lose touch with the deepening complexity of the political, economic and social changes in progress. From 1945 to today, the history of successive administrative reforms and efforts at change in the Brazilian public sector can be explained and understood in light of the organizational design's functionalist conceptual framework, presented in the third section of this work. It concerns the constant search for "differentiation", in which one sees the alternating advances and retreats needed for dealing with diverse activities that are subject to different degrees of uncertainty.

Different developmentalist projects sought to make the system flexible through the "differentiation" manifested in the institutional models, organizational structures and managerial and administrative processes of government agencies, government foundations, state companies, social organizations and executive and regulatory agencies. This was seen in the case of the Vargas era (see Appendix 4 - table II), the parallel administration that supported JK's target plan, the 1964 military regime and the reinvention of government staff imported by Bresser in the FHC administration. After each period of increased flexibility, and even before the structures and ways of doing things had become consolidated, the tentacles of standardization and bureaucratic control resumed their functions (Pimenta, 1993). More sophisticated and better distributed in the public sector today, so-called "government management policies" constitute an important element, given its attributes, one day restrictive, the next day enabling, in the context of organizational design. As Michael Barzelay defines:

"This term refers to the institutional rules and general organizational routines for the government, instead of arrangements that are specific for departments (or individual organizations). These rules and routines are sub-divided into the following groups: the planning of expenditures and financial management process, personnel and labor relations, procurement, organization and methods, and auditing and evaluation". (Barzelay, 2003, p. 04)

The question that arises is that of the contribution of Weick's interpretative view more recently developed in his specific approach to organizational design, face the government management policies and other structural constraints.

One can affirm that at no given moment in space and time does a Brazilian government leader and his or her teams, enjoy the support of an organizational design, formal structures and mechanisms of management that meet the “congruence” requisite of structuralist-functional literature on organizational design. This assertion, on its own, justifies the search for microanalyses that are oriented by more subjectivist focii guided by an interpretive view of human action in these organizational contexts. Why are there managers who move through the public sector leaving a trail of achievements, while others feel restricted by inflexible structures and controls, thereby justifying mediocre organizational results? What strategies does each of them adopt? How do they deal with existing formal structures and processes? How do they enact new environments, structures and processes? How do they expand and modify cognitive maps, generating new interpretations of reality with their collaborators? How do they negotiate concurrent interpretations of reality? How do they “improvise” in the construction and reconstruction of realities? What knowledge, along this line, is transmittable in educational programs to prepare and enable administrators?

These and other questions are provocative and could be the stuff of a broad research program. This is what this research is all about, as we shall see at Chapters 4 and 5 ahead. Perhaps this road will be more productive than that pointed out by the functionalist approach to design great administrative reforms, as those described in Chapter 3, below. It will surely be complementary.

2.5 Concluding Inferences

By way of conclusion, it is important to observe some formative points of tendential configuration that deserve the attention of both students of administration and reformers of the administrative machinery.

In the first place, it should be recognized that Organizational Design has solidified its place as a field of knowledge by showing itself to be capable of:

(i) establishing a solid bridge to the theory of organizations, i.e. between the theory and the practice of organizational change;

(ii) developing conceptual, integrative and comprehensive frameworks that take into account the principal organizational variables;

(iii) generating empirical, sophisticated programs that are in tune with a rapidly evolving business world.

In the second place, in the practical world of design, the chief executive has assumed the extremely relevant role of a protagonist in the processes of organizational change. He or she participates actively with consultants, managers and technicians in the successive reformattings of organizational solutions, given the accelerated rate of change and the relevance of the modes of organizing to achieve results.

A third point concerns the growing interest of academe in the subject of organizational design, particularly in the interpretative approach to the theory of organizations. Perhaps this interest stems more from the precariousness of the formal structures and processes of a rapidly changing organizational world than for genuine paradigmatic acceptance. In this sense, topics such as participation and motivation, handled from a functional structuralist perspective, are paving the way for a more thorough treatment of the meaning attributed to social relationships and their objectified “constructions” as organizational structures and processes. Time takes on the notion of continuity based on daily transformative dynamics and space is essentially determined by its cultural nature, capable of producing the more or less shared categories, that make relevant interpretations of reality and its transformation viable, thereby sanctioning them.

A fourth point follows, derived from the third. In the practical plane of planned efforts for organizational change, the diagnostics and propositions for change tend to adopt participative and qualitative methodologies that are conducive to a negotiated interpretation of administrative-organizational reality. The inter-subjectivity defines the objectivity, in diagnosing and on changing.

In the fifth place, one concludes the importance of our coming to understand the actions of people better and, through them, of administrators in contexts where more bureaucratized formal structures and processes “compete” with the dynamics of events and the

fluidity of the re-constructive processes of social dynamics in organizations. This is the case of the public sector, where public sector policies centralize control over relevant design variables, to the detriment of the differentiation that fosters model congruity in its different individual organizations. Herein lies the importance of Weick's concept of "improvisation", perhaps the elucidator of differentiated capacity in obtaining results from public managers acting under the same structural restrictions.

¹ For a review of the prescriptive and descriptive approaches to the development of strategies, see Mintzberg, 1990, and for a typology of strategies, Porter, 1980.

3 Administrative Reforms in Brazil from the Standpoint of “Organizational Design”

Historical/administrative and analytical literature on the subject of Administrative Reform put into practice in Brazil abounds, albeit it is totally dominated by structural functionalism. In this Chapter an attempt is made to summarize important aspects of existing literature, while emphasizing the focus and the concepts of organizational design, using a systemic/functional approach, as discussed in the previous Chapter. As we shall discover, it is a history marked by a continual search for "systemic congruence", involving steps forward and backward, within the context of equipping the State's administrative machine for the greater task of implementation of public policy conducive to economic and social development.

The conceptual frame of reference created raises many questions, if we accept that public bureaucracy, in addition to facing the challenges of knowledge, technology and of financial resources in its diversified areas of activity, demands an organizational model which is capable of resolving problems while satisfying multiple prerequisites, such as efficacy, efficiency, equity, human rights, etc. Furthermore, the artificial nature of organizations demands that the development of this model should be carefully thought out and directed towards achieving coherence in the design of the organizational variables. Last but not least, design involves an ongoing process of monitoring and evaluating the fine-tuning between objectives, structures and systems of personnel management, in addition to the creation and choice of alternatives for change when the fine-tuning is not viable. It is therefore necessary to assess:

- Have political or economic and financial questions predominated over organizational aspects in the Brazilian public administration agenda?
- In the case of Brazil, is the organization of the public sector the result of a rational designing process? Or is it the result of spasmodic change fueled by mere whims, power games, external pressures, "clientelism", nepotism, corporativism, and the influence of the economic interests of private groups?

- Which proposals in terms of content, and strategies for the implementation of reform, prevailed?
- Who models public sector organizations and the sector itself in organizational terms?
- Which were the major challenges in terms of design faced by the Brazilian public sector and how successfully were they tackled?

Clearly, it would be highly pretentious to attempt to provide answers to these complex questions in this study. Each question raised is worthy of studies in dissertations at Masters level, or doctoral theses, and even then would be subject to considerable polemic and discussion, by virtue of the fact that these are questions of multi and interdisciplinary character -- as indeed are all relevant questions in the field of public administration. Nonetheless, even a limited study of some of these points represents important referential work for this study since it places the action of the public manager in Brazil in context.

3.1 The public sector as an organization

Before tackling the questions raised, it is necessary to establish an important distinction for the idea of organizational design in the public sector.

Pfiffner and Sherwood (1960), harking back to Herbert Simon, call attention to the fact that “*Human organizations are regarded by Simon as systems of interdependent activity, encompassing at least several primary groups. There are three levels of multi-person units: (1) the smallest is the primary group; (2) the largest is the institution, such as the state, economic system, etc.; and (3) systems in between are organizations*” (Pfiffner & Sherwood, 1960, p. 387). As Simon pointed out, there is a great deal of ambiguity in this definition. One can find organizations within organizations – “*a whole agency, a bureau, or even a section of a large department may be regarded as an organization*”. (Simon, 1952 in Pfiffner & Sherwood, 1960, p. 387)

In this respect, the public sector bureaucracy relating to the Executive branch in Brazil is an organization comprised of the so-called direct (central administration) and indirect administration organizations (government agencies, foundations and both public and joint public/private state companies).

At this juncture, it is worth stressing that it is in this respect that one of the major challenges in the design of the public sector lies.

As seen earlier, from a theoretical point of view the levels of uncertainty to which an organization is prone are systematically related to structure, to processes of information and decision, to systems of reward and to people.

Based on their research, Burns and Stalker (1961) identified those organizations, which, subjected to high levels of uncertainty, develop a more flexible, participative and decentralized organizational model as being more efficient and efficacious. They decided to call this the 'organic' model. More recent evolution of the theory has confirmed the model in its essence, despite the introduction of new concepts that take into account the sophistication of incipient manners of dealing with the increasing level of environmental complexity and uncertainty. On the other hand, stable environments and activities subject to low levels of uncertainty are associated to the bureaucratic model of a purely mechanistic kind, which proves efficient in dealing with foreseeable and routine situations.

The adoption of an organizational model is, however, not a question that can be restricted merely to the organization as a whole. Studies by Richard Hall (1962), Van de Ven & Delbecq (1974), and Lawrence & Lorsch (1967), show that successful organizations develop differentiated structures based on the different levels of predictability to which their sub-tasks and specific environmental relations are subject. In order to deal with the situation, organizations adopt mechanisms of integration proportionately to the occurrence of such differentiation and the quantity of new products or services introduced.

Such considerations, associated with the proposition of "congruence" of the organizational model as a prerequisite for efficacy, give us a glimpse of the complexity that such questions acquire when one is dealing with organizational design in the public sector

Despite its multisectorial scope and variety of roles, intolerance of differentiation is possibly one of the more striking characteristics of Brazilian public administration at the normative level. Due to its pervasive bureaucracy, the Brazilian state is present in all sectors of social and economic activity; not only in the formulation and implementation of policy, promoting, regulating and supervising, but also, in many of these sectors, producing.

On the one hand, it may be that the undeniable vigor of this State forced its political leaders to acknowledge the need for differentiation in the bureaucratic macrostructure in order to be able to tackle the inherent challenges and uncertainties of development, urbanization and industrialization. On the other hand, reticent and incoherent attitudes have turned the successive administrative reforms into a saga of steps forward and backward.

The internal structures of its administrative and productive units -- ministries and ministerial organs, government agencies, foundations and state companies --, Brazilian bureaucracy is always centralizing and standardizing in tone, ever since its modern configuration established in the late 1930s.

At the macrostructural level, the creation of different institutional options such as government agencies, foundations and state companies (public and joint public/private), to act in unison with direct administration -- ministries and their organs -- represent the acknowledgement of the need for differentiation, by virtue of the varied subtasks, its very nature and due to differing levels of uncertainty. To a certain extent, one can turn to Chandler (1962) and state that the institutional macrostructure was a consequence of the development strategy adopted, which imposed upon the State the central role of promoter and executor of economic and social development in large measure.

Nonetheless, the efforts and mechanisms for integration of this differentiated microstructure reveal the schizophrenia of the administrative conceptions which underlie administrative reform efforts. Usually they are loath to follow the logic of differentiation which requires more autonomy, while persists the bureaucratic tenets, driving on central command and control mechanisms.

At State administration level, during the first 45 years of the Republic, a historic period known as the Old Republic, Brazilian Public Administration was linked to the power of the Colonels and the Agrarian Oligarchies, which were oriented to the export of commodities. The rural elite was notable for its local power base, which backed this level of authority to the detriment of the central power of the country. The fragmentation of Brazilian Public Administration was therefore a reflection of this local power exercised by representatives of the agrarian economy. The members of this rural elite divided all the political authority of the country among themselves and, as a result, the Federated States gained considerable independence from Central Government. At this time, the States realized several transactions independently from Central Government, such as taking out loans abroad, localized tax collection on exports, the creation of interstate physical barriers and setting up their own Armed Forces.

After the Revolution of 1930, under the leadership of Getulio Vargas, the ideals of urbanization and industrialization of society emerged and the new government came to realize that its modernizing ambitions could only be rendered feasible with the backing of public bureaucracy designed on a national scale.

This period marked a watershed in the formation of the Brazilian State. From this time onwards, Brazilian Public Administration strove to train qualified professionals and rationalize its activities by adopting the Bureaucratic Model. This was the alternative that was implemented in a first attempt to break with the Patrimonialist Model that had been predominant until that time. The Centralization and Concentration of power were used as a means of overriding regional power nuclei. Greater professionalism was sought by introducing standard procedures and controls with a high legalistic content.

One important feature that highlights a basic contradiction of the Brazilian State in its formative stages, is related to the continuity of old power structures, represented by the rural Oligarchies with a regionalist emphasis, inserted into the "new" State that was formed. This means that the new model is established without however making a complete break with the former model, and this introduced incongruences and dysfunctions in the Brazilian State, which can still be detected to this day. According to Draibe: *"... from the point of view of its scope and efficiency, the administrative modernization and rationalization was only partial, and the*

pockets of new bureaucracy coexisted with the old functionalism, which was inert and immersed in multiple networks of loyalties and pressures of the traditional-clientelist type, hidden behind the nepotistic notary office cartel system of the State.” (Draibe, 1985, p.79 - free translation of the Portuguese).

As Beatriz Wahrlich explains:

“ ... between 1936 and 1945 a formal plan began to take shape, based on the prevailing administrative theories in the Western nations, such as: Willoughby's administration principles and his theory of the general administration department, with a clear distinction between end-activities and means-activities (specific or substantive functions on the one hand, and general support functions on the other) and the notion that policy and administration were two distinct functions to be directed separately”.
(Wahrlich, 1984, p.50 - free translation of the Portuguese)

Wahrlich further mentions the great influence of the works of Taylor, Fayol and Luther Gullick on the reformers. But, undoubtedly it was Willoughby who inspired the creation of the main agent in the design of Brazilian bureaucracy, being the central driving force of the doctrine which was projected to last many decades, namely the Public Service Administrative Department (DASP – Departamento Administrativo do Serviço Público).

DASP was set up in 1938, being responsible for many areas. One of which was to structure admission to public service by means of the rationalization and control of careers in the service. In the personnel management area, DASP became a great believer in introduction of the merit system involving promotion on the basis of merit. DASP also scheduled training programs for employees and candidates to public office as well as staff regulation legislation, using as the basic management tool the Statute of Civil Public Servants of the Union, which established a specific regime for this class of workers.

In addition to this, DASP was responsible for organizing the structure of Public Administration. To this end, it contributed to the creation of regulatory bodies in economic and social areas, including councils, commissions and institutes, in addition to other small groups of private and public joint stock companies, thereby already acknowledging the need for differentiated structures to be in place to handle subtasks of a varied nature.

Lastly, DASP was responsible for drawing up and controlling the budget. At the level of information and decision-making processes, seen as the main focus of the time, DASP brought about the institutionalization of the budgetary and purchasing function, in addition to studies geared to the performance of governmental operations.

In addition to DASP, State Public Service Departments, known as 'MINI-DASPS' were also created at this time in order to represent the centralized power of the Federal Executive at a local level to other Federal organs.

However, the considerable advances in terms of rationalization and professionalization of Public Administration did not occur solely as a result of the activities of DASP, since the appearance of organs, which elaborated and implemented Global Policy for the development of the country, was also decisive in this process. These organs were essentially linked to the industrial development process, being responsible for establishing conditions for the growth of the national industry. Their overriding objective involved questions of infrastructure of energy and transport and the installation of new sectors, such as production of equipment for installation of factories.

Commenting that "*the style of the administrative reform was at the same time both prescriptive (in that it harmonized with the prevailing administrative theory) and coercive (in that it harmonized with the political character of the Vargas regime)*" (Wahrlich, 1984, p.51 - free translation of the Portuguese), she lists those which she considers the main negative results of the reform in terms of both its substantive conception and implementation strategy:

"(1) The reform attempted to carry out too much in too short a time frame. It attempted to be at the same time global and immediate, instead of opting for gradualism and selectivity.

(2) it gave emphasis to control, rather than to orientation and assistance.

(3) it was highly centralized in DASP and by DASP.

(4) The strict adherence to general and inflexible norms discouraged any attempt at giving attention to different individuals and to complex human relations." (Wahrlich, 1984, p.51 - free translation of the Portuguese)

It is interesting to note that the implementation of a centralized and rationalist State bureaucratic apparatus occurred simultaneously with the economic and industrial development process of the country. These two strategies for change had considerable interface and were dependent and subsidiary one to the other. According to Draibe:

“ This double aspect –setting up a centralized economic apparatus which established effective support to economic policy on a national scale, and the capitalist nature that the material structure of the State gradually acquires -- defines the movement for organizational structuring of the State from 1930 – 1945.” (Draibe, 1985, p.83 - free translation of the Portuguese)

The Centralization and Interventionism which emerge in the Brazilian State after the Revolution of 1930, were part of the developmental strategy of the country, however these traits of greater or lesser intensity were to remain characteristic of the Brazilian State. Draibe illustrates this characteristic:

“The new State that emerged in 1930 was however not the result of mere centralization of pre-existing organizational and institutional measures. Undoubtedly it was conducted with heavy inputs of bureaucratization and rationalization, consubstantiated in the modernization of the apparatus controlled from the higher echelons of the Federal Executive. Centralization and the tendency for the suppression of dual and fragmented manifestations of power, nationalization of social relations, bureaucratization and modernization of the State apparatus, deep involvement of the State in economic activity -- one cannot emphasize too greatly how these questions coexisted and how the capitalist State in formation was responsible at the time.” (Draibe, 1985, p.62 - free translation of the Portuguese)

It is interesting to see in Brazilian administration, a manifestation of a certain schizophrenia which we have referred to earlier. Two traditions coexisted and maintained their perspectives, which were at times conflicting, in the national scenario. On the one hand, the classical public administration (eg. Gulick, 1937; Urwick, 1937; Willoughby, 1927 and 1936), made Brazil swiftly adopt more modern administrative visions from the North American experiences -- when compared to other developing countries or even continental European countries. On the other hand, considering the Continental European tradition, the *“juridical emphasis of administration [Continental European] problems did not lose any of its vigor in its coexistence with the new doctrinarian currents”* (Wahrlich, 1976, p.50 - free translation of

the Portuguese). This juridical focus invariably considers public administration to be the domain of administrative law, with emphasis on the legality and procedural rights dominated by promoters and lawyers as their field of knowledge.

It is not only the coexistence of a more modern administrative managerial line of thinking -- despite being mechanistic in its original formulation -- and the juridical procedures inherited from the Portuguese continental tradition which contributes to the mosaic of the Brazilian public sector as an organization. Other more determinant factors are in play, such as favoritism for example. As Wahrlich shrewdly points out:

"Personnel policy represents an area in which public administration strayed furthest from its original guidelines defined in 1930-45. In fact, of the policies in the merit system institutionalized in 1936, on the basis of a constitutional edict, until the present time personnel administration in the public service has suffered a marked deterioration. The sole reason for avoiding favoritism from becoming a totally negative trait in public administration is the fact that there is now a far higher number of formally qualified people among whom to recruit, whatever the form of admission may be." (Wahrlich, 1976, p.56-7 - free translation of the Portuguese)

Over sixty years have elapsed since its inception, yet the merit system has still not found universal application in Brazilian public administration, despite the fact that it was a central DASP ideal. This has been the case for various reasons. At times, these ideals work against the nefarious interests of nepotism, corruption and privileged access to public resources that is fastened by administrative chaos. At other times, it represents a centralist and standardizing straitjacket, working against the legitimate aspirations of introducing differentiation in the organizational models of the public sector. However, the dynamics of Public Sector have overwhelmingly favored development, despite its dysfunctions and excessive interventionism and expansionism in the economy.

The experience of DASP in dealing with a disinterested and at times hostile environment did not go unnoticed by assiduous students of large organizations, even outside Brazil. Wamsley and Zald noted that *"some public organizations discover, at some point in their existence, that no one has a profound commitment or interest in their results or technology. As a result, they become vulnerable to 'imperialist' expansion from competitors or left to the whims of economic trends"* (Wamsley & Zald, 1973, p.28), or even, one might

add, to monetary stabilization and fiscal adjustment plans in the case of Brazil. These North American authors give one of these agencies as an example, namely DASP.

Although one might agree with Wahrlich's diagnosis in relation to the mistakes of the DASP project, as well as the causes for its deterioration with the passing of time, for full understanding of this question it is indispensable to carry out a broader analysis, like that conducted by Wamsley and Zald.

Paulo Motta went further in this analysis by showing the limits of administrative reforms and proposing changes that could have a direct impact on the relationship between state and society, since the simple expansion of the State to his mind, *"have served less to the purpose of achieving greater equity and efficacy in public administration than to the development of ways of introducing new groups into the prevailing preferential system of clans and groups. The expansion of the State is achieved without substantially altering the relationships between state and society"* (Motta, 1987, p.32 - free translation of the Portuguese).

This State, which *"has strong historical reminiscences of a rational option for maintaining traditional values and systems of power"* (Motta, 1987, p.31-2 - free translation of the Portuguese), was not, in fact, substantially transformed either during the Vargas era or during the developmental periods of Kubitschek or the subsequent authoritarian military regime or even during the "New Republic"¹, which, quite to the contrary, witnessed its downfall². The diagnosis of the exhaustion of the economic model of state intervention gave way to the realization of the disintegration of the State itself.

When analyzing this attribute of the "privatization" of the State, not only in Brazil but also in Latin America in general, Motta gives the specifics of this process of appropriation and explains its permanence over time, with changing political regimes (civil and military dictatorships with democratic periods in between) and phases of greater or lesser economic growth. He describes the interested parties and their motivations:

"The political groups and clans which have conglomerated in the State apparatus are there to seek resources to guarantee their survival by

means of base support and leadership. Resources obtained are used to satisfy both political interests of power and specific social interests of the same groups, such as the private interest of its members. The groups act with the motivation of ensuring mutual cooperation, assistance and protection of their members through formal administration channels but also through an informal organization, namely a network of contacts, communication and interaction linked by ties of political and religious loyalty, family ties, neighborhood friends and distant relations, etc."
(Motta, 1987, p.32 - free translation of the Portuguese)

However, it is the strategy of avoiding direct confrontation that makes public administration the stage for carefully manipulated struggles, instead of being coherently modeled, following the logic of public interest, irrespective even of the authoritarianism of any dictator or specific interest group that has seized power. As Motta describes:

"They are active groups which transform the State into a minefield of political struggles, kept behind the scenes of activity of the State by a delicate and dynamic balancing act in order not to upset the apparent stability and legitimacy of the system. For this reason the disputes are well tolerated and preferably not declared, being confined to a given predetermined political arena, namely the State. These fields are part of the social, political and economic context which defines the State and can therefore not be ignored in the current stage of settlement of the region, when one considers strategies for modernization of the State apparatus."
(Motta, 1987, p.32 - free translation of the Portuguese)

The most important factors of political control singled out by Motta are (1) the parties dominated by the groups and clans, inasmuch as they are formal structures for the articulation and congregation of interests; (2) an 'assistentialist' policy, capable of preserving the existing values by means of paternalist concessions of services and benefits; (3) confining the political conflicts to the arena of the State; (4) restriction of free initiative (of the outsiders) associated with the necessary defense of private property (of the insiders); and (5) control of the bureaucratic structures of government with a view to gaining access to large slices of the public budget. (Motta, 1987, p.32-4)

In this sense the merit system is directly opposed to the control of bureaucratic niches, representing a far greater threat in terms of the positions of directors and managers than for the remaining job positions. In the former, the system of loyalty to interest groups represents decisions which permits privileged access to the resources of the State.

This bureaucratic allocation system is probably the greatest obstacle to the ideal of a congruent treatment of the variables in organizational design in the public sector. Choices in relation to strategy, structures, mechanisms of information and decision-making, as well as personnel policy, are the result of an intricate process influenced by multiple interest groups and factions which benefit from the incoherencies of the institutional design of the State. These interests are one of the reasons why this perverse characteristic of the State remains unchanged

3.2 **Concessions to “differentiation”**

It was precisely the lack of faith in the possibility of pushing through an administrative reform in the short term that led the democratic government of President Kubitschek to put his trust in the mechanisms of a parallel administration as a support base for its ambitious and successful development plan. (Lafer, 1987)

The government of Juscelino Kubitschek (1956-1961) followed on from the democratic governments of Marshal Eurico Dutra (1946-1951) and Getulio Vargas (1951-1954), the latter interrupted by the suicide of Vargas. This period of Constitutional Democracy lasted from 1945, with the end of the New State -- and authoritarian regime led by Vargas, through to the Military Coup of 1964. Other presidents during the period were José Linhares (1945-1946), Café Filho (1954–1955), Carlos Luz (1955), Nereu Ramos (1955–1956), Jânio Quadros (1961), Ranieri Mazzilli (1961) and João Goulart (1961–1964).³

The administrative strategies adopted since the 1930s ended up posing a serious threat to the continuity of economic development in the mid-1950s. Due to this barrier, several alternatives arose attempting to make actions within the scope of State Bureaucracy more flexible.

During the government of Juscelino Kubitschek - JK, several types of activity known as "Parallel Administration" were created in order to obtain greater flexibility. This was made up of some existing organs such as the Overseas Trade Bureau (CACEX -- Carteira de Comércio

Exterior), linked to Banco do Brasil, the National Economic Development Bank (BNDE -- Banco Nacional do Desenvolvimento Econômico) and the Currency and Credit Office (SUMOC -- Superintendência da Moeda e do Crédito), and some new executive and counseling organs, such as the Working Groups, the Executive Groups and the Customs Policy Council (CPA -- Conselho de Política Aduaneira).

The Working Groups arose from the study groups that already existed in the Development Council, which acted as counseling groups without executive functions and were geared to studying the feasibility of implementation of specific goals. They worked alongside the Executive Groups, since some of their members were also present in the Working Groups. They were gradually set up from the beginning of the JK government through to 1958.

On the other hand, the Executive Groups had different spheres of activity and were composed differently, since they contained representatives of both the public and private sectors. Precisely because they incorporated members from both sectors, they represented a novel form of coordination in the decision making process. They were responsible for granting and handling incentives for the implementation of the Government Action Plan. The Executive Groups also had autonomy in terms of budget and personnel recruitment and, consequently had a far broader margin of operational flexibility.

Parallel Administration was a solution developed to guarantee an efficient and agile administration without, however, carrying out complex reforms in the modus operandi of the Brazilian Government. Benevides sees the situation as follows:

“Parallel administration was, therefore, a rational scheme within the logic of the system -- avoiding the immobility of the system without having to tackle it head-on and --, since the new organs operated as advisory and executory centers, while the existing ones continued to correspond to the interests of the prevailing ‘clientelist’ policy.”
(Benevides, 1976, p.224-5 - free translation of the Portuguese)

Parallel Administration under the JK government had, moreover, specific and clearly defined functions. Its objective was to make the Government Action Plan feasible via the advisory and executory groups. In tandem with this, the formal bureaucratic administration continued to act in its own spheres in the normal manner.

As an instrument of government planning: “... *by the complexity of its formulae -- by comparison with previous attempts -- and by the power of its impact, the government action plan may be seen as the first experience of governmental planning effectively put into practice in Brazil*” (Lafer, 1987, p.30 - free translation of the Portuguese). The JK years were particularly characterized by strong industrialization, consolidation of the urbanization process and a greater interiorization of development.

The importance of “Parallel Administration” needs to be evaluated from various standpoints:

- the pioneering nature of its organizational activity;
- the innovation that the Government Action Plan represented in terms of Brazilian governmental planning, which was in fact its motive for existence;
- the good results achieved by the Government Action Plan, since the majority of its goals were totally or partially attained. (Lafer, 1987, p.42-8)

In 1961, at the end of the JK government mandate, Jânio Quadros is elected and takes office as President of the Republic. This was the beginning of a period of great uncertainty and political turbulence, which ended with the takeover by the Authoritarian Regime in 1964. Jânio Quadros govern the country for six months, after which he resigned without any clear motive for doing so⁴.

By right, the office should have been filled by the Vice President-elect João Goulart – known as Jango, however due to resistance from conservative and traditionalist sectors of society as well as the Armed Forces, he only took office after a swift constitutional change which changed the political regime from Presidential to Parliamentary. This meant that Jango's powers were considerably curtailed. However, a short time later, a plebiscite was held in which the option to return to the Presidential Regime won the day. From that moment onwards, Jango effectively took office as President of the Republic, with all the constitutional powers vested in him.

Moreover, Jango governed with a minority in the House of Representatives and in the Senate, which meant that in the majority of cases he had great, and even insurmountable difficulty in implementing his program of government. The great political instability of the period and Jango's repeated attempts to forge alliances which might provide some backing to his administration, often by offering high-level positions in the Federal Administration, gradually caused paralysis in the workings of government at all levels, even affecting the day-to-day work of administration.

Is very interesting to note that, despite the fact that it is rarely pinpointed as one of the causes that led to the establishment of the Authoritarian regime after 1964, the chaos in Public Administration during the Jango government, may have had greater importance in sparking off this event than Political Science theories tend to suggest. Soares emphasizes this aspect in his work, saying:

“Disorder, chaos and anarchy, as opposed to order, stability, security and peace of mind occupy center stage in the analyses of the political situation conducted by the military, even though these are concepts which are normally scorned by social scientists. ...Chaos is a word that was included in any of the speeches and declarations made by the military with respect to the situation that led to the Coup of 1964. ...In the speeches made by military presidents, which were always critical of the Goulart regime, more attention was given to the chaos and disorder aspect than to inflation or stagnation. ...the climate of administrative chaos which reigned during the João Goulart Goulart government, and even before it since August 1961, seems to have contributed to convince the military to intervene.”
(Soares, 1994, p.23-4 - free translation of the Portuguese)

It is essential to show that the need for Administrative Reform was caused by the excessive complexity that the Brazilian Government gradually accumulated when it attempted to carry out tasks relating to economic development. The state apparatus grew, though without any rational structure. As a result, it became excessively cumbersome and complex, maintaining the former administrative logic, which made it impossible to resolve any new problems as they arose. According to Mitraud (1977), it gradually developed into a situation of :

“... qualitative change of social demand in relation to public authority. The populace was no longer merely clamoring for guarantees of

freedom, property and individual human rights. What became paramount was economic development and the rewards it brings: health, housing, culture, assistance, Social Security -- in short, social welfare. Public administration was therefore no longer expected merely to generate and promote economic growth and general prosperity, but also to deal in all sectors in which it was not expected to act directly in order to force the nation to develop.” (Mitraud & Mattos & Zaidman, 1977, p.166 - free translation of the Portuguese)

The functions of the State multiplied, indeed very rapidly. Consequently, it was necessary to introduce changes that would make it possible to meet the expectations of society with regard to governmental performance .

The developmental orientation of the military regime attributed a major role to the State in promoting economic growth and, by means of Decree-law 200 of 1967, initiated the search for an organizational model in line with the strategy defined by the regime.

It is interesting to note that, after the end of the war and the departure of the Vargas dictatorship, the central design component of the Brazilian public sector, which was closely identified with the Vargas Dictatorship, namely DASP, gradually entered into a period of decline. As a result government action in terms of reform alternated between routine activities and the creation and dismantling of ministries, as well as compilation of studies, some of which were later utilized as the basis for the broad ranging reform which would be conducted by the military regime which took power in 1964.

On February 25, 1967, Decree-law 200 (D/L 200), which proved to be a landmark in Brazilian Public Administration, was instituted as an instrument of reform⁵. The text of D/L 200, was not actually originally produced during this period; the bulk of what was approved in 1967 was already to be found in the text drawn up by the commission set up to conduct Administrative Reform in 1963, which in turn had its origins in reformist efforts of the Getulio Vargas Government's, through DASP. It is essential to realize that the major difference that the Authoritarian Military Regime represented for Administrative Reform was the possibility to implement a text which was already being discussed and drawn up for some time previously, since it required no backing and political lobbying for it to be approved in Congress. Being an authoritarian regime it was simply imposed in the form of a Decree-law. Previous governments

that had diagnosed the need for broad and in-depth Administrative Reform, which even set up commissions to study and draft it, did not implement it for various reasons, one of which being political instability.

Moreover, the Military Government which took office after 1964 considered Administrative Reform to be essential. According to Lambert:

“After the April Revolution, attention was again focused on problems of administration; the new government...was less favorable to the concept of political cronyism and demagoguery that had marked the preceding presidencies. Furthermore, the appointment of Roberto Campos as Planning Minister gave The problems of planning and administration of prestige that they had never enjoyed before. Administrative reform was the buzzword for the 1960s, just as economic development had been for the 1950s.” (Lambert, 1970, p.154 - free translation of the Portuguese)

D/L 200 altered the basic structure of Federal Public Administration. Direct Administration consisted of the organs directly answerable to the President of the Republic and his Ministries, while Indirect Administration was made up of government agencies, foundations, public companies and joint public/private companies. In addition to this, it laid down the guidelines for Administrative Reform.

“[D/L 200] essentially admitted the fact that, in operational terms, the federal administration was no longer able to meet Brazilian collective requirements. The reasons for its inefficiency were perceived to be the following: Excessive centralization; Direct execution; Centralization of authority in the State, to the detriment of local government; Lack of administrative continuity; Congestion at the level of the President of the Republic; Lack of institutionalized planning; Deficiencies in regionalization and attention to the hinterlands; Inadequate and bureaucratic auditing of public resources; Deterioration of the merit system.” (Mitraud & Mattos & Zaidman, 1977, p.187 - free translation of the Portuguese)

From careful reading of the text of the law, it becomes clear that the five main premises or fundamental principles of D/L 200 of the activities of Federal Administration were:

I – Planning

The planning aspect involved drawing up and updating instruments to make implementation possible, such as:

- an overall government plan;
- multiannual general, sectorial and regional plans;
- an annual budget-program;
- a financial payment schedule.

II – Coordination

The overriding objective of this premise involved coordination of Federal Administration activities by and between the three levels of activity, namely at municipal, state and federal levels. In addition to this, it sought to ensure permanent coordination of government plans and programs.

III – Decentralization

The objective of Decree-law 200 was to push through decentralization focusing on three main areas:

- among Federal Administration staff, distinguishing clearly between managerial and executive functions;
- between Federal Administration and the federated units, by means of adequate apparatus and through special accords;
- between Federal Administration and the private sector by setting up contracts and concessions.

IV - Delegation of Powers

The purpose of this instrument was to act as yet another way of promoting administrative decentralization by guaranteeing greater speed and objectivity in decisions, by being closer to the facts, people or problems to be dealt with.

V - Control

This instrument was designed to act at all levels and in all organs of Federal Administration, by the following means:

- competent leadership;
- control organs inherent to each system;
- addition to financial control by accounting and auditing systems.

There is general consensus about the systemic approach of D/L 200, which was an innovation for its time, as it looked at Public Administration as a huge interlinking system which should be coherent and synchronized in order to operate properly. This in itself was a step forward as it incorporated innovations from Organizational Theory into the Brazilian Administrative System.

Nonetheless, some criticism may be leveled at the "center-to-periphery" model (Schon, 1973) which continued to guide the functions of Public Administration, even after the adoption of this systemic vision. This "center-to-periphery" model was identified mainly in the administrative support activities, such as the personnel and financial control systems. The fact is that these two models came to coexist within the Brazilian Administrative System, creating a reality in which the structures were designed in a systemic manner while always maintaining dependence on the sectorial and sectional units (in the organs of Indirect Administration) in relation to the central units of the system thereby limiting the possibilities of "differentiation".

To give a practical example we may use the case of Accounting/Financial Control. Each Ministry had a sectorial organ responsible for the process, whereas all these organs were answerable to the central organ with offices in the Treasury Ministry, which was responsible for normative orientation and functional supervision of the process. This resulted in the situation of mixed design where there was a systemic structure of a centralizing and standardizing nature. This coexistence of these two structural elements, which is incoherent in many respects, was one of the notable aspects of the Federal Brazilian Government as a consequence of the institutionalization of D/L 200.

Since its implementation, D/L 200 has been exhaustively analyzed and been both praised and criticized. Whatever the opinion, one cannot deny the profound alterations that this

Decree brought to the Brazilian Administrative System. Some transformations that it introduced were decisive in the new design that the Federal Government adopted.

Initially, the great boost given to Indirect Administration via the foundations, government agencies, public companies and joint private/public companies, heralded a period of great flexibility in the Federal Administration. Another advance introduced by D/L 200 was the outsourcing of services; everything that did not constitute the primary activity of the institution, or which was a support activity like, for example, cleaning and security could now be contracted out to third parties. In addition to this, after D/L 200 civil construction services like buildings, highways, viaducts, bridges and other works could be subcontracted. This enabled the institutions to concentrate in a far more dedicated fashion on their priorities, namely their main activity.

In addition to this, D/L 200 made it possible to hire staff on the basis of the Consolidated Labor Laws (CLT – ‘CeLeTista’)⁶, which meant it was no longer obligatory to hold a public admission exam, such that employees hired in this fashion were not automatically guaranteed employment stability. This made the hiring and selection process in public service far more agile and straightforward. This flexibility was often abused, in that in order to hire more qualified staff who consequently commanded higher salaries, the Ministries would go through the public companies (Indirect Administration) linked to them and subject to their supervision. Naturally this led to situations in which those responsible for supervision of a company might well be on the payroll of the supervised entity in question. These methods of hiring via Indirect Administration which were similar to the Parallel Administration of Juscelino Kubitschek, albeit on a greater scale, were detrimental to the commitment to conduct the systematic enhancement of Direct Administration and, consequently, to the proposals of Administrative Reform.

With regard to D/L 200, one may state that among its basic premises, namely planning, coordination, decentralization and delegation of power and control, all of the latter met with serious and sometimes insurmountable difficulties in their implementation. However, decentralization met with the greatest difficulty and one may even say that it was never effectively implemented.

On first analysis, there may even be some ambiguity about the decentralization process after D/L 200. If we take decentralization to be the transfer of obligations, resources and decision-making capacity, we may conclude that decentralization within the scope of Direct Administration did not occur after D/L 200. Returning to the previously mentioned approach involving design in which a systemic view and the "center-periphery" model coexisted, the ambiguity seen in this cycle in which Indirect Administration was fortified without there being any effective decentralization may be better understood if we see this processes as a form of straightforward flexibilization.

The administrative reform process which began under the aegis of Decree-law 200 also resulted in a regrouping of departments, divisions and services in sixteen ministries and in the implementation of a new plan for classification of job positions. According to the analysis of Wahrlich this plan was geared to carry out the classification by category (the previous plan approved in 1960, replacing that of 1936, emphasized classification by duties and responsibilities). In this sense, with the prevailing hierarchical orientation:

"...no new vigor was injected into the weakened merit system, as one might have expected under the formal 'doctrine' of administrative reform. (...) the concept of a career remained restricted to the lower echelons of the job position structure, without touching on middle level management nor on positions of higher management, which were filled at the discretion of the supreme Executive. In other words, the merit system was only obligatory for initial career positions. Another severe blow to the merit system was the freedom granted to public companies in terms of personnel policy. The norms for admission regulated by the statutes themselves did or did not require public admission exams of a competitive nature." (Wahrlich, 1984, p.53 - free translation of the Portuguese)

A further aspect of this increased flexibility in public administration involved renovation and amplification of positions, which placed priority on private hiring in line with the Consolidated Labor Laws (CLT), to the detriment of the statutory regime.

As Carlos César Pimenta sums up the situation, *"Brazil lived through a process of organizational centralization in the public sector from the 1930s to the 1950s, with the predominance of direct administration and statutory employees. Then from the 1960s to the 1980s there was a process of organizational decentralization, through the expansion of*

indirect administration and hiring ‘CeLeTistas’ (staff hired on the basis of the Consolidated Labor Laws – CLT)” (Pimenta, 1993, p.31 - free translation of the Portuguese).

The weakening over time of the institutional model of the public sector came about by the fortifying process of indirect administration and state companies that were in a position to recruit and compensate a higher quality workforce and even to keep on their payroll professionals in senior management of direct administration agencies.

Under the authoritarian regime, society lost control over the public sector as a whole: due to the “flexibilization” obtained through indirect administration, direct administration, which was progressively abandoned and demoralized, lost control (though with rare exceptions) over the institutions and companies linked to it. All integration systems became ineffective. The control systems lost political power and began to show their bureaucratic essence, thereby limiting differentiation. Being unable to manage their own operations and the integrating functions relating to ministerial supervision, the ministries entered a phase of total decline from the early 1980s onwards coinciding with the closing years of the military regime itself.

One might claim that the organizational model adopted by the military regime was coherent with the economic and political projects that it envisaged. It managed to produce significant results in the short and middle term which peaked in the 1970s, though it went into total decline and degeneration once it exhausted those projects and its political power base was weakened.

This point is illustrated by the fact that in 1979, Decree 84.128/79 set up the State Company Control Department – SEST. The purpose of SEST was to assist in the discussion and resolution of problems arising in Indirect Federal Public Administration.

The importance that Indirect Administration acquired during the period may be clearly seen in the quote from Dutra: “*Public companies therefore represent the most important form of intervention by the State.*” (Dutra, 1991, p.26 - free translation of the Portuguese)

SEST's basic function was to control State Companies, which were the support base for intervention by the State in the economy. In this way, they sought to coordinate and reconcile policies of public companies with global public policy, especially economic policy.

An important aspect to be stressed is that in the period from the 1950s through to the 1980s government intervention in the Brazilian economy was conducted not only at the level of Federal Government, but also at the level of the Federated States and municipalities. In this way in addition to the many public companies, government agencies and Federal joint public/private companies at national level, there was also considerable expansion of these entities at state and municipal level.

For the purposes of this study, we restrict ourselves to analysis of the Federal level. It is however important to point out that the difficulties faced by Government with respect to control and administration of Indirect Administration institutions also occurred at state and municipal level.

These difficulties may be classified as administrative and political, in addition to a fundamental contradiction that Dutra points to: "*These juridical-administrative entities, [the State companies], are technically private legal entities, although their essence is public thus they are ambiguous from the outset and continue to remain so*" (Dutra, 1991, p.27 - free translation of the Portuguese).

With the significant growth of indirect administration especially after the 1960s, it became necessary to institute control measures which were compatible with the complexity and importance of public companies in the Brazilian economic reality. Control over State companies was formally laid down for the first time in D/L 200, under ministerial supervision. In this manner, indirect administration institutions were controlled by the ministry to which they were attached. The main objective of ministerial supervision, according to Motta, was to: "*... harmonize the activities of public companies with the objectives and policies of the Government. [Furthermore] harmony between the direct and indirect administrations is fundamental ...*" (Motta, 1980, p.76 - free translation of the Portuguese).

Nevertheless, it is important to stress that part of the dysfunctions of state companies was caused by a political option on the part of federal government, namely to increase the entry of external funds by means of loans taken out by state companies. Due to the increasing difficulty of obtaining foreign loans, the federal government used many state companies as a way of obtaining such resources. Ministerial supervision was decisive for such a process to occur. By being linked to the ministries, state companies received orders from the latter coming down from the presidential cabinet. They were thus totally tied to presidential and ministerial decisions. This can be seen from the following text:

“... in order to complement internal savings with resources from abroad, the government began to use the State companies as an instrument for obtaining funding from abroad. This increased the potential for growth of these companies by virtue of the additional flow of long-term resources and greater contact of these companies with external methods and technology.” (Brasil, 1981, p.12 - free translation of the Portuguese)

Part of the indebtedness of public companies over this period should not be seen simply as bad administration or disastrous investment options. The bulk of these foreign funds were obtained by the State companies as a way of increasing revenues, thereby balancing the economic policy of the federal government.

After a decade of great expansion in the economic activity of the State between 1970 and 1980, the serious national crisis caused by the international oil crisis led the federal government to create SEST in 1979 as an instrument for controlling funds and spending by State companies.

With Decree N. 93.216 of September 3, 1986, SEST began to exercise more controlling power over the companies which were directly or indirectly controlled by the Government⁷, by attempting to remove the dysfunctions caused by ministerial supervision and, in particular, excessive linking of projects implemented by State companies to ministerial objectives, often failing to observe the overriding objectives of national policy. Moreover in the course of its activities SEST exercised its controlling power too emphatically, thereby generating difficulties for management of the State companies by its directors and marked resistance from indirect administration organs to the activities of SEST.

The major crisis of the 1970s and the 1980s, was sparked by the two world oil crises and their consequences for the world economy, and by the transition to democracy after a long period of authoritarianism. Both of them were the causes behind profound social, economic, political and institutional changes in Brazil. These transformations and the crisis situation drastically affected the Brazilian Administrative System, as Castor & França state:

“During the 1970s it became progressively more difficult to maintain the conceptual coherence of the administrative model. Among many other dysfunctions, we saw the fragmentation of the central administrative apparatus with the multiplication of government agencies, the technical impossibility of exercising ministerial supervision, thereby making it difficult and even impossible to fulfill the basic functions of governmental coordination in all sectors and the breakdown of the already precarious personnel policy, due to the proliferation of legal regimes and differentiated salaries” (Castor & França, 1986, p.04 - free translation of the Portuguese).

The predominance of Indirect Administration and the hiring of employees on the basis of the Consolidated Labor laws that occurred in Brazilian Public Administration between the 1960s and 1980s diminished when the New Republic was introduced in 1985; however the process was then consolidated in the Federal Constitution decreed in 1988. According to Pimenta (1993), this historic tendency to a cycle of centralization of the administrative area, with the return to a “classical model”⁸ during this period, was a decisive influence on some of the more normative guidelines of the Constitution of 1988, such as the Sole Legal Regime and controls over Indirect Administration as in the Law on Public Tenders (Law 8.666).

Passage of the Sole Legal Regime (RJU) was a highly relevant event for the Brazilian Administrative System and for all civil servants in direct administration, foundations and federal government agencies. The RJU had been adopted in 1988 in article 37 of the Federal Constitution, but it was only in 1990 that it took effect in the regulations on federal civil service.

Law 8.112 [1/12/1990] brings public servants, both the public employees and those hired according to the Consolidated Labor Laws, serving in all branches of government, either in the direct administration or in public foundations and autonomous agencies, under the Sole Legal Regime. As Pimenta points out:

“It introduces the new constitutional job title of civil public servant replacing the former titles of public employee and Consolidated Labor Law employee.” (Pimenta, 1993, p.56 - free translation of the Portuguese)

The importance of RJU, which was introduced for federal civil servants, may be measured from two perspectives. Initially there was the legal leveling of positions which created significant formal alterations for the Administrative System. In addition to this, the removal of the “flexibilization” tool (hiring of employees on the basis of the Consolidated Labor laws), brought about great difficulties in terms of management. It had even more drastic consequences for indirect administration where the loss of this possibility for flexibility constituted a threat to the proper performance of activities, as all human resources processes would again be governed by public admission exam and work stability.

3.3 The rebirth of centralization

Although at the economic level there is a certain degree of consensus in defining the 1980s as the lost decade, not only for Brazil but also for other countries in Latin America, it did mark the return to democracy with President José Sarney. During this period, the foundations for a broadranging and profound revision of State were put into place. These would gain greater definition within the context of the drafting of the Constitution of 1988.

Later, with respect to organizational design of the public sector the following aspects came to the fore:

- redefinition of the role of the State by (a) privatization of state companies, (b) deregulation and (c) redistribution of areas of competence between federal, state and municipal government, in line with the new fiscal reality which granted more funds to the latter;
- the institutionalization of a single statutory regime for civil servants.

The Government of President Fernando Collor de Mello (1990-1992) was unstable and short lived. The changes implemented by the Administrative Reform can be classified in two distinct phases. Initially there was a period of rearrangement of organizational structure by means of fusions and the extinction of organs of direct and indirect administration, a phase

marked by the "trimming down of the machine". Then came the phase when an attempt was made to restructure the operation of the public machine. This period was marked by the declaration and frustrated attempts to fire civil servants. The confrontational policy used by the Collor Government in relation to public civil servants was the spark that created major confrontations and confusion. Literature about this period shows that hastily formed attitudes and lack of preparation in terms of legislative changes made implementation of the proposed measures to fire civil servants impossible.

In this way, the Administrative Reform implemented during this mandate, in addition to causing huge alterations to the design of the state apparatus was highly polemical was also very. As Costa and Cavalcanti said in their appraisal of the first hundred days of government:

“ In some academic circles there was even some frivolous debate about the scope of the measures -- whether or not they could be characterized as a "true" process of administrative reform. Those who felt it was not “true reform” allege that it was merely a "trimming down" of the machine, without any modernizing proposals... in fact, there was a deep-seated and clear rearrangement in the structure of the public sector with considerable influence on organizational objectives, the production of goods and services, decision-making, the administrative and operational processes and the capacity for formulation and implementation of policy. It may lack clear conceptual foundations, well defined strategic content and sufficiently structured planning for implementation, but even so it represents a broad ranging process of administrative reform of the Executive.” (Costa & Cavalcanti, 1991, p. 83 - free translation of the Portuguese)

However, for the purposes of this work, and after the fact, it is important to note that within the Collor de Mello government the impetus for expenditure control, morality, social control over bureaucracy, discourse and an attack on corporativism which were all present, amounted to a return to a centralization of the traditional mechanisms of control and integration. All of these, of course, ran contrary to the need for differentiation. The administrative reform instituted by Collor ended up representing a return to the times of DASP and a reliving at the ministerial level of the concept of the General Administration Department (Willoughby, 1927 and 1936), and the creation of departments specifically for this purpose. (Costa & Cavalcanti, 1991, p.95)

The abrupt demise of the Collor government following the impeachment of the President left in its wake: the dismantling of the administrative machine and an aborted attempt to “centralize” corruption, despite the presidential campaign discourse for morality.

3.4 Managerial Administrative Reform: the return to “differentiation”

President Fernando Henrique Cardoso - FHC, took office in 1994, and Reform of the State was one of his main stated objectives⁹. The importance given by the Government to the need for Reform was based on the belief that the long economic crisis faced by Brazil since the late 1970s was caused by the crisis in the State. However, this belief is a matter of great controversy as many experts and academics believe that precisely the opposite was true, namely that the crisis of the State was caused by the economic crisis. It is important to explore this contradiction as much of the content of the Administrative Reform proposed by the FHC government and the criticisms leveled against it may be understood by viewing it as an inversion of "cause and consequence" (Pereira & Spink, 1998).

The Reform of the State proposed by the FHC Government and elaborated, in part, by Bresser Pereira had three main aspects:

- Fiscal Reform,
- Reform of the strategy for the economic and social development of the State, and
- Reform of the apparatus of the State and its bureaucracy.

The Ministry for State Administration and Reform – MARE, was responsible for the elaboration and implementation of Administrative Reform. The emphasis of the proposed Administrative Reform was placed on the transition between the bureaucratic administration model and a “managerial administration” model of a “reinventing government” fashion inspiration. Managerial administration was a way of bringing the most recent techniques in business administration to the sphere of public administration. Its main premises were based on efficiency, agility, quality and flexibility. Managerial administration proposed for Brazil had its origins in the experiences in the United Kingdom, New Zealand, Australia and the United States¹⁰. On this matter it is stated in the Directive Plan for Reform of the Apparatus of State:

“managerial public administration sees the citizen as a tax contributor and client of its services. The contemporary managerial paradigm based on the principles of trust and decentralization of decision making, requires flexible managerial techniques, “horizontalization” of structures, decentralization of functions and incentives to creativity.”
(Brasil, 1995, p.23 - free translation of the Portuguese)

The objective of managerial administration is to overcome the difficulties and inconsistencies of bureaucratic administration, albeit maintaining some of its aspects, particularly in the strategic nucleus. Administrative Reform (Brasil, 1995) divided state actions into four sectors, each one within three possible areas of property, in its search for differentiation:

- **Strategic nucleus** – *state public property* – corresponding to the government -- where laws and public policies are formulated. It should be a small sector where strategic decisions are taken. It should exist at federal government level and also at state and municipal level.
- **Exclusive activities of the State** – *state public property* – activities in which the "Power of State" is exercised, namely where only the state may intervene. The sector in which the power to regulate, supervise and initiate is exercised. For example, the sector includes organs of supervision and regulation, basic social security, and control of the environment and subsidies for basic education.
- **Competitive or non-exclusive services** – *non-state public property*¹¹ – activities which the State funds but in which the State does not exercise its "authority". These are services involving fundamental human rights, like education and health and which generate external economies. In other words, they should not be directly related to profit as the benefits percolate throughout all levels after society. Examples of these include universities, hospitals, research centers and museums.
- **Production of goods and services for the market** – *private property* – a sector which involves generally productive economic activities with generation of profit.

For activities relating to the *Production of goods and services for the market* sector, the form of transfer of activities within the scope of the Federal Government towards the market is by means of privatization.

Privatization is conducted by the Brazilian Denationalization Program (Programa Nacional de Desestatização - PND), which is made up of the Brazilian Denationalization Council (Conselho Nacional de Desestatização¹² - CND), which is the decision making organ, and by the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social - BNDES), in its capacity as manager of the Brazilian Denationalization Fund (Fundo Nacional de Desestatização - FND).

The sectors most advanced in the privatization process in terms of privatization at federal and state level¹³ are Telecommunications, Electrical Power and Steel making. According to data published by BNDES¹⁴, from 1991 through October 1998, these three sectors, taken together were responsible for 81% of the total of funds generated in the privatization process. Other sectors which are also well represented in the privatization process are mining, petrochemicals, railroads, finance, gas and sanitation.

With respect to the *Competitive or non-exclusive services* sector, activities would be transferred by being "handed over to the public", namely the adoption by society of not-for-profit forms of production of public goods and services. This process is achieved by transforming public service-rendering institutions into not-for-profit private legal entities, under government supervision, by means of Management Contracts between the parties and civil society, through the Administrative Councils.

This project is known as Social Organizations (Organizações Sociais – OS). Some institutions have already been transformed into OS. The basic precepts of the project of Social Organizations is to permit more flexible and agile administration for the institutions, but without losing the ability to control them, in view of the fact that they are dealing in essential areas for the population. The mechanism found to develop these two needs in tandem was by means of differentiation in terms of property. They are not-for-profit, private, legal institutions, though still under state control, in that the Federal Government assigns its assets and workforce over to the activity of the new institution, albeit all the while maintaining

control through management contracts signed between the administration of the institution and the Federal Government.

In administrative terms the new institution transformed into a Social Organization has the advantage that it can be managed in line with the precepts of private administration. There is effectively a process of transformation during the transition of a given institution into a Social Organization; there are a series of phases which are chronologically organized and interdependent that need to be implemented. It is important to stress that according to the precepts of the Overall Plan for Reform of the State Apparatus, the transformation of a given institution into an OS must arise from the mutual interest of the Federal Government, represented by the organs to which the institution is linked, and the institution itself. In terms of transformation, it is essential that there is a change in the legal status of the institution. In order for this to occur the original institution must be closed down and another created with the legal characteristics required of Social Organizations.

One of the steps to be implemented for the transition into an OS is the drafting of new bylaws for the institution, which must be coherent with the new objectives and procedures of the institution. Regulations governing acquisitions, contracts and assets/liabilities must be prepared to establish the guidelines for the OS to conduct these activities. This represents a major alteration in the reality of the institution. Formerly, the institution needed to act according to the rules for public administration, conducting public tenders to make acquisitions, all subject to a series of legal difficulties and restrictions. In addition to this a set of personnel regulations had to be drafted duly specifying the rules to be followed in the personnel selection and hiring process.

In the context of Brazilian public administration, where public organizations encounter great difficulty in conducting their activities due to legal requirements, especially with relation to purchases and hiring of personnel, the possibility of establishing their own rules and conditions for purchases and contracting personnel represents a great step forward in the management of organizations. The objective of the Reform implemented by the FHC government was precisely to optimize the operations of public organizations by applying flexible forms of management, namely the so-called managerial way of administering public assets.

The flexibility and agility described above are possible, since the OSs are private, not-for-profit legal institutions; therefore, federal government control is applied through the Management Contract. Should the OS fail to comply with the quantitative and qualitative goals agreed between the parties during the period of validity of the Management Contract, the OS may be extinguished, whereby the institution reverts to the former model of public service.

Another point is with respect to the changes in organizational culture implied in the institutional transformation of an OS. In addition to the changes in practical procedures, such as purchases and personnel, the OS is given clear and well-defined goals to comply with and must be fully attuned both to its mission and to the transformations and characteristics of the environment in which it operates. All this represents a substantial alteration in how activities are conducted, since previously they worked with established objectives but with unreliable ways of evaluating compliance or non-compliance.

In the *Exclusive activities of the State* sector the current Administrative Reform also has a pioneering proposal, namely the Executive Agencies. This project is to transform foundations and government agencies, which exercise exclusive functions of the State, into Executive Agencies.

The Executive Agencies have the "policing power" of the State and are authorized to conduct regulatory and supervisory functions, which are essential for controlling the rendering of services for public use through concessions to privatized companies as in the energy, transport and communications sectors.

Inclusion of an institution on the Executive Agencies project depends upon a few prerequisites. The institution must implement a Strategic Plan of institutional restructuring and development. In addition to giving more operational expediency, this is important to the internal predisposition of the institution to seek out ways of improving performance. This predisposition is an essential condition for an institution to be able to participate, be it on the Social Organizations project or the Executive Agencies project. Another prerequisite for inclusion of an institution on the Executive Agencies project is the signature of a Management

Contract drawn up between the institution and the Federal Government, in the latter's case signed by the organ to which the institution is linked.

The Management Contract lays down the rights and obligations of the contracting parties. The main innovation introduced by the adoption of the Management Contract as an instrument of control is that it must establish more objective ways to evaluate the results of the institution in terms of quantitative and qualitative goals to be measured by performance indicators. This is an important aspect as it represents a way of overcoming the chronic control problem in public organizations.

Unlike the Social Organizations project, there is no change of corporate structure of the institution in the Executive Agencies project. The alterations involve the management style and the manner of control of the results of the institution. In terms of management, the innovations which give greater autonomy to the Executive Agencies are concentrated on three main aspects. In the institutional budget, the amount will be given in aggregate form so that the management Budgeting and Finance team will have more room for maneuver on budget allocation. Management of Human Resources, as it is still part of public administration will continue to hire personnel by means of public admission exam, though this can be carried out by the institution itself should there be a requirement for hiring staff and budgetary resources are available. In addition to this, questions of performance and functional merit will be emphasized and the institution may even establish performance bonuses for the employees. As regards General Services and Contracting of Goods and Services, some flexibility will be available such as granting of a limit below which they public tender is not required. With this measure, in some cases the institution will not have to arrange a lengthy public tender process which will undoubtedly speed up management processes in this area and consequently of the institution as a whole. Lastly, the institution will have autonomy to adapt its organizational structures to its functional requirements.

The increased flexibility and autonomy in management presented above will in exchange place demands on the need to improve the performance of the organization and attain the goals agreed in the Management Contract. It represents a more objective, dynamic and functional manner of utilizing funds and achieving better results in public organizations, by

removing the bureaucratic controls with their emphasis on formal rules to the detriment of the results.

The general model proposed, however, found increasing opposition to its implementation, as FHC's presidency came to the end of its term.

3.5 The reasons behind the incoherence of Brazilian Public Administration

The foregoing analysis of the successive steps forwards and backwards in the efforts at administrative reform in Brazil leads us to examine more carefully the possible causes for the seeming lack of congruence in the designing of the main variables for organizational design in the Brazilian Public Sector, despite the successive administrative reforms.

First and foremost it is necessary to outline the questions of a profoundly political nature relating to the exercise of power in a developing society such as Brazil.

Based on Motta (1994), some interesting conclusions drawn from case studies of the Brazilian experience in reform deserve special attention.

“The Brazilian State particularly where its administrative machine is concerned still retains strong traits of a traditional society with semi feudal characteristics. Public bureaucracy has been one of the major instruments for maintaining a traditional power structure; a formal organization and administration which is less based on technical/regional logic and more on criteria of political power groups to maintain coalitions and attend to preferential groups.” (Motta, 1994, p. 177 - free translation of the Portuguese)

It is essential to identify the relationship of dependence existing between bureaucracy and the preferential groups, since just as bureaucracy enables such groups to maintain their power and influence, they in turn give political support to the members of the bureaucracy. For example, this support may take the form of approving and allocating sizable budgetary resources without any consideration regarding technical standards and the true needs of public policy. In addition to this, the preferential groups influenced the party machine, thereby ensuring control over adopting public policy in line with their interests. By obtaining such

resources they manage to maintain and progressively reinforce the political loyalty of their power bases. Such privileges make it possible to maintain the sources of backing without taking into consideration the real and pressing needs of the population.

One of the most pernicious aspects of these practices is the preference of these groups for social policy as their area of activity. Social policy represents a segment where it is possible to obtain great recognition, since it attends to the demands that are directly linked to the essential requirements of the population. In addition to the irregular usage of public resources and determining the application thereof according to private interests that seek to maintain political loyalty as a way of remaining in power, the activities of preferential groups in such areas is also seen by the population as "personal favors" granted by the politician himself, rather than what they really are, namely services offered by Public Authority to its citizens.

There follows below a set of premises formulated by Motta (1994) when drawing conclusions from instances of the Brazilian experience in reform.

“With this in mind, one must consider the following premises in order to understand the actions of reform:

- a) The existing administrative system looked at from the angle of modern management may appear highly irrational, though for the preferential groups that it serves it constitutes a logical and highly rational system.*
- b) In a system designed and dominated by preferential groups the formulation of policies in response to demands received from marginalized groups is controlled by "paternalism", special arrangements and concessions that do not affect the structure of the system.*
- c) The groups that dominate the administrative system are not merely small groups of profiteers or marginal irritants to order; they are highly organized and institutionalized groups within the political system.*
- d) The career of the head or leader of a preferential group is dependent on the fact of maximizing the benefits obtained for his political group.*
- e) The loyalty of these groups to the public institution to which they are allocated is almost nil; therefore they circulate freely between departments striving to garner greater benefits independently of the damage they may be causing both to the interests of the institution in question or to the public budget.” (Motta, 1994, p. 178-9 - free translation of the Portuguese)*

Further, according to Motta (1994), increasing expectations regarding improvements in terms of the quantity and quality of services offered by the State, as a result of the redemocratization process, may bring about the necessary rupture in the traditional political structures.

The recent emergence of new organizational models such as NGOs, as well as the healthy resurgence of representational groups from civil society, such as community bodies or class representations, represent new management options and possibilities for partnerships in the management of public services. A series of activities, which were previously considered the exclusive responsibility of public authority have come to be exercised by civil society leading to new models of civic participation never witnessed before in the Brazilian scenario.

Complementing Motta's trenchant analysis, it is worth pointing out that is also valid for other sectors, other than the purely social level, where the so-called preferential groups seek to gain systematic and privileged access to large slices of the budget, thereby influencing public policy decisions in line with their interests. According to Wainer (1988) in order to understand politics in Brazil it is important to grasp the nature of the relationship between the State and contractors:

“Anyway, at that juncture I met an indispensable figure for deciphering the secrets of the power game in Brazil, namely the contractor.” (Wainer, 1988, p. 223 - free translation of the Portuguese)

“The presence of contractors in the Brazilian political scenario is still extremely important. They continue to interfere in the appointment of ministers who will act within the areas included in their universe of interests, financing parties and candidates, getting deputies and senators elected and influencing the editorial line of magazines and reviews.” (Wainer, 1988, p.225 - free translation of the Portuguese)

Therefore, and this is a point to be stressed, it is a precondition for the influence of preferential groups with internal representation in bureaucratic circles and public policy, to contribute to the incoherencies in existing organizational design. The structural incoherencies, which weaken the system, are favorable to the logic of “privatization of the State”, in other words, its appropriation by preferential groups that exercise political and economic power without the necessary adhesion to the public interest. Excessively fragmented decision making processes, distancing between politically designated administrators and unmotivated technical

personnel as well as the prevalence of purely formal control mechanisms added to the deficiencies of a politically immature system, all help to promote the interests of the preferential groups. Depending on the degree of their internal and external influence, such groups do everything to encourage cosmetic changes that seemingly identify them with reform but also prevent, to the limits of their abilities, the development of systems designed in such a way as to be more capable of generating decisions and actions oriented primarily in the public interest.

A further serious aspect of this point is the fact that, in many cases, different political factions are represented in positions of importance within the same organization. Their antagonistic and diffuse interests lead to organizational design decisions in their respective spheres of influence that may be incongruent, incompatible and even contradictory. In more serious instances, which render a dominant coalition unviable, administrative chaos reigns in an undefined situation due to fragmented standards of individual political loyalty. For example, this situation is common in Regional Development Banks in which an administrative board may comprise individuals appointed by recommendation from regional governors who are from different party groupings.

In this respect, it should be pointed out that in the public sector the development of more rational organizational designs is directly associated with the development of the political system as regards society's ability to get its wishes implemented, as a result of the levels of aggregation and articulation of demands effectively achieved. In a large and diversified federation such as Brazil, subject to different stages of economic, political, social and technological development in regional and sectorial terms, this relationship of dependence of technical solutions of organizational design upon their political variables is immediately evident. As the poorer States of the federation become richer and the activity sectors become more sophisticated requiring greater technology and professionalization, both in the private and public spheres, one needs more powerful analytical lenses to understand these relations in which greater demands in terms of organizational efficacy and efficiency demand more complex articulations between the political element and techno-bureaucracy. The fact is that in many cases, thanks to their results in terms of contribution to development, State companies, for example, were able to convince a good part of society of the adequacy of their institutional and organizational models. This was possible despite the possible dysfunctions arising from

the public or mixed nature of property, such as the bureaucratic controls or even the influence of more or less legitimate political and governmental interests in the decisions or organizational designs that support them. Likewise, manifestations of 'corporativism' did not make many lose faith in relation to these models. Progress in the reform of the State, in the sense of privatization and restructuring its participation in the economy had the fiscal crisis of the State as its strongest argument for its legitimation. This was so due to the State's incapacity to keep the programs of investment in the sectors of steelmaking, transport, sanitation, energy and telecommunications at the required rhythm and intensity, despite the renewed and growing worry over denationalization. More dynamic sectors of the production economy of the public sector also have the benefit of the doubt with respect to their ability to organize themselves and achieve satisfactory results, if the problems of the fiscal crisis were duly resolved and the capacity for investments required to achieve development with stability were guaranteed.

A secondary reason for the incoherence in organizational design is the specialization of functions, which is an existential attribute of the bureaucratic model. Professional groups differentiated by technical training and orientation allocated to different specialized functional units tend to act without adequate communication and coordination among themselves. In general they are not readily disposed to share conceptual frames of reference that might lend coherence to their proposals for organizational design. Engineers, physicians, educators and dominant professional groups in a given area of public action are often only vaguely aware of their role as administrators. Human resources specialists, IT and systems professionals, organizational analysts, etc, influence decisions for design of the organizational variables of their respective areas of responsibility without realizing the interrelations among them. As a result, it is quite common for it to be impossible to find in a given organization what one might refer to as systemic rationality in the design of the organizational variables in relation to the teleological elements (mission, objectives, goals, strategy), structures, information systems and decision making mechanisms and human resources management systems of the organization.

This situation is even more acute in the public sector, due to the fact that the inter-organizational and inter-institutional relationships are of an even more complex nature than those found within the context of a single organization. In the public sector, specialized technical nuclei established in different organizations within the sector are responsible for the formatting and "due" functioning of the mechanisms under its control in the other

organizations of the system. The public nature of property, which by its very nature demands internal controls tending towards uniformity and standardization, is aggravated by the pathologies of bureaucratic behavior. Among these are insensibility to the differences in the nature of the activity of the different organizations and, therefore, to the differentiated levels of uncertainty to which they are prone, in addition to regional or other contingencies. Quite possibly, it is for no other reason than this that the history of administrative reforms in Brazil may be summed up as a continual process of "differentiation", in which groups of organizations of a given category, seek to escape the centralized design of the formal mechanisms for personnel control and management, using more or less well structured methods or solutions. As we have seen, therefore, this is a history of steps forward and backwards in which it has not yet been possible to find a more stable model, albeit without the pretension of being definitive, as is only natural in the circumstances.

¹ A historical period that began in 1985 when President José Sarney took office marking the end of the authoritarian regime which had taken over in 1964.

² See Appendix 4 - Tables II and IV.

³ See Appendix 4 - Tables II and III.

⁴ See Appendix 4 - Tables II and III.

⁵ See Appendix 4 - Table IV.

⁶ The expression "CeLeTista" refers to workers from the private sector whose rights and obligations are governed by the Consolidated Labor Laws or CLT. The CLT covers the rights and obligations, including salary matters, holidays and other worker benefits, in addition to those of the employers.

⁷ In the depositions in Chapter 3 several mentions are made of SEST, particularly with reference to its excessive controlling power that often ended up blocking the action of managers in institutions of indirect administration.

⁸ The term "classical model" is used here in a similar manner to that referred by Pimenta: "*The public bureaucratic organizations which constitute Brazilian Public Administration from the 1930s onwards, the so-called "classical model", is the closest approximation to the "Weberian" bureaucratic model, mainly with respect to aspects of personnel and juridical form.*" (Pimenta, 1993, p.18 - free translation of the Portuguese)

⁹ With the reelection of President Fernando Henrique Cardoso in 1998, the Administrative Reform process on the lines implemented by MARE gained continuity.

¹⁰ This reforms movements identified with "new liberalism" at the economic sphere, are known under the general label of "New Public Administration" in their academic manifestations.

¹¹ Non-State Public Property: made up of not-for-profit organizations, which are not the property of any individual or group and are geared directly to cater to the public interest. (Brazil, 1995)

¹² This Council is composed of the Ministries of State, Planning, Treasury, Industry, Commerce and Tourism, as well as the Federal Administration for State Reform and the Minister in Chief of the President of the Republic's Civil Unit. Other Ministries, whose presence is necessary in line with the sector subordinated to the company to be privatized will also participate, in addition to the President of the Central Bank, in the event of privatization of financial institutions. [INTERNET: WWW.BNDES.GOV.BR]

¹³ In the total amount of U\$84.696 million generated in the privatization process between 1991 and October 1998, U\$57.173 million of which are from federal privatizations, and U\$27.523 million from state privatizations. [WWW.BNDES.GOV.BR]

¹⁴ [INTERNET: WWW.BNDES.GOV.BR]

4 Managers and their Depositions

Within the structural socio-political and organizational contexts previously analyzed this chapter is an excursion into the world of real life experience, namely that of Brazilian public managers in their public sector organizations in a developing country. Through their stories one may access the world of transformative action and acquire a better understanding of how social interaction plays a role beyond simple volition or structural determinism.

The material presented contains the full text for each public administrator interviewed. The deposition of each executive is segmented into story blocks (mini-cases) corresponding to the **management strategies** adopted in the specific situations related. In turn, the strategies of the different executives contained in their stories were compiled by logical similarity and the researcher's use of informed intuition into eight **reflexive codifications** of symbolic organizational situations. Such codifications concern acts that bear, to some extent, a certain relationship with the structural elements of the organization or society. The chapter introduces the managers interviewed and alternates their depositions with the author's interpretations. The full transcript of fragments of the interviews, however, also leaves space for the readers to "become involved" in the stories, offsetting them against their own experiences.

4.1 Biographical sketches

IRAPOAN CAVALCANTI DE LYRA

"The organization should be seen as a social being, namely something that is not separated from the world."

It was intense intellectual curiosity that motivated Irapoan Cavalcanti, while still a student, to board the suburban train bound for downtown Rio de Janeiro. The one-hour journey was all

that separated him from Castro Alves Library, where he could immerse himself in the works of the leading lights of Brazilian and world literature. He loved poetry, and he now readily admits that it was his precocious and “disorderly” interest in literature, combined with a strong political and ideological influence from his father, that was responsible for defining his mode of behavior in public sector management, as having “a reasonably solid humanistic basis.” Regarding the success of his administrative practice, he credits the “high degree of complicity and competence” of the professional groups under his command in the various institutions in which he worked for more than two decades. “Identical instruments, when used by different people, produce different results.”

Born in 1941, Irapoan Cavalcanti grew up in the Rio de Janeiro suburb of Marechal Hermes, where he studied until he completed junior high school. He was born into a working class family – his father was a mechanic who ended his life as a career technician. Cavalcanti freely admits that, during his childhood, his family experienced poverty, hunger and severe financial difficulties.

“I saw poverty at close hand. I am not exaggerating when I say this. On the contrary, there were times when we had nothing to eat in our house. I had no helping hand from the cradle, lifting me up to get a good start ahead of all the others. I learned from my father, who had hardly any academic training but was, nonetheless, a highly intelligent man, keenly interested in social questions, who taught me lessons of equity, justice, rights, and respect for the law. I have always been highly influenced by his political ideas.”

Continuing his higher education in Bangu, where there was a large population of resident workers, he enrolled in a school where sports were privileged. Faced with his “lack of sporting ability,” he sought refuge in the pursuit of the intellectual path.

“I have always had boundless intellectual curiosity. During my studies in Bangu, I brought together a group of friends and, largely under my influence, we started a literary club called the Gremio Carlos Drummond de Andrade, when this author was only known in the best

intellectual circles. We published a periodical called O Caramujo, with a graphic standard similar to the magazine Senhor, which later merged with Isto é. I went to the cinema when my limited finances permitted. I already knew several directors. I read a lot, from Shakespeare to Vinicius de Moraes, passing Kafka and Ionesco on the way. Since I read more pure literature than technical material, I frequently went downtown to Castro Alves Library. I enjoyed doing things that were neither common in my time nor among my social group.”

While studying second grade, Irapoan Cavalcanti started work as a typist at the Aeronautics Ministry. He was later transferred, as a typist, to the National Nuclear Energy Commission (CNEN – Comissão Nacional de Energia Nuclear) where, in a short time, he became responsible for the direction of the whole budgetary process.

“My entry into Public Service was gradual. It was from necessity, rather than by choice. I had to earn a living, to work to help my family, and because of that I followed the natural path to a job where my father could open some doors for me. The first chance came with a competitive examination for typists at the Aeronautics Ministry. And that determined my path, as one job led to another.”

After several attempts at university level studies, beginning with the entrance examination to the School of Diplomacy of the Instituto Rio Branco, passing through entrance examination of the School of Engineering and ending with the course in Mathematics at Faculdade Santa Ursula, Irapoan Cavalcanti finally opted for the field of Administration, entering the Getulio Vargas Foundation, where he graduated, pursued specialization studies and now works as a teacher and advisor.

“My checkered literary background initially engendered mixed feelings and great mental confusion. I had multiple and diverse interests. This diversity prevented me from sticking to a definite path and defining a more clear-cut life perspective. It was a very tough time for me. Today, I can say that it was the reasonably solid humanistic basis I acquired that helped me to understand the problems of organizations inside society, far more than things I picked up from technical books.”

Invited to take up the position of executive-director of Casa de Rui Barbosa, with the specific mission of implementing the necessary measures to transform it into a foundation, he restructured its administration and expanded its activities. He then transferred to the Secretaria do Patrimonio Historico e Artístico da Uniao, where he took part in the creation of Fundacao Pro-Memoria. In his opinion, it was “an instrument that was absolutely innovative in the country, both in its conception and in its internal structure.” After disagreeing with the new governmental directive, which was opposed to one person running two different organs, and in order to fulfill a previous commitment, he accepted an appointment to the private cabinet of President Jose Sarney, who had recently taken office. After a brief period with the presidential staff, Irapoan Cavalcanti was appointed vice-president and, subsequently, president of Legião Brasileira de Assistencia (LBA), where he faced the challenge of modernizing the institution and increasing its production. He responded to the challenge by promoting decentralization and implementing a system of human resources that adopted a classification plan for jobs and wages that made positions in LBA a more attractive opportunity for public servants.

As a consultant, Irapoan Cavalcanti participated in the restructuring of the Brazilian Post Office (Empresa de Correios e Telegrafos), raising the national postal distribution company to a position of external respect, being generally considered one of the top three in the world.

"I have always been motivated by the desire to get things done, and am not overly concerned with earning money. These characteristics are what led me to remain in the public sector, which is widely recognized as offering low-income prospects. For nearly twenty-three years I have had a continuous sequence of jobs in Brazilian Public Administration, without a single day when I wasn't head of one area or another. But it was not a choice, it was merely a circumstance of life."

OZIRES SILVA

"Why be the lion's tail, if it is possible to be the rat's head?"

Some years ago, after listening to criticisms of his decision to manufacture small and medium sized aircraft, the then president of EMBRAER refuted these critics with the above question. This point of view ran counter to those to whom it made sense for the company to enter more sophisticated markets, controlled by such giants as Boeing and Lockheed. Subsequently, his position proved to have been the right one. The obstinacy and administrative capacity of Ozires Silva led EMBRAER to secure its niche market share. Studies showed that aircraft were getting larger and faster, thus opening up a market for air transport of a smaller size to connect smaller cities. The company managed to establish its place in the international market for its Bandeirante, Xingu, Brasilia, and Tucano planes and today it controls around forty percent of the North American market.

"I was born into a poor family in Bauru, a municipality located in the hinterland of Sao Paulo State. My father was a very modest man, who had not even completed his elementary studies at the primary school of the municipality and who did not consider it important that his children studied. My mother, on the other hand, thought that education could make things different and insisted on my attending the primary school courses. Later, I entered secondary school, which I completed with great difficulty, while working simultaneously in my father's workshop, rewiring motors and repairing electrical appliances.

Founded in the beginning of the twentieth century, Bauru was not blessed with good arable land and never took off as an industrial center. However, being located in the center of the State, it occupied a strategic position as an important railway junction. It marked the convergence point of the then privately-owned Estrada de Ferro Paulista Railroad and the state-owned Estrada de Ferro Noroeste do Brasil – its destination being Mato Grosso – and the point of departure of the state-owned Estrada de Ferro Sorocabana. Since its early days, the town assumed the character of a commercial depot, a destination for merchants and travelers.

Consequently, any professional careers there were focused on commerce and related activities, such as the legal profession. There was a small amount of interest in public service, by virtue of the state railways. For young people, these were the only two career options open to them.

In the 1940s, Marinho Lutz, director of the Estrada de Ferro Noroeste do Brasil, created a model aeronautics school in the town. This stimulated the local model aircraft club enormously, and it became the formative hub for an aeronautical mentality. Together with a group of friends, I became interested in model aeronautics, making some planes and even flying a glider towed by a winch. At the time, this was not an officially regulated practice. The government had not implemented the strict controls we see today. Consequently, at the tender age of fourteen, I was, amazingly enough, a glider pilot. Two years later, I discovered that by joining the Air Force, I could sign up for a free course in pilot training. Honestly, I had no idea what the Air Force was; I had no idea if I wanted to become a soldier or an officer. I really didn't know anything, except that I wanted to fly an aircraft. Entirely ignorant, I enrolled for the competitive examination and, being a reasonably conscientious student, I passed."

Thus it was that in 1948, aged sixteen, Ozires Silva entered the School of Aeronautics, transferring to Rio de Janeiro. When he graduated as a flying officer, he had flown some three thousand hours in an aircraft known as a Catalina, covering the entire Amazonian Region, engaged in active support work for the local communities. Later, as a lieutenant in the Brazilian Air Force (Força Aerea Brasileira – FAB), he racked up four thousand hours flying for the national postal delivery service (Correio Aereo Nacional – CAN), with the same objective, namely to create a search and rescue squadron, thus developing the service mentality of the public servant. All those years, “because he had to survive,” his craving for aircraft construction remained "practically dormant."

In 1962, after graduating as an aeronautical engineer from the Aeronautical Technology Institute (ITA – Instituto Tecnológico da Aeronautica), he had acquired the educational level and the background he needed to start thinking about aircraft construction from a "more reasonably technical" point of view. In 1965, with three further years experience at the Centro Tecnológico

de Aeronautica (CTA) behind him, he mustered up the courage to present his project for the Bandeirante aircraft. However, he accepted the advice of his commanding officer that he should undertake post-graduate study outside Brazil, in order to develop his talent and acquire the moral authority indispensable for venturing into such an ambitious project. Thus, he embarked for one year on the "materialization of an old dream," and obtained his master's degree from the California Institute of Technology (CALTEC) in the United States. Returning to Brazil, he concentrated all his efforts on building the Bandeirante, the inaugural flight of which occurred in October, 1968. In 1970, with the backing of Marcio de Souza e Mello, Minister of Aeronautics at the time, he succeeded in setting up EMBRAER.

The personal assets of prestige and credibility acquired during his professional life led Ozires Silva to serve in two other capacities: as president of PETROBRAS and Minister of Infrastructure in the Fernando Collor administration. He resigned from the latter post due to differences of opinion with Economics Minister Zelia Cardoso de Mello.

"During my time as Minister, my great disappointment was to learn that governmental decisions were never really made, they simply happened. Every passing day the problems got worse. Nothing was decided until, at a given moment, one felt like a cornered animal and one was then ready to go in any direction."

Shortly after he resigned from PETROBRAS, in the plane that was taking him back home, he thought: "Now what, Ozires? You're unemployed!" He promised himself that he would never again find himself in this position. He went on to create DEBRACO, an enterprise for business commissioning, to which he intends to return when he completes his work at EMBRAER.

"My story is really a simple one. I am a product of schools maintained by the State for gratuitous public education. All my courses were paid for by the government. Were it not for that, today I would certainly still be mired in the poverty I was raised in. I never would have gotten out of that vicious circle. Through my work with Brazil's hardships, I found an opportunity to establish my career as a public servant."

PAULO VIEIRA BELOTTI

"An important thing in public service is to have the courage to bend the rules."

At a juncture when the question of privatization of state enterprises is in the forefront of national political debate, Engineer Paulo Belotti emphasizes the importance of the role PETROBRAS has played in the development of the Brazilian oil industry. He adopts as his perspective the notion that the public sector should have no specific objectives. Its aims, he believes, are established by the people who, at any given moment, hold key positions in the country's administration. He stresses the ethical problem of incompetence when commenting on the billions of dollars PETROBRAS failed to earn because, in the fight to control inflation, the government kept the price of fuel down, thus causing damage to the financial health of the company. Belotti contends that the unfamiliarity of government with respect to the areas in which they should act constitutes one of the serious problems of the current Brazilian administration, demoralizing the performance and development of the nation's public institutions.

The son of a coffee merchant, Paulo Vieira Belotti was born in the hinterland of the State of Minas Gerais. His basic studies were completed in Juiz de Fora, after which he moved to Rio de Janeiro, where he graduated in engineering and mathematics, while working at the Banco do Brasil.

"My family was essentially middle class. My father was not a rich man – he financed my studies, but I did not enjoy any great advantages. Engineering was a profession that attracted many young people of my generation and as I was inclined to the exact sciences, it was the natural direction for me to take. I also took the mathematics course and later, when nuclear energy was included in the syllabus, I became interested in the subject, since it is also part of my vocation."

By passing a public admission examination, he was admitted as an engineer onto the staff of the Brazilian Development Bank (Banco Nacional de Desenvolvimento Economico e Social – BNDES, which then used the acronym BNDE), “at a crucial juncture in the country's great development.” His constant participation in the external activities of this financial institution, which he represented in special working groups and commissions, acquainted him with the Military Chief of Staff of President Castelo Branco, General Ernesto Geisel. In the subsequent Medici government in 1970, General Geisel was appointed president of PETROBRAS and he invited Belotti to be the director of Petroquisa (Petrobras Quimica S.A.), the chemicals arm of Petrobras. Later, he became secretary-general of the Ministry of Mines and Energy, a position he left to become the financial-director of PETROBRAS, where he remained during the Figueiredo and Sarney administrations.

Deciding to stay out of electoral politics, Paulo Belotti describes his thirty-three-year participation in Public Administration, as oriented to the country's economic development and restricted to the implementation of government programs involving technical activities, albeit requiring a political capacity of persuasion. He does not deny that his success in public administration has won him respect and high regard from the top echelons of the federal government.

“To administer the work that constitutes public service, it is obviously necessary to have moral standards and be well prepared, to study the issues, to know the area, and to count on the services of supportive and highly specialized staff imbued with the same spirit. Without moral standards, nothing can be done in public administration. It is also necessary to have courage and to be prepared to bend the rules in order to overcome the constraints imposed by the controls and legislation prevailing in the sector.”

Currently working in the private sector at NORCEL – a company linked to petrochemicals – Paulo Belotti still proudly remembers his participation in government, affirming that State intervention in the economy was responsible for the “great steps forward of the country in the energy sector over more than three decades. With the privatization of state enterprises we will slide back some years before resuming growth.”

SERGIO RUDGE

"I am a trampler of bureaucracy. I have always gone directly to the Pope."

To be successful in public administration, one must have “the knack,” the adroitness to stay well away from electoral politics and the ability to circumvent the state's bureaucratic machinery. This is the formula proposed by Dr. Sergio Rudge, M.D. Appointed director of the Traumatology-Orthopedic Hospital – HTO at thirty-seven, he managed to establish the institution's reputation for excellence. This required the ability to deal with politicians and suppliers, to handle bureaucracy astutely, and to adopt a decentralized command system. According to Dr. Rudge, “*if you centralize everything in your own hands, you cannot get anything done.*” Using a three-pronged approach consisting of humanization, technical improvement, and team spirit, he transformed HTO into a First World hospital.

Born and raised in Rio, in the district of Leblon, where he acquired his renowned street-smartness, Sergio Rudge received early inspiration from his father, the orthopedist Oscar Rudge. The family environment was characterized by rigid discipline, in which the children were summoned to meals by the clanging of a bell and required to present themselves correctly dressed at table. Sergio defines himself as an "average student," who went to various schools before entering the School of Medicine of Vassouras, which gave him the opportunity to live alone and become more independent. Graduating in 1975, he served his internship specializing in dermatology at the Central Army Hospital – HCE. In order to work in the area of his choice, namely orthopedics, he then transferred to HTO.

“I lived in the underworld of HTO. My basic training, indeed my whole formative experience, was acquired there. I was an intern, a resident, staff doctor, sector head, substitute for services supervisor and, in spite of all that, I never thought about establishing myself in

public life. I always used my own initiative. Sometimes on arriving early in the morning at the hospital, I found the outpatient ward full of sick people and sent them all to my private clinic, where I treated them free of charge. My father was furious, because I used to mix his VIP clients with the patients from social security – INAMPS. Today, HTO has a distinguished national reputation and cares for both a middle class clientele (doctors, dentists, and engineers), as well as the patients from INAMPS (masons, carpenters, doorkeepers) I have always liked being close to the poor.”

Rudge continues:

“Seven years ago, my father, who was the hospital's director, had a disagreement with the then director of the Medical Division, who was about to be replaced. Since I had a very good rapport with all the doctors and also with the staff in general, they wanted to make me the new director. I was initially reluctant, thinking that I was not cut out to be an administrator and afraid of damaging my father's reputation. But my wife encouraged me, saying: 'Why not? You get on well with everybody, you talk, and you know the ropes. This is more of a political position.'

Consequently, I took the chair as medical director, but initially I didn't do anything. Nothing at all! For eight months I sat back learning and getting to understand the controls in order to fly the Jumbo, which an operation the size of HTO really is. I studied how the various sectors actually worked and how the whole process was integrated from within. About two months before my father's compulsory retirement, I told him: 'Look, I want to sit in your chair.' My father, who had a heart condition and had already undergone surgery, went white. He was then livid and became tachycardiac . . . There was even a family meeting with all my brothers, who said: 'Now, Sergio, you want to finish Dad off! He almost had a fit.' I answered: "Well, Dad will have to leave, and when he does I want to take his place!" Six months before my father retired, I went to him again and said: 'Your compulsory retirement is approaching. I want to run this hospital with your support. If I do anything wrong, you put me back on the rails. But I really want to manage HTO, to feel it, to streamline the bureaucracy, in order to make the service rendered more agile and efficient.' I still could not fly alone, but I started to build a political

support base and develop some procedures oriented to a philosophy of humanization, technical improvement, and team spirit."

When Oscar Rudge stepped down as director of HTO, Sergio Rudge took his place. Sergio Rudge's administration distinguished itself by its modernizing character and its sense of professional improvement. The hospital "took off, exploded technically and became the doctors' second home," a place where everyone was proud to work.

"The administration's greatest obstacle is within the system itself, in the bureaucracy that hinders the development of the public sector. In healthcare, hospitals have fallen apart and the doctors have no motivation because of the unspeakably low salaries and the lack of equipment necessary to operate. Thus, our excellent surgeons migrate to foreign countries and are extremely successful. It is necessary to work harder to restructure the problem of healthcare at the national level. Without healthcare, it is impossible to develop the nation's intellectual capital.

It is not difficult to run a good administration – if one puts one's mind to it, it is possible. The problem is that everyone wants status, without the burden of working to get things done. I am a working machine; I work hard at the hospital, at the clinic, at home . . . Public administration has become a kind of obsession for me. This creates a very complex family situation, with considerable pressures. It is necessary to know how to separate things and to pay attention to our personal lives. I enjoy physical exercise: I work out at the health center at Lagoa every day and I like to race carts. ... If I did not have this kind of escape valve, I would have had a heart attack long ago."

4.2 Managers and Their Depositions

4.2.1. Interchanging Frames of Reference

The ever-changing reality of facts, policies, structures and mechanisms in public sector administration unfurls continuously as a result of the social interaction between the players involved. From their different standpoints and layers of interpretation, action and decision, the individuals interact and influence each other in an ongoing cycle of social construction and reconstruction of reality. This becomes richer and more dynamic in line with the intensity and diversity of the interactions, as it is the result of the evolution of interpretations of the individuals involved. However, each organizational environment or layer, of different degree of specialization, tends to be a brake of reality in terms of the significance attributed to it, since *“to interpret means to encode external events into internal categories that are part of the group culture and language system.”* (Daft and Weick, 1984). The depositions of Irapoan Cavalcanti, Ozires Silva and Paulo Belloti that follow reveal the subtleties involved in this process, and how more astute and experienced administrators can make a constructive contribution.

Deposition 4.2.1.1. - Irapoan Cavalcanti de Lyra – Exchanging frames of reference

“I started in the Nuclear Energy Commission as a typist in 1963 and, by the time I left in 1967, I was responsible for administration of the entire budgetary system. The next year, while studying administration at the Getulio Vargas Foundation, I worked as an advisor for the Commission. At the time, I learned a curious thing, which was to help me greatly, which involved the difficulty a person with experience in management faces when working together with specialists in an organization that generated a knowledge that was alien to common sense and, therefore, the realm of a very small part of the population, such as nuclear energy. This was very significant to me because, at that time, attempts were being made to rationalize public expenditure in Brazil, through formal adoption of the performance budget.”

When, in 1966, the Ministry of General Planning and Administration asked us to take charge of the performance budget, nobody knew what that meant or how to do it. I boldly attempted to read the instructions accompanying the document and realized that I understood clearly the purpose of the budgeting objectives and how to organize them. I approached an authority at the Commission, and said: 'I'm going to develop this budget, but you must tell me what the country's nuclear energy program is and what the objectives to be attained are, so that we may be able to prepare the budget.' He looked at me and said: 'Trapoan, as long as you arrange X cruzeiros for material, Y cruzeiros for durable goods, and Z cruzeiros for equipment, you may organize the rest anyway you wish.' This conversation indicates a clear inversion of values: I was a young man thinking of defining the organization's objectives, while one of the organization's commanding officers thought it was far more important to deal with the specifics of the expenditure.

As executive director of Casa de Rui Barbosa, nobody knew exactly how to manage a foundation created by the government, as it was a novel concept. In fact, the first funds allotted to the foundation were received in the form of a check made out in my name. I went to a teller in the Ministry of Finance, showed them the documents, they gave me the check, I signed for it, and deposited it in the name of the Foundation. With the responsibility of setting up all the services, I experienced a new impact, also related to the issue of an administration dealing with specialists.

The same pattern repeated itself in the sphere of Secretaria do Patrimônio Histórico e Artístico da União where, on two different occasions, it was necessary to establish an alliance between professional administrator and intellectual - first, with Secretary Aloisio Magalhães and, after his death, with Marcos Villaça, who succeeded him - essential for the management of an organization with a great technical and moral reputation.

My working relationship with Aloisio, initially a bit distant, gradually grew closer, to the point that my place of work was in his office, an extraordinary thing when one considers traditional Brazilian practice at the time. I started discussing problems that arose from the administrative point of view and very curious ideas started appearing, such as the functioning of

an organization without structure and other innovations that had almost certainly never been implemented in Brazil. We even used to discuss the future of the cultural system of the government. Perhaps I had the necessary upbringing to perceive clearly things that Aloisio presented from an intellectual point of view, which I then transformed into organizational elements.

Patrimonio was an organization through which famous intellectuals, such as Oscar Niemeyer, Roberto Burle Marx, Carlos Drummond de Andrade, and Lucio Costa had passed. However, it had become clearly outdated from an administrative point of view, due to obstacles imposed by the government itself. The management structure had made the entity impracticable, and the first challenge was to find a new managerial format capable of guaranteeing its viability. This led to the establishment of Fundação Pro-Memoria, which was given the responsibility of executing all tasks that had previously been performed by the Patrimonio: searching for and preserving assets and collections. The policing power, including the imposition of fines and restrictions on property, remained with the Secretaria do Patrimonio, whose top executive, in the original plan, would also be the Fundação's president.

In the case of Fundação Casa de Rui Barbosa, as managing director I maintained close ties with the institution's president and the Minister of Education and Culture; at the Fundação Pro-Memoria and the Secretaria do Patrimonio, with the Secretary of Culture and the Minister of Education and Culture in that area; in LBA, with its president, as I was vice president. When I became president of LBA, my central relationships were with the Minister of Social Security and Welfare and the President of the Republic himself, because of the historical role played in LBA by the First Lady, who was a prominent figure in all those relationships.

These contacts must be carefully cultivated. If the people concerned respect you, it is easier to show them that administrative procedures from the government may hamper your scope for action and these highly placed employees can provide support to implement the necessary modifications.

In LBA, for example, the plan of positions and salaries, which was an important element in developing internal cohesion and external respect, had an ally in Minister Raphael de Almeida Magalhaes. In fact, I should call him an accomplice. We discussed matters and he immediately channeled our concerns and suggested solutions, which is always a very helpful contact.

A friendly relationship with Minister Ludwig and his ministerial secretary-general, both of whom understood the implicit problems perfectly, was extremely useful in the creation of Fundacao Pro-Memoria and later, in the effort to strengthen it, and in solving the problems of the Patrimonio Historico. Minister Ludwig, who was a colonel, was also, strangely enough, one of the best ministers of Education our country has ever had and was even better in the area of culture. The staff was very fond of him because he was a man of great sensitivity with a democratic outlook, although he was working for a military government. He had a feeling for history. He started discussions and sat with artists, including some who were renowned leftists.

I did not know Aloisio Magalhães or Marcos Villaça before we all began to work together. Today, Marcos Villaça is more than a friend, he is like a brother. When I worked under them, they taught me a series of things that one is not even aware of when one works at lower levels. They gave me the political connections that opened doors to me.

These contacts were more easily established, especially at Pro-Memoria and LBA, where I worked longer with Marcos Villaça. Marcos is a great administrator, a man of great perspicacity who clearly understood that his relationship with his superiors should be carefully cultivated. He was more skilled at this than I, and it was terrific to see the importance of this mechanism. It is not enough to be right because, if we are deprived of the appropriate channel, or do not know the proper time to show that we are right, then the timing is wasted.

It is imperative for the administrator to build up this relationship with his immediate superiors. This relationship is very different from sycophancy. It does not involve organized demonstrations to show one's appreciation of the illustrious Mr. Director, as Carlos Drummond de Andrade said jocularly in one of his poems. It is only a way of letting your director, your

minister, or the President of the Republic know what you are doing and thinking, and knowing their opinion, thus interacting while the work is in progress. This interaction is extremely helpful and facilitates the work. In my case, it helped me to establish total mutual trust, not just one-sided trust. I have always been lucky because I meet very cooperative people who want to get things done correctly and work toward this type of relationship.

In the sphere of internal cohesion and external respect, especially in relationships with superiors, it is always necessary to be absolutely forthright. One must never allow one's actions to be open to question, because, as the saying goes, a lie is soon found out."

Deposition 4.2.1.2 - Ozires Silva – Expanding cognitive maps

"Since my childhood, I have always been attracted to the technical area. At the age of nine or ten, I was already working with motors. When I started thinking about building an airplane, the first question in my mind was: 'Why is it that Santos Dumont, a Brazilian, invented the airplane, but Brazil doesn't build them?' An obvious question, isn't it? Then, I started studying all the stories about what had happened, gathering documentation, and trying to learn what the pioneers, starting with Santos Dumont, had done to build a plane. I discovered amazing things. For instance, up to 1960, Brazil had manufactured and put in the air, for flying purposes, six hundred prototypes, each one different from the other, and had succeeded in mass producing no more than ten of them.

My first realization was that it is not a big challenge to create a new type of airplane – many people do it. What is rarely achieved is their production for sale. From then on, my attention was focused on the aspects of marketing, sales, market position, and the cost of the product, and I started putting these ideas into my team's heads. The team members belonged to the Centro Tecnológico de Aeronáutica, an indisputably technological organization, and I told them: 'It is not technique that makes planes, it is administration. If we have an efficient administrative process, it will be this efficient administration that may force the technical system to produce a plane.'

So, we started reading American magazines. Ever since I was a boy, I tried to get hold of the specialized review, Aviation Week, which I've been reading for more than forty years. Created in the 1920s, it is an extraordinary publication that has never published an erratum. They are my friends, incidentally, and the review is sent to me weekly.

Aviation Week publishes the North American defense budget shortly after it is approved. I read that budget, examining its part about mechanisms, and observed that it contained a brand of information that is fundamental for administration and which I called the 'law of the four Ps' (in Portuguese: price, term, performance, and weight), the last item being valid only in the case of aircraft, as it's the only aspect that is energy-consuming in order to obtain its airborne factor. In all other products, this component is almost irrelevant.

I used to remind my team: 'We must work on these points and produce a competitive aircraft. It must be viable in terms of cost and, consequently, marketable at prices that will guarantee its sale. We must use marketing techniques to choose the product, so that we may fulfill a perceived demand in the international market. Our entry to the market must be along these lines.'

We proceeded to examine the story of the development of our aeronautical industry, in which out of six hundred manufactured prototypes five hundred and ninety were failures, in order to learn what needed to be done to avoid further failure.

I added: 'The ten successes were each like a natural cycle that blossomed, bloomed, flourished, and then faded. We have to remember that we must expect cycles like that but, as soon as we launch the first one, we must already be working on the next project, such that the activity is sustainable. In addition to this, traditional concepts of innovation, creativity, and adaptability of a company come into play to cope with the fluctuations in demand.'

In this way, I started developing these fundamental tenets of market research, and then we

worked on the administrative aspects. I never accepted that things were impossible, although I realized they could be very difficult. I remember when, back in 1975, I wanted to sell the Bandeirante to the United States. I presented my arguments and talked to everybody, and arranged for an inspector from the Federal Aviation Agency to come down to Brazil. His name was Keith Blass, and he stayed with us for a week. In the end, he came to my office, in this same room, and said: 'Based on my findings the Bandeirante will never be approved in the United States.' I asked him why. He replied: 'Because the plane would have to go through a vast number of modifications to be allowed to fly in the United States.' 'Does vast mean a million?' – I countered. He answered, 'No, not a million, but ...' I interrupted, 'OK, fine, let's sit down and you can tell me the first modification required.' He was shaken and said: 'Are you kidding?' I smiled and replied: 'No, not unless you are.' He looked at me for a while and then said: 'No, I am not. But you will never succeed.' I immediately retorted: 'Whether we succeed or not is my problem. You tell me what the thousand modifications are and we will work on incorporating them.' Four years later he returned to Brazil and, at this same table, proudly signed the certificate of approval for the Bandeirante in the United States.

Just this morning, during a meeting of the board, one of the directors said: 'But this is a long term goal.' I insisted, 'Sure it is, but if we keep saying that something is a long term goal and never get started, it will remain a long term goal forever. However, if we start immediately, long term goals eventually become a reality, don't they?'

My technical background was of fundamental importance. When Keith Blass was talking to me, he was not only dealing with the administrator, but also an aeronautical engineer who really understood the problems involved. So, when he started tackling technical points, I followed carefully and discussed details in depth. In the end, Keith and I became firm friends and I learned a great deal about Americans. Americans are different from us Brazilians; they do not take something one says as personal confrontation. A Brazilian comes to you and says: 'This will never happen. It is impossible.' If, despite his assertion, you achieve what you wanted, a Brazilian will take his revenge by confronting you with every obstacle at his disposal. That wasn't the case with Keith. He said what he meant and was skeptical from the moment I decided

to persevere with the project. Back in the United States he remained skeptical, but he never turned into an antagonist. On the contrary, when he signed the certificate of approval of the Bandeirante, he did it gladly. It is a fundamentally different attitude and that's what makes me sad when I think about Brazil. What makes a great country is the sum total of its successes, if possible, of the majority of the population."

Deposition 4.2.1.3. – Paulo Vieira Belotti – Exchanging positions and roles

"In Brazil, the example must come from the President of the Republic himself. An example of working capacity, preparedness, in-depth knowledge of matters, information, and participation in all decisions, made jointly with others, in meetings where all have the same standing. Such an attitude involves a considerable effort, a great deal of study, and is truly exhausting work. It is useless to be under a chief who is not knowledgeable and has no true capacity. President Geisel was an example of a well-informed man – he was never involved in any power struggles or underhand dealings. He could never be caught out, because he studied the subject, took matters to study at home, read, positioned himself, discussed, and participated.

I was once present at a discussion between Banco do Brasil and Companhia Siderurgica Nacional. The bank had loaned money to the company, the pay-back day had arrived, and the company could not pay. So, they wanted to renew the loan, but the bank would not agree, because they needed the money. It was chaotic The president went to act as arbiter, but the sums involved were very high and he was not making any headway in his efforts to convince the parties. Then, at a given moment, he said, 'I know what I'm going to do: I'll switch your positions.' He turned to Angelo and said: 'Angelo, you are now the president of Siderbras and you, Americo, are now the president of Banco do Brasil. This way, you will each begin to understand the problem faced by the other, so that we can find a solution to the problem'."

Constructing, Expanding and Exchanging Frames of Reference

Initially, Irapoan's story reveals the perplexity of the young and inexperienced technician, who was still pursuing his academic studies in Public Administration, when asked to lay down objectives, goals, programs, projects and activities for a proposed budgetary system elaborated within the framework of a new set of principles. Naturally, the concept of a budgetary program elaborated in another country had been through interpretations, actions and decisions in specialized political and administrative spheres, in order to tailor it so that it could be formally adopted by all the organizations of Brazilian Public Administration. Nothing that a bright, committed and studious young man in administration couldn't handle by filling out forms with some assistance from specialists in the area, even within the complex scope of a Nuclear Energy Commission. However, the young Irapoan realized that between the formal adoption of a budgetary program by the Commission in compliance with the norm and the budgetary program becoming a reality, an intensive interactive construction process would be required over the course of several budgetary cycles. For the budgetary program to come to be interpreted in a more generalized and stable manner as a tool of management, it would take considerable action over the course of the years. The perception specialists in other governmental spheres had of it would not suffice, nor indeed would others be able to decode the essence of the concept within the existing categories in their more specialized frame of reference in administration. Only a shared interpretation would in future determine the efficaciousness of the new system, and not the precipitous decision to implement it mechanically. Continuous action, even if it was initially bureaucratic and mechanical in nature, would precede the new and more meaningful interpretation, as well as the decision to use it as an innovative instrument full of significance. This would only be possible as the consequence of a process of interactive experience in implementation. For the administrator of the Commission in question, the budget had a clear and vital significance: the key to the coffers that would allow the Commission to carry out its activities and possibly expand them incrementally, or even improve them:

- *"Irapoan, as long as you arrange X cruzeiros for material, Y cruzeiros for durable goods, and Z cruzeiros for equipment, you may organize the rest anyway you wish".*

Naturally, in his frame of reference, what was important was the budgetary resources that would be available. Everything else was irrelevant, including the use of the budget as a tool of management. This was totally outside his potential universe of action and thought. However, it didn't take long for the young Irapoan to see the reverse side of the coin, as can be clearly deduced from his deposition on the 'Secretaria do Patrimônio Histórico e Artístico da União', namely the Bureau for Brazil's Historic and Artistic Heritage. It is common for administration specialists not to develop a sensitivity to the substantive questions involved in public policy, namely visionary dreams and goals for achievement, as well as the political goals adopted by politically appointed leaders be they specialists or generalists. What they lack is a broadening of their frames of reference, absorbing new categories that enable them to share interpretations and reconstructions of reality with their leaders or peers in the different areas of expertise. In this sense, Irapoan came to appreciate an intense interaction with the experts in substantive codes and in the beneficial exchange of categories and codes of knowledge, sharing interpretations leading to the effective implementation of public policy through bureaucratic organizations.

“My working relationship with Aloísio, initially a bit distant, gradually grew closer... I started discussing problems as they arose from the administrative point of view and very curious ideas started appearing.... Perhaps I had the necessary upbringing to perceive the things that Aloísio presented from an intellectual point of view properly and that I, then, transformed into organizational elements”.

The creation of a company to manufacture and sell airplanes in the public sector, even as a State Company, is, by any criterion, a task of great complexity. Such was the case of Embraer, steeped in the broth of other government institutions, such as the then Ministry of Aeronautics, the Aeronautical Technology Center (CTA) and the Aeronautical Technology Institute (ITA). This technological and bureaucratic cultural broth involved both potentialities and restrictions for the full blossoming and development of the dream to have an aeronautical industry that would be competitive in domestic and foreign markets. How could a view of “business engineering” be added to technological competence and sensitivity to questions of management, such as, for

example, those related to managing the organizational synergetic effects arising from simultaneous engineering work in the productive process?

The narration of Ozires Silva reveals his perception of the central importance that the interaction of individuals has in the effort to seek an agreement on certain meanings and definitions for coordinated action. The Embraer project would substantially depend on the expansion and symbiosis of cultural universes, so that the codes of interpreting the reality of highly specialized engineers would also generate a commitment from business and management categories, which do not form part of their technical, scientific and professional world. Ozires attributes to this point, or rather, to the indifference to this point, the fact that a domestic aeronautical industry was late to flourish. The role of the leader in the insistent presentation to subordinates and associates of the world of multiple realities to be experienced in a shared manner seems to have been definitive in making the undertaking viable.

It is interesting to note that Ozires intuitively initiated his project by seeking a meaning for the paradox that the pioneering of an officially remembered and culturally popular Brazilian had not generated an aeronautical industry worthy of the name, its inventor or the industrial capacity of the country. Ozires was not content with the multitude of existing definitions drawn from applying general economic laws to explain the vicissitudes of the Brazilian industrialization process. It would be no exaggeration to assert that, more than a specialized technician or administrator, Ozires Silva's search was that of a critical analyst in his desire to penetrate the underlying meaning of the economic and social reality involved in producing in a sector that was, until that time, incipient and disorganized. As Burrell and Morgan explain the discipline and method of hermeneutics:

“ ... it is largely through the work of Dilthey that hermeneutics has achieved the status of a school of thought within the context of contemporary social theory. In Dilthey's hands it was essentially a methodology for studying the objectifications of mind. It played a central role in his overall scheme for generating objectively valid knowledge in the Geisteswissenschaften through the method of verstehen. Verstehen ... was the means by which we comprehend the meaning of a historical or social situation or cultural artifact. It was a method of understanding based upon re-enactment. In order to be

comprehended, the subject of study needed to be relived in the subjective life of the observer. Through this process, Dilthey claimed, objective knowledge could be obtained.

Dilthey argued that one of the main avenues for verstehen was through the study of empirical life assertions – institutions, historical situations, language, etc. – which reflected the inner life of their creators. The study of these social creations was seen as the main avenue to an understanding of the world of objective mind. The method was that of hermeneutics”. (Burrell & Morgan, 1980, p.236)

The long section cited on hermeneutics is justified because it explains the emphasis given by Ozires Silva to his efforts to understand, in the most profound sense of the word, the process of creating an embryonic aeronautical industry in progress in Brazil, although still subjacent to reality objectively perceived. A careful study of the documents relative to the history of each of the 600 prototypes developed reveals a language very different from that of the magazine Aviation Week, also intensely and systematically studied. The day to day life of those who have been involved in aircraft construction in Brazil and the United States can be seen to be extremely differentiated, separated by an enormous cultural moat, readily discernable in the references, categories, concepts and typifications revealed in the documentary analyses. But Ozires Silva’s inspiration to succeed came from perceiving that the great difference was not in the realm of meanings relative to cultural technology, but rather in the province of the meanings relative to business and management, practically non-existent in the aeronautical field in Brazil. Upon becoming aware of this and determining at the subjective level to bridge the two worlds, such as had already been successfully achieved in other areas in Brazil, Ozires Silva was able to articulate a dialogue that was capable of mobilizing superiors, peers and subordinates to objectify the project of producing and commercializing civil and military airplanes in the country on a sustained basis.

The interpretations, constructions and exchanges in the frames of reference that Irapoan Cavalcanti and Ozires Silva pursued as a critical element in the efficacy of management seem to support the importance of the alternative assumptions presented by Weick (1995, p.360) to those commonly presented in studies of organizational design. In the author’s opinion, those studies tend to adopt incorrect assumptions regarding the nature of organizational design. First, they assume that “decisions determine effectiveness”. Second, that “the purpose of design is to facilitate

decision making”. Third, that “people decide and then they act”. In the view of organizational design as improvisation that Weick submits to students of the topic, it would be more appropriate to adopt other assumptions. First, it would be more valid to assume that “interpretations determine effectiveness”. Second, to admit that “the purpose of design is to facilitate interpretation”. Third, that “people act and then they interpret”.

Administrators like Irapoan and Ozires are directly involved in the business of interpretation, of constantly searching for the understanding (“*verstehen*”) that helps them to continually design and redesign shifting structures, formally or informally. Acting in the role of on-the-job “social scientists”, they are observers intuitively involved in a sort of “hermeneutic circle” (Dilthey, 1976) of understanding, in which the initial entrance points have not been determined and where one lives with uncertainties and provisional assumptions. These administrators are not so much concerned with reliving or entering into the subjective experiences of others in order to “understand”, as Dilthey’s methodological approach proposes. But surely, as related in the case histories, for them grasping the complex situation to be “understood” requires an interchange of frames of reference between the observer (administrator) and the observed (superiors, peers, subordinates, partners, competitors, etc.). (Gadamer in Burrell & Morgan, 1980, p.238)

The narrative of Paulo Belloti on the switching of roles between the leaders of Banco do Brasil and Companhia Siderúrgica Nacional proposed by President Geisel to overcome a difficult impasse explains succinctly the limits imposed by interpretive frames of restrictive references on wide ranging governmental decisions that have serious consequences. In this case, only experiencing the responsibility involved in the positions could generate an interpretive sensibility capable of promoting efficacious decisions, expanding the actors’ cognitive map through the inclusion of new interpretive categories that would be more capable of evaluating the conditions present in the situation.

4.2.2. Exploring the Formal Limits

Even when designing formal management mechanisms in their organizations, which, as seen in the public sector environment, are circumscribed by more general rules, creative and audacious managers try to identify and exploit to the maximum the degrees of freedom that they may have available. This is the case with compensation plans. On the other hand, however, there are situations in which such exploitation must not in the very next moment yield to the technical canons of specialists, developed on the basis of erroneous assumptions. Like theoreticians knowledgeable technicians also strive to have the singular, the individual and the particular absorbed by generalization in the search for protocol standardization or conceptual universalization. The deposition of Irapoan Cavalcanti illustrates this point nicely.

Deposition 4.2.2.1 – Irapoan Cavalcanti – Exploring the formal limits

"In 1968, if I am not mistaken, we elaborated a plan for jobs and salaries adopting a merit-based promotion system for Fundacao Casa de Rui Barbosa. I don't know how the plan has been viewed historically, but to this day the majority of similar organizations do not have such a plan, and we are now in 1992. The plan considered two basic principles: 1) a person occupying any given job has always accrued some kind of knowledge, no matter how small, and that should be rewarded; and 2) some employees have contributed more to the organization than others. Another element was the "merit exclusion system", which involved true competition, thus avoiding the risk of a major impasse. This was the system of the sharp, unitary curve; for ten employees there are ten different points in assessing their performances. The system also made the publishing of results compulsory. Hence, there was fair play: the person who assessed had to reveal his assessment, which resulted in organizational job satisfaction, because each employee perceived that, when really working well, he would be rewarded. Some of them, while still very young, rapidly attained the peak of their career.

The mood in the organization consequently became one of euphoria. Programs were revised and we started a series of cultural activities which were without precedent in Brazil. The

first concerts in museums were held in the Casa de Rui Barbosa and a series of museum concerts of both classical and popular music resulted from our initiative. There was concern that the audience would damage objects in the collections, but I said this was not going to happen and nothing was ever broken: the young people who attended the concerts sat on the floor and listened with great respect.

Also in the Legião Brasileira de Assistência, the formal instrument used to improve staff morale and ensure commitment to more ambitious targets was a plan of jobs and salaries, gradually designed and implemented.

A system of personnel administration was established, which consisted of a plan for promotion, a plan for general compensation and benefits, participative assessment, and training. It also included the guarantee that, up to a certain structural level, positions would be compulsorily occupied by career personnel and, at the top, two thirds of the positions would also be allotted to them, only one third remaining free for political appointment from sectors outside the institution.

Had we opted for a traditional plan, it would have taken two years to elaborate, with all the diagnoses involved, the division of the labor force, and so on. However, in six months we had a practical list of organizational positions. Up to that point, the prevailing feature of the system was its illogicality: one employee was classified as a typist, while another was a typewriter operator, and yet their salaries were different. We developed a list of jobs with identical salaries for the same functions and suggested that the plan be executed in stages, such that at the end of two years it could be implemented. From a technical standpoint, this seemed to be sheer heresy, but the employees accepted the proposal. In this case, the different job descriptions for a similar position were all immediately made equal: everyone operating a typewriter was paid the same salary and so were all welfare workers. By establishing a relative value, the PC operator no longer had the highest salary, which gave the staff faith in the plan. Consequently, they became its greatest champions.

When I left the Fundacao Casa de Rui Barbosa, its employees were the best paid in the cultural area. When I left the Fundacao Pro-Memoria, its employees were also the best paid in the sector. The same thing happened at the Legião Brasileira de Assistencia and at the Ministry of Social Security and Welfare.

Results like that require hard work and negotiation. Why were those entities capable of paying higher salaries within the limits of the legislation while others were not? Maybe it is because the others did not fully examine the options open to them. Why is it that some of these organizations I directed are no longer in the forefront in this respect? Maybe it is because the aforementioned possibilities are no longer being followed.

Even if there is a limiting factor, one must understand that, historically, any such limitation cannot continue forever and last more than a few years. There is no record of any limitation capable of endless duration. It is necessary for us to have this temporal vision and, therefore, to be historically adapted to the context. All technicians are prone to the strong tendency to lose this perspective, which should be explored when the case involves bureaucratic limitations. If I encounter a limitation today, I will exploit it to the full. In two years the world will be a different place and, quite possibly, there will be a different limitation.

Thus, action to be taken at each given moment must be seen in its historical context. What this means is that if you dispose of level X of salary, you are able to make your system of promotion operate more quickly. A specialist could argue that, if this were done, in five years the ability to promote people would be exhausted. Even if this happens, no harm is done because, within our reality, who can guarantee that within five years the problem will not be completely different? Changes in society will certainly lead to changes in limitations and obstacles. This being the case, another system will be found. The important thing is to keep the workforce satisfied and adequately rewarded for its efforts while maintaining ethical limits where managerial instruments are involved."

Irapoan's deposition emphasizes an unstated technical argument that could thwart his pragmatic actions to accelerate the evolution of a more balanced organizational situation with improved levels between contribution and compensation (Chester Barnard, 1968). The restriction placed on a designer specialized in wage and compensation plans would undoubtedly be the possibility of an employee rising to a higher position in his or her career long before his or her retirement approaches. This would compromise the logic of the plan with respect to its capacity to generate future rewards. However, the focus of Irapoan's **attention** was on how to attract talent and reward it in the best manner possible within a context of very low average salaries to secure the greatest commitment from such employees. Here and now, or as soon as possible, it should be possible to push compensation prospects to the limits imposed by formal dispositions and the specific budgetary capacity.

His assumption moves away from the belief that the design is a blueprint, as specialists tend to assume, to understanding it as a recipe. (Weick, 1995, p.348). This is a way to shift attention from a static view of organizational design to a dynamic approach. (Ibid., p.350). In Irapoan's view, the recipe for a compensation structure would be to pay the best employees more, as much and as soon as possible. For many specialists in design, the wage and compensation plan would be the objective, and the recipe the way to achieve it. In this sense, for specialists that have a stable and durable plan in mind, the recipes that comprise it would have to be coherent with it. Weick clarifies this point succinctly:

“Blueprints, organizational charts, musical scores, pictures, diagrams and chemical formulae all capture the way we sense the work. These devices help us identify and label what we see But what blueprints can't do is capture how that sensed world came into being. It takes a recipe to do that.... Architects may treat blueprints as givens, but people who improvise treat them as emergents. The givens for people who improvise are the recipes and routines by which they generate actions that could become any one of several different blueprints”. (Weick, 1995, p.350)

As Irapoan states:

“A specialist could argue that, if this were done, in five years the ability to promote people would be exhausted. Even if this happens, no harm is done because, within our reality, who can guarantee that within five years the problem will not be completely different?”.

Committed to a new model which is more ongoing and tuned to react to minor changes in local conditions, Irapoan is of the opinion that modeling is continually updated as people and conditions change. Like Weick (1995, p.371), Irapoan starts from the premise that *“designs are relatively transient”*, and not *“relatively permanent”*, as many specialists and experts believe.

When he refers to the personnel administration system of Legião Brasileira de Assistência as being *“gradually designed and implemented”*, which could be taken to be a clear case of technical “heresy”, Irapoan stresses the importance of the availability of space and the timing necessary for employees to gain confidence in it gradually as events unfold and translate this into support, commitment and contribution to the modeling of the plan per se. The system was based on *“a plan for promotion, a plan for general compensation and benefits, participative assessment, and training”*. A typical solution for modeling such as this, albeit paraphrasing Weick (1995, p.350), would be to take the promotion aspect and match it to the average time until retirement; to take compensations and wages and lower them; to take evaluations and make them negotiable; to tackle training and make it universally available. In each instance, a starting point is stipulated - promotions, wages, evaluations, training. Also, a form of action is specified – match, lower, negotiate, make universally available. What is under scrutiny here is not the merit of the concept. However, as Weick states:

“...what is not specified in advance are the structures that will emerge as these actions and starting points are mixed together. Even when detailed blueprints supposedly drive the design process, this same open-ended quality is present. Events are set in motion, but the orderliness they will create remains to be discovered”. (Weick, 1995, p.350)

In the event, as Irapoan affirms:

“We developed a list of jobs with identical salaries for the same functions and suggested that the plan be executed in stages, such that at the end of two years it could be implemented. From a technical standpoint, this seemed to be sheer heresy, but the employees accepted the proposal...By establishing a relative value, the PC operator no longer had the highest salary, which gave the staff faith in the plan. Consequently, they became its greatest champions.”

The new order that evolved and came to light in the space reserved for employee interpretation corresponded to expectations regarding the relative valuation of substantive jobs within an organization of social workers compared to others that, being new, were overvalued from a purely market standpoint, as was the case with computer operators. The acceptance of the employees provided input to the process that was instrumental in designing and implementing a plan that evolved in stages.

4.2.3. Playing The Bureaucracy Game

Much has been written in the Theory of Organizations about uniformity and standardization in organizations and on the pathological results produced by the bureaucratic model on the values, attitudes and behavior of bureaucrats (March & Simon, 1981 and Thompson, 1961). However, less is known about the strategies used by managers to deal with concrete situations as the on-going sequence of actions clashes with the normative inflexibilities to which they are subject in the public sector. Can a manager committed to action passively accept the dictates of standardization? Can a more observant manager convert the standardization of procedures into an important opportunity? Can the channels of communication be sustained by the formality of the design established?

Deposition 4.2.3.1 – Irapoan Cavalcanti – Making the best of uniformity

“At the Patrimonio Histórico, speaking only of the Stone and Mortar area, we had to deal with a variety of sophisticated decisions that are impossible to quantify. Many people would prefer being presented with an established code, outlining how objective decisions should be

reached at the Patrimônio. This is not a feasible proposition, as a building painted yellow in a specific place may not constitute a problem, whereas in another place, it does. In addition, there is no objective system for dealing with problems of size, as a huge building may represent a problem in one place but not in another. These questions are so subtle and sophisticated that only an equally sophisticated staff is capable of analyzing them. At the Patrimônio, the level of sophistication required for the tasks involved was not accompanied by a system of compensation capable of permitting the promotion of a sophisticated staff. The architect working there earned the same as an architect responsible for the maintenance of the Government Ministry buildings in Brasília. The problem being that they are both architects, but they perform very different activities.

Generally speaking, the prevailing norms for purchasing and bidding for services as well as those related to systems of compensation, are also out of step with the perceived needs of the service.

When we took office at the Patrimônio, the colonial hillside town of Ouro Preto was in danger of being practically washed away. There had been torrential rains and the hills were literally collapsing. It was immediately necessary to begin repair work to shore up the hillsides. This caused an enormous fuss because the bureaucratic purchasing norms and procedures of these services are notoriously slow. Since the work involved a sizeable cash outlay, we would be subject to processes that were so time-consuming that by the time we were in a position to start the works, the hills would almost certainly have collapsed.

Also at the Patrimônio, there was a very amusing impasse, as Roberto Burle Marx, undoubtedly Brazil's greatest landscaper gardener, was barred from the upkeep of the gardens of the Palace of Culture that he had designed, because other gardeners quoted lower prices. Consequently, he was unable to monitor the progress of his own creation because administrative systems did not allow it. Consequently, the most vital aspect of carefully maintaining the original design, was made extremely difficult by the general rules of the administration.

In Brazil, there is great confusion between managerial reports and accounting. If the accounting is not reconciled, the managerial report in the area of finance cannot be produced. Why? Because, sometimes they must reconcile a ridiculous difference of five cruzeiros in the accounts.

While common sense dictates that the ex-ante should be generic and the ex-post detailed, in our bureaucratic milieu planning has to be so detailed that it becomes a joke letter to fulfill the needs of bureaucracy. "Planning is not really a plan per se, but rendering of account of what is to be done. And every organization presents the same level of detail, although they have different products. The same form used by a research organization is also used by another organization that provides routine services. If you only receive the funds if the form is duly filled out, you are bound to indicate those same elements, without even knowing them or having any idea about them. So, people invent them, which has made a joke of the planning system in the country. The public sector is varied, but it has uniform systems. It is as if everyone should wear size fifty shoes, regardless of the size of their feet.

At the Fundacao Casa de Rui Barbosa I faced a major problem: it was necessary to remodel the historical premises, namely the house where Rui Barbosa lived, and we also intended to make the Casa grow as an institution by expanding its activities. Thus, in addition to the restoration of the historical building itself, we also wanted to improve the administrative facilities. So, it was necessary to apply for special funds for the changes.

I understood that the procedures were identical and dealt with in a bureaucratic manner. Consequently, the analyst from the area of education and culture treated me the same way he would treat the director of a much larger organization. The time he took to discuss the matters with me was the same he dedicated to the Rector of the Universidade do Brasil. (It is worth noting that, at the time, I only had some fifty employees.) I would have to fill out and submit the same number of forms as the rector, despite the fact that the latter was seeking approval for a far larger project, so this would work against me as the procedures were the same. I thought this over for a long time and concluded: 'If I'm going to have the same time for discussions, if I'm

going to have to complete the same number of forms and experience the same problems, what about expanding the project? What about building a structure that will permit the enlargement of the Fundação's activities, liberating the historical premises for their obvious purposes? I realize that I'm going to make the same effort and spend the same time whether I apply for an expenditure of either ten or a thousand.' So, I decided to present a proposal for a thousand. It worked. They approved the project."

Deposition 4.2.3.2 – Irapoan Cavalcanti - Making use of the surprise element in innovative practices

“One other strategy that can be utilized to escape the tentacles of standardization is grounded both in discourse and the practice of innovation. Innovation always includes a surprise element, which guarantees a greater probability of victory, at least some of the time, in the battle against bureaucracy.

Since Casa de Rui Barbosa was the first (public) foundation, in the beginning everything was improvisation. I was summoned to the Conselho Federal de Cultura to give a lecture on how the institution was acting in light of the traditional bureaucracy. I was usually confronted with fierce criticism, but my arguments were based on the new institutional formulae of the foundation and on a pioneering initiative.

This is very interesting, because central administration with its current rigid system is already limiting the flexibility of the innovative institutional formulae of the public foundation, the autonomous body itself, and even State enterprises. Somehow, that early moment was a privileged time in which bureaucracy had not yet caught up with us and when it was possible to fight every time they tried to put us into a straitjacket.

When I arrived at Casa de Rui Barbosa, there was no policy benefiting professional personnel. All employees received the same treatment. The researcher and the doorkeeper were paid the same salary and had the same hourload. This is a dramatic example, but it illustrates

the logic – or lack of it – behind the situation. It was ridiculous! Naturally, it is important to have the doorkeeper checking in for work on time because it is necessary for him to open the door at 8 a.m. to let the public in, but I cannot oblige a researcher to switch his brain on at 8 a.m. and off at 6 p.m.

In line with this constraint, I needed my text editors' time to be devoted exclusively to Casa de Rui Barbosa. Why? Firstly, because their work involved highly specialized work, requiring a profound understanding of the text, perhaps one of the best quality publications in the country. I could never accept professionals such as these holding other jobs to make ends meet and risk exhausting themselves. The risk was too great and once errors had been committed we had no way of correcting them. It is different from work on industrial assembly lines, where any defective units can be excluded from the lot. We will only find out that a book is bad after it's printed. It is impossible to conduct a revision of a review.

Therefore, I established extra pay for all types of reviewers and researchers in exchange for their "exclusive commitment". When I went to lobby for money from the government, I had to face resistance and fight a lot of battles.”

Deposition 4.2.3.3 - Sergio Rudge – Brushing bureaucracy aside

“If I must talk to the Minister, I’m not going to ask permission from the Secretary of Health, I go directly to the Minister himself. I don’t accept this nonsense about the papers having to go through a maze of channels, I go straight to the source. I ignore protocol, and in this sense, I know that I am a nuisance and rebel to the system. People have warned me: ‘One day you’re going to overdo it.’ But I’ve been running HTO for seven years and up until now no harm has come from side-stepping strict bureaucracy. The problem is that if you send a dossier to an upper echelon, it takes sixty days to be resolved. And what do I do? I take the dossier, put it under my arm, and go to Brasilia to ask for a signature. If I am unable to go, I send a director or another technical employee. This used to happen in the days of INAMPS, because we had already been transferred to the area of the State for a year, and since then we have been, more or less,

orphaned. In those days, I had to send the dossier to the Superintendent and then it went through ten or fifteen sectors. . . . So, I used to collect the dossier myself and go to the superintendent. He would sign it in front of me and then I would ask: 'Whose office do I need to go to now?' He would answer: 'So-and-so's office.' So, I would go there and ensure the document was duly signed without allowing the documents to meander slowly through the bureaucratic quarters of INAMPS, since the employees there are badly paid and always bad-tempered, such that every day someone is sick or absent for some reason. So, I used to take it straight through to the top. It was in this manner that I could administer the hospital, making it what it is now. I side-stepped bureaucracy, in a good sense. I do not think that I ever broke any laws or did anything wrong; everything I have done was for the good of the institution and we have never been in need of anything.

Last year, with the changes made by the Minister of Health, Alcení Guerra, I was slowly going bankrupt. I decided to go straight to the President of INAMPS and show him that our hospital was a national benchmark for excellence, that we performed First World medicine, and that our operations could not be included in the price table of INAMPS, which had been established in 1975 and was therefore fifteen years out of date. I told him that, under these conditions, we would be bankrupted. He then replied: 'Look, Rudge, I know that you practice First World medicine, but we live in a Third World country, so I have to think in terms of the masses.' I retorted: 'I'm really surprised to hear this, because you are the president and I am convinced that our hospital is the pride and joy of your institution. I'm going to the Minister!' As I got up from the chair, the people accompanying me said, 'When you arrive in Rio, you'll already be dismissed.'

I went to Minister Alcení Guerra and told him: 'Alcení, the problem is this: We run a First World hospital and with the money you are sending us in subsidies, we can't keep the hospital going. We are insolvent and need one billion cruzeiros, urgently, otherwise we'll go bankrupt and have to tell the press that we are broke as we receive insufficient subsidies to pay our bills.'

Within seventy-two hours he sent me the money. Had I stayed in my office, waiting or appealing to people by telephone or in writing, I would have accomplished nothing, because questions like that never get the minister's ear. If I don't go to the key man and tell him the difficulties of the administration, he will never be aware of them, because he directs a universe! He has problems all over the country and HTO is only a small island.

The roads of bureaucracy are long, impersonal and full of obstacles. To force decisions to be made, especially those involving resources, requires the adoption of strategies that can lead the manager, regardless of his 'status', to act either as a simple messenger or as a valiant warrior whose determination serves as a battering ram against the portcullises of bureaucratic castles. Sergio Rudge's narrative illustrates this point when he tucks documents and achievements under his arm like a lance to slay dragons and extract authorizations and decisions from higher up or wherever they may be.

Coupling that with Irapoan's narrative, each of them raise interesting issues for understanding organizational design as improvisation.

Irapoan reveals that the introduction of something new and unusual can leave turgid bureaucratic schemes in a state of apoplexy, opening the way to innovations, which is what happened with the large scale adoption of the use of public foundations as an institutional model, as seen in the case of the Fundação Casa de Rui Barbosa.

More importantly, however, he reveals that from this clash with rules and procedures in the simple course of events connected with the bureaucratic search for resources, a new design possibility emerged for the Fundação Casa de Rui Barbosa. This residence of a great politician, jurist, intellectual and diplomat, which had already been converted into a museum dedicated to fostering his memory, would be able to significantly expand its cultural contributions if it also became a center for legal, philological, and editorial research, etc. There would be room for such a center in the annex, initially considered for use as a modest home for the administrative installations, which would free up the House for its principal purpose. It is interesting to relate the

narrative to current ideas about strategic planning and how conceptions become converted into rational action through planned interventions. Planned change, after all, is an aphorism for rationality, in the stitching together of intentions and innovating actions. The logic of breaking down the facts in the real world of administration, however, seems to be something different. A logic that, when the opportunity arises and is perceived in the natural course of events, can stimulate an innovative imagination; as paradoxical as it may seem, the requirement to comply with bureaucratic procedures becomes the source for innovation. In this sense, the role of manager as an organizational designer with a sense of improvisation can make a difference. The one who performs it grows and gains in stature and substance as someone capable of effectively implementing public policies.

In this case, as Weick suggests, it would not make sense to ask: “*When was it definitely decided to make this change?*” (Weick, 1995, p.351). One should ask Irapoan or Sergio Rudge instead: “*When was it definitively decided that this change had been made?*” (Weick, 1995, p.351). The most likely response to the question might be, in Irapoan’s case, “when the resources were approved” for a purpose “constructed”, in large measure, from an impressionistic evaluation of the costs and benefits of the bureaucratic effort to achieve it, and in Sergio Rudge’s, when his attacks were successful. The last question points out the emerging and retrospective nature of the origin of organizational design. As Weick observes:

“The idea that design is a process of codification starts with the notion that events often simply unfold. When viewed retrospectively, with a specific framework in hand, elapsed events seem to cohere as if they had been designed. The coherence is partly an artifact of selective attention and partly the artifact of actions which themselves fall into habits, patterns, and routines. It is not that the coherence is undersigned. Rather, the source of the coherence in the design lies elsewhere than in intention. There was not a transition from imagination, through intention, into execution. Instead, there was an imaginative interpretation of execution that imputed sufficient coherence to the execution that it could easily be mistaken for an intention.” (Weick, 1995, p.351)

Today, the Fundação Casa de Rui Barbosa is a beautiful and productive institution under the aegis of the Ministry of Culture. And, if the most current canons of organizational design were taken as a reference, the executive director that helped it take form and expression, namely

Irapoan Cavalcanti, should be revered for virtues that were not those that helped him to build the institution.

4.2.4. Inducing the Inclusion of Others

The flaws inherent to the bureaucratic model, the principal inspiration behind public organization, have been widely studied and are well known. Among them, the reluctance, if not resistance, of managers to accept decision-making responsibility deserves greater scrutiny. And this reluctance occurs even when leaders are convinced of the need to decentralize and anxious to delegate decision-making power. This phenomenon has not been studied as much as has the absence of the leaders' inclination to delegate. The reluctance or resistance to accepting decision-making power seems to be generated much more by the attributes of the model itself (March & Simon, 1981 and Thompson, 1961) than by the personal flaws of the agents. And, considering the logic of the bureaucratic model itself, as measured by the hierarchy, the lower on the hierarchical scale the employee or manager, the less, one supposes, will be his or her inclination to take the initiative or decide, much less innovate. Or, put inversely, the greater will be his or her reluctance or even resistance to accept responsibility for decisions made. When specialization is at issue and, therefore, the inherent "authority" that comes from knowledge, the resistance may be less. However, inspired by the cultural patterns of the bureaucratic model, reluctance tends to show itself in the behavior of both technicians and managers, favoring maintenance, difficult to break, of the model.

It is important to highlight, therefore, that decentralization, when seen from the formalistic perspective of design, does not signify real inclusion of the actors in the decision-making process. More than formal dispositions, a social construction of its bases is needed for inclusion to prevail in a sustainable fashion.

The narratives of Irapoan Cavalcanti, Paulo Belotti and Sergio Rudge that follow reveal the sensitivity of these administrators to the organizational design's social nature, which thus depends on inclusion. Their beliefs lead the way to actions to include others, even to the adoption

of a “low profile” to make it truly viable and strengthen it. Despite the fact that formal authority gives them greater power, it is clear that only a socially constructed organizational design achieves sustainability, regardless of formal regulations, rules and procedures. They know, therefore, that only the day to day shared experience with problems, information, expectations, interpretations and decisions can overcome the firmly established bureaucratic culture, creating and sustaining a new, ever precarious and changing design.

Deposition 4.2.4.1 Irapoan Cavalcanti - Inducing the inclusion of others and promoting selective self withdrawal

"In a small organization such as Fundacao Casa de Rui Barbosa, personal contact is very useful and important. Because I kept calling attention to this point, people ended up showing great enthusiasm, despite the initial moment of perplexity. They became aware of the fact that they were masters of their own destiny. The cost of a book, for instance, involved a weekly time sheet, in which the researchers indicated on what project and for how many hours they had worked. They could declare anything because the time sheet was the only instrument of control, better still, of self-control, because the researchers filled them out themselves. Nobody was going to verify it, as I never allowed one person to spy on another. This generated great enthusiasm, as each individual came to realize that he/she was responsible for his/her own work.

Things like that transformed the Casa de Rui Barbosa into one of the more important organizations in the cultural area, and it is probably because of my work there that I was promoted to the position of Secretary of the Bureau for Brazil's Historic and Artistic Heritage (Patrimonio Historico e Artístico Nacional).

Where planning and budgeting is concerned, my strategy for the upper levels outside the organization was to pool the information offered. I became aware of the fact that by pooling the information, I would have a broader field to analyze and deal with the data with greater freedom. It would be better for me to pool all available input. The pooling of information for outside scrutiny was always accompanied by careful internal detailing.

The establishment of that structure enabled me to perceive the fragmented universe in such a way that my attention was focused on essential relational points, while those responsible for individual programs managed the internal relations of each program. In the national postal distribution company (Empresa de Correios e Telegrafos), the same thing occurred.

In the Postal Service (Correios) there was a very interesting example of this reluctance to make decisions. We opted for a regionalized structure. After the first year, when the interim balance sheet was drawn up, I observed that some of the regional segments did not have any expenses, except for the payment of electricity and things like that. I was astounded and immediately called a regional manager, saying: 'Listen, your balance sheet is zero. What happened?' He answered, 'I'm waiting for an authorization of expenditures.' I said, 'Good heavens! You don't need authorization to begin spending! Don't you receive an order stating that ten thousand accounts should be activated? Didn't I give you two hundred thousand cruzeiros for that? The problem is yours, my friend!' In the past, in order to do anything this manager had to ask permission from the central office. He was not used to assuming responsibility. In the beginning, people are very timid in these matters.

As President of LBA, my main concern was the program known as 'Putting Children First', which became famous in Brazil. We increased the number of children in day care from two hundred to 2.6 million. Questions involving the buying of materials (procurement) and other items, subject to control, were transferred to the Secretary of Administration. We inverted the traditional process and when the existing power structure is changed, things improve. Obviously, I would prefer another system without as many controls over us but, as president, I was not concerned with buying material, so I delegated this task to the secretary of administration, a man in whom I had complete faith.

In Casa de Rui Barbosa, beginning with the programmatic structure, I was concerned with the objectives and relationships between research and documentation; in the sphere of research, between philological, juridical, and historical aspects, and, in the sphere of

documentation, between museums and archives. Goals and targets were discussed with area specialists. Once the research to be done and the time frame were determined, direct relationships were established between the sectors, in order to obtain the necessary means to complete the work, without my express authorization. In the work of each sector, each chief managed his own labor force as he pleased. People were not trained to understand these things and I tried to serve as an example. I remember the case of a person who came to consult with me, saying: 'Dr. Irapoan, do you think that I should buy X or Y for such and such a project?' I refused to discuss the problem, 'I'm not answering this question.' 'But why won't you answer?' 'I will not answer or discuss it. You must decide'. The Brazilian system is presidential by its very nature, even within its organizations. In very few organizations, decisions are made collectively. However, I do not believe that the process is inherently hierarchical, but, rather, that the individuals make it so. Obviously managers, departmental heads and supervisory bodies must exist, but there is nothing to prevent the decision-making process from being shared, even within the public service. Nothing prevents me, as president, from summoning my directors to discuss a subject. There is no legal disposition against it. Essentially, in the Brazilian public service process, the ultimate responsibility lies with the president, but the decision-making process does not necessarily need to be centralized. Regulations define responsibilities clearly, even obvious ones. For example, the director's secretary is ascribed the function of assisting the director, but this does not mean that decision-making should be centralized. I do not know of any provision that requires centralization. To my mind, it is only a culturally transmitted factor. It is also clear that the personality of the individuals has a great influence on the process. Practically every day in the Fundacao Casa de Rui Barbosa, I decided matters in conjunction with the directors. I never let documents gather dust on my desk. I talked with every director and asked their opinion on the content of the documents.

I adopted the same procedure in LBA. It was a much larger structure, but we used to have plenty of discussion with the secretaries of each State and suggested that they do the same with their subordinates. It is not a question of falling into a meeting mania, but there is nothing to prevent one from calling in a couple from the lower echelons, so that they too may discuss a subject. It is possible to adopt this type of conduct. People used to consider someone who was

responsible for decisions as being entangled in the centralized decision-making process. If decision-making is merely understood as the final act of deciding and does not include the preliminary procedures leading up to it, then the final act always falls to the manager. But sharing the process of decision-making is a mechanism of cohesion and is even necessary because the leader cannot be knowledgeable in every subject. He is being unfair to his subordinates when, a priori, he does not take their contributions into account.

Deposition 4.2.4.2 - Paulo Vieira Belotti - Sharing hierarchically democratized decisions

“I always managed to imprint governmental directives with a secret of mine: participation of everybody concerned. We cannot do anything at government or enterprise level, with isolated decisions. One only needs to look at PETROBRAS. If only one director determines certain things, absolutely nothing happens. So, it is necessary to secure the participation of the individuals in the decision-making process. It is imperative to hear everybody. I even think that, regarding participation in the decisions, it is not necessary to give much consideration to hierarchical level; people are to be heard in a democratic way. If there is some kind of problem, each person, in his personal field of action, has access to a certain level of information that allows him to form his own ideas concerning the question. Someone else, higher up in the hierarchy, has a different level of information and a different opinion. If one of them is not given the opportunity to express himself, in his area of work, he will be frustrated and will not contribute to a decision that has to be implemented. If you encourage people to talk and discuss, even those points of view which have not prevailed will work to promote the decision eventually taken, because they had a chance to say what they thought even though their opinions were rejected through debate and discussion. When we don't administer with all the people, considering the differences and constructive cooperation in the work, those who are not consulted may sabotage their superiors' decisions. In a discussion, all people are equal. We must try to make people talk about everything that they don't like to put in writing, because writing about things is very complicated. We must also try to convince them of the appropriateness of the decision, based on information and the interests of the company. When sitting at a table, I was in their position to discuss the subject. When analyzing, we must create room for people to say what

they don't dare write. That is why I sometimes say, 'an anonymous letter contains a lot of truth, doesn't it?'

Another important directive is to give prestige to hierarchy. In a specific issue, I never talked to a subaltern employee, but to the immediate superiors, who answered for the service of their subordinates. I never telephoned the chief of a section, but, rather, the chief of the department. In a discussion, yes, almost all people talk, independent of their position in the hierarchy, but not all the time. If the hierarchy is not observed, respect disappears, and respect is fundamental."

Deposition 4.2.4.3. Sergio Rudge – Decentralizing and automating the services

"When I found myself sitting in the director's chair, the first thing I did was to decentralize. In my father's hands, the hospital was highly centralized - he performed all the great surgeries and that was why the number of surgeries was so small. I divided the hospital into sections: hip group, knee group, ankle group, bone elongation group, and the tumor group, and I assigned doctors and nurses to each group.

In case I'm absent for ten days, I won't say that everything will be perfect when I return – employees may leave half an hour earlier; on a day when there are twenty scheduled surgeries, only eighteen may be done – but the top will go on spinning. I decentralized, giving authority to each sector. Once a month I have lunch with the people responsible for the sectors to discuss any problems.

I did a very important thing, inspired by chance, when I bought four computers for installation in our private clinic, and my father didn't allow me to install them. 'You can only put these things in here after I have retired.' So, I had four idle machines in the clinic, because he didn't want to finance the new system and he had manifested his resistance. When I became director, I took the machines to HTO and computerized the system, beginning with consultations, surgeries, supplies, purchasing, computerized ambulance departures, and how much gas was

being used. Today, the hospital is controlled by computers, even in the area of food. Thus, I continued tightening the controls, noticing what disappeared from the shelves without anyone knowing where it had gone, and verifying and checking everything. I kept a close watch, going to the hospital every day and every night. I went out with my wife and, returning home in the early hours, as I live in Lagoa only five minutes from the hospital, I'd go and look in at the hospital. I'd go up to the third floor and come down floor by floor. I started doing it together with the director of the Medical Division, and told him, 'I want you to do this on Mondays,' and I asked the chiefs of service to do it on Tuesdays and I asked the same thing of the floor chiefs.

I don't know if it is politically correct to relate how I managed to get the doctors to drop by my office more often. My father had five secretaries who were not getting any younger . . . so I replaced them with five pretty young women. The doctors began to find things to talk to me about, but in fact they were dropping by to admire the girls in their spare time, with no specific matters to discuss. To justify their visit, they ended up commenting on the various floors and services and I became aware of one problem or another. It seems like a joke, but it worked. Women are what make the world go around!"

The first point of interest that emerges from Irapoan's deposition lies in the fact that there is a great gap between a leader's intention to delegate, even when supported by decentralized decision-making is formalized in regulations and manuals, and the effective achievement of this reality. The construction of this new reality is developed day by day and subject to interpretations and reinterpretations, where the actions of the leader constitute the focus of determinative attention by subordinates, managers and technicians. The bureaucratic culture itself, based on the hierarchy, lends this symbolic aura of a builder of realities to the indicative and exemplary performance of the leader. Notwithstanding this fact, new self-sustaining realities, such as the emergence and effective functioning of an alternative organizational model, although ephemeral in nature, only achieves social existence when everyone is involved. In this sense, Irapoan develops daily actions, using the symbolic attributes of his position as leader, to involve subordinates in assuming responsibility, without which he knows it is impossible to construct a new reality, the existence of a new organizational model. The existence of this new world does not depend

exclusively on his intentions, even though he holds formal authority or is supported by rules and manuals, but rather on small actions and daily gestures of inclusion, communication, of sharing values and expectations, and even self-exclusion. As Irapoan relates:

“In a small organization such as Fundacao Casa de Rui Barbosa, personal contact is very useful and important. Because I kept calling attention to this point, people ended up showing great enthusiasm, despite the initial moment of perplexity. They became aware of the fact that they were masters of their own destiny”.

Just experiencing the system of self control in filling in time sheets, reinforced by the daily communication of the leader and by the degree of confidence established, “brought about great enthusiasm, as each individual got the feeling that he was responsible for his own work”.

In order to increase significantly the number of surgeries, ensure performance capacity in complex surgery, such as bone transplants, and successfully control goals, such as a drastic reduction in infection levels and costs in general, Sergio Rudge in HTO also focused his efforts on overcoming the restrictions imposed by existing patterns in the division of work and authority and by deficient channels of communication.

“When I found myself sitting in the director’s chair, the first thing I did was to decentralize...I divided the hospital into sections : hip group, knee group, ankle group, bone elongation group, and the tumor group, and I assigned doctors and nurses to the groups.”

Paulo Belotti’s narrative acknowledges such a commitment to inclusion, to the point of considering it “a secret of mine”, which also reveals, at least in his view, a lack of concern with this question on the part of other administrators in the Brazilian public sector.

“I always managed to imprint governmental directives with a secret of mine: participation of everybody concerned.”

Sergio Rudge's story of creating self-directed teams and favoring control by specialization itself; Paulo Belotti's narration on the constant meetings independently of hierarchical levels; the description of inducing researchers to be included in order to make self control (filling in time sheets without verification) a reality in Casa de Rui Barbosa, and the story told by Irapoan of the ECT regional manager who "made" formally defined decentralization "happen" all contain relevant elements regarding the organizational design assumptions involved.

Regarding managers, Karl Weick (1995, p.357) submits two alternative assumptions to those implicit in current thinking on organizational design. By affirming that the "*design impacts the ability of individual managers*", students of design are implicitly assuming **first**, that the design "affects managerial ability"; and **second**, that "managerial action" is individual. Looking at design as improvisation, Weick believes that the direction of the impact is the opposite. The assumptions would be, **first**, "managerial ability affects design"; and **second**, "managerial action is social".

In Weick's view, the deeper sense in which ability affects design derives from the fact that ability affects the perception and establishment of objectives: "... *people see those things they can do something about ... people feel they should do what they can do*" (Weick, 1995, p.358). What people are able to perceive and feel as something they are responsible for has a greater impact on the construction of the design as a social reality than does a mere formalization of relationships and responsibilities that may make it easier or more difficult to make things happen. Formal design is capable of providing more or less discretionary power for the individual to do that which he or she is most able to do, as well as provide more or less corrective feedback. But what defines the situation in the final analysis is the ability of the individual, or the group, when perceiving what can be done, to feel that he or she or they must do it. Their selective interpretations of reality may or may not confirm the intentions of formal design. But they certainly will produce the dynamic of a design in constant evolution. Logically, if the content of the design is affected by things that people are capable of doing and if people realize the things they can do something about, then their repertoire of responses will be more encompassing, the options perceived greater and the variety of possible designs larger. It is in this sense that organizations that value innovation and

flexibility appreciate the contribution of generalists, given the limitations of specialists. This line of thinking leads Weick to a conclusion that constitutes a valuable recommendation: *“Improvements in design expertise should come not so much from direct schooling in blueprints for design as from development of a larger response repertoire”* (Weick, 1995, p.358). Appreciating the actors who experience the daily life of the organization gives relevance to the feeling of “self-efficacy” (Bandura, 1986), which is equally important in the determination of design, complementing the abilities really developed. When knowledge and abilities are transformed into action, a process is set off in the individual of being a self appointed intermediary in this transformation. The individual develops thoughts about himself or herself and his or her former experiences, whether successful or not, that, regardless of his or her abilities, contain such elements as the perceived capability to mobilize motivation, to control perturbing thoughts, to persevere, to bounce back from failure, and to exert some control over one’s environment.

Upon “freeing himself” from concerns with bureaucratic processes relative to procurement, which is subject to restrictive controls that irritate and emotionally upset less experienced public administrators, making them lose focus, Irapoan demonstrates his self-efficacy. *“As President of LBA, my main concern was the program known as ‘Putting Children First’... Questions involving the buying of materials (procurement) and other items, subject to control, were transferred to the Secretary of Administration”*. The sense of self-efficacy promotes the confidence needed to deal with perturbing thoughts, delegating and avoiding direct involvement (withdrawn action), in the sense of his fully mobilizing his capacity as President to lead others to further the organization’s priority program. Weick understands that:

“People with lower self-efficacy doubt their problem-solving capabilities, the controllability of the environment, and their likelihood of success, and these doubts become self-confirming through their debilitating effects on action. The doubts suggest that redesign is fruitless, and these doubts become intrusive thoughts, which make it much harder to visualize and enact any design that is an improvement. The design process become impoverished, not because people lack the skills for design, but because they lack the beliefs that convert those skills into action”. (Weick, 1995, p.359)

Irapoan's deposition reveals another "*withdrawn action*" of interest to the analysis of control within the context of improvised modeling, since this qualification does not involve doing without controls. As Irapoan states:

"People were not trained to understand these things (delegation/ decentralization) and I tried to serve as an example. I remember the case of a person who came to consult with me, saying: 'Dr. Irapoan, do you think that I should buy X or Y for such and such a project?' I refused to discuss the problem, 'I'm not answering this question.' 'But why won't you answer?' 'I will not answer or discuss it. You must decide ...'"

Perrow (1986, p.129) identifies three orders of control: controls of the first order (orders, direct supervision, and the application of rules); bureaucratic controls of the second order (specialization, standardization); and those of the third order (the vocabulary of the organization, substantive routines and procedures, preferred channels of communication, selection criteria, meeting schedules and socialization practices). These last express frames of reference that the participants take for granted, characterizing what Weick (1995, p.366) calls "control by premises", a form of control as influential in molding behavior as the others and more effectively in tune with the idea of design as improvisation. Control over premises is subtler, less intrusive, more cognitive, more related to language and more volitional on the part of the one controlled.

By refusing to decide or even to help an employee to decide, Irapoan was pushing him or her toward a frame of reference that in the process would become internalized and constituted one of the principal controls of the third order of Casa de Rui Barbosa: the programmatic structure, as expressed in the budget program, which emulated the entire management system under construction. The same logic of control by premises can encompass Paulo Belotti's participative meetings, which expanded the group's repertoire and kept it committed to the implementation of decisions, Sergio Rudge's nocturnal hospital visits, which had a great symbolic effect, and even the anecdotal story of the channel of communication established with the doctors in the intermittent visits to the director's office.

The three stories told underscore the subtleties of decentralization processes and reveal daily strategies for sustaining them to potentially develop a new organizational design. Although the current literature on organizational design, with its variations (“empowerment”), is analytical and normatively prolific on the virtues of decentralization, its approach to handling day-to-day difficulties and the managerial strategies to deal with them has its limitations.

4.2.5. Promoting Internal Cohesion

As was seen in Chapter 2, when reviewing the foundations of current organizational design, the concepts of “differentiation” and “integration” played a crucial role in the diagnostics and the organizational change planned. Differentiation depends on what internal characteristics, in terms of formal organizational practices and the orientation of its members, each group must develop to carry out transactions planned for its part of the environment, based on the degree of uncertainty involved in these transactions. (Lawrence & Lorsch, 1969, p.12-3). Formal organizational practices can be designed according to an underlying logic closer to or distinct from the bureaucratic model. It is more mechanistic or organic in situations of greater or lesser uncertainty (“goodness of fit”). Corresponding to these formal organizations, the orientations of the different groups derived from the pattern adopted for the division of work can be observed in terms of four variables: 1. the degree of confidence in formalized rules and formal channels of communication within the unit; 2. the time frame of the administrators and professionals in the group; 3. their orientation regarding goals, whether concentrated or diffuse; and 4. their interpersonal style, whether task oriented or relationship oriented. (Lawrence & Lorsch, 1969, p.26). Also seen in Chapter 3, when reviewing the evolution of Administrative Reforms in Brazil, was the constant concern with the search for more adequate standards of differentiation in the macrostructures of the public sector. This systemic level of analysis pointed out the increase in Indirect Administration, through the creation of Autarchies, Foundations and State Companies, Public and Mixed, in the effort to provide space for more organic organizational practices that would be protected from the bureaucratic inflexibilities that characterize Direct Administration. It was also seen that these movements were always subject to advances and retreats.

This segment of nine stories brings us to issues of integration from the viewpoint of internal cohesion in the organizational blueprint. As Lawrence & Lorsch observe:

“... when the units (due to their particular tasks) are highly differentiated, it is more difficult to achieve integration between them than when the individuals in the units have similar ways of thinking and behaving. As a result, when there are groups in an organization that need to be highly differentiated, but that also need a firm and tight integration, the organization must develop more complicated mechanisms of integration. The basic organizational mechanism to achieve integration is, naturally, the administrative hierarchy. In organizations with low differentiation, we verified that it is frequently sufficient to achieve the required intergroup collaboration. However, organizations that are faced with the needs and requirements of a high degree of differentiation and solid integration must develop supplementary integrating plans, such as individual coordinators, “cross-unit” teams and even whole departments of individuals whose basic contribution is to achieve integration of other groups.” (Lawrence & Lorsch, 1969, p.13)

Meanwhile, from the perspective of design as improvisation at the Brazilian government organization level, the leaders interviewed seem to draw upon strategies of a more symbolic and/or intangible and less structural nature to achieve vertical, horizontal and regional integration. They also seem to consider vertical integration, achieved through more effective strategies that complement the simple use of hierarchy, as the greatest challenge. This perhaps occurs because of the difficulties in generating differentiated mechanisms at the organizational level, since the administrative contexts imposed by the administrative tools available to central designers are determinants for the operational areas of the government. These administrative instruments are at the service of a "*public management policy*". As Michael Barzelay defines:

“This term refers to government-wide institutional rules and organizational routines, rather than to arrangements that are specific to individual governmental departments (or organizations). These rules and routines are subdivided into the following groups: the expenditure planning process and financial management, civil service and labor relations, procurement, organization and methods, and audit and evaluation.” (Barzelay, 2003, p.4).

In this work, these elements are both, being objects of the systemic organizational design of the public sector as a whole, although more or less restrictive in effect when dealing with Indirect Administration, as well as restrictive factors for designing specific public departments and organizations. This point is very relevant to understanding the “*differentiation-integration*” question within the context of public administration. While in the private company differentiation is imposed and formalized naturally because of the distinct nature of the company’s sub-activities and the environmental relationships of these segments, in public administration differentiation is only imposed as improvisation, conflicting with public management policy, which is generally of a bureaucratic-mechanistic bias. The organizational segments most subject to uncertainties always navigate against the current. In this sense, while differentiation in the private sector constitutes a solution for dealing with uncertainties and certainties in a parallel fashion, as well as a technical and factual problem for the necessity to integrate, in the public sector differentiation tends to be “outlawed”, as will be seen in the next segment of interviews, in the sense that, “normatively”, certainties are assumed and impose the bureaucratic-mechanistic model on the organizational whole.

Both the Fundação Casa de Rui Barbosa and the Legião Brasileira de Assistência presented their leaders with situations that lacked efforts and mechanisms for integration. Although an organization of smaller size, the Foundation’s administration fitted within the bureaucratic molds of the public sector. In this sense, administrative support segments of a more traditional nature lived in interaction with a Museum/House that sponsored cultural programs, a publisher and diversified research nuclei, activities that by their nature require greater flexibility. The gigantic LBA, in turn, faced differentiated uncertainties in more than two dozen Brazilian states, operating under the most varied conditions offered by a country of large size and economic and social differentiations, in a diversified and polemic area of public policy, namely the implementation of social actions. With approximately ten thousand employees and penetrating, as Irapoan relates, “the most remote places in the country, it was, consequently, an organization prone to fragmentation”.

Deposition 4.2.5.1 Irapoan Cavalcanti - Reiterating the marketing of objectives

"How could the Legião Brasileira de Assistência expand five times in terms of results? How can one manage that in a public body? First, it is necessary to be aware that in an organization of fifty or a hundred people, you are one-fiftieth or one-hundredth of the labor force. In a large institution, you are almost nobody. You must be humble enough to perceive that if the whole group, or a great part of it, is not with you, you will not achieve anything. One of the greatest mistakes is for someone arriving at a public institution to start striking out at random, as if everybody were thieves or incompetents. If I was one-fiftieth in the Casa de Rui Barbosa and one-ten-thousandth in LBA, I was nobody. I had to make the group believe in the institution's objectives and believe that I believed in its ability to fulfill them.

When I repeated Putting Children First, Putting Children First, Putting Children First, over and over again, I could not guarantee that the ten-thousand employees understood, but a great majority of them were aware that there was a program called Putting Children First. If their actions are fragmented, employees do not grasp the objective and do not walk in the right direction to achieve the goal. If, on the contrary, their actions emphasize a sense of purpose, emulation is present in the group; obstacles still exist, but the group is proud, cooperative, and will help you to reach the objective.

Deposition 4.2.5.2 Irapoan Cavalcanti - Encouraging the association

"How can one speak to ten-thousand employees" It is impossible to speak to them and because of that, in LBA we encouraged cooperation between them. This is amusing, because, in general, the chiefs are inclined to see organizations of employees as enemies. We saw them as friends and really encouraged their development. Never (and may the Associação dos Funcionários do Rio de Janeiro confirm what I say), did we influence an election. I was a member of the association, and said: 'I will submit a blank vote, I won't choose either of you.' On election day, there were always two candidates and both went with me to cast the votes.

We encouraged one organization in each State and one national organization. I was always present, by invitation, at the national meetings, whatever the State might be and, in my speeches, always gave credit to the employees, internally, for the results obtained.

This boosting of self-esteem in the Associação dos Funcionarios created a powerful instrument of collective management, capable of establishing a connection between the organization's results and the people's interests. The entity functioned not only as a setting for communicating organizational programs and objectives, but also for the articulation of speakers for negotiation of rewards and their mechanisms, linked to results. For instance, it played a decisive role in formulating and implementing the wage and salary plan.

Deposition 4.2.5.3 Irapoan Cavalcanti - Guaranteeing rights and establishing duties/targets

To promote cohesion and self-esteem, it is important to respect people's rights. It may seem incredible, but in Brazilian organizations, there are bosses who do not even observe lawfully established rights. As for such rights, there is nothing to be discussed, but there are administrators who not only refuse to discuss, but also deny these rights. I always adopted the principle that a legal right is something incontestable that has to be respected.

It is customary to blame this distortion on the fact that duties were not clearly explained in the employee lobby. In my opinion, managers are to blame, and let me tell you why. The basic duty of a civil servant is to accomplish his task in the shortest possible time, with the best possible quality, and at the lowest possible cost. This is the duty and all else derives therefrom. However, organizations are very fragile in their process of internal planning because their leaders frequently do not know their own objectives or conceive of them in such a fragmented fashion that they are unable to identify them as objectives. Consequently, the employee does not know what his obligations are. How can an employee create a product he does not comprehend that has never been explained to him? If I am at LBA and do not have on-hand the programs agreed to, how can I ask an employee to achieve the goals of the program at a low cost, rapidly and efficiently, if I do not explain to him what the goals are? When I specify the goals for the

Benjamin Constant Unit, knowing that the local population is X and that, in a program of supplementary feeding, I must cater for so many children, so many wet nurses, and so many expectant mothers, the duty is defined.

Usually because they are incompetent, leaders prefer to consider the timetable as a duty of the employee. How would I be able to control an employee's timetable on a remote Brazilian frontier? For example, how could I expect fulfillment of duties if I did not request from the appropriate sector, at a given period of time, the revision of technological jurisprudence covering the past five years? If the leader does not specify this type of organizational culture, the other organizational echelons fill the spaces giving emphasis to procedural bureaucratic controls that are more inclined to desegregating than to aggregating.

If you establish goals and establish rewards for achieving these goals, results do occur. Such a system makes people competitive, creating an inner sense of healthy emulation and cohesion around objectives.”

Deposition 4.2.5.4 Irapoan Cavalcanti – Recognizing individual efforts

"Once, in the State of the Amazonas, I met a young man who, during my time at LBA, had been responsible for an outpost in one of the frontier towns. He came to talk to me and was visibly moved because he remembered that I once visited that outpost where very few people, especially the president of the institution, would normally go. He clearly recalled that we granted an age-old request of his for a small speedboat. We acquiesced, because it was indeed necessary, since from his post he controlled many little towns and transportation was very difficult. The solution made him very happy. In terms of his work, it was a material tool, but for him it was a far more significant reward as his efforts had been duly recognized such that he was able to get that type of equipment. At the time, not even I had grasped this aspect."

To guarantee the adhesion of important segments of the ministerial structure to the policies of the administration and the continuous use of that structure by the President of the Republic,

Belotti adopted three fundamental strategies, with a view to eliminating confusion in processes of communication and decision. He carefully deflected the role played by the minister's immediate advisory staff, secured the elaboration of proposals that were always adjusted to governmental macro-policy and honored local career talents to get their commitment to policy goals.

Deposition 4.2.5.5 Paulo Vieira Belotti – Deflating the role of courtiers' advice

“In the ministry, I did an interesting thing that was very helpful in obtaining results. When the minister invited me to be secretary-general, he said, ‘How are we going to manage the ministry?’ I answered, ‘We’ll do the following: you have a large advisory group involving sugar, coffee, insurance, metallurgy, industrial development, rubber, etc. You eliminate that advisory body and give me all these positions of management and technical guidance at the higher level, so that I may organize the ministry and start working.’ He balked, ‘Well, but ...,’ he spluttered’ I said, ‘You keep your chief of staff, a secretary, and a press advisor. You are free, I’ll be responsible for all the rest.’ He then asked how we intended to administrate. I answered, ‘Your advisors for these specific subjects will be presidents of the organizations: the advisor for insurance will be the president of Instituto de Resseguros; the advisor for metallurgy, the president of Siderbras ... If you have an advisor for each of these areas, you may be creating a potential for trouble, because the advisor may hold different opinions from directives emanating from the office representing the sector. Then, this may generate great confusion.’ The minister said, ‘All right. And what about you?’ I replied, ‘Look, ministry and secretary-general do not exist. What exists is the minister. Now, if you want your decisions to have weight, you call me and tell me what to do.’ Thus, conversations took place, decisions were taken and measures implemented without conflict between minister and chiefs of subsections, and leaders of organs and enterprises”

Deposition 4.2.5.6 Paulo Vieira Belotti – Turning proposals and actions to the macro-policies

“I received special treatment from the minister, who used to take me to all meetings, including those with the President, whenever our intentions, in terms of developing the programs,

were to be discussed. I knew President Geisel and his concept of his mission and strategic view of Brazil. Consequently, I more or less guided the decisions according to his inclinations. He felt, for instance, that national development should be decentralized, and considered excessive concentration in Sao Paulo a dangerous thing, which could affect the unity of the federation. Consequently, undertakings focused especially on the industrial areas of Para, the Amazonian Region, the Northeast, Bahia, Rio Grande de Sul and Parana had his immediate support from the outset. As for agriculture, he wanted to develop the savannas in the Mid-west Region. A strategic military vision of national development was always uppermost in his mind for these projects.

As I was also concerned with these aspects, I steered the discussions, without wishing to overstate my influence, toward the best technical decision, in accordance with this macropolicy. The following is an example: when the time came to decide on the installation of a plant for manufacturing motor trucks in Brazil, Mercedes Benz wanted to build its factory in a given location, for various reasons, and Volvo also submitted a proposal. The documents were sent to the appropriate councils and Volvo's proposal was approved for the State of Parana. The dimensions of the project were, evidently, curtailed, but it had the best characteristics, and even if a certain amount of aiding and abetting was involved, it was all in accordance with a broader vision of the scenario. The same thing occurred regarding the decision to locate the petrochemical complex in Rio Grande do Sul, or to construct Açominas or another factory either in Rio Grande do Norte or in Para ... the broad macrovision prevailed."

Deposition 4.2.5.7 Paulo Vieira Belotti – Acknowledging inside talents

"In the ministry, salary was the natural compensation, and the bonus was staff apartments, official cars for the top officials, and that sort of thing, but the great reward was for the employees to be inspired with their mission, full of enthusiasm that represented their professional fulfillment. Even now, they tell me, 'Those were the good days! We were able to get things done.' People are proud of what they do and this is a serious aspect to remember. By my example I created a climate of job satisfaction and self-realization. It was the example of the President of the Republic, a man whose destiny was to develop the country and who was also a

model of austerity and integrity, who backed every initiative. Initiatives that ultimately came from him, but that gave us the chance of realization. Then, he rewarded the employees, which was the important thing, not the certainty of any material reward, because there is nothing like that in the public service.

With regard to State enterprises, I worked for some time at Banco do Brasil and had a good working knowledge of PETROBRAS and other similar companies due to my position at the ministry. All these companies have a considerable number of devoted, competent, and qualified employees. They are positive factors for the success of the person appointed to administer them; it is only a question of mobilizing the talents already existing in the companies. I have never taken any cronies with me when I entered a new position. I went to PETROBRAS and sat down with company staff. I did not go there surrounded by my friends from BNDES, secretary, and driver ... I have never done that. I kept my predecessor's secretary and a couple of members of staff left for other reasons. I never took relatives with me. I have five brothers, two are economists, and two are engineers. None of them has ever worked in any organization where I have worked. A son of mine has graduated in chemistry and has never worked in PETROBRAS or its subsidiaries.

This is the most thorny aspect for a boss within an organization. The worst thing to do when one joins a major company is to bring in untrained outsiders to give orders to the staff already working there. The fact is that the existing employees will have to teach the newcomers. I mobilized the personnel within the company based on information from other people.

At PETROBRAS, the formal system of compensation includes promotions and, naturally, the more studious employees with greatest zeal, excel in the process and climb to the highest steps of their career. The system operates on criteria of merit and length of service, with assessment on the basis of points. However, the system has its imperfections. Consequently, the board adopted some corrective factors for a few deviations in the system, analyzing the names, when the case involved a group of more important employees.”

Work relationships in formal organizations are based on the exchange between contribution and reward, a factor of particular complexity within the public sector. The sector tends to remunerate staff less well than the private sector and this reality is aggravated in the case of quantitatively significant specialized functions, such as professors and physicians in comparison to attorneys. The latter, being a smaller group, usually have more compatible remuneration with the nature of their jobs, because of the reduced budgetary impact of their wage levels.

Dysfunctions resulting from this problem are serious and, in extreme cases, bring forth what has been called the “dirty pact,” namely an unprincipled adjustment between extremely undemanding managership positions whose incumbents are conscious of working for an employer who pays poorly, and professionals who adjust their performance and dedication to the low level of compensation they receive. Little is demanded because little is given in payment, and little is given because little is received. In the medical area, considering the level of specialization of the professionals and the importance of their services, this question of structural design constitutes one of the greatest challenges confronted by the leaders of public units.

Being obliged to live with a problem for which a systematic solution was out of his reach, Sergio Rudge adopted compensatory strategies oriented to the training of human resources and technological development, capable of reverting dysfunctional attitudes and behavior leading to fragmentation, and significantly impacting the levels of individual and organizational performance through greater cohesion.

Deposition 4.2.5.8 Sergio Rudge – Rewarding through excellence

“This was a hospital in which nine operations were performed per day and I started increasing the number. You may wonder how I was able to increase the number of operations if the doctors were badly paid. How did I encourage them to stay at the hospital?”

In HTO, no national materials are used. Absolutely everything is imported. So, what did I do? I wrote to all the North American firms that supply medical materials to the country, asking

them to contribute to the technical improvement of my doctors. We were using their equipment and I was in need of personnel who could improve their performance by watching how the service was provided in Europe, America, and the rest of the world. They agreed, because they knew the hospital was internationally recognized. Abroad, people had only heard of HTO in the area of orthopedics,; our works were published, our professors renowned, etc. In a short time, I was able to get this technical improvement. Over a period of two years, I sent forty surgeons to foreign parts, financed by Stryker, Depuy, and the great multinational companies; not the suppliers in Rio, but the manufacturers themselves. Firms sent their letters of invitation and I asked the minister to authorize the doctors to travel. All bright doctors want to improve themselves technically, so they began to do their best at the hospital. I worked with both doctors and nurses because I wanted to reach all categories of the staff.

The number of surgeries performed at the hospital rose from nine to twelve a day, then to fifteen, twenty, twenty-five, and it kept on growing. I started implementing a work ethic involving humanization, technical improvement, and esprit de corps.

With the salaries the doctors are paid, if a chance for technical improvement is not offered to them, they have no motivation and do nothing. It does not help if the mayor or the governor determines an increase in pay, which starts from a ridiculous base, yet denies them the material they need to do their work. What kind of motivation does a doctor have when working at Souza Aguiar or Miguel Couto Hospitals? Doctors adore the work and at their best when operating. It is really difficult to manage these stars because they are all, effectively, superstars, full of foibles. If you reprimand a doctor, it can cause a real mess! However, I even got to the point of harshly admonishing a professor, though he listened and kept his nerve. I fought a lot to make people conscious of the need for quality in the services rendered to the client.

With its medical staff getting better qualified and having the opportunity to employ more sophisticated materials, the hospital really started to grow. Foreign professors came to visit and I began receiving doctors from abroad who wanted to improve their skills in our hospital. I signed letters of intent with the University of Chicago, the University of Coimbra, and other developed

medical centers, and we became known as the best Brazilian hospital in orthopedics. I believe that Rio de Janeiro is internationally renowned for orthopedics, in the same way that Sao Paulo is renowned in cardiology. I organized the hospital so that it would excel in technical terms and started to require that the physicians publish their writings abroad; our technology is indeed state-of-the-art, therefore we needed to showcase our production. In this manner, the hospital became the doctors' second home."

Due to the centralizing trend in the management of human resources in Brazil, and the restrictions hampering the effectiveness of compensation systems, not only in organizations related to direct administration, but also state enterprises, Ozires Silva sought inspiration in the motivation that comes from the work itself to activate and unify his subordinates, through his leadership. The flame is present in every individual, but the leader must nurture the flame by compensating for the deficiencies of formal reward systems.

Deposition 4.2.5.9 Ozires Silva – Appealing to the concept of public interest

"In the scope of our public sector, very little can be done in terms of rewards. But I would say that it is essential to distinguish between the leader and the manager, between a man who is capable of leading and another who is capable of managing. With leadership, one can motivate a team, reducing the importance of the problem of salary and material compensation. It is necessary to find the essence of motivation. In the case of aircraft, the motivation is obvious: an airplane always motivates people. Each aircraft crossing the yellow line of departure, ready to fly, constitutes a clear victory.

One need only to stop and think what inspired the deaf and impoverished Beethoven to write the wonderful scores for the music that he composed. What inner flame drove that man to do such a thing? The will of the creator. I guess there is nothing more inspiring for the human capacity of self-realization than the opportunity to create. When the architect of these simple mock-ups now on my desk, sees it complete and finished, he feels fulfilled by the final product, like an artist who puts the last stroke of the brush to his canvas, like a Michelangel ... In my view,

this is what compensates and it is achieved through leadership: making sure that everyone participates actively in a given undertaking, subsequently feeling the satisfaction that comes from getting the job done.

There are many examples of this in my life, even in direct public administration. When I was Minister for Infrastructure, it came to my attention that the neighboring cities of Vitoria and Belo Horizonte were not connected because of the lack of a hundred kilometers, perhaps not even that, fifty kilometers, maybe, of railroad, which had not been built because of a dispute between Companhia Vale do Rio Doce and the Rede Ferroviaria Federal.

I summoned the employees from both enterprises that were then under the same command, as they were integrated into the Ministry for Infrastructure. I began by getting them all thinking of the significance that such work would have for millions of people, also stressing the fact that they could be the ones to effect it. At a certain moment I said, ‘On December 13th, 1991, within a year and a half, we are going to open this stretch of railroad.’ My choice of date was random, but all present concentrated on that date and worked fervently to complete the task on time.

By December 12th, 1991, I was no longer with the Ministry. My telephone rang and it was the president of Vale do Rio Doce, saying, ‘Minister, I am calling to tell you that the railroad is ready.’

It is really hard to obtain results in the public sector, but it is not impossible. It is more costly, it takes longer, and it is frustrating, but it can be achieved when one has motivation and when one is able to convince people. I believed in what I was talking about.

Nowadays, I cannot imagine a captain talking to the Minister of Aeronautics, but back then I was a captain and I got to talk to the Minister. In October, 1968, we made the Bandeirante fly, and people who had doubted us when we started, stopped laughing and were listening to us. They still did not believe us, but at least they had started to listen. Then the Minister of

Aeronautics, Brigadier Marcio de Sousa e Melo, believed in the idea and helped us immensely and, in 1970, we created EMBRAER.

I remember that when we wanted to create EMBRAER, I had the opportunity to meet with Dr. Delfim Netto. I launched into my pitch with such breakneck speed, that he interrupted and asked, ‘Why is it that you are talking so much and so fast’ and ‘Why is it that you are talking like that?’ I answered, ‘Because you are the Minister of Finance and have no time to spare, I know where I am and do not know if I will have a second chance.’ He said, ‘Be calm, drink a glass of water, sit down and tell me your story.’ I told him the story and then he looked at me and said, ‘That is the craziest thing I have heard in my life, but I think it may work.’

However, Mr. Helio Beltrao, now one of my great friends, did not accept the idea at all. When Delfim insisted, he was peremptory, ‘I don’t even want to hear about it.’

Things proceeded slowly until I eventually found myself learning the law of joint-stock companies and then drafting the law which is still in force to this day. The law creating EMBRAER was also drafted by me and in its final form it is more or less as I wrote it, with a few minor changes. I also wrote the by-laws of EMBRAER and, although I never thought that an engineer might be called upon to do such things, it never crossed my mind that it might be an impossible task. Difficult, maybe, but not impossible.

In his deposition, Irapoan reveals four action strategies geared to integration, to which he paid careful attention to see their effects on results: “Reiterating the marketing of objectives”; “Encouraging the association”; “Guaranteeing rights and establishing duties/targets”; and “Recognizing individual efforts”.

Paulo Belotti’s exposition adds a further three integrative strategies: “Deflating the role of courtiers’ advice”; “Tuning proposals and actions to the macropolicies”; and “Honoring inside talents”.

Sergio Rudge explained that he sought integration by “Rewarding for excellence”; while Ozires Silva achieved it by “Appealing to the concept of the public interest”.

Underlying these action strategies is a basic assumption, fully accepted by all of those interviewed, as their depositions reveal: “managerial action is social” and not “individual”, as very commonly assumed by students of organizational design (Weick, 1995, p.357).

As Irapoan Cavalcanti’s figuratively and quantitatively logical, but qualitatively argumentative, expression sets forth: *“If I was one-fiftieth in Casa de Rui Barbosa and one-tenthousandth in LBA, I was nobody”*. Although the expression “I was nobody” may seem too strong, that it may not seem to recognize the weight of formal authority, it finds academic support in Weick’s interpretation. More precisely, when analyzing CODE’s basic propositions regarding the question “Why study organizational design?” The proposition of students of design, among other aspects, contains this interesting point that merits accentuation: *“To a great extent, the design of an organization ... directly impacts the ability of individual managers to make and to implement ... decisions”* (Weick, 1995, p.349). With the same contentiousness as Irapoan, Weick rejects this proposition, affirming that “In many ways, the idea of an individual manager is a fiction” (Ibid, p.359). Weick’s argument is supported by his view of management and organizing as processes, which, as a result, relegates the ontological meaning of the expression “individual manager” to fiction. For Weick:

“Managing is a composite of partial contributions made by many individuals whose identity is defined by their social relations. Management work is profoundly social, which means that the dispersion and meaning of a design is not easily controlled. Designs don’t create social systems; they are created by social systems. And design effectiveness is determined by the existing social relationships that are engaged by the design”. (Weick, 1995, p.359)

Awareness of the source (social relations) of their true identity in the managerial process, and the dependence that fragmentation and the significance of integration have to this same source, as a design which is difficult to control, as well as the role of that source in determining

the efficacy of the integration, explain the action strategies heavily stressed by Irapoan and also by the other deponents.

Organizational design is constructed by social groupings, such as the “*top management team*” (Hurst, Rush, and Withe, 1989, in Weick p.358), by the links in the vertical dyads between superior and subordinate (Graen and Scandura, 1987 in Weick p.360), as well as by the horizontal intergroup relations mobilized by the leadership teams. It is this fact of “knowing that I rely on others to make things happen”, that leads Irapoan, for example, to concentrate great energy, in a minutely detailed professional manner on things which, to the untrained eye of people not familiar with the day-to-day management of large systems, might appear prosaic or overly simple and lacking technical sophistication. As, for instance, when sharing decisions: “*... in the Brazilian public service process, the ultimate responsibility lies with the president (LBA, FCRB), but the decision-making process does not necessarily need to be centralized ... Practically every day in the Fundacao Casa de Rui Barbosa, I decided matters in conjunction with the directors*”; or when encouraging “associativism” as “*... a powerful instrument of collective management, capable of establishing a connection between the organization's results and the people's interests.*”; or when respecting the right-obligation combination of employees: “*To promote cohesion and self-esteem, it is important to respect people's rights ... I always adopted the principle that a legal right is something incontestable that has to be respected*”; or, further, when empathizing with a far-flung employee, when analyzing the concrete operational support requirements and granting a request as a reward and compensation for his contribution to the organizational effort: “*In terms of his work, it (small speedboat) was a material tool, but for him it was a far more significant reward as his efforts had been duly recognized such that he was able to get that type of equipment.*”. In all the above instances, actions of an integrative nature, based on relational dynamics, produced design. As Burns and Stalker rightly point out, “*decisions are made either in the presence of others or with the knowledge that they will have to be implemented, or understood, or approved by others*” (Burns & Stalker, 1961, p.18). According to Weick:

“Designs are shaped in the service of others who matter, just as those others who matter are themselves shaped by the designs they construct. Designs

reflect social interests, and they also structure social interests. Any act by an 'individual manager' is actually an act by a representative, whose stature and membership are on the line ... What is unreal is to regard it as the activity of just one person". (Weick, 1995, p.360)

Where the management team is involved, Paulo Belotti extrapolates on the idea of interdependence by proclaiming a complete identity, which is far from being mere subservience to authority:

"Look, ministry and secretary-general do not exist. What exists is the minister. (But) Now, if you want your decisions to have weight, you call me and tell me what to do."

For Sergio Rudge, the challenge of ensuring guaranteed assiduity in the simple fact of getting the medical team to appear at the hospital, was what needed to be overcome in order to render feasible the organizational structure and implement innovative operational procedures. It is a well-known fact, as absurd as it may sound, that the institutional commitment for physicians to actually turn up for work at Brazilian hospitals represents a serious problem, the roots of which are to be found in public administration per se.

In this sense, the reports demand more in-depth reflection as they stress several recurring images, objectives and goals, to the extent that they encourage "*commitment*" and what that entails, in terms of stabilizing and broadening behavioral standards and bringing about an integrated convergence that produces results. (Weick, 1995, p.363) According to Irapoan:

"When I repeated Putting Children First, Putting Children First, Putting Children First, over and over again, I could not guarantee that the ten-thousand employees understood, but a great majority of them were aware that there was a program called Putting Children First. If their actions are fragmented, employees do not grasp the objective and do not walk in the right direction to achieve the goal."

Differing degrees of commitment produce different patterns and impressions of what is happening. By managing these subtle nuances, competent leaders impose their leadership, creating

a reference point in relation to which a sense of organization and direction emerge, within naturally imposed constraints. As Staw notes: *“When technology is ambiguous and products are value laden, commitment to goals and procedures, whatever they are, may be sufficient for proper adjustment to the environment”*. (Staw, 1982, p.116)

This is definitely the case with social welfare politics, always mired in accusations of “welfarism”, “clientelism” and polemics regarding alternative “delivery systems”. Without a doubt, the challenge of implementing a nationwide program that involves more than two dozen state welfare departments, operating in diverse political, economic and social environments, lacks integration mechanisms compatible with the diversity of local solutions, often subject to the dispersive pressures of “grass roots politics”.

4.2.6. Creating Shields against Transgressions

Corruption, factious political control of the administrative machinery and nepotism are expressions of the transgressive behavior commonly associated with public administration in developing countries. While these behaviors are considered exceptional practices in more developed countries, in Brazil, a country in transition, these patterns of behavior can be systemic or not, depending on a multiplicity of factors, among which are the strategic orientations of its leaders. The narratives of Irapoan Cavalcanti and Paulo Belotti point to the importance of environmental transactions in the approach to this problem, raising some insights that merit a more thorough analysis that applies a more dynamic view of organizational design.

Deposition 4.2.6.1 – Irapoan Cavalcanti – Projecting an image of probity and efficiency

“I fired many people and, despite that, on the eve of my departure from the presidency of LBA, I was honored with an award from the National Association of Employees. I fired some for robbery. Wherever I found evidence of theft, I never compromised: the official order was signed. If, later on, the employee decided to appeal to the judiciary, that was his problem, I did not care.

There were even a few cases of people I fired who were connected to politicians. When the government decided to put an end to the undue accumulation of positions, I also fired many for holding multiple positions, and the employees backed me on this. The fact is that these cases were known to be the minority. However, if a person helps some of his people and is rough on the others, then everyone is against him.

An important factor in discussing this question is respect from outside. When an organization becomes efficient, it starts being seen externally with respect, as an organization achieving its purposes and honest in its procedures. It is necessary to project a viable image of respect.

In the early stages of my reform work in the Post Office, I was a financial advisor. My first encounters at the Ministry of Planning were very difficult. I went there to discuss credits and all they wanted to talk about was how all the letters they had sent one day that had never arrived at their destination and all the letters people said they had sent to them that they had never received. The service was so inefficient that many people did not even send letters and, even so, put the blame on the postal system. Thus, when I wanted to discuss credits, I was very unwelcome indeed and people were rude to me. Within the first year, we managed to rectify this process, the deficit was over and the letters started to arrive regularly. Then I started to be welcome, because the enterprise was gaining respect from the outside.

The situation was the same in LBA, where production multiplied five-fold. When you acquire this reputation, which is not an invincible shield but, nevertheless, protects you, people become careful when coming to request things. I never received a representative or a senator who came to make me an underhand proposition. Never, never, never! And this reputation was quite curious, because I also received congressmen who opposed the government. So, when I heard people say that such and such a congressman had done this or that, the only thing I could say is that they never tried it on me. Those who came to see me sometimes brought badly formulated proposals, technically speaking. I advised them and they reformulated their proposals, which were always within the scope of action of the institution.”

Deposition 4.2.6.2 - Irapoan Cavalcanti - Guaranteeing technical criteria in the purchasing of goods and services

"As to suppliers - a subject always under much discussion, almost everyday in the newspapers - I think that when a leader conveys an image of honesty, he is not likely to receive an improper proposition. I have never received any type of suspicious proposition or even a possible insinuation thereof in my life.

In LBA, which turned over large sums, the rules of the game were established from the outset. I clearly told all interested parties that I would treat them with the utmost consideration and their rights would be respected, but that I would only receive them as associations, not as individuals. So, I never faced any hint of insinuation. Obviously, sometimes I even had offers of products coming from other countries. I sent them to be examined from the technical point of view and, if they were inadequate, I did not accept them. Even small 'gifts' I never accepted. The rule was so clear that no one even tried, which was the best thing for all concerned.

There is pressure to change programs to benefit the suppliers, but this is a question linked with the personal integrity of the chief. If he resists adamantly, then this attitude controls the organization. I do not mean that it is possible to avoid minor corruption completely at lower hierarchical levels; that would be wishful thinking. But actions are pervasive; if you punish at the first sign, this attitude spreads throughout the institution."

Deposition 4.2.6.3 - Irapoan Cavalcanti - Neutralizing political and ideological pressures

"In the Fundacao Casa de Rui Barbosa, there were no political questions, deriving from political currents, affecting the permanence of jobs. First and foremost, the institution's president and creator, Professor Americo Jacobina Lacombe, was an unimpeachable man, extraordinarily devoted to his work, and perhaps the greatest Brazilian specialist in the area. He was a kind of enormous shield against pressures. All the men directing the various centers were also fully

respected in their fields of knowledge.

Looking at it in the electoral perspective, so to speak, there was no benefit arising from our work. To launch a book on an obtuse topic, for instance, gives no one electoral benefits. There remained the ideological question, but we always endeavored to remain neutral, even at the most difficult times, which was during the years of the authoritarian regime, while I directed the Casa. Even so, we held a seminar attended by people who were probably not accepted by the government in power, such as Antonio Candido. Dr. Lacombe, largely recognized as a liberal, always had great respect for Astrogildo Pereira, one of the founders of the Communist Party; one copy of the complete works of Rui Barbosa includes a preface to some writing by Astrogildo Pereira. We had or invited persons of all tendencies whose expertise was recognized.

LBA is a structure in which we have a superintendent in each State, which constitutes a very powerful instrument from the view point of electoral policy. Those in power - and I draw attention to this fact - will always be appointed on the basis of a recommendation. This is because no one is capable - I challenge anyone affirming the contrary - of making the choice of a leader in each State, throughout the country, in the area in which the organization operates. The problem is regarding who recommends the candidate. One may consult a friend or the local association, but backing is always sought for a recommendation. In this question, involving electoral interests, recommendations are always political.

The first fundamental question is the composition of a political model in each State, guaranteeing the quality of the service. There are some possible tactics for the composition. It is impossible to accept the nomination of any person over whom there lingers any shadow of doubt as to their personal honor and suitability. Then there is the question of efficiency. Many times the local political organization chooses a person who is not as efficient as would be hoped. It happens; it happened during my time with the institution. Then, it is necessary to create a mechanism to supplement such inefficiency by, for example, making a technician second in command. Where this does not prove possible, stricter control may be exercised over the State concerned – which is another compensatory mechanism. Such stricter controls may be

implemented in many ways: for example, constant telephone contact, just to know what is happening. Personally, I worked with both models.

When one is particularly concerned about a certain region, a person of one's complete confidence should be put in charge of the review of all the local procedures and all transmitted documents should be through a single channel. This is necessary because controls are almost always more fluidly organized in the central administration, usually following procedural logic as opposed to regional logic. Following this strategy, one can maintain far stricter supervision over the region concerned.

The situation described may be avoided when a political agreement is made by specifying: 'Dr. So-and-so, you are going to select the superintendent. Now, please, send me an efficient and honest person.' I had examples of this situation and found that there the terms of the agreement were always fully respected. Sometimes, even when the appointed person was the representative of a group, he was led by events to understand the need to listen to other factions, as long as they put forward good projects. This respectful attitude allows attention to be given to all interested parties. It is obviously difficult to achieve one hundred percent success in such matters, but it is possible to create a compensatory mechanism in these political questions: a system for directly attending to the needs of other groups.

In LBA in Rio de Janeiro, for instance, the State government was affiliated to one political party and the mayor to another, in opposition to the federal government. I listened to both groups and never had any problems with either of them. The projects being correct, we granted what was requested. I clearly remember a case in which a politician (no names disclosed as this would be unethical) disliked by many people, sent us a project. I was told, from the start, 'This is from So-and-so. Are you going to examine it?' I answered, 'I don't care if it comes from So-and-so. I am sending it to the technical departments so that it may be analyzed the same as they do with projects from Such-and-such.' When the technical analysis arrived, they told me, 'Dr. Irapoan, the project is correct.' I closed the subject. 'If it is alright, we will approve it.' Thereafter, the individuals concerned started taking care about what they said."

Deposition 4.2.6.4 - Irapoan Cavalcanti - Blocking nepotism through institutional mechanisms

*"Requests to arrange a job for someone are particularly difficult. Indeed, if one has to acquiesce to a job request, one should first try to hire efficient individuals. If one is compelled to accept an inefficient person, then it is advisable to do what the book *The Peter Principle* calls a 'lateral arabesque', namely to put that person outside the production process. I had an even better shield: a chart of positions and salaries, complete with clearly established norms for admission that remained in place for several years.*

A very amusing thing occurred with a prominent personality in the Brazilian cultural area, Professor Adriano da Gama Kury, one of our greatest specialists in linguistics. After the chart of positions and salaries was drawn up, I invited him to prepare the competitive examination for admission of personnel to the philology area. After hearing about the benefits the researchers would receive, he commented, 'I'm not interested in planning the examination – I want to be a candidate!'

One has to be diplomatic in such situations. No one is going to submit a person like Adriano da Gama Kury to an examination; nor a Lucio Costa to proving his knowledge of architecture. It would be a ridiculous formality! In such cases of acknowledged expertise, the chart of positions and salaries should be designed to include a commission entitled to declare that persons like them are exempted from examination. They are recognized authorities and they should not be called upon to prove anything; their lives alone are proof of their wisdom.

So, the best shield against the job request, a practice that may lead to the ruin of the system through the admission of completely inappropriate people, is to start with a chart of positions and salaries and, if one wishes to be polite to the applicants, one may say, 'I should like very much to do as you ask, but unfortunately the chart doesn't allow me.'

Just as when objectives and goals of a program are achieved, the plan of positions contributes to external respect by preventing people from making inappropriate propositions. The chart is useful both internally and externally.”

Deposition 4.2.6.5 – Paulo Belotti – Cashing in on one’s credit

“There is a special aspect to my career, involving a firm friendship and distinction, used in public life, which manifested itself in my relationship with President Geisel. As a consequence of duties that I performed, I formed a large circle of acquaintances and established a personal reputation in public administration, so some people respected me and called me for this and that. However, my actions have always been related to a professional technical activity and to a political activity concerned with the economic development of the country. I participated in practically all the government developmental programs: metallurgy, celluloid, petrochemicals, and fertilizers. It was the political activity of persuasion to get things done, not partisan politics. There was never any political motivation behind my appointment to any position. My career was made in the military regime and, later on, in the civilian regime. I was a trusted friend of the government in Sarney’s administration. I left the public sector, when the Collor administration came in, and now I’m in the private sector.

Careers of mere political prestige rarely amount to much, unless their objectives coincide with the goals of the organizations; and this is because the latter have their own raison d’etre, at least the more important ones, a life determined by “corporativism”, an entirely necessary component, in the best sense.

Through the route of reputation and to reach the position of director in any enterprise in one of those specialized sectors, the individual must have the adequate professional formation, zeal and experience in the area, accumulated over several years. Preparation is very important. The effort to accumulate knowledge naturally depends on reading and years of work.

It is very difficult for a person to run an oil company if he does not know anything about

oil or PETROBRAS. A formal authority is vested in him, so he sits in his chair and requests simply begin to pour in. It is his responsibility to make decisions because the enterprise must continue operating. It is wrong to choose somebody who was a school pal and make him the president of a company, though this is now occurring. Confusion will certainly result and the person is going to feel puzzled and insecure. He will want to know everything, to know whether or not he is being cheated ... He may even go ahead and sign papers, since he has the formal power, but this is not going to guarantee strategic planning. One must have had an upbringing and tradition of study. I could not possibly take over the direction of a telephone company tomorrow. Any person must understand the business fully in order to run it.”

Deposition 4.2.6.6 - Paulo Vieira Belotti - Transforming credit into reputation

“If you have credit with the government, you will get things done, primarily because your actions are very dependent on other organs, that is, they have to do with the Ministry of the Economy, Banco do Brasil, the Central Bank, etc.

Without credit in the federal sphere, you will get nothing done. You attempt to get things done and they are stymied. In the governments in which I participated, I had credit through a relationship of trust with the President of the Republic. Everybody knew that I made use of that prerogative to do my work and not for other ends. Decisions flowed easily, because there was also a group of devoted, educated people. In the Collor administration, I would not be able to achieve anything whatsoever.

To escape from the clutches of the State Company Control Department (SEST), in the case of PETROBRAS, when I was a director enjoying a good reputation in the government and was responsible for that area, I could get things done through Minister Delfim Netto, whom I knew well. First, I would go to a bore in SEST called Mortada, and then end up talking to Delfim, who showed great discernment, because he realized that PETROBRAS was going to produce a vast quantity of oil. He knew the company had the oil reserves, so he cut us a bit of slack. We reached a sort of informal contract for management, obtaining ten billion dollars we

needed to proceed with our project for the production of five hundred thousand barrels. Since the government supported the program and Minister Delfim considered it important for the balance of payments, PETROBRAS went on to produce five hundred thousand barrels, though other sectors, such as electricity and metallurgy, suffered a terrible plight. They blamed their situation on the administration, but the truth is that the blame must be put on the government and its inanely stupid controls, though it is impossible to deny the existence of “clientelism” and incompetence in the administration of the companies.

When ministers first take office and have their initial surge of power, they normally draft a decree, to be signed by the President of the Republic, stating that tariffs, fuel prices, State companies personnel wages, and other matters will be subject to the minister's approval, after consulting with this or that board. Later, the texts no longer include the ‘participation of the board’ and the subordination is total. Inflexibility becomes the rule after which nothing gets done. No conclusion is reached and we remain in the situation that we now have, a power struggle, pure thuggery. The authorities used to prepare decrees with five hundred provisions, but there was always an article covering exceptional cases, permitting them to decide on the hiring of personnel or approving this or that. For the others, the law applied. Everyone did that but Delfim was a master at it; he knew the bureaucracy. If he wanted to control a certain company, a decree with a single article was enough; any loan to be contracted in foreign countries has to be approved by the Minister of Planning. He put all companies under his control. He did this frequently.”

Deposition 4.2.6.7 - Paulo Vieira Belotti - Avoiding favoritism

“In my position as director of PETROBRAS and president of PETROQUISA, naturally I received political requests. Once a governor of State said, ‘I want to have a director from my state working in that company as it’s in my region.’ The president looked at me, ‘See what So-and-so wants.’ I said it was all right, that I would consider his request and include a director from his State in the staff, but I explained: ‘I’ll choose the person to be appointed.’ He agreed. I went to the Banco do Desenvolvimento of the State concerned, where I had been asked to go, and

told him, 'I want So-and-so.' He responded, 'You can't have him. He's my right hand man.' I said I was going to come up with another name and went there once more, 'Listen here, my friend, send me Such-and-such then.' 'Ah, I can't spare him either.' Then I said, 'Well, then you take this guy you want to send me, who is very good, put him in the place of the one I chose and send me the one I want.' At this point, he gave up.

Once again the question of credit and prestige arose, because the president asked me, 'What about So-and-so? Did you comply with his request?' I answered, 'I suggested someone else and he did not accept and I can't accept the man he wants to send me.' He agreed, 'That's fine - you did the right thing. You wanted to choose a competent person and also consider the political aspect ... If he did not want to accept your offer, then he has no right to feel hard done by.' Had this governor then gone to complain to the president, the latter would tell him, 'He chose the best people and you didn't agree to send them, so ...' The question of credit is fundamental, because the governor could demand my dismissal for not complying with his request.

There was another ploy I used many times: a politician would turn up at my office saying that he wanted to be president or director of a certain company, and I would say, 'All right.' After that, I'd amend the company's by-laws, depriving its president of the power to appoint, fire, contract, etc. He was a president with representation, car, and everything else, but without those powers of which they are so fond. I negotiated it all with Minister Aureliano, though the politician concerned would then not accept, because he did not want to lose status. It was a real problem.

The shield protecting PETROBRAS is its president, so the person has to be someone completely trusted by the President of the Republic and the minister of the area. If the person concerned is a company president without prestige and credit, he will try to make things work, and end up giving in to any pressures never knowing how to say no. This cannot happen. The president must arrive, listen to the requests, and start saying, 'I'm not going to do it. Don't even think about it.'"

Deposition 4.2.6.8 - Paulo Vieira Belotti - Daring to bend the rules in order to accomplish

“Another thing one must do in public service, which was often done in my time, is to be courageous enough to commit irregularities. Public service is so controlled, so hampered by legislation, and so full of constraints that, if one doesn’t commit any transgressions, one will always be trying to do something without ever succeeding in accomplishing anything. Naturally, in order to commit irregularities, one must have courage, audacity, and honesty, because one may be committing irregularities, but one should never be taking advantage.

Let me give you an example. If I needed qualified people in the ministry, I would hire them through phony agreements with phantom organizations ... and I also made agreements with private organizations to pay the personnel. It was an official agreement, in line with all the norms. ... I had to resort to that expedient.

At the time there was neither talk nor suspicion, involving the integrity of those who held high office in the federal administration, because they all had decent salaries, lived in decent apartments in Brasilia and had a car at their disposal. Integrity has now become a serious issue. The interesting thing is that decisions were taken were most arbitrary. The selection of the companies was, so to speak, made on a business-like basis, but the matters were always open to debate before many people and a consensus was obtained. Consensus was the goal because if ten people take part in the discussion and they all arrive at the same conclusion, then the procedure is more correct than any public bidding and receives greater acceptance. In order to get a quicker answer, the bidding could not be formalized or conform to the strict requirements of the tender procedure. We employed the compensatory strategy of giving greater transparency with the participation of the persons involved and the guarantee of a technical decision of high quality, thus ensuring the compensatory element.

So, in order to select companies for the petrochemical process among thirty competitors, for example ... we simply sent a public notice to be published in the Diario Oficial, to obey the

formalities, and invited the interested parties to submit projects. A date was fixed and the projects were received ... After that, studies were made, information was verified, and negotiations were initiated. One day, I sat at a table with the groups who had submitted projects and decided, 'It is going to be So-and-so.' The interesting thing was that the losers did not complain. The arbitrariness lay in sidestepping the standard procedures of public bidding. The engineering sector at PETROBRAS, for example, stages many public tenders with great rigor and has more problems with artful collusion among the competitors than with the examination and decision process itself. The major problem is created by scheming collusion among the bidders.

When Collor arrived, he changed many things and nobody wanted to work in Brasilia; when one person leaves, no one else wants to stay around. One invites people to be the director of the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliarios) and nobody accepts. Wages are low and, when transferred, the person has no apartment, no car, no perks.

As to the irregular practices to make things happen, my impression is that today, with the 'democratic' climate, a typist talking to the press is enough to start a complicated media process. It is a crazy situation, because there is a general lack of motivation and direction."

In his deposition Irapoan associates the external perception of the efficacy of an Organization with its vulnerability to transgressive proposals (eg. corruption, nepotism etc.).

"An important factor in discussing this question is respect from outside. When an organization becomes efficient, it starts being seen externally with respect, as an organization achieving its purposes and honest in its procedures. It is necessary to project a viable image of respect."

According to his interpretation, the vulnerability of an organization to systematic transgressive attack, and a similarly systematic resistance to the legitimate demands of the

organization from segments within its supposed scope, are two sides of the same coin. Inefficiency and laxity open the door to transgression. The inability of organizations to attain acceptable levels of “*efficacy*”, bars them from dealing in some important sectors, either as generators of inputs (resources, political support, etc.), or as receivers of their services. These sectors deny them recognition. Or, to be more precise, the organization is unable to “*enact*” the giving environment, despite considering it a desirable location for valuable transactions. As Irapoan affirms, “*In the early stages of my reform work in the Post Office, I was a financial advisor. My first encounters at the Ministry of Planning were very difficult. ... when I wanted to discuss credits, I was very unwelcome indeed and people were rude to me*”. The situation was only remedied thanks to credibility achieved with the effective transformations that occurred in the company. By the same token, inefficient organizations “*enact*” an environment with given areas corrupted by transgressive values. They are perceived as a ripe and promising area for easy enrichment. This point is interesting as it seems to confirm, in a topic rarely studied in the theory of organizations, one of the alternative presuppositions put forward by Weick for organizational design, that: “*Designs construct environments to fit organizations.*” (Weick, 1995, p.371). This perspective goes against the current presupposition in the literature on organizational design which, following the adaptative logic of the biological metaphor (Morgan, 1986, p.39-76), considers that designs construct organizations to fit environments. Irapoan's tale of the situation he encountered as the interface between the Post Office and the Ministry of Planning shows how important it was for the company undergoing transformation “*... to strengthen what it already has in place, ... to strengthen its culture, become more proactive, act like a true believer, intensify action rationality, and reaffirm its commitments, all in an effort to change the beliefs and actions of those people who comprise the environment*” (Eccles and Crane, 1988 in Weick, 1995, p.373). Or, to put it another way, how great was the need to “*enact*” an environment, up until that moment which is refractory or even unprecedented in a company, because up until such time it had never been seen nor were its values implicit. Weick would have us believe that, “*If we assume that the purpose of design is to construct environments to fit organizations, then the key question is not so much ‘What is out there?’ as ‘What is in here?’ What the organization has available affects what it sees out there...*” (Weick, 1995, p.373). This point is made even clearer when one understands the reciprocity involved in environmental relationships.

If we turn to the writings of March and Olsen (1989, p.46) on political institutions, Weick intersperses his observations in the sense that:

“...the actions of each participant often are part of the environment of others. This means that the environments of each person are partly self-determined as each reacts to the other. When environments are created, actions taken in ‘adapting to’ an environment are partly responses to one’s own previous actions reflected through the environment. A common result is that small signals are amplified into larger ones”. (Weick, 1995, p.372-3)

Paulo Belotti tackles this same issue at a personal level when he emphasizes the credit of the administrator vis-à-vis superior authorities, thereby granting prestige which can be converted into action, in addition to the importance of a personal reputation built in a professional context.

“There is a special aspect to my career, involving a firm friendship and distinction, used in public life, which manifested itself in my relationship with President Geisel. As a consequence of duties that I performed, I formed a large circle of acquaintances and established a personal reputation in public administration... It was the political activity of persuasion to get things done, not partisan politics.”

Similarly to Irapoan Cavalcanti, Paulo Belotti establishes a clear relationship between personal and organizational efficacy, and the capacity to “enact” environments, whereby a reputation for honesty constitutes an important element in the relationship. At issue are not only the capacity to “enact” a desirable segment of the environment, as also to “de-enact” an undesirable segment, namely the State Company Control Department.

“If you have credit with the government, you will get things done, primarily because your actions are very dependent on other organs, that is, they have to do with the Ministry of the Economy, Banco do Brasil, the Central Bank, etc. Without credit in the federal sphere, you will get nothing done. ... I had credit through a relationship of trust with the President of the Republic. Everybody knew that I made use of that prerogative to do my work and not for other

ends. ... To escape from the clutches of the State Company Control Department (SEST), in the case of PETROBRAS, when I was a director enjoying a good reputation in the government and was responsible for that area ... who showed great discernment, because he realized that PETROBRAS was going to produce a vast quantity of oil."

Irapoan seems to grasp this phenomenon when he clearly defines the standards of action which are acceptable to the organization to the players in the environment, be they suppliers or politicians. When he refers to the relationship with suppliers he declares:

"In LBA, which turned over large sums, the rules of the game were established from the outset. I clearly told all interested parties that I would treat them with the utmost consideration and their rights would be respected, but that I would only receive them as associations, not as individuals. So, I never faced any hint of insinuation."

In another section Irapoan refers to projects backed by politicians from parties other than that in government: *" ... the projects being in order, we granted what was requested."* When he refers to requests for employment, he says: *" ... the best shield against the job request, a practice that may lead to the collapse of the system through the admission of completely inappropriate people, is to start with a chart of positions and salaries and, if one wishes to be polite to the applicants, one may say, 'I should like very much to do as you ask, but unfortunately the chart doesn't allow me."* All the sections quoted are minor signals which get amplified into major signals when taken in conjunction, with the capacity to "enact" desirable environments and *de-enact*" other undesirable ones. Corrupt suppliers and politicians prone to arranging deals and less orthodox practices, manifest a subtle and intuitive reading of the organizations. This preliminary reading dictates whether they harass the organization or steer well clear of it. The broader theoretical question which the report of a "practitioner" like Irapoan would seem to confirm, is described like this by Weick:

"If people enact their environments, then a loss of fit between the organization and the environment takes on a new meaning. A loss of fit means that the organization has developed capabilities, resources, and limitations that

have not yet been acted into the environment. The environment continues to demand from the organization capabilities that it no longer possesses. But the origin of this mismatch lies inside the organization, not outside. The problem is not a turbulent environment. The problem is a turbulent organization”. (Weick, 1995, p.372-3)

As Ranson et al (1980) point out:

“Organizational analysis is becoming increasingly aware of the French tradition (cf. Crozier, 1964; Touraine, 1964; Karpik, 1972, 1978; Callon and Vignolle, 1977), which has always been sensitive to the idea that organizations are imbedded in a wider societal context and that in their structuring they generate and reenact the contextual order of domination” (Ranson et al, 1980, p. 12).

But what is at stake here is exactly how public managers do not reenact the contextual order of domination, namely how they and their organizations can clear, step by step, a free area in the minefield recreating a counter-order toward a new order of domination.

In developing countries, it is precisely many of the “structural” aspects of the contextual environment that have to be “de-enacted”. It is a kind of minefield which requires a daily task of detecting mines and disactivating them, one by one, without any distracting noises or shaking too many things around at once. If one is in the field, one is part of it.

However, defensive shields, and signals that serve as symbolic banners, which should guarantee the terms of desirable relationships in the environment, are not always sufficient measures and actions to ward off attacks. There are always internal problems, deriving from environmental relations inherent in the political nature of public administration and a certain deficiency in politico-administrative professionals in a country such as Brazil. As Irapoan declares, *“Many times the local political organization chooses a person who is not as efficient as would be hoped. It happens; it happened during my time with the institution.”* How does “*design as improvisation*” work in these cases?

Where irrefutable cases demanding the political appointment of someone referred by a regional “bigwig” are concerned, Paulo Belotti tells of how not to turn down the choice, albeit within members of a given faction. Sometimes, as he recounts, the person ends up giving up of their own accord, without the potential repercussions involved if they had been turned down:

“Well, then you take this guy you want to send me, who is very good, put him in the place of the one I chose and send me the one I want.”

Irapoan tells of three tricks he had up his sleeve, to be used depending on the seriousness of the situation, which was defined after evaluating the extent of the limitations of the politically-designated person in relation to the relevance of the State in which LBA Superintendent’s office was: *“making a technician second in command”, “stricter (personal) contact ... exercised over the State concerned ... ”*; and *“ ... a person of one’s complete confidence ... put in charge (at the headquarters) of the revision of all the local procedures and all transmitted documents should be through a single channel”*. This last option is justified because *“ ... controls are almost always more fluidly organized in the central administration, usually following procedural logic as opposed to regional logic”*.

According to Irapoan, use of these practices was cumulative, depending on the seriousness of the situation and represents a good example of *“improvised design”*. It illustrates the importance of Collateral Organization (Huber, 1984, p.941), even for the more restricted control and supervision, to fulfill a specific and localized need. It further illustrates the genesis of one of the designs which will be part of the set of multiple designs coexisting at a given moment of an ever-evolving organizational reality. It also demonstrates that the origins of design may lie in the insurmountable impositions of politico-administrative reality, being the result of reciprocal manifestations of social relationships in evolution. More importantly, it shows that the administrator has tools at his disposal to act and react, although being far from able to unilaterally impose a design he/she considers ideal. If this is true for the administrator, clearly it is far more so for potential technical teams in organizational design and public administration reformers.

André Gidde declared that “L’interessant c’est de dire justement ce qu’il est convenu de ne pas dire”. In this respect, Paulo Belloti’s affirmation regarding the overriding need for the public administrator to be bold in order to achieve things, is far from being an apology for illegal conduct, which is not ethical or even based on a simplistic ethic whereby the ends justify the means.

4.2.7. Overcoming Internal Restrictions

For many leaders, awareness of the internal structural restrictions in public administration can be used as an excuse for inaction. For others, the same restrictions can acquire a different significance. They can be seen as challenges to be overcome and can become interactive factors in innovative solutions -- like catapults which launch the organization to new levels of functional logic. In Brazil, since the early 1980s, LBA (Legião Brasileira de Assistência) has been an innovator in what is today called “Open Public Administration”. The search for partnerships in society for the implementation of social policies upset two notions which were taken for granted in the country, namely that the government can and does know how to do everything, and that public administration is synonymous with administration by government.

The ability to obtain resources, maintain some continuity in office and establish the prestige necessary to overcome bureaucratic barriers, are some of the essential skills of a successful leader in the public sector. These skills are necessary because the existence of an approved budget doesn’t mean the automatic liberation of the sums allocated. A swift turnover of professionals, supported by precarious and easily modified political agreements, may frustrate even short-term projects of lesser complexity. Furthermore, to follow the steps of administrative procedures religiously may signify selecting the option of a via crucis leading the manager nowhere.

For Sergio Rudge, the quest for political support, while remaining unfettered by any partisanship, has constituted a fundamental strategy for the success of his administration at HTO, capable of offsetting important dysfunctions of a structural nature in the public sector.

Sergio Rudge also sees a direct link between the significant results achieved by HTO and constantly reported to opinion shapers - using, up to a point, a deliberate “pyrotechnical opportunism” - to the ability to obtain the inputs necessary to the management, vital for the survival and development of the institution: financial resources; support from politicians and suppliers alike; the renown developed in medical communities, both national and international,; and recognition from the community that benefits from the services rendered.

As to the results, the major goals achieved in terms of bolstering HTO’s image have been the reduction of indices of hospital infection, which is a great concern in Brazilian hospitals, the performance of sophisticated operations, and the hospital’s entry into the area of transplants. All these facts are widely reported by the press and other mass media.

Deposition 4.2.7.1 - Irapoan Cavalcanti - Overcoming Internal Restrictions

"In LBA, we decentralized everything to the state superintendencies, and performance improved through the use of the mechanisms of society as a whole. We had three possible strategies that were not mutually exclusive: 1) we could increase production by hiring additional personnel or stimulating productivity; 2) production could be transferred to civil society; or 3) a combination of these two strategies. We preferred to transfer production to the civil sector, so we promoted agreements with all of its organized associations. Personal beliefs were set aside and we had no prejudices. We made agreements with the Catholic Church, Protestant congregations, mothers' clubs, service clubs such as Lions, soccer clubs, samba schools, any kind of organization existing in civil society. As long as they were appropriate for the type of task considered, we made agreements.

To many this appeared strange, because in Brazil people are used to having public services rendered only by public organs. This is ridiculous and I have never come across any formal restriction in the laws and regulations prohibiting this type of action, though it does go against tradition. My agreements with the Catholic Church did not meet with much resistance. When Protestants started organizing themselves, there were some whispers in the press over the

work of Protestant members of the Chamber of Representatives. I talked with some of them, and I especially remember Salatiel Carvalho of the State of Pernambuco, a man who did his work with exemplary seriousness.

I also went to the Samba School in Mangueira, which had a day care center. They gave us space and people to help, so we made an agreement. Mangueira's Olympic Village, in my opinion one of the most beautiful projects in this country, was partially financed with resources coming from LBA. Very good work is being done there with street children.

We made progress in soccer clubs, like Flamengo, Vasco da Gama, and Fluminense. I used to joke with people because it was impossible to reach an agreement with my favorite soccer club, namely Botafogo. If they had been willing to be part of our work program, we would have made agreements without any restrictions.

There are some admirable and exemplary organizations like Sociedade Pestalozzi do Brasil and the Association of Fathers and Friends of Exceptional Individuals (APAE – Associação de Pais e Amigos dos Excepcionais). APAE's president, Nelson Seixas, was a representative from the Democratic Labor Party (PDT – Partido Trabalhista Democrático) belonging to the bench of the State of Sao Paulo. He was a very decent and scrupulous man, with whom we formed an excellent relationship. In Rio de Janeiro, Representative Benedita da Silva, from the Workers Party (PT – Partido dos Trabalhadores), was received by us and we worked together with the Association of Inhabitants of Morro Chapéu Mangueira, where she had some leadership. Also in Rio, we worked together with ABBR and Asilo Sao Luis, both remarkable organizations. Now, when an attempt is made to use other civilian structures of society, people have some misgivings. I never had this problem in my time, as I structured the program and said, 'We are going to do it and we are going to supervise it carefully.' Close monitoring is imperative.

The projects of these organizations were always internally examined, based on the same criteria used in state organizations. They had to apply the same criteria. I never signed a project

that had not been submitted to prior analysis by the technical sectors. I also followed this procedure in LBA and Fundacao Pro-Memoria. This method helped to reduce any internal mistrust by clearly showing that these organizations, like all others, were likewise subject to financial scrutiny.

Obviously, we had problems. With 2.6 million children in day care, it is impossible to audit all the units. We had to adopt a random sampling system, not externally controlled, to make auditing viable. However, even if the system had some faults, and it must have done because the country is enormous and the ability to oversee and audit is limited, as a public administrator, I would say the following: if there were losses, they were largely offset by the gains. If, in a remote day care in the hinterland, instead of ten children there were eight, the difference was largely compensated for by what was gained. Without our backing of local day care, local production would have been zero. Aren't there any losses in an industrial production line? Clearly, one should tenaciously fight losses, but when children are at stake, and when the people concerned belong to the fourth stratum of the population, I would rather have eight and lose two than have zero and lose nothing."

Deposition 4.2.7.2 - Sergio Rudge. Building a political support base without party affiliations

"The best thing for a hospital is for it to be run by a director who is both an operating surgeon and also endowed with political articulation, but without political ambition. In my administration, the fundamental goal has always been to stay out of partisan politics. My philosophy of staying above party squabbling was my great trump card. People have given me membership forms for all sorts of political parties and I have been invited to be a candidate for everything from town councilor to congressman.

About six months before my father left the direction of HTO, on compulsory retirement, I was director of the Hospital's medical division. The president of INAMPS, Ezio Cordeiro, called me asking for medicine for his wife, who was suffering from lumbar pains. I said, 'President, give

me your address and I'll examine your wife.' Arriving there, I administered some medicine that gave her some relief. However, the next morning she awoke in pain and I took her to the hospital. In the evening, the president wanted to take her home, but I warned him, 'only with your authorization; my medical opinion is that she shouldn't be going home.'

This was my first introduction to the importance of politics. I began to realize that, in order to sit in the director's chair, I would have to build up my own political support base. So, while I was director of the Medical Division, I started making political contacts and paying special attention to every congressman who wanted to send me patients, as Ezio used to refer them to me.

To commemorate my father's retirement, there was a big party in his honor. Raphael de Almeida Magalhaes, then Minister of Social Security and Welfare was present and, in a wonderful and moving speech, said, 'the hospital is going to continue through your son,' and he immediately appointed me, director of HTO. More than once, somebody tried to remove me from the position, saying things like: 'The directorship of the hospital is hereditary, it goes from father to son. Something quite new in history.' But I never involved myself in active politics, and am comfortable with the right, the left, or the center of the political spectrum.

I have built up a large political base in order to be able to continue my work. Each congressman who telephones me to ask for the admission of someone, also receives a request from me: 'You must talk to the minister, as we are short of money and the hospital is going bankrupt.' Also, I could obtain resources from the intermediary politicians, by showing them that the hospital was already an important reference, a First World hospital, etc., while heeding their requests. I'm not really participating in 'clientelism', because I'm caring for the sick who are dying at the apex of the system. For instance, an injured person has been at Souza Aguiar Hospital for ten days and needs to be transferred to HTO. So he appeals to a political bigwig and the transfer is made. In this way, we managed to keep the hospital going, adapting and improving it. This was the only way to tackle the official bureaucracy. I never gave a damn about bureaucracy, and I always managed to sidestep every bureaucratic hindrance."

Deposition 4.2.7.3 - Sergio Rudge - Reporting results

“Even in earlier days, HTO had hospital infection indices of 7%, which is quite low. Today our rating is 1.4% to 2% in surgical wounds. Every one of my employees, even those originally from companies hired to render services are trained by the nursing center before starting work, learning how to wash their hands, how to handle a garbage bag, how to clean a bedpan, how to approach the patient, etc. ... I literally eliminated visitation hours and we have changed the entire clothing system inside the surgical center: we now operate with an astronaut-type helmet, equipped with tubes, so that the air breathed by the surgeon is ventilated outside the room. We became progressively more sophisticated, in order to reach the aforementioned infection rate. We have rooms we call greenhouses, with equipment for filtering particles of up to 0.2 micra. By comparison, bacteria particles floating in the air are approximately 11 micras.

It was a complicated business to get approval to perform transplants. First, I had to enter Transplante-Rio, and for that it was necessary to participate on the Immunogenetic Program for Organ Transplants (PITO – Programa de Imunogenetica de Transplantes de Orgaos), which operated from the Hospital dos Servidores do Estado. I went to PITO, which was run by a very arrogant doctor. It was an unpleasant experience as I wasn’t too humble myself. He gave me short shrift, and I thought, ‘Oh, I played my cards badly here. I’ve lost this hand.’ This doctor, however, went to the United States for a one-year technical enhancement program and some female doctors were put in charge of PITO. I told myself, ‘I’m going to charm them, I’m going to do anything, but we must get to participate on that program.’ I went to talk to the female doctors, took them to visit the hospital, told them what our needs were, explained that we had already created a bone bank, that we were ready to do transplants, and that all we needed were donors and logistic support for our work.

I think that I am the only Brazilian surgeon with insurance against technical errors for patients operated upon both in my private clinic and in HTO. I took out this insurance in order to perform a twenty-centimeter elongation operation on a dwarf, which my father didn’t believe we

could do. We did the operation, though my father didn't get to see it as he died six months earlier. Also, when I inaugurated the bone bank, my father said, 'Sergio, I'm not going to this inauguration because I don't believe in it. It's a sunny day and I'm going to Angra dos Reis.' So, he didn't go to the inauguration of my bone bank in HTO.

I started a whole routine in the hospital, with live donors to prepare the staff for the transplants, based on the work of the Hospital of Oncology in Massachusetts. We maintained this routine with live donors for two years, but acted as if we were dealing with cadavers. After that experience, the nursing staff, the doctors in charge of the bone bank, and all involved were fully prepared to deal with a dead donor. After being admitted to PITO, our unit had the opportunity to remove the femur of a cadaver and perform a transplant operation.

We will be holding the II International Congress of Hip and Knee Surgery at HTO. Fifteen foreign surgeons are scheduled to attend and we are going to present all of our research, statistics, and every one of our operations. The meeting is being financed by the foreign manufacturers, and will cost approximately 450 thousand dollars. They are doing the financing to bring these doctors to Brazil since, like us, these doctors use the products of the manufacturers in their respective countries. The Congress is very important for Brazil. For Rio de Janeiro, it is even more important to have a hospital like HTO. A hospital that must not close and that represents eighteen years of orthopedic culture. Unfortunately, if the present situation persists, in six months, the hospital may well be bankrupt. This is why I brought the congress date forward as it was slated for August. I managed to stage it jointly with the V Brazilian Hip Pathology Congress due to be held in Sao Paulo also scheduled for August. I promoted the events and said I was capable of getting the financial support. In a time of recession, such as this ... I contacted the factories, which agreed to send surgeons, to prepare the stands, and to pay for everything. A congress like this is an event that should make the headlines in all the newspapers and be reported on all television channels. I've already made preparations for people to attend some surgeries in the greenhouse and I will also bring television in to view them. By these means, I want to see if I can make the State authorities more amenable to HTO's needs, since the process of changing the hospital into a State hospital was completely arbitrary. It was an act of bad faith

by Governor Moreira Franco, to whom I gave my vote. A fortnight before the end of his government, the hospital was declared a state hospital and I spent the whole of the following year without a budget. The State had no budget for my hospital, so I had to go to Brasilia more than twenty times to beg for money to continue our work."

Irapoan's deposition reflects a very common condition found in Brazilian public sector organizations, which face situations in which the demand is far greater than their installed capacity to supply. Subject to the invariably severe budgetary restrictions and the rigid bureaucratic control procedures which are common to public administration, as well as the permanent increase in the numbers in its professional ranks, public sector organizations, particularly in the sphere of social policy are always in a state of crisis. Nevertheless, it is important to note that with the redemocratization process in the country, a new polarizing field has emerged, which is inexorably re-approximating government organizations and civil society, in its multifaceted forms, notable among which feature the emerging NGOs. In an interview given while he was attending the third Social World Forum in Porto Alegre, Fritjof Capra stressed the importance of the leader being fully attuned to the spontaneity of collective design in progress:

"Large conglomerates are becoming increasingly decentralized networks of small units. Any social group is comprised of a network of formal and informal units which constantly intercommunicate. Structured around rules, norms and regulations, formal networks are in juxtaposition with informal structures, which are characterized by creativity, spontaneity, fluidity and by their volatile character. These informal structures even include nonverbal forms of solidarity. Therefore, leaders of any formal organization -- be it a school, a family or a country -- should be alert to these manifestations in order to be able to integrate the facts, groups or the spontaneously generated social networks". (Capra, O Globo daily newspaper. Prosa & Verso. Saturday, February 1, 2003)

The case related by Irapoan reveals this fundamental aspect of design as improvisation, which is precisely the designers' sensibility in facilitating the natural flow of emerging tendencies, which, at any given moment seem to compete with established structures. This takes place in a spiral of tensions and accommodations that generates maturation and legitimacy in the integration of whatever is novel into the more vital flow of established forms, which tend to free themselves

from anachronisms so that the whole can be reconstituted on new bases. In his case, Irapoan lets himself be guided by the possibilities of expanding the frontiers of his organizational system through partnerships. These partnerships formed a network with LBA, whose structural nature and organizational action sprouted spontaneously from the interaction of social, political, economic and cultural factors (Powell & DiMaggio, 1990) at the time of the democratic transition. LBA maintained its role of planning and support of the government's formulation of social policy, but it transferred, as much as it could, operation of the programs to organizations in civil society, thus cooperating to strengthen them further. The network coordination and control mechanisms (agreements, financial monitoring, technical supervision and project evaluation), as Irapoan relates, were no different from the traditional mechanisms but avoided restrictive bureaucratic auditing, which inhibits satisfactory results in the name of excellence.

Irapoan's report also suggests that internal flaws of the organization can be the impulse for changes that are truly innovating, changes that transcend simple adjustment or rearrangement of the administrative machinery. Such rearrangements, although involving new formatting, maintain the logic underlying the model in effect and do not represent anything that could be classified as innovation. In this case, the quantitative deficiencies of personnel and the limits to greater productivity levels deriving from the logic inherent to governmental organizations can be improved by reading the opportunities that presented themselves to Irapoan and his team in the external evolutions of the organizational environment.

For Sergio Rudge, overcoming internal restrictions in HTO waited until he approached politicians and leaders who, in some fashion, would be able to defend support for the goals of improving and developing a hospital that was for them "functional". The recourse to partnerships with overseas suppliers to make the training and development of staff viable within a reward oriented context that ensured greater levels of motivation and commitment also constituted a strategy to overcome restrictions, as well as promoting events capable of galvanizing external attention and identifying the institution with superior standards of excellence.

Both Irapoan Cavalcanti and Sergio Rudge tell of their experiences in organizations that were subject to inefficiencies and necessities derived from the structural conditions that are always present in the public sector of emerging countries.

The point that inefficiency is a source of change and innovation is explored by Weick when he observes that *“One of the ironies of a successful organizational design is that its very effectiveness makes redesign and learning more difficult”* (Weick, 1995, p.369). In this sense, Weick proposes alternative assumptions to those implicitly made by students of organizational design. Those students seem to assume that *“An effective organization has few crises and inefficiencies; Recurrent crises and inefficiencies reduce current effectiveness; Proper organizational design reduces current inefficiency”* (Weick, 1995, p.369). On the contrary, it would be more appropriate to assume that *“An effective organization has many crises and inefficiencies; Recurrent crises and inefficiencies increase future effectiveness; Proper organizational design exploits crises and inefficiencies”* (Weick, 1995, p.369). This is what administrators who achieve results in the Brazilian public sector seem to assume, since in terms of personal and organizational learning, many would agree that it would be no exaggeration to see the nation’s public administration in its most diverse sectors, in its troubled but often innovative historical trajectory, as a virtual university.

4.2.8. Letting the Structures Blossom

In most cases, leaders are faced with a situation of taking charge of pre-existing organizations. In the report that follows, however, the situation is one of creating a new organization. In such cases, they generally begin with pre-defined models and standards based on antecedent reference points. This fact induces people to develop a false notion of social engineering and organization architecture. In the first place and refuting this idea, once an organizational model is implanted, it immediately takes on a life of its own, driven by the social dynamics that it establishes. In fact, this occurs in the implantation process itself, where the notion of finalization is entirely subjective and impossible to determine objectively. In the second place, the adoption of a model leads to putting the issues of organizational design first, losing the

meaning of its origin, which was at some time and in some place based on the development of a task by a social group.

The dynamics of the social and technical relationships that generate and sustain a given organizational model are not embedded in the model and cannot be “imported” with it. In the case related by Irapoan, in addition to there being no antecedent reference points, the leaders practically determined, explicitly and conscientiously, not to adopt an organizational model when creating Pró-Memória. Practically determined, because elements of basic organizational design were contained within the Public Foundation institutional model itself, which gave it legal existence. Nevertheless, being radical, the extreme nature of the case illustrates in very strong colors the view of design as improvisation.

Deposition 4.2.8.1 - Irapoan Cavalcanti - Letting the Structures Blossom

“When Casa de Rui Barbosa, an institution of the direct administration, turned into a foundation, at a time when there was no tradition of foundations in Brazil, I had to challenge various structural aspects. I modified some aspects and accepted some that were already established. Thus, a research center was created by the sorely-missed Thiers Martins Moreira, an extraordinary man with a very clear idea of the problems of the area. I don’t think that we should like something new simply because it is new, or merely have – as Minister Marcos Villaça puts it – an exotic appreciation of the new. We should have it where it is necessary and, because of that, I try to live with the structures, to examine the situations, and, if necessary, modify them.

In the case of the Patrimônio, the change was so great that we maintained the Instituto do Patrimônio – the former Secretaria do Patrimônio – while creating a foundation, the Fundação Nacional Pro-Memória, to provide technical support to the Secretaria. An extraordinary situation arose: the Fundação Pro-Memória, for quite some time, has operated without defined, formal structures. What are the reasons behind that?

I have always considered an administrative structure as being something emerging from

the productive cycle, and not merely as a question of graphic organizational design. One undertakes a survey of the production process of the organization and the structure is then created on the basis of that survey, with work distribution according to the complexity, volume, and geographic dispersion of the task. So, there are various forms of distribution. The levels of managership and decision-making also derive from the cycle of production.

It was not because its staff believed this, but for various different reasons that the Patrimônio, in the years preceding our management, only cared for its intellectual and cultural heritage. There are several types of cultural heritage, materialized and non-materialized, the assets of the material heritage being called Stone and Mortar. The musical assets materialized many times as records or tapes; the bibliographical assets in books ... But the institution only took care of the intellectual and cultural history of the country.

Mario de Andrade had already shown his perception, on the conceptual plane, of this more comprehensive vision of what constituted heritage - it is enough to read his writings to see that no innovation was attempted in the field. Aloisio Magalhães and, later, Marcos Villaça, redeemed this conceptual outlook, which went back to Mario de Andrade, perceiving the cultural inheritance as the whole cultural texture that gives the country its character.

When we devoted ourselves to the proposal of redeeming a concept, we had an organization structured for the management of a heritage comprising real estate and buildings. We did not know that the path our intervention would take would involve other forms of cultural assets, as there was no track record or example of another organization. Therefore, we worked without a formal structure. I did not know how the production process was going to develop itself.

Another important question was that of personnel. At the time, there was a sort of coexistence between the traditional employees, some from the Instituto do Patrimônio Histórico, others from the Centro Nacional de Referência Cultural and the remainder from the historical cities program. Hence, three different organisms and new people, like myself, were present and it

was not clearly established how these people should organize themselves. The considerable influence the so-called 'like-minded groups' (people with a natural tendency to work together) can exert within an organization is well known. There are also 'conflicting groups,' people who are incapable of working together in any situation. Sometimes there are similarly qualified technicians of the same rank, but they can't work together. So, what kind of structure should one use?

The production project was gradually being developed and we preferred to work as follows: a project would be devised and we would then define the number of employees needed to put it into practice. In the institution, there was no established allocation of personnel as is customary in the public service. It was as if the staff were all thrown together in a herding pen. We established the project and the necessary staff was assigned to it, then, once the project ended, either by completion or for another reason, the employees returned to the herding pen.

During that time, Fundação Pro-Memória had no bosses and no defined structure. There was no structural matrix; we could only say that the institution was being organized on a project-by-project basis.

In all the aforementioned organizations, namely Comissão de Energia Nuclear, the Post Office, Casa de Rui Barbosa, Fundação Pro-Memória, and Legião Brasileira de Assistência, I always had to deal with structural inadequacies, so I adopted three fundamental approaches to address these challenges.

One approach was to worry far more about objectives than about structures. In those organizations, the persons associated with me and I were concerned about the definition of a working program that would allow intervention of a more all-encompassing nature from the beginning. If I became embroiled in the minutiae of each case, I would be lost; if I examined each action's direction, each book edited in Casa de Rui Barbosa, each day care center in LBA, and each modernization project for the Correios, I would indeed lose my way. Incidentally, this is how administrators running organizations lose their way. If the administrator has a well-

articulated work plan, it will give him a global vision of his institution and by giving more energy to the plan than to the structures, the plan partially compensates for the inherent dysfunctions of those structures.

A second approach we adopted involved an attempt to modernize procedures, despite the structures with which we were forced to live. Even with an inadequate structure, it is always possible to eliminate unnecessary procedures, to make others more agile, and to introduce the use of equipment. Therefore, this is another element of compensation.

But, just as some processes must be accelerated and others deliberately ignored, retarded, neglected, or eliminated, according to conveniences and possibilities, one has to value the structures differently. If I had a unit that represented little, I left it aside. In the Correios, I favored Sao Paulo, because the volume of traffic there was important for the performance of the organization. It was not a case of neglecting other areas – we simply did not view them from the juridical standpoint that affirms the equality of all regional superintendencies. In essence, they are different, so the attention and energy of the leader has to be oriented towards what is most important and most useful. If a certain procedure is mandatory, but not useful, people may observe it but I will not give it my attention.”

Irapoan’s deposition reveals some important points for the notion of design which involves a combination of improvisation, retrospective vision and emerging order suggested by Weick (1995), facilitated in its scope by the more extreme nature of the situation described.

Under this vision, design undoubtedly loses some of its force as a “*driving condition*” for organizational change. Weick states this point very clearly: “*If design becomes fully formed, visible, and influential relatively late in the history of a group, then it should strongly reflect the effects of events that occurred earlier in its history. Very few of those events will be directed explicitly to issues of design. Instead, most of them will be related simply to doing the work*” (Weick, 1995, p.354). It deals with seeing ‘*design*’ as essentially more of an ‘*output*’ of the work than as an ‘*input*’ for it. As a ‘*practitioner*’ of administration, Irapoan emphasizes the same point.

He tells of a situation in which the leaders of Patrimônio Histórico refused to succumb to the temptation of attempting to create a design which, to use Weick's words, was *'fully formed, visible, and influential too early'*, in view of the originality of the work to be undertaken and taking advantage of the flexibilities of the model of a foundation adopted at an institutional level. A forceful idea, converted into a cultural policy, would prevail as a guideline for all organizational efforts: to revert to a broader and more far-reaching concept of Patrimônio Histórico, which might contribute in a more active manner to the national identity and might prove a more forceful expression of the country's trajectory, by understanding and preserving its past, recording the present and paving the way to the construction of its future, by means of multiple cultural manifestations as shapers of nationality.

The task should combine human resources of different areas and specializations that would involve researching, recording cultural assets of different types, promoting and backing sundry initiatives and actions, insisting on regulation and supervision, etc. However, the indefiniteness of a previous 'productive process' that could serve as a reference, gave rise to a human resources center, more inspired by projects and the normal interest of employees, be they specialized or not, than by bureaucratic activities and designations.

One of the propositions of students of organizational design analyzed by Weick suggests that: *"The design of an organization determines the distribution of resources, authority, and information"* (Weick, 1995, p.354). According to him, three presuppositions, which are dear to students of design, are implicit in this affirmation: *"An organization has only a single design; The design determines the distribution of resources; Design are large structures that are stabilized"* (Weick, 1995, p.354). For Weick, alternative presuppositions, which are more in tune with the dynamics of organizational realities, seen as an exercise in improvisation, would-be: *"An organization has multiple designs; The distribution of resources determines design; Designs are small structures that are amplified"* (Weick, 1995, p.353).

Weick singles out three myths associated with organizational design that condition current studies, conceptual formulations and technical interventions. The myth of *'singular design'*, that

of ‘*resource dependence*’ and that of ‘major causes’. To his mind, reality contradicts the deceptive idea suggested by a singular design dealing with the supposed monolithic entity, namely “*the*” *organization design*, based on a presupposition of homogeneity. One must, therefore, assume a plurality of designs within the organization, constructed and reconstructed in the diversified workflows of the multiple arenas of social relations and the retrospective interpretations which give it form, significance and ephemeral sustentation. Would it therefore be desirable for those who conceived Fundação Pró-Memória, to specify “the” design immediately? This would be a comprehensive organizational architecture, taking into account the multiple differentiations involved in the management of items outside its normal scope, ranging from the so-called stone and mortar asset base to its audiovisual collection, including regional folkloric manifestations en route. Although there was a possibility for an incursion into contingent vision and attention to the concept of differentiation (Lawrence & Lorsh, 1972), the leaders preferred to break with tradition and stick with the idea of design as an exercise in improvisation, as there would be no way of avoiding bureaucratic pressures for a certain undesirable degree of homogenization.

Referring to the presupposition of homogenization Weick explains that: “*This is the assumption that the technology of an organization is essentially the same across tasks and occupational groups and the social structure is the same across work groups*” (Weick, 1995, p.354). Nevertheless, the reality points to the diversity of the technologies of doing and the social patterns for interacting. For this purpose, it is more accurate to describe the organizations involved:

“as a group of groups, a set of shifting coalitions, or as a federation of subcultures. This means that designs usually characterize smaller groups of people doing more specific tasks than is usually implied when people describe an organization design as if it fits the organization as a whole. Any attempt to construct ‘the’ design is doomed because there is not such thing. Instead, designers need to answer the question, ‘Design in whose view?’ To answer that question, they need to know what stream of activities, produced by what people, in the service of what goals, over what time period, has had some design attributed to it retrospectively, and now needs to have that design respecified.” (Weick, 1995, p.354-5)

The latter was the option that the designers of Fundação Pró-Memória were bold enough to adopt within the scope of public administration of a periphery country as early as 1980. They placed their bets on the natural formation of a federation of "like-minded groups", as Irapoan describes them, aggregated in line with the inherent challenges of the task in hand. Later this model would acquire retrospective definition, in light of the interpretations of its virtues and follies.

As regards the belief that organizational design determines resource distribution, the case reported would seem to indicate, albeit implicitly, precisely the opposite, namely that resource distribution determines organizational design. Resorting to the theory of resource dependency, Pfeffer & Salancik argue that: "*Since organizational design tends to form around coalitions that control scarce resources, there is reason to question the idea that design determines resource distribution*" (Pfeffer & Salancik, 1978 in Weick, 1995, p.355), where the contrary would seem to be a more accurate description of reality. If a given coalition is capable of attracting resources and overcoming areas of uncertainty for the organization, more power will be acquired by it and its rise will soon be reflected in the organizational design. However, Weick (1995, p.355) examines this point in greater depth, resorting to the metaphor of "bricolage". The concept would imply that the lack and inequality of resources in the traditionally assumed dimensions does not exist, as long as the ability to identify and articulate potential resources in different parts of the organization exists in order that they may be defined in a broader manner by exploring possible substitutions creatively and combining old resources in new formats. This point changes the question of availability of resources to that of "resourcefulness" as an indispensable managerial talent. Although the case reported does not reveal the details of the events and the way they unfurled, it would seem to indicate that the "like-minded groups" which managed to form and kept the initiative for making subsequent projects feasible, were determining influences on organizational design in progress. One must also presuppose, therefore, that those employees less likely to take part in and join the coalitions and improvise resources, must have remained for longer periods of time in the general "doldrums" of inactivity, which is a quite commonly observed situation in Brazilian public administration.

The third myth that Weick (1995, p.356-357) refers to is the myth of major causes, which leads to early view of organizational design as something monolithic, total in its dimensional and stable. Quite to the contrary, the view that favors improvisation, retrospective thinking and its own progressive order, would suggest that design is gradually built up by small structures that gain legitimacy based on the fact that they confirm expectations, by the same logic as a “*self-fulfilling prophecy*” or the “*band wagon effect*” revealed by successive electoral research. For Weick:

“The key event in a self-fulfilling prophecy involves an expectation that causes an envisioned situation to materialize. Prophecies, therefore, become tools of design. They set forces in motion which produce determinant structures that weren’t there before. New structures are created because the prophecy alters behaviors, and the altered behaviors are the means by which the prophecy is fulfilled” (Weick, 1995, p.356).

In the case reported by Irapoan, he makes it clear that confidence in the renewed concept of the Patrimônio Histórico, as formulated by Mario de Andrade, as a “prophecy” would give life and shape to the upcoming Fundação Pró-Memória. It would therefore be sufficient in its broadest formulation to guide actions and processes which would be difficult, and even undesirable, to predetermine. Ephemeral projects could be converted into stabilized activities, when successful, if the nature of the undertaking so required, and if they confirm their contribution to the “idea-force” which inspires public policy. Weick gives credence to the seemingly audacious and unusual decision of those designers by stating that:

“If one expectation is a source of a design, then a self-confirming expectation that recycles and amplifies should produce a more stable design that organizes an increasingly large set of resources. Something that started small in the form of an expectation grows into a complex structure of interdependent people because of a self-fulfilling prophecy became a serial self-fulfilling prophecy. Small initial increments in funds, people, and endorsements were amplified into more powerful variables that determined outcomes. The self-fulfilling prophecy and the events it triggered became the design, although no one intended this outcome... While it is possible to design an expectation that amplifies, it is more likely that elements combine with less deliberation around smaller starting points that are more capricious. Again, the resulting design is no less orderly nor is it necessarily any less effective. What it is, however, is less bound by the limits of the designer’s imagination,

more subject to the vagaries of improvisation, and more likely to assume unexpected shapes” (Weick, 1995, p.356-7).

This is where the essence of the upcoming form of organizational design lies. As stated earlier, the case reported by Irapoan magnifies this vision due to its radical character. However, this dynamic is present in the continual processes of redesign that are recurrently assumed as being stable, due to studies which make it impossible to capture the subtleties of human, social and organizational phenomena.

5 Structure and Action in Public Organizations: the managerial strategy of the leaders

In Chapter 3 of this work subsequent efforts at Administrative Reforms undertaken in federal public administration were described, taking into consideration structural elements from a political/sociological standpoint such as ‘clientelism’, nepotism and ‘corporativism’, which are resilient and conditioning factors to bureaucratic modernization procedures in public administration.

With regard to administrative structures and their operation, emphasis was placed on the tensions between “*government-wide institutional rules and organizational routines*” and the specific arrangements in “*individual governmental departments, agencies and enterprises*”. The analysis that was conducted showed the difficulties involved in finding standards of “differentiation”, which might lend themselves to greater “flexibilization” of administration when faced with so-called ‘Public Management Policy’ as defined by Michael Barzeley (2003). The expression involves “*rules and routines, of government-wide character, concerning expenditure, planning process and financial management, civil service and labor relations, procurement, organization and methods, audit and evaluation*”.

The analysis showed patterns of advances and reversals. The elements of “*public management policy*”, which is the main focus of the reforms, despite being subject to technical evolutions with time as a result of pressure for results and aligned with political project for economic and social development, were always prone to two restrictive forces which prevail in the reforms. The first is the result of the structural conditioning of society referred to above, which is inherently present in the context of the reforms and which defines its limits. Administrative Reforms are not conducted within a political and social vacuum. The second factor is the result of the intimate nature of the systems of public control. In this sense, reference is made to the bureaucratic and rationalist character of the conceptions and re-conceptions of administrative

reform, always prone to presenting typical pathologies of bureaucratic behavior with the passing of time. The recurring intention to seek "differentiation" by the creation of new decentralized and linked units, albeit not subordinated to central administration, in order to escape the more rigid uniform controls of central administration, was also recorded. In this respect, at different times Government Agencies, Foundations, Executive and Supervisory Agencies, in addition to State Companies involved in the direct production of goods and services, were also created. However, even if they fail to affect Indirect Administration at certain times, sooner or later the tentacles of the basic structures and processes of public management always appear to recover their controlling reach. As we saw, this capacity is motivated and justified in discursive terms by rationally varied logic as a functional consequence in an analytical/sociological sense, with respect to reproduction of the societal power structures sustained by latent projections in public bureaucracy.

By way of conclusion, we may state that:

At no given moment in time and space (Direct and Indirect Administration) can a Brazilian public administrator oversee the implementation of public policy, while being able to count on organizational design of formal management structures and mechanisms, which fulfill, even minimally, the need for congruence as prescribed in the field literature.

The structural requirement of congruence, arising from studies and formulations considered to involve the "*mainstream*" practice of organizational theory was analyzed in Chapter 2 when focusing on manifestations of a more prescriptive nature of the literature of "*organizational design*", derived from systemic-contingential thinking firmly established in the theory of organizations. In the analysis undertaken, the structural-functionalist character of that tradition was clearly established. However, signs of increasing sensitivity among a significant number of researchers to the theoretical contribution of more subjective approaches to the study of organizations has occurred. These approaches are geared to an interpretative vision of human action in the organizational context (Silverman, 1971; Weick, 1979 and 1995; Ranson et al, 1980).

In Chapter 4, various depositions were presented, in space and time, by public sector administrators who revealed their actions as conscious agents for the implementation of public policy through organizations.

The stories recounted reach back to times of both political authoritarianism and democracy. They refer to careers in distinct areas of Direct Administration and Indirect Administration and reveal the experiences of the interviewees while occupying different positions and functions while living managerial roles of an administrative nature. Understanding of the action was attempted using interpretative presuppositions, without deductive pretensions of a logical-positivist type conducive to ambitious generalizations or theorizations of causalities.

Nonetheless, the “*managerial orientation*” advanced by this study, as opposed to the equally possible, albeit not adopted sociological orientation, demands a final reflection of a theoretical-conceptual nature. This reflection is justified not only by its potential character of suggesting further study, but also by the potential it offers for formulation of a concept of prescriptive validity. This is the scope of this Chapter 5, namely the presentation of conclusions.

5.1 Structure and Action

From the standpoint of any individual involved in the working process in an organizational context, the formal structures seem to develop a life of their own, however precarious this existence may be, resulting from the subjective and inter-subjective interpretation of individuals and groups that are close or distant in time and space in the constant flow of events.

In this sense, for practical purposes, at any given moment on the one hand active formal structures "exist" in terms of influencing and restricting perceptions, behavior, decisions and even more coherently articulated reflexive interpretations and actions. On the other hand, they are always limited to the conditions and opportunities of any isolated player, or even group player, to change these structures formally, even though they may be subject in time to an inexorable and ongoing transformation process by human agents, either informally or formally.

Both the formation and the processes of transformation of social structures and human action based on significances have been the focus of study of the most varied currents of human thought, either of a philosophical or sociological persuasion and, more recently (20th century), of an organizational and administrative nature.

However, it should be pointed out that theoretical efforts in terms of overcoming the ontological structure-action dichotomy, the latter being seen in its more subjective aspect, have found more recent sociological expression and theoretical formulation in the works of Giddens (1993) and Bourdieu (1984 and 1972).

When he introduces his “structuration theory”, referring to structuralism and functionalism on the one hand, and interpretive sociologies on the other, Giddens outlines his ambitious intellectual project:

“The differences between these perspectives on social science have often been taken to be epistemological, whereas they are in fact also ontological. What is at issue is how the concepts of action, meaning and subjectivity should be specified and how they might relate to notions of structure and constraint. If interpretive sociologies are founded, as it were, upon an imperialism of the subject, functionalism and structuralism propose an imperialism of the social object. One of my principal ambitions in the formulation of structuration theory is to put an end to each of these empire-building endeavors. The basic domain of study of the social sciences, according to the theory of structuration, is neither the experience of the individual actor, nor the existence of any form of societal totality, but social practices ordered across space and time.” (Giddens, 1993, p.89)

Neither theoretical/conceptual preoccupations nor more empirical studies of a subjectivist nature could be absent from the Brazilian academic scenario on organizational studies (Davel & Vergara, 2001). Using the notion of “stores of knowledge” of Schutz, which Giddens prefers to call “mutual knowledge” (Giddens, 1993, p.91), incorporated with social encounters and inaccessible directly to the conscience of the players, Junquilha (2002, p.16) identified shared social practices among public-sector managers of a Brazilian state. He outlined the managerial

profile that portrayed the experiences that they had lived through, based on the implementation of the prescriptions of so-called Managerial Public Administration (see Chapter 3 of this work). The author compares the managerial profile – Country-style Manager – resulting from empirical data collected by means of semi-structured interviews, with those established on the basis of the ideal Weberian type – Bureaucratic Administrator –, and the concepts of the "New Public Administration" in – Organic Manager. The "Bureaucratic Administrator" matches the profile of the person who carries out his duties following formal rules and is planning and methodical, prone to formal authority, hierarchically-minded and inflexible with regard to informality. The "Organic Manager", is entrepreneurial, mindful of competition and the market, creative and open to change, good at leadership of people, driven by results and goals and is autonomous and flexible. The "Country-style Manager", the ideal type drawn from interviews conducted by Junquillo (2002), proved to be adaptable to circumstances, divided between the "heart" and "reason", with a tendency towards centralizing, combining personality and impersonality, able to resolve formal excesses by "getting his way in the Brazilian fashion", and is averse to formal controls and planning.

Among the conclusions drawn, Junquillo (2002) observes that:

“The ideal type of “country-style manager” proposed here reaffirms the idea of management and managerial action as being part of a complex of social practices that cannot be isolated from the historical/social context in which the managers are acting. In other words, the day-to-day of managers is marked by actions based on “roots” and distinctive traits of Brazilian culture. This dictates their behavior, at times facilitating and at others restricting their actions. Therefore, the “objectivity” of the proposals of Managerial Public Administration, especially the intention to choose the “organic manager” as its ideal type, must be added to the subjective aspects of the profile closest to the “country style manager” described here. This involves the effort to find the necessary comprehension of more complex and deeper significances of continually constructed and reconstructed human actions by the empirical organizational players”. (Junquillo, 2002, p.17 - free translation of the Portuguese)

In Chapter 4 of this work, many aspects of managerial action, some of which are subject to being labeled “country-style” in Junquillo’s classification, were identified and analyzed in all their

details and subtleties and in their historical, cultural and organizational context as well as the space and time. In this sense, the central theme that this work attempts to study is the structure-action relationship, which deserves special attention, in the construction of the ideal type. The Ideal Type, more in the Weberian sense as an analytical tool, than for the meta-attributes to be attained in the Bresserian¹ sense of Organic Manager, critically analyzed by Junquillo.

The central question that arises is if in a reflexive action of theory construction one can impute a common denominator, broadly shared across the spectrum of the academic and practical universes, to the managerial practices catalogued and analyzed in Chapter 4. To put it another way: is it possible to trace in those managerial practices, taken in context, an underlying significance common to all of them? Something like bringing to the “*discursive consciousness*” of academics and practitioners of public administration a relevant and compact element of the “*practical consciousness*” (Giddens, 1993, p.93) of the manager. A concept which, as such, being an ideal construct with a fixed repeatable content, by allowing the mind to return to the “same” points of experience in order to compare, associate, distinguish and insert them in larger logical structures, helps to establish the distinguishing acts of professional public administrators, operating in structurally restrictive realities, from the others. That is to say, those that transgress for their own benefit; those who sin by omission; or those who “dance to the music”. Or even, in a more positive sense, albeit not necessarily with better consequences, those with “noble” intentions who act by straight conditioned reflex to discursive elements (often ideological) that evoke emotional associations stored in their affective memories², or even those who arbitrarily improvise to the dictates of their subjective worlds.

Starting from the human conscience and agency, Giddens (1993, p.95) differentiates the concepts of practical consciousness -- the body of tacit knowledge used in social practices, present in the consciousness and relating to intentionality, albeit not revealing itself by means of discursive practices -- and discursive consciousness -- relating to knowledge that the actors may express through speech. The distinction between practical and discursive consciousness is not rigid and immutable, though it expresses the difference between what can be said and, characteristically, what can be simply done. (Giddens, 1993, p.94)

Such tacit knowledge (practical consciousness), which induce managerial practices is revealed in the interviews (discursive consciousness) duly categorized and analyzed in this work. This tacit knowledge, it is legitimate to argue, relates to important results of the "reflexive monitoring of activity" (Giddens, 1993, p.92-3) in which the managers are engaged on a day-to-day basis, namely: the "rationalization" of their willful interaction with the social and administrative structures.

According to Giddens:

“The reflexive monitoring of activity is a chronic feature of everyday action and involves the conduct not just of the individual but also of others. That is to say, actors not only monitor continuously the flow of their activities and expect others to do the same for their own; they also monitor aspects, social and physical, of the contexts in which they move. By the rationalization of action, I mean that actors - also routinely and for the most part without fuss - maintain a continuing ‘theoretical understanding’ of the grounds of their activity. As I have mentioned, having such an understanding should not be equated with the discursive giving of reasons for particular items of conduct, nor even with the capability of specifying such reasons discursively. However, it is expected by competent agent of others – and is the main criterion of competence applied in day-to-day conduct – that actors will usually be able to explain most of what they do, if asked”. (Giddens, 1993, p.92)

In their day-to-day lives, managers deal with known conditions of activity as well as being exposed to unknown conditions. Their activities are liable to produce the desired effect as well as unintentional results. Reflexive monitoring of activities experienced continually in expressive contexts produce the “theoretical understanding” of the managers which takes on life and form in the time and space of activity, thereby forming its practical consciousness and its discursive conscience. It would seem plausible to state that among the unintentional consequences of the action of administrators there may both be the reproduction of perverse mechanisms of social domination, captured by structurally and functionalist analysis, critical to a greater or lesser extent, as well as the transforming and constructive effects of new realities at both organizational and social levels.

From the stories told by the leaders interviewed, we catalogued (defined) eight activity strategies, as well as the numerous managerial practices that they comprise.

1. Interchanging frames of reference;
2. Exploring the formal limits;
3. Playing the bureaucracy game;
4. Inducing the inclusions of others;
5. Promoting internal cohesion;
6. Creating shields against transgressions;
7. Overcoming internal restrictions;
8. Letting the structures blossom.

These managerial strategies encapsulate the forms of rationalization of the leaders interviewed. They involve practical theory of a personal nature as they were generated by different individuals in different situations. They are also to a certain extent collective, as all of them were coexisted in the same cultural, political and administrative context of the Brazilian public sector.

They all have a practical consciousness which enables them to deal with situations involving anything from structurally established 'clientelist' pressures to formally modeled controls, including pathological bureaucratic behavior and the constraints of the system of compensation. These leaders do not verbalize their tacit knowledge of this universe of relationships -- they simply act by projecting, as far as possible, their knowledge into individual and collective actions. By exploiting their levels of autonomy and control, they act in accordance with their consciences and intentions. Their actions are the sum of their restrictive conditioning and action facilitation, including to a great extent those of a structural nature.

If this managerial action of a highly social nature is the result of a profound and circumstantiated interaction in time and space between individuals and structures, either latent or

manifest, informal or formal, expressed in the form of corrupting pressure installed in a more permissive society or of formalized bureaucratic control norms, it is necessary to find a concept that summarizes, qualifies and integrates this relationship, thereby promoting the understanding of managerial action within the context of Brazilian public administration.

Firstly, the concept must reflect the "agency" of the individual. Secondly, it must take into account the intentionality of the agent in terms of teleological intelligence. Thirdly, the concept should reflect the presupposition of circumscribed autonomy of the agent. Fourthly, it must be morally and ethically plausible. Lastly, the concept must be empirically based

5.1.1 Agency

The concept of relationship being sought (individual/structure) must reflect the privileged condition of the public administrator as manager in being able to induce administrative action and convey significance, which is more or less shared by others, based on reflexive monitoring of this collective action of an organizational and public nature. This is the sense of his attribute as agent, given defined formal authority and varied power. For Giddens:

“Agency refers not to the intentions people have in doing things but to their capability of doing those things in the first place (which is why agency implies power: cf. Oxford English Dictionary definition of an agent, as ‘one who exerts power or produces an effect’). Agency concerns events of which an individual is the perpetrator, in the sense that the individual could, at any phase in a given sequence of conduct, have acted differently. Whatever happened would not have happened if that individual had not intervened”.
(Giddens, 1993, p.96)

Agency involves the capacity to mobilize resources, including those of power, bearing in mind the application of means to achieve the ends. This is the essence of action. However, in the majority of activities, the scope of control of the manager is limited to the immediate context of the action or interaction in which it is involved. This point is important because the “*design*” of “*public management policies*”, despite its generalized impact, represents something remote and

therefore out of control from the point of view of the leader of any focal organization. However, this does not mean that there is no space for the exercise of power, taken in the sense of the transformative capacity contained in the human agency of the leader.

Giddens distinguishes and highlights this transformative capacity of power from that which is more strictly defined as domination. The latter presupposes a conflict of interests, which is not necessarily present or confronted in all social interaction.

“‘Power’ in the sense of the transformative capacity of human agency is the capacity of the actor to intervene in a series of events so as to alter their course: as such it is the ‘can’ which mediates between intentions or wants and the actual realization of the outcomes sought after”. ‘Power’ in the narrower, relational sense is a property of interaction, and may be defined as the capacity to secure outcomes where the realization of these outcomes depends upon the agency of others. It is in this sense that men have power ‘over’ others: this is power as domination”. (Giddens, 1993, p.110)

The transformative capacity of human agency as the self-mediated process of work is the key element of the notion of ‘Praxis’ and the central point of the social analysis of the traditions of Hegel and Karl Marx (Giddens, 1993, p.109). Just as it is possible to refer to work, as does Löwith (1964), as *"a movement of mediation ... a fashioning or ‘forming’ and therefore positive destruction of the world which is present in nature"* (Löwith, 1964, p.321 in Giddens, 1993, p.109), it would also seem plausible to speak of managerial work in them as a movement of mediation ... a “designing” or improvisation which involves the positive destruction of the structures present in organizations.

It is in this point that much of the inspiration of this study lies, oriented to the quest for understanding "what" public executives who have been in the sector and achieved results do and "how" they do it and may not have done or would have done differently. Many others restrict themselves bureaucratically to the formal limits of the attributions of their positions and simply "shove it aside". Some succumb to the "obscure flow of systemic needs". Many others surrender to the structural incoherencies and inflexibilities choosing to desist or remain inactive.

The importance of the distinction between power and the transforming sense of action and power over the agency of others lies in the revelations of the leaders interviewed. Although they influence subordinates, peers and even immediate superiors, just as they themselves are influenced by them, they avoid conflicts and confrontations with the guardians of “public management policies” or rather powerful guardians of the less worthy institutionalized cultural traditions in society, such as ‘clientelism’. Even though they may have the friendship, respect and political support, of even a President of the Republic, high-level public executives know that they cannot use these prerogatives to directly challenge the formal structures and possible potentates with a short term vision, the more so because many of them have the same privileged access, prestige or support for different reasons, albeit equally important in the political and institutional environment. In this sense “*the capacity of the actor to intervene in a series of events so as to alter their course ...*” prevails. In order to achieve this they use the trappings of power in the form of presidential support, for example, by other means of the action. For example, the "positive destruction of structures", or reconstruction of structures in their immediate organizational environment, as long as the expressions of ubiquitous bureaucratic power of “public management policies” and the formal corresponding structures are kept "intact" in this same respect.

This point is closely related to what Weick (1995, p.365-6) called “*control by paradigm*” or as Perrow would call it - third level control. First level controls include giving orders, direct supervision and the imposition of rules. Second level controls involve bureaucratic controls such as specialization and standardization. Third level controls relate to the frames of reference that participants in the organizations take for granted. Such controls are contained in the organizational vocabulary, informal substantive routines and procedures, preferential communication channels, unwritten selection criteria, agendas for meetings and socialization practices. Being less intrusive, more cognitive and more related to language, the nature of this is more voluntary.

As a result of the social interaction within an organization, the "positive destruction" or reconstruction of structures mentioned above could constitute third level structures or controls which arise from day-to-day activities, as seen with Weick in the previous chapter of this work. It

also seems valid to speculate that it might constitute fourth level structures, namely consequences of fully intentional transformative managerial action, even at the level of the practical consciousness of the agent, aiming to achieve results.

5.1.2 Intentionality

While agency relates to doing, and the capacity (power) to do so, Giddens defines the concept of "intentional" as being *“an act which its perpetrator knows, or believes, will have a particular quality or outcome and where such knowledge is utilized by the author of the act to achieve this quality or outcome”* (Giddens, 1993, p.97).

In this respect, it is critical to understand the "wherefores" of organizational and administratively functional actions of the public executive. This is because it involves that knowledge, as seen before, which is related to practical consciousness. It might be argued that it is not relevant here to reveal the motives that are contained or repressed in the unconscious of the individual. Barriers exist between the unconscious and practical consciousness (Giddens, 1993, p.94). Likewise, it is not relevant to identify motivations defined at the level of major generalizations of structural-functionalism such as those found in the studies on "public choice", as in Gordon Tullock (1965) who sees the motivations of the power of bureaucrats in the sense of advancing their own personal interests, just like any other political player. More important to organizational theory in terms of Public Administration are the actions of public executives able to achieve satisfactory, or even brilliant, organizational results. It is also important to understand aspects of their practical consciousness obtained from their discursive conscience as revealed in their stories of administrative life. As Giddens points out:

“The notion of practical consciousness is fundamental to structuration theory. It is that characteristic of the human agent or subject to which structuralism has been particularly blind. But so have other types of objectivist thought. Only in phenomenology and ethnomethodology, within sociological traditions, do we find detailed and subtle treatments of the nature of practical consciousness”. (Giddens, 1993, p.93)

What is central to this work are the intentions of public executives who relate organizational results to the actions qualified by their tacit knowledge of the causalities involved in structural relations. In this sense, the integrating concept of the individual-structure relationship should explain not only the condition as agent of the public executive (first condition), but also the teleological intelligence corresponding to his intentions (second condition). In experienced professional administrators these are forged by a conscious and critical reconstitution of the facts and reality by means of reflexive thinking, discarding mere anxiousness, fears, petty prejudices, idiosyncrasies and whims.

5.1.3 Limits of Action

The third condition to be satisfied under the integrating concept relates to the circumscribed nature of managerial action. This is where the essence of the individual-structure relationship in the organizational-administrative context, as well as the possible comprehension of the importance of the results, lies. Not only is the agency itself circumscribed to a large extent by formal authority given to the public executive, but also managerial action within existing formal structures has an inevitable central reference for the formation of the practical consciousness of the action, as revealed in the stories reported. This is precisely the point wherein lies the major importance of the concept sought in this work. It is not merely a question of escaping from ontology close to the solipsism of Bishop Berkeley. Rather, it is the need to qualify an approach such as organizational design as "improvisation" of Karl Weick in the interpretative manner. Between the behavioral determinism of structures and the sheer voluntarism of improvisation as a key to understanding it is possible to come to a consensus. The ensuing concept, taking into consideration the structures in their restrictive and empowering aspects and the relatively autonomous intention of the agent in the administrative context, might make it easier to understand action, even in its highly important and revealing aspect as transformative improvisation.

5.1.4 Ethics of Action

The fourth condition established for validation of the ideal concept is its moral plausibility, namely the ability to find normative-moral justification even in cases of transgression, when the legally illicit act does not represent an ethical-moral illicit act. Obviously such considerations are pertinent at the level of exercising ethical reason. As we are dealing here with the action of a public administrator, the moral justification does not grant a safe conduct for the transgression of legal and administrative norms, as a calculation of risk prevails when resources of power, cost and benefits associated with such transgression are involved. The stories related in the previous chapter revealed cases in which considerations of this nature would lead to widely differing practical conclusions depending on whether authoritarian or democratic political regimes are in power. By the same token, the stories show actions, the beneficial results of which could be contested from the standpoint and logic of a stricter economic rationale. Applying for and obtaining funds to invest 100 monetary units when the incremental perspective would indicate 10 units may meet with some disapproval in terms of a systemic rationale of opportunity costs relating to alternative investments in other sectors of public policy. Morally, for the administrator responsible for results in his area of activity, it may involve both the inexistence of an analytical system capable of promoting more rational systemic decisions as much as the character of a value-laden scale of preferences, which are associated with appraisals of this sort, even when they are quantitative and multi-criterial in the final analysis. If the responsibility of the administrator is in the area of cultural policy, it is morally feasible that he should attempt to push forward the agenda of his own sector or segment even to the detriment of others.

To be sure, the moral basis for the concept-ideal in question is far closer to an ethic of responsibility than an ethic of conviction (Weber, Politics as vocation). Administrators are "judged" and self-assessed more by the consequences of their actions than by the intentions which inspired them. Nonetheless, the presence of utilitarianism contained in the ethic of responsibility and the deontological principles inherent in the ethics of conviction may always be present where human contradictory tensions are involved and reason and spirit collide.

Ethical discussion is required when understanding the actions of public managers, be they politically designated (not elected) or bureaucrats in non-managerial functions, on account of the political dimension of their authority. The leaders interviewed in this work fall into the first category. Under whichever of the many definitions of “*politics*”, the actions of bureaucrats is decidedly political. As Rohr (1978) points out, stressing the “*authoritative allocation of values*” of David Easton and the “*who gets what, when, and how*” of Harold D. Lasswell, as well as his own favorite when dealing with normative questions: “*politics as the process by which a civil society achieves its common good through the agency of the state*” (Rohr, 1978, p.27-8). Only definitions that restrict “*politics*” to the electoral process, considered unacceptable today, fail to take the political content of the bureaucrat’s functions into account.

In this respect, Rohr (1978) associates “*administrative discretion*” closely with the political activity of the bureaucrat, as it rarely comes to the attention of the general public or is ever even clearly identified by the actual participants in the process. According to the author:

“... by ‘*administrative discretion*’ I mean the discretionary activity of bureaucrats in which they advise, report, respond, initiate, inform, question, caution, complain, applaud, encourage, rebuke, promote, retard, and mediate in a way that has an impact upon what eventually emerges as ‘*agency policy*’. All these activities can be highly discretionary even though they might not be recognized as ‘*administrative discretion*’ in a treatise on administrative law”. (Rohr, 1978, p.28)

For the purposes of this work, is important to include “*designing*” to the attributions of a bureaucrat, either in the sense of maintaining formal management structures and mechanisms or in the sense of transformative improvisation. It is also important to stress that the role of politically designated public leaders is even more blatantly political when considering the forceful arguments put forward by Rohr (1978) in his contentions for the career bureaucrat.

It is clearly for this reason that the stories presented in the previous chapter are full of references to higher values such as the public interest and economic and social development. In this sense, politics, morals and management are molded together in the “discursive consciousness” of the leaders interviewed. Their ethical consciousness, which at times justifies actions which are

decidedly unorthodox from the standpoint of administrative law, finds its origins not only in the political-administrative reality of the country but also in those which are dear to Brazilian society, though are not easily defined. The fact is that public-spirited men, who fear God, the general public, or both, continually make references to moral content when explaining their actions, as became clear from the stories of managerial life presented. The final "judgment" of these justifications only achieves effectiveness at a secular level by being considered plausible by the reader, in connection with the story of the private and public life of the manager. As regards the possibility of fear of the state itself, in its quality of expressing the collective will, this can be more or less accentuated depending on the regime in power and the resources available. However, maintaining a sense of proportion in relation to the Sun King, the public agent is himself and in no mean measure, the State itself, at least in terms of the practical consequences of his actions. One thing is certain, namely that it is indispensable that actions be firmly grounded on ethics even if they transgress many of the criteria contained in laws, decrees, rules, statutes, instructions or any other normative provisions.

5.1.5 Empirical Bases

Lastly, the concept sought must have an empirical basis, even though the corresponding content may become blurred with the passing of time, as in the case of simple deeds and behavior. The stories told by the public administrators interviewed provide sufficient material in terms of perceptions, memories and justifications for establishing a concept that might permit understanding of managerial actions in the Brazilian public sector and in similar contexts.

5.2 The Quest for a Synthesizing Concept by Means of a Metaphor

Having recourse to a metaphor is a commonly used practice in social sciences today. It can be a source of inspiration and strength of communicative expression, lend significance and, more importantly, help to reveal and give a name to complex phenomena, by clarifying logic not

adequately coded,. Analogies with mechanical models and organic and cybernetic systems to explain society and organizations are well-known. Gareth Morgan (1986), examined eight different approaches to analyze organizations, comprising an excellent compilation of literature on Organization Theory, by means of differentiated metaphors. The approaches, equally revealing about the important nuances of the organizational phenomenon, proved to be complimentary, irrespective of their particular strengths and limitations. To a great extent, the strengths lie in the harmony of the inspiring analogies selected by the researcher, with the basic nature of the phenomenon, which he seeks to put in focus. Some metaphors are better suited to certain situations. (Burrell & Morgan, 1980, p.66 and Morgan, 1986, p.342). In his analytical compilation of literature on the subject, Morgan (1986) shows the organizations as machines, organisms, brains, cultures, political systems, psychic prisons, flux and transformation and as instruments of domination in order to show how institutions are many things at the same time. As the author clarifies:

“ My overall approach has been to foster a kind of critical thinking that encourages us to understand and grasp the multiple meanings of situations and to confront and manage contradiction and paradox, rather than pretend that they do not exist. I have chosen to do this through metaphor, which I believe is central to the way we organize and understand our world.” (Morgan, 1986, p.340)

The essence of this approach is to lead us through a process of continual construction and reconstruction of our “*understanding*” of the multiple facets of one single reality, broadening the scope of knowledge on each of them and of their interaction as a result of the process itself.

Morgan resorts to the functionality of the story of the six blind men and the elephant, while stressing the need for leaving the analogy aside when considering two important aspects.

Firstly, unlike our notion of what constitutes an elephant, there is no consensus as to what an organization might be.

“We can know organizations only through our experience of them. We can use metaphors and theories to grasp and express this knowledge and

experience, and to share our understandings, but we can never be sure that we are absolutely right. I believe we must always recognize this basic uncertainty.” (Morgan, 1986, p.341)

Secondly, the same aspect of an organization may represent many things at the same time, as different dimensions are always involved.

“... a bureaucratic organization is simultaneously machinelike, a cultural and political phenomenon, an expression of unconscious preoccupations and concerns, an unfolded aspect of a deeper logic of social change, and so on. We can try to decompose organizations into sets of related variables: structure, technical, political, cultural, human, and so forth; but we must remember that this does not really do justice to the nature of the phenomenon. For the structural and technical dimensions of an organization are simultaneously human, political and cultural. The division between the different dimensions is in our minds rather than in the phenomenon.” (Morgan, 1986, p.341)

A central issue that should not be overlooked is that while Weick (1979 and 1995) seeks to understand how individuals (“practitioners”) act in day-to-day situations duly sanctioning and re-sanctioning, through their interpretations, organizational realities in administrative and managerial practice, Morgan attempts to show how organization theorists try to rationalize, through analogous processes, the organizational realities they seek to describe and explain. In this point, he acknowledges the interpretive and integrative capacity of the “practitioner” by stating it in counterpoint. Thus this practitioner, who is obliged to live with the multiplicity of dimensions that are intrinsic to organizational reality, should serve as a model upon which the organizational analysts and designers may exercise their imagination, namely of the organization as a manner of thinking. (Morgan, 1986, p.343-4) Morgan illustrates his multi-metaphorical analysis with a case study discussion, in order to demonstrate the practicality of his approach for interpreting and understanding specific situations and for organizational management and design in general. (Morgan, 1986, p.321-337). For Morgan,

“The analytical scheme that I have developed is thus best understood as a sensitizing or interpretive process rather than as a model or static framework. Good analysis rests not just in spotting ‘what metaphor fits where’ or ‘which metaphor fits best’, but in using metaphor to unravel multiple patterns of

significance and their interrelations. I believe that the best intuitive readings made by managers and other organizational members have the same quality. These individuals are open to the kind of nuance that stems from an appreciation that any given situation can be many different things at once.”
(Morgan, 1986, p.342-3)

This point is also firmly and clearly established by Hummel, as we saw in the chapter on methodology in this work. Hummel (see Chapter 1) points out that managers resist the appeal to analytic assessment of knowledge (by breaking down the phenomena) since they are quite rightly engaged in their main, realistic task, which is to fit the pieces together and thereby maintain the work world; in other words, integration.

In this sense, the quest for an integrative concept for managerial actions that this work attempts has converging, and also complementary, aspects to Morgan’s approach. On the one hand, Morgan tries to work with various metaphors that are representative of organizational phenomena, seeking an analytical integration of the organizational dimensions, by means of multiple and simultaneous readings of a situation (case). On the other hand, this dissertation takes managerial action per se as the researched phenomenon that reveals the practical integration of organizational dimensions inherent to managerial action, observed through the selection of life stories. Therefore, what is sought is a single concept capable of encompassing managerial action in the structural, technical, political, cultural and human universes of the organization. Instances of this managerial action, amply described in the interviews listed in the previous chapter, can be metaphorically inspired on a single theoretical construct, which can describe the nature of managerial action. All this, within the context of the relationships between individuals and structures, between volition and objectifications of reality, between subjective and objective, between conjunctural and structural.

5.3 The Metaphor of Equalization

As it was seen before, in chapter 2, the systemic-functional nature of organizational design is central, especially regarding the need to achieve congruence in the design of the organizational variables, while keeping results in mind. The formal elements of the organizational model,

therefore, act as a structure of signals, inductors of functional employee behavior, if adequately designed, i.e. when designed to remain compatible with each other and as a whole relative to the organizational strategy adopted.

The signals “emitted” by the components (the organizational variables) are of a probabilistic, rather than deterministic character, given the very nature of the human being in social relationships and the “informal organization” (Pffner and Sherwood, 1965). Regardless of the rate and intensity of change in our times, the artificial nature of organizations requires formal management structures and mechanisms, even when subject to redesign over short time spans. These behavior “signals” can be compared to the modern ILS (Instrument Landing System) that guides aircraft landings under conditions of limited visibility. In this case, the possibility of the signal being distorted that would lead the pilot to disaster is simply unthinkable. In the realm of organizations, however, incompatibilities are common in the design of management structures, policies and mechanisms. Many of the signals produced mutually cancel each other out instead of reinforcing each other, as they ought to. In such situations of inappropriate organizational models, management, instead of receiving support for its action, finds that these mechanisms are sources of problems and an obstacle to performance. With plans that contain unbudgeted priorities, employees, in turn, feel disoriented by consulting mechanisms that do not correspond to the urgency of events, by rewards that recompense incompetence, or by rules that interfere with the realization of programmed goals.

From a managerial standpoint, it is plausible to consider the structural elements of a focal organization or an organizational system that features them, such as public administration, as a normative set of guiding elements for the behavior of public agents. This enormous set comprises elements such as constitutional measures, plans and budgets, statutes and regimens. These, in turn, have their organizational structures and attributes, systems and charts for job descriptions, wages and benefits, financial and accounting norms, internal and external control mechanisms, communication and information systems, and so on.

It is to be supposed that the order or organizational design of this set of formal measures, which constitute a structure of social relations at a broad, albeit circumscribed, level, must be satisfactorily functional. Such functionality may be seen as the capacity to induce, in agents of the system, behavior patterns that contribute to the realization of given ends. From a simplified angle, it is therefore a system of coded signaling, transmitted by a variety of means to recipients who decode them and discover guidelines and restrictions in them. Without examining the exclusive merit of the quality of codification processes (e.g. techniques of legislative composition), transmission (e.g. Daily Federal Legal Gazette) or decodification of messages (e.g. interpretation), the purported content may be, overall, harmonious or discordant, for purposes of the functionality of the system. When all is said and done, one has a complex set of signals, the results of which may be clear or distorted to the recipient. Where there are distortions, equalization in the electronic systems becomes mandatory. As we have seen, in administrative systems improvisation occurs, such as that outlined in the reports of managers interviewed and the analysis of these reports.

Equalization is, therefore, an expression borrowed from the realm of electronics, which signifies the reduction of the distortion of a signal by means of circuits, which compensate the deformations, enhancing the intensity of some frequencies and suppressing others. **Equalizers**, namely the measures that enable equalization, refer to various types of corrective electrical breakers that are introduced into given circuits, in order to obtain the desired global result therefrom. Used in communication systems, systems for the recording and reproduction of films, magnetic tapes and cutting of records, **equalizers** are contained in the form of electrical networks that feature a combination of resistors, capacitors and measures for flow variation and distribution. According to Sell (1944), they serve as measure for compensation, counterbalancing, balancing, equalizing and stabilizing.

The importance of the metaphor of equalizing lies in its capacity to reflect the underlying logic of improvisation by managers, revealing the substrata of agent-structure relations within the context of transformative action. The metaphor reaffirms the referential centrality of formal structure and of the culturally structural elements of society, by qualifying action as improvisation,

distancing it from mere whimsical subjectivity of a fortuitous and flippant nature, which doesn't do justice to the professional public administrator. This administrator, rather than an "improviser", is better described and viewed as an "equalizer", since equalization is an "embedded praxis" of the repertoire of transformative managerial action available, formative of what has been attempted to be called above as structures of the fourth order.

The following tables present a brief overview of the interviews, highlighting the equalizing actions of the public administrators involved.

Managerial Strategy 1: Interchanging Frames of Reference

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (1.1) – Exchanging frames of reference	Comissão de Energia Nuclear Fundação Casa de Rui Barbosa Secretaria do Patrimônio Histórico e Artístico da União	Limitations of knowledge, scope and focus of the relevant players involved at the political-administrative level	Budget Program Foundation Regime	Broadening and sharing of cognitive maps by close contact and discussions	Implementation of the Budgeting-Program as a managerial tool; Establishing the regime of the Foundation at Casa de Rui Barbosa; Creation of Fundação Pró-Memória
Ozires Silva (1.2) – Expanding cognitive maps	Embraer	Previous experience in production exclusively geared to engineering	Structures geared to engineering and operations, like ITA, CTA and the Aeronautical Ministry	Broadening and sharing among collaborators of cognitive maps, originally limited to the technological dimension, to involve production marketing and management	Establishing a road map for development of the aeronautical industry in the country, by marketing and management, conception and implementation at Embraer
Paulo Belotti (1.3) ¹ – Exchanging positions and roles	Presidencia da Republica	Lack of empathy between leaders	Conflicting interests among state companies	Rotation of job positions to broaden references and empathy	Solution of the critical impasse between state companies

¹ Paulo Belotti recounts a story, which is pertinent to the study, although it relates to the President of the Republic.

Managerial Strategy 2: Exploring the Formal Limits

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (2.1) – Exploring the formal limits	Fundação Casa de Rui Barbosa Legião Brasileira de Assistência (LBA)	Salary dissatisfaction and lack of motivation	Salary limits imposed by public management policy	Acceleration of promotions in the chart of jobs and wages	Greater adhesion and motivation of employees

Managerial Strategy 3: Playing the Bureaucracy Game

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (3.1) – Making the best of uniformity	Fundação Casa de Rui Barbosa	Recuperation of main premises and construction of annex building	Norms and procedures for project approval and financing	Adjustment of the dimension of expectations to the rigors of the bureaucratic procedures, thereby valuing them	Historical recuperation of the House-Museum; construction of the annex building destined for administrative and research activities
Irapoan Cavalcanti (3.2) – Making use the surprise element in innovative practices	Fundação Casa de Rui Barbosa	Moment of implementation and experimentation with new institution-foundation formula	Standardizing Public Administration measures relating to job and wage	Exploitation of the new situation, before the forecast reversals occurred	Rendering viable specialized functional and class-related personnel and research staff
Sérgio Rudge (3.3) – Brushing bureaucracy aside	Hospital de Traumatologia – Ortopedia (HTO)	Outdated price charts for payment of medical procedures and the ensuing financial crisis in the institution	Bureaucratic processes insensitive to exceptional treatment of crises requiring rapid response	Insistence on seeking face-to-face contact with higher authorities to draw attention to the problem and resolve it	Overcoming the financial crisis

Managerial Strategy 4: Inducing the Inclusion of Others

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (4.1) – Inducing the inclusion of others and promoting selective self withdrawal	Fundação Casa de Rui Barbosa Empresa de Correios e Telégrafos Legião Brasileira de Assistência (LBA)	Mistrust and reluctance to accept responsibility	Cost control mechanism s (“time sheet”), regionalization and “balance sheets”	Establishing internal controls; Focus on objectives, goals and aspects related to proximity and participation; Conscious omission of specific questions of each area	Decentralized management with focused participative integration
Paulo Vieira Belotti (4.2) – Sharing hierarchically democratized decisions	Petrobrás	Capacity of people to obstruct implementation of decisions; Fragmented sharing of relevant information; Unavailability of written language for sensitive topics	Hierarchy	Participative decision-making processes, independent of hierarchy, made compatible with hierarchical communications	Implementation of policies in the petroleum sector
Sérgio Rudge (4.3) – Decentralizing and automating the services	Hospital de Traumatologia – Ortopedia (HTO)	Fragmentation and inaccessibility of information on operational day-to-day routines	Inexistence of control systems; Chauvinist ethos	Initially opportunist implementation of information technology; Active presence in the workplace; “Displacement” of informal information to management quarters	Capacity to administer significant growth in hospital operations

Managerial Strategy 5: Promoting Internal Cohesion

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (5.1) – Reiterating marketing of objectives	Legião Brasileira de Assistência (LBA)	Nationally dispersed organization involving multiple social actions	Bureaucratized and desegregated administrative structures and processes	Untiring insistence on dialogue to promote objectives and programs to promote convergence of efforts	Implementation of a program geared to maternal-infantile health
Irapoan Cavalcanti (5.2) – Encouraging the association	Legião Brasileira de Assistência (LBA)	Difficulties of communication with a large body of employees, with diffuse and undefined collective interests; Implementation of programs requiring a significant degree of commitment of the staff	Positions and Wages Plan subject to restrictions	Stimulation of ‘associativism’ as a collective instrument of management	Alignment between organizational results and the interests of employees
Irapoan Cavalcanti (5.3) – Guaranteeing rights and establishing duties/targets	Legião Brasileira de Assistência (LBA)	Low self-esteem and cohesion among employees; Background of disrespect of employee’s rights; Background of poor planning and programming	Normative asymmetry in the specification of rights (detailed) and duties (generic) of employees; Bureaucratic culture	Demand for the generation of information relating to results; Laying down objectives, programs and goals;	Commitment of employees to programmed objectives and goals; Implementation of a major maternal-infantile health program

			occupying “spaces” left unoccupied	Reward for producing results; Respect for acquired rights	
Irapoan Cavalcanti (5.4) – Recognizing individual efforts	Legião Brasileira de Assistência (LBA)	Variety of specific means required for operations implemented in the different regions of a large country	Bureaucratic standardization	Empathy of the leader knowing, understanding and providing for specific requirements by personal contact directly with different people and realities	Deep interiorization of social programs; Effects of acknowledgement, self-esteem and motivation of professionals who feel rewarded by access to the means to carry out their tasks
Paulo Vieira Belotti (5.5) – Deflating the role of courtiers’ advice	Ministério de Minas e Energia	Potential conflicts between ministerial assistants and leaders of institutions and companies of Indirect Administration, active in important sectors of the economy, characterized by state action	Institutional configurations of Direct and Indirect Administration operating in the political environment of an authoritarian regime	Reduction of ministerial assistant posts, backing sectorially differentiated visions at source (institutions and companies)	Implementation of public policy (steelmaking, petroleum, electricity, nuclear etc.)
Paulo Vieira Belotti (5.6) – Turning proposals and actions to the macro-policies	Ministério da Indústria e Comércio Ministério de Minas e	Implementation of macro-policy for industrial development in the context of an authoritarian	Regional imbalances of a socio-economic nature	Harmonizing the application of technical criteria for assessment of preferences of political choice	Expansion of productive investment beyond the scope of the São Paulo-Rio de Janeiro axis

	Energia	regime			
Paulo Vieira Belotti (5.7) – Acknowledging inside talents	Petrobrás	Occupying a management position in Petrobrás	Wage and Job Position Plan	Establishing a Council to deal with exceptions	Correction of distortions, inflexibilities and insensitivities in the mechanical application of the bureaucratic machine
Sérgio Rudge (5.8) – Rewarding through excellence	Hospital de Traumatologia –Ortopedia (HTO)	Teams of medics and para-medics unmotivated due to low wages and the inexistence of quantitative and qualitative performance challenges	Restrictions in the Wage and Job Position Plan	Establishing partnerships for training and development with multinational companies – manufacturers and suppliers of equipment	Use of training and development as a tool for reward and significant concomitant increase in commitment to results and the number of surgical interventions conducted in the hospital
Ozires Silva (5.9) – Appealing to the concept of public interest	Ministério da Infra-Estrutura	Railroad interconnection between two major rail networks belonging to two state companies; one, an iron mining exporter, the other, a railroad transporter	Joint Public-Private companies and a Public Company	Exercise of leadership through a strong appeal to the concept of public interest as being of greater importance than the specific interests of both companies	Complementation of the interconnection of the rail networks

Managerial Strategy 6: Creating Shields against Transgressions

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (6.1) - Projecting an image of probity and efficiency	Empresa de Correios e Telégrafos (ECT) Legião Brasileira de Assistência (LBA)	Antecedents of unsatisfactory organizational results and laxness of technical criteria and administrative conduct, generating attitudes of lack of support to the organization, on the one hand, and expectations of undue advantages, on the other	Clientelism, corporativism, patrimonialism, corrupt practices	Creation and dissemination of an image linked to results and ethical conduct	Winning over the support of the remaining governmental agencies and inhibition of the approximation of exponents of transgressive interests
Irapoan Cavalcanti (6.2) – Guaranteeing technical criteria in the purchasing of goods and services	Legião Brasileira de Assistência (LBA)	Antecedents of unsatisfactory organizational results and laxness of technical criteria and administrative conduct, generating attitudes of lack of support to the organization, on the one hand, and expectations of undue advantages, on the other	Clientelism, corporativism, patrimonialism and corrupt practices	Reception of suppliers as an association; Valuing and application of technical criteria; Rejection of any gesture of sympathy, however small; Conscious exploration of the symbolic effect of attitudes and behavior, as exemplary signaling; Punishment of proven illicit acts	Natural removal of exponents of transgressive interests, reduction of illicit acts, extinction of “scandals” associated with the organization and elevation of organizational self-esteem and public recognition
Irapoan Cavalcanti (6.3) –	Legião Brasileira de Assistência	Compatibilization between honesty/efficiency	State superintendencies, clientelism,	Resolution of the matter in the political agreements in relation	Increase in the capacity for generation and

Neutralizing political and ideological pressures	(LBA)	and political representation at state level, for managerial positions, the occupants of which are nominated by political leaderships	patrimonialism and corrupt practices	to the question of the honor of nominees; Insistence on the aspect of efficiency during negotiation of the agreements; Use of supplementary control mechanisms when necessary: naming a technical assistant; Permanent telephone contact; Constant centralized review of procedures communicated via an exclusive channel; Persuasion of the necessity for project follow-up generated by other state political groupings; Creation of parallel mechanisms for systematic follow-up denied at local level	implementation of good national and state social projects; Technically backed democratic political coexistence
Irapoan Cavalcanti (6.4) – Blocking nepotism through institutional mechanisms	Fundação Casa de Rui Barbosa	Requests for employment, formulated by influential people, for others	Nepotism, clientelism, patrimonialism	Use of admission measures foreseen in the Wage and Job Position Plan; Requirement of technical qualification or use of the “lateral arabesque” in unavoidable extreme situations	Setting up and maintaining a technical-administrative team of a level compatible with the organizational mission. Preservation of

					the professional and organizational self-esteem of the staff
Paulo Vieira Belotti (6.5) – Cashing in on one’s credit	Petrobrás	Political nomination to an executive position and complexity of corporate business in strategic production sectors	Corporativism (taken in the positive sense of a highly professional organization) aware of its institutional contribution to the development of the country	Use of the combination: reputation of commitment to national development; technical/managerial reputation achieved; political backing of the president’s office; and knowledge networks in the political, technical and managerial spheres	Acceptance by the functional team of a professional company in continual growth and intolerant to the absorption of external staff incompatible with standards of technical-managerial excellence
Paulo Vieira Belotti (6.6) – Transforming credit into reputation	Petrobrás	Requirement for significant increase in petroleum production with repercussions in the country’s balance of payments	Clientelism, Banco do Brasil (state), Central Bank, Control by the Ministry and SEST on tariffs, fuel prices, corporate salaries, loans taken out abroad	Use of acquired moral/technical/managerial credibility Use of knowledge and backing of political authorities, based on acquired credibility, to lend institutional projects the status of “exception” to bureaucratic norms and idiosyncrasies	Winning over institutional backing for approval and feasibility of major projects
Paulo Vieira Belotti (6.7) – Avoiding favoritism	Petrobrás Petroquisa	Application for executive posts in the system for Petrobrás and subsidiaries	Clientelism, patrimonialism, nepotism	Conditioning of attendance to personal choice or the decrease of statutory and regimental powers in	Protection of competence and professionalism of executive posts

				inevitable extreme cases, linked to political backing and personal credibility	
Paulo Vieira Belotti (6.8) – Daring to bend the rules in order to accomplish	Petrobrás	Choice of contractors for the implementation of the complex projects	Legal norms and restrictions relating to public tender processes	Transparent decisions before the rest of the competitors, placing the criteria of the company above those of standard procedures and legislation and	Making the implementation of projects viable in a shorter time frame and at lower cost; Blocking transgressive "deal-making" between contractors

Managerial Strategy 7: Overcoming Internal Restrictions

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (7.1) – Overcoming Internal Restrictions	Legião Brasileira de Assistência (LBA)	Challenges of decentralization, variety of programs and urgency of the needs of the population	Organizational and bureaucratic limitations of human resources, finance, initiative, etc.	Transferring the operation of programs to civil society through multiple social organizations	Significant increase of the capacity for implementation of social programs
Sérgio Rudge (7.2) – Building a political support base without party affiliations	Hospital de Traumatologia –Ortopedia (HTO)	Financial restrictions and sundry needs	Clientelism it	Exchange of facilities of internal requirements through lobbying for obtaining resources	Significant advances in the operational capacity of the hospital
Sérgio Rudge (7.3) – Reporting results	Hospital de Traumatologia –Ortopedia (HTO)	Public hospitals discredited; Attention of the media usually geared to negative aspects	Financial instability of the National Health System	Broad scale dissemination of unusual facts and promotion of mega-events in order to gain the support of public opinion and political decision-makers	Recognition of the Hospital as a National Center of Reference in Traumatic-Orthopedics and international respectability in the sector

Managerial Strategy 8: Letting the Structures Blossom

Interviewee	Organization	Situational Factors	Structural Factors	Equalizing Action	Realizations
Irapoan Cavalcanti (8.1) – Letting he structures blossom	Fundação Pró-Memória	Creation and implementation of a new organization for the execution of an innovative cultural policy, based on a broader concept of culture, in marked contrast with the traditional efforts geared to the preservation of the "brick and mortar" heritage	Mixture of people from three different organizations: Instituto do Patrimônio Histórico, Centro Nacional de Referência Cultural and the Program for Historical Cities	Administration per project; Respect for "like-minded groups"; Emphasis on objectives and modernization of processes	Progress in the adoption of a broader concept of cultural policy and experimentation in projects and activities forced implementation of the same

5.4 **From Design, Designing and Improvising to Equalizing**

The preceding chapters showed us how the theory of organizations, the fundamentals of which are basically of an objective and functional nature, exercised total hegemony during the course of the first three quarters of the Twentieth Century. In practice, the design for implementation of all organizations and organizational system structures and the restructuring thereof, including the administrative reforms in the public sector, added increasing weight to the prevailing belief that, on the basis of probability, the structures and structuring mechanisms that had been formally and rationally established induced people to adopt functional forms of behavior with respect to the choices made. Yet, the awareness that has become increasingly prevalent of the relative weight of the human factor within organizations and the resulting coexistence of formal structures with the so called “informal organization”, the belief and expectancy in the quasi-determinism of the structures have led both the classic and neo-classic designers and the followers of systemic contingency to seek for rational formats that would increase the effectiveness of organizations. From a more static viewpoint, the concept of the “organization” as an object and as an administrative function found in “design” the expression of the changing interventions that established a bridge connecting the prevailing theories of organizations and the practice of administrative restructuring and reform.

At management level, the pre-definition of the hierarchic and formal functions of the executive and the identification of the role perceived as the set of expectations held by various players, defined the boss as such or in the capacity of leader and focused the definition of managerial profiles (personal attributes) and styles of management, from a behaviorist viewpoint (externalized behavior that can be observed and empirically recorded).

The idea of design as being rational intervention geared towards the engineering of administrative structures, procedures and processes at well defined moments in time³ lived up to the more static concept of “organization”. The general belief was that such rationally built and reshaped structures would be lasting and that, even from the public sector viewpoint in developing

countries such as Brazil, they would gradually make their bureaucratic rationale prevail as a counterpoint to the structural dysfunctions found in the socio-political environment.

The fact that the official government administration adopted the bureaucratic model especially after the 1940s made it possible for the process of industrialization and urbanization of the country to strengthen the State in terms of performing its various functions. This was what occurred, notwithstanding all the pathologies inherent in the model itself, as well as the idiosyncrasies, asymmetries and dysfunctions in its consolidation, not to mention the levels of political and administrative competence of administrators and heads of government.

The increasing rhythm and intensity of the social, cultural, technological and market changes have substantially increased the speed of efforts designed to adapt organizations throughout the world to such transformations. This reveals the ever precarious condition of the structures in terms of production, marketing and distribution of products, the rendering of services and even of those designed to perform governmental functions.

In response to circumstances, the hegemonic and more static concept of “organization” has acquired new meaning as a relatively constant transformation phenomenon that is in progress. The tendency is toward convergence of the modes of construing the object of study (organization as entity) and the administrative function (organization as the managerial function of organizing). The empire of inexorable, intense and continued change leads the more objectivist thinkers to replace the concept of “design” with that of “designing”, which is a more suitable description for increasingly faster recursive restructuring actions (e.g. Galbraith, 2002). More subjectivist thinkers failed to grant the status of a concrete entity to the “organization” per se, and perceive the phenomenon in its inexorable and ceaseless flow of transformation (as opposed to something that is recurring, no matter the speed at which it recurs). For such scholars (e.g. Weick, 1995), something that can be called an “organization” does not exist. What in effect exists is a continuous flow of constant coming into being, intersubjectively and continuously determined by social action, and which only “is” as such: a coming into being in an infinite process of redefinition. Such an entity could only be given a suitable verbalized description by using the word “organizing”(Weick,

1979). It is distinguishable from the pretentious rationalism still inherent in the concept of “designing” as recursive managerial behavior capable of bringing about interventions in reality through changes in structures and other structuring mechanisms.

The challenge of succeeding in penetrating and understanding the logic of the action of transformation, particularly as responsible administrators are involved, induces the intuitive thinker not to underestimate either the relevance of formal structures and the creative nature of individuals endowed with free will and the desire to be the controlling master of situations.

As was seen earlier, overcoming the structure-individual, objective-subjective dichotomies has found fertile ground in action theories (e.g. Weber, 1967; Silverman, 1971; Ranson et al, 1980). As we also saw in this chapter, for Giddens (1993) the structuring nature of action itself, based largely on continuous reflexive monitoring of the activity and of contextual physical and social aspects, provides the key-elements of his “theory of structuration”.

In this respect, therefore, those who intend to study the realm of official government activities and organizations should take the following into account:

- Structural elements of society in their reproductive manifestations;
- The structures and structuring mechanisms of public administration;
- Those individuals who are engaged in transformational social action.

Sound arguments back the persistence of the bureaucratic model in society and indicate its capacity as the promoter of rationality when not evaluated using reductionist criteria that only take mere efficiencies into consideration (Gajduschek, 2003), or from the simplistic viewpoint of constitutionally decontextualized managerialism (Rohr, 2002). This position is even more justifiable when dealing with the State administrative machine vis-à-vis private enterprise.

The arguments in favor of the inexorable nature of change, transformation or flexibilization of the model in response to swift and intense environmental dynamics are also very sound. In this respect, organizational design should be capable of generating a strategy in tune with the

environmental dynamics and of promoting the necessary “differentiations” when dealing with organizational variables both in relation to the whole and to parts of the organization. It should also be in alignment with the strategy, as well as being able to generate the systemic “integration” needed, under the aegis of the criterion of “congruence” of the model.

Arguments in favor of transformational social action are equally sound, namely relating to action that is reflexive per se. Action that is continually redefining the understanding of reality according to directly or indirectly (historic memory, archetypical situations) collectively and individually lived experiences. Action that interprets realities in an inter-subjective manner at the same time as it continuously creates and recreates such realities in a daily round of social construction of new realities.

In their daily duties public administrators face a form of reality that is presented to them as a series of possibilities, opportunities, constraints and limitations. This may either be produced by the action of the structural patterns that are reproduced in society (e.g. clientelism, nepotism, collectivism, authoritarianism) or as a consequence of the predominance of bureaucratic organization in the social world, especially in the government public sphere, where hierarchy and the normative base replace the prevalence of mere competition. It may also be due to the relative impossibility of promoting systemic contingent “congruence” of organizational design in association with the aforementioned factors.

Undoubtedly the responsible public administrator contributes in some fashion, in space and time, to the objective redesign of social and administrative structures around him/her, in an attempt to improve such structures on a long-range basis. Equally, the same public administrator improvises (Weick, 1995), as he interacts daily in his working micro-universe.

His improvisation is, however, not out of context, erratic, chaotic, eventual or irresponsible.

The public administrator who steers his organization towards impressive results is a conscious and systematic mediator between the structures and the people in his work environment. With the benefit of authority, he “appears” (Arendt, 1959) at work every day to share and inspire interpretations of reality. Being aware of the structural incongruences and of the impossibility of simply ignoring them, as well as of his limitations to transform them in the short term, this administrator compensates for the distorted signals transmitted by such inadequate systemic structures through an equalizing action. He considers such structures a live and relevant point of reference to shape realities. To his mind systemic congruence is an element, albeit non-existent, that can provide the conditions to promote results. And he actively promotes higher levels of systemic awareness to bring about achievements through daily social action that create and recreate new latent “structures” that correct formal structures as he counteracts the distorted signals issued by them that promote dysfunctions in values, attitudes and behavior. Such continuously renewed latent structures, sustained in large part by what the individuals say and especially by what the person in charge says, gain shape and form due to the inter-subjectivity of their daily interpretations.

Therefore, despite the systemic social and organizational incoherences that can be more readily observed using the traditional empirical method, the results that are theoretically dependent on the congruence of organizational design are effectively achieved by the equalizing “praxis” in the daily flow of social interaction.

This would suggest that sound organizational achievements whenever detected in the public sector are not the product of a coherent “design”, as such designs are practically impossible to achieve however great the quality of widespread administrative reforms. Nevertheless, as we saw in a preceding chapter such reforms do bring about progress that is always subject to retrogressive action. In this respect, the increased speed of the structural adjustments observing the harmony of the design with successive and intense environmental changes shows us that the idea of “designing” is an implausible feat in the public sector, in what concerns the “here” and “now” of administrators at any particular point in space and time, in spite of long-range structural developments.

On the other hand, the prevalence of the bureaucratic model constitutionally present within the context of democratic States, or even under authoritarian regimes, does not enable us to comprehend, explain, or much less describe the action of the public administrator and other employees as “improvisation” of a willful nature or one that is merely ignorant or insensitive to the structural elements. One of the most trivial definitions for the word “improvise” in the “Aurélio” Dictionary (Ferreira, 1993), the connotation of which is especially important here, is: “*Adopting in bad faith, or due to necessity, a profession, a quality, etc*”. Quite to the contrary, while he is “improvising” the responsible public administrator is far from being an “improviser” or of “improvising” in an activity that is not his own, irrespective of the fact that he may be an engineer, a physician, an educator, a member of the military forces, an economist or a professional administrator. Whenever he is involved in the administration of the State apparatus his professional repertoire gains public status that transmutes activity into “action”, with marked social and historic relevance. Clearly, this is a distinct possibility depending to a great extent on the individual and his desire to feature in the republican world. A world that requires the predisposition to occupy a public space and the conscious presence of citizens in social ventures despite the bureaucratic reticence of so many public administrators or the adoption of a mistakenly assumed concept of presence as artificially obtained fame.

While dealing with structures and other structuring elements the professional public administrator who wants to get results acts by using his “practical consciousness”, as captured in the interviews and analyses presented in the preceding chapter and synthesized in the expression “equalizing”, that is not yet part of his “discursive consciousness”.

Administrators such as Ozires Silva and Irapoan Cavalcanti when systematically faced with limitations of knowledge, scope and focus by the relevant players involved due to mechanisms of staff hiring, selection or even education and prior experiences “compensated” for dysfunctions by using conscious and systematic equalizing actions: interchanging frames of reference and broadening cognitive horizons capable of producing the desired results (see equalizing strategies – 1.1 and 1.2).

When bureaucratic procedures in communication routines and the intermediary chains of command succeeded in reducing the significance and intensity of financial crises that affected the very existence of the organization, Sérgio Rudge would by-pass structures and take the crisis straight to the desk of the person who should be handling it. He would do this in person and in a decisive manner insisting on finding a solution, even if only a stopgap measure (see equalizing strategy – 3.3). In this manner, he compensated for distortions created by structures and procedures not designed to tackle extremely serious specific scenarios.

Being aware of the entrenched powers of technicians and bureaucrats that enable them to obstruct the implementation of projects that have not been properly assimilated, Paulo Vieira Belotti systematically broadened the forum for discussion and participation sidestepping hierarchical structures and even the predominantly authoritative style of governments he served with such brilliance. In this manner he also managed to “equalize” the notorious corporativism of public companies (see equalizing strategy – 4.2).

The table above provided thirty-one (31) examples that illustrate the managerial phenomenon within the context of transformational social action, the subjacent logic of which can be considered to be equalizing.

An attempt to establish a link between managerial activity in the public sector and what is understood as “action” in the political, sociological and historical sense may appear pretentious to the formulators of major theories and chroniclers of great human achievements requiring long treatises and notable biographies or even autobiographies. In the historical sense, the paramount examples are monarchs, great politicians, statesmen, brave generals, economic elites, social classes.

The main point here is to focus on the top people in the system who are the top echelons and prime movers of the State hierarchy. People who, as agents, competently negotiate the

gradual and progressive transformation of the State machinery with the implications thereof in terms of the social context in which they belong.

In this respect, Norma Riccucci is quite correct in her *The Unsung Heroes* (Riccucci, 1995) when she classifies her “Execucrats” as heroes. A deeper understanding of the praxis of these “execucrats” is required here, namely one that goes a little beyond a behaviorist label involving personal attributes, skills and even strategies, thereby encapsulating the essence of their immersion into action. In this manner we gain a greater understanding of both common humanity and singularity, which are the conditions for “action” that permit the major libertarian act, namely the decision to become engaged and committed to the process of action, irrespective of intention, motive, purpose and consequence. As noted by Arendt (1959): “*The connotation of courage, which we now feel to be an indispensable quality of the hero, is in fact already present in a willingness to act and speak at all, to insert one’s self into the world and begin a story of one’s own*” (Arendt, 1959, p. 166).

By identifying life itself as the paramount value thus making her secular reading coincide with Christian interpretation, Arendt points to birth and renewal through new generations as the source of hope for humanity. Despite the structures and webs of pre-existing relationships each one of us brings in ourselves the vocation of freedom to become involved in processes the consequences of which are unforeseeable and the conclusion or even commencement of which is indeterminate. Thus, the inclusion of one more individual in the process means a new “beginning”.

New processes unfold out of the successive dynamic of action and reaction. It is imperative that we should understand that, as noted by Arendt (1959):

“Limitations and boundaries exist within the realm of human affairs, but they never offer a framework that can reliably withstand the onslaught with which each new generation must insert itself. The frailty of human institutions and law and, generally, of all matters pertaining to men’s living together, arises from the human condition of natality and is quite independent of the frailty of human nature” (Arendt, 1959, p.170).

Those same reasons lie behind the fall of the myth of the “strong man” isolated from all others, from the governed executive agents who have initiative and establish laws, as well as from all correlated dichotomies: politics-administration, governing-managing, planning-executing, power-knowledge, knowing-making, teaching-doing. All of which:

“ ... is either sheer superstition, based on the delusion that we can “make” something in the realm of human affairs – “make” institutions or laws, for instance, as we make tables and chairs, or make men “better” or “worse”. ... The strength of individual needs for every process of production becomes altogether worthless when action is at stake, regardless of whether this strength is intellectual or a matter of purely material force. History is full of examples of the impotence of the strong and superior man who does not know how to enlist the help, the co-acting of his fellow men. His failure is frequently blamed upon the fatal inferiority of the many and the resentment every outstanding person inspires in those who are mediocre” (Arendt, 1959, p. 168).

The strength of man, namely his power⁴, as the base upon which to build, establish links and relationships and start processes in the “web of relationships” that characterize action in the realm of human business, has another logic that is not mere physical strength, intellectual superiority or cunning. Arendt (1959) describes power, in all its vigor, as something that cannot be stored or kept in reserve like instruments of violence, that exists only in daily practice due to the fact that it is at all times power independent of material value, the only exception being the proximity among men which means that the potential for action is always present. Whenever it is not exercised, power is lost as it is something that becomes effective:

“ ... only where word and deed have not parted company, where words are not empty and deeds not brutal, where words are not used to veil intentions but to disclose realities, and deeds are not used to violate and destroy but to establish relations and create new realities” (Arendt, 1959, p. 178-9).

As seen in the reports by public administrators, it is highly significant to note that they not only confirm their negation in practice of the aforementioned dichotomies but also have a clear notion of power in the realm of human affairs irrespective of segment, space and time of active engagement.

Such action was related to public sector processes that covered the spectrum from the development of an aeronautical industry in Brazil, worthy of its name under international criteria, to the pioneering introduction of bone transplants in this country, and included the institutionalization of program budgets and public foundations and regionally-oriented basic industrial development.

The collective aggregating action of all those interviewed from the standpoint of sheer power becomes clearly evident from the interviews. The awareness of the fact that they depend on *“the unreliable and only temporary agreement of many wills and intentions”* as mentioned by Arendt, without which *“omnipotence would be a concrete human possibility”* (Arendt, 1959, p. 180).

Out of the eight management strategies classified in this study, three (3) are directly associated to this concept of power as: “Interchanging frames of reference”; “Inducing the inclusion of others” and “Promoting internal cohesion”. All three of them together add up to fifteen (15) out of the thirty-one (31) management practices catalogued. This concept of power would therefore seem to suggest as an alternative the fusion of the three categories into one only, thereby reducing the total of eight (8) categories to a mere five (5). The most important aspect, however, is to see the true bases of power ratified yet again, as well as the their role as the articulator of all else in terms of action in the realm of human affairs⁵. As Arendt states, “What keeps people together after the fleeting moment of action has passed (what we today call “organization”) and what, at the same time, they keep alive through remaining together is power” (Arendt, 1959, p.180).

It is this day-to-day nurturing of power that feeds on daily, rather than spasmodically successive, collective actions of continuous construction and reconstruction of realities, which gives significance to the concept of “organizing” as coined by Weick (1979) and is richly illustrated by the experiences recounted by the public administrators interviewed. Experiences that can be deemed to be dedicated to the exercise of power that is dependent on the human condition of plurality. In this respect its “interchanging frames of reference”, “inducing the inclusion of

others” and “promoting internal cohesion” reveal a power strategy. Arendt (1959) notes that “ ... *power can be divided without decreasing it, and the interplay of powers with their checks and balances is even liable to generate more power, so long, at least, as the interplay is alive and has not resulted in a stalemate*” (Arendt, 1959, p.180).

There is yet another question regarding the inclusion of the public administrator in the action that needs to be explored. The nature of managerial intervention is conservative in many respects, though potentially transforming in incremental terms and within the limits of maintenance of order, stability and systemic balance. Undoubtedly, organizations are systems that are so open in terms of the dynamics of their external and internal interactions, that they are always subject to uncertainty to the point of requiring conceptualizations that call for gerunds (designing, organizing, improvising, equalizing). The utopian notion of the management of a closed system in which if not all but as many variables as possible are under control to promote the welfare of the masses is nevertheless atavistic to the most modern and daring administrator. In this respect, whenever the administrator finds himself to be equalizing socially, institutionally or administratively-produced structural malfunctions he will be acting within the limits of his possibilities in this capacity and exploring the possible limits of his civic duties as an agent of the State. Not without great risk, albeit not doing anything revolutionary. On the other hand, the machinations of administrators averse to any form of risk, starting with their simple appearance in action, seek in a bureaucratic manner to impose norms, structures and procedures upon the reality of facts or manipulate information in respect of realities so as to adjust them to formal requirements in an effort to justify them to themselves and to the boss.

Finally, according to Arendt there is one last source of speculation (1959). It is a fact that to a certain extent neither the administrator nor all other people involved in any one process created or monitored by him, although this process never unequivocally ends up in one single act or event, knows precisely what he is doing. The true significance of the process in which he is involved “ ... *never discloses itself to the actor but only to the backward glacé of the historian who himself does not act*” (Arendt, 1959, p.209). In general, due to the fear of finding himself entangled in infinite processes and complex and involving relationship webs, under the veil of

anonymity and subject to the irreversibility of the vicissitudes of his acts and the uncertainty of the consequences thereof, man finds less freedom in the sphere of action whenever he is in full command of such capabilities “ ... *whose very essence is freedom and in that realm which owes its existence to nobody and nothing but man*” (Arendt, 1959, p.210). As a result, he avoids involvement.

The revelation of the managerial meaning of processes – equalizing action – unknown to the players in question, which arises after careful study of the managerial life histories and interpretative analyses based on sociological and philosophical scrutiny, may encourage those people who “are starting out”, in terms of the inexorable renewal of social processes by new generations. To encourage them, by dint of managerial experiences of those who have lost anonymity and gained the respect of others. To encourage them, by helping them to see a meaning and significance in public sector affairs where everything seems foolhardy at first glance. To encourage them, so that they will have faith in themselves and in a life that is only worthy when the opportunity for expression of individual and collective freedom is exercised. To encourage them, such that they will become pro-active, patient and persevering in pushing the processes through and coming to like them so that eventually dreams, objectives and results may acquire some shape and make some difference. Even then they will discover the fact that the best result of the game is the game itself and the fact that we are able to be in it.

In addition to contributing in terms of qualifying and training public administrators, this study may encourage further research. Research that increases openings for equalizing management and might lead to enhanced understanding of the phenomenon and refinement of the concept.

¹ see Chapter 3, Item 3.4.

² I have a debt to Olavo de Carvalho for this point, in “Entre os Cacás e os Gushikens”, *Jornal O Globo*, 17/05/2003.

³ In the Preface, Galbraith (1977) admits his own reticence with regard to his model in relation to its application in the public sector. “I have tried to reduce the private sector manufacturing bias that characterized my first book. I have not been completely successful. Public sector readers must still make translations into their domain.” (Galbraith, 1977, p. XI)

⁴ In her vigorous critical analysis of modern society, Hannah Arendt (1959) observes that the labor market has reduced the space for public appearance and has thus compromised individuals in the formulation and expression of their individual identity and dignity in human plurality, which is a basic condition for action and discourse. The instrumental hegemonic logic of economic production has inhibited the appearance of the citizen, with his repetitive and alienated work and under the authority as imposed by the productive system modeled in a spent and impoverished political universe. These facts have consequently reduced the possibilities of exercising true power, a condition that is necessary for implementation of the action, such that *“This insertion is not forced upon us by necessity, like labor, and it is not prompted by utility, like work”* (Arendt, 1959, p. 157).

⁵ The housemaid appeared during the writing of these lines with a cup of coffee on a tray, which is a traditional habit in well-to-do Brazilian society – namely having house servants in charge of ‘labor’ and drinking endless cups of coffee, said habit being generalized as long as prices and salaries will permit. Faced with the embarrassing fact of making a person stand up waiting with a tray in her hands while an important sentence was being completed, the writer was left with no other option than to finish the sentence before the words would be lost. The relationship was restored by discourse as an instrument of power:” Thank you. I’m sorry, I could not stop. Words are like the seasoning of a dish. They have to be well chosen and added at the right time and in the right measure. No more, no less”. This fact serves to stress the equality of conditions. The same way as the maid should not be interrupted at sublime critical moments in the act of cooking (in the majority of Brazilian families servants share the same food as their masters), the writer could be forgiven for having made the maid wait like a statue, which could be considered an inhumane gesture. Underlying it all, there is the “promise” of mutual respect between individuals who are in essence equals in their plurality. A contract has been entered into between interdependent and complementary individuals, the relevance of which is rigorously the same in the essential configuration of processes in our society. Indeed, Arendt completes her weighty reflections bringing the logic of “labor” and “action”, which are associated to the metabolism and to the significance of life, even closer to one another than the proximity of the same logic to that of “work” in view of its materialistic, utilitarian, and market-oriented instrumentality. The philosopher also gives paramount relevance to the act of “forgiving” and to the “promise” in the realm of human affairs. While forgiveness coupled with repentance is capable of mitigating the not adequately evaluated or foreseen consequences of the acts and the “irreversibility” of the action and processes, promises are contracts that reduce the inherent levels of “uncertainty” as to the consequences of actions. We can therefore state that promises are islands of certainty built in the ocean of future uncertainties to assist seafarers. At each new moment, both forgiveness and promises rebuild and strengthen the web of human relationships opening the way for new actions and reactions in a more peaceful environment (Arendt, 1959).

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Appendix 1

- Glossary (only relating to the Institutions cited in the interviews)

Aço Minas Gerais S.A. - Açominas

Asilo São Luís

Associação Brasileira Beneficente de Reabilitação - ABBR

Associação de Pais e Amigos dos Excepcionais - Apae

Associação dos Moradores do Morro Chapéu Mangueira

Associação Nacional de Funcionários da Legião Brasileira de Assistência

Banco Central do Brasil - BACEN

Banco do Brasil S.A.

Banco Nacional de Desenvolvimento Econômico e Social - BNDES

Biblioteca Castro Alves

Botafogo de Futebol e Regatas

Californian Institute of Technology - Caltec

Centro Nacional de Referência Cultural - CNRC

Centro Tecnológico da Aeronáutica - CTA

Centros Integrados de Ensino Público - Cieps

Clube de Regatas Vasco da Gama

Colégio Metropolitano do Méier

Comissão de Valores Mobiliários - CVM

Comissão Nacional de Energia Nuclear - Cnen

Companhia Municipal de Energia e Iluminação - Rioluz

Companhia Municipal de Limpeza Urbana - Comlurb

Companhia Siderúrgica Nacional - CSN

Companhia Vale do Rio Doce - CVRD

Coordenação de Pós-Graduação em Engenharia - Coppe

Correio Aéreo Nacional - CAN

Departamento de Estradas de Rodagem do Estado da Guanabara - DER

Empresa Brasileira de Aeronáutica - EMBRAER

Empresa Brasileira de Correios e Telégrafos - ECT

Empresa de Turismo do Município do Rio de Janeiro S.A. - Riotur

Empresa Municipal de Informática e Planejamento S.A. - Iplanrio

Empresa Municipal de Urbanização - Riourbe

Escola de Aeronáutica

Escola de Samba Estação Primeira da Mangueira

Escola de Serviço Público do Estado da Guanabara – Espeg

Escola Rio Grande do Sul

Escola Técnica Nacional

Estrada de Ferro Noroeste do Brasil

Estrada de Ferro Paulista

Estrada de Ferro Sorocabana

Faculdade de Medicina de Vassouras

Federal Aviation Agency - FAA

Fluminense Futebol Clube

Força Aérea Brasileira - FAB

Fundação Casa de Rui Barbosa

Fundação Getulio Vargas

Fundação Instituto de Geotécnica do Município do Rio de Janeiro - Geo Rio

Fundação Jardim Zoológico da Cidade do Rio de Janeiro - Rio-Zoo

**Fundação João Goulart - Instituto de Estudos de Administração Pública da
Cidade do Rio de Janeiro - FJG**

Fundação Legião Brasileira de Assistência - LBA

Fundação Municipal Lar Escola São Francisco de Paula - RJ - Funlar

Fundação Nacional Pró-Memória

Fundação Parques e Jardins - RJ

Fundação Rio - Esportes

Grêmio Recreativo Escola de Samba Portela

Hospital Central do Exército

Hospital de Oncologia de Massachusetts

Hospital de Traumato-Ortopedia - HTO

Hospital dos Servidores do Estado - HSE

Hospital Municipal Jesus

Hospital Municipal Lourenço Jorge

Hospital Municipal Miguel Couto

Hospital Municipal Salgado Filho

Hospital Municipal Salles Neto
Hospital Municipal Souza Aguiar
Hospital Universitário Pedro Ernesto

Instituto Municipal de Arte e Cultura - Rioarte
Instituto de Resseguros do Brasil - IRB
Instituto do Patrimônio Histórico Nacional - IPHAN
Instituto Nacional de Assistência Médica da Previdência Social - Inamps
Instituto Rio Branco
Instituto Tecnológico da Aeronáutica - ITA

Lions Club do Brasil

Ministério da Aeronáutica
Ministério da Economia
Ministério da Educação e Cultura
Ministério da Fazenda
Ministério da Infra-Estrutura
Ministério da Previdência e Assistência Social
Ministério das Minas e Energia
Ministério do Planejamento e Coordenação Geral

Petrobrás Química S.A. - Petroquisa
Petróleo Brasileiro S.A. - Petrobrás

Rede Ferroviária Federal S.A. - RFFSA

Secretaria de Obras do Município do Rio de Janeiro
Secretaria de Orçamento e Controle das Empresas Estatais - Sest

Secretaria do Patrimônio Histórico e Artístico Nacional - Sphan
Secretaria de Desenvolvimento Social do Município Rio de Janeiro
Secretaria de Educação do Município do Rio de Janeiro
Secretaria de Saúde do Município do Rio de Janeiro
Secretaria de Urbanismo e Meio Ambiente do Município do Rio de Janeiro
Siderurgia Brasileira S.A. - Siderbrás
Sociedade Pestalozzi do Brasil

Universidade de Chicago

Universidade de Coimbra

Universidade Santa Úrsula

Universidade Federal do Rio de Janeiro / COPPE

Vila Olímpica do Morro da Mangueira

Appendix 2

PROPER NAMES (only relating to the names cited in the interviews)

Adriano da Gama Kury

Alberto Santos Dummont

Alceni Guerra

Alfredo Américo da Silva

Aloisio Magalhães

Americo Jacobina Lacombe

Angelo Calmon de Sá

Antonio Aureliano Chaves de Mendonça

Antonio Cândido de Mello e Souza

Antonio Delfim Netto

Artur da Costa e Silva

Ascêncio Ferreira

Astrogildo Pereira

Benedita da Silva

Carlos Drummond de Andrade

Emílio Garrastazu Médici

Ernesto Geisel

Ezio Cordeiro

Fernando Collor de Mello

Helio Marcos Pena Beltrão

Irapoan Cavalcanti de Lyra

João Batista Figueiredo

José Sarney Costa

Keith Blass

Lucio Costa
Ludwig Van Beethoven
Luiz Paulo Corrêa da Rocha

Marcelo Nunes de Alencar
Marcio de Souza e Mello
Marcos Villaça
Mario de Andrade
Michelangelo Buonarroti

Nelson Mortada

Oscar Niemeyer
Ozires Silva

Paulo Vieira Belotti
Raphael de Almeida Magalhães
Roberto Burle Marx
Rubem Carlos Ludwig
Rui Barbosa

Salatiel Carvalho
Sergio Rudge

Thiers Martins Moreira

Wellington Moreira Franco

Appendix 3

INTERVIEW OUTLINE

General Outline

During this interview we are going to emphasize your experience in public administration. First of all, though, we would like to know some aspects related to your background, your family, your friends and the period in which you lived.

So, please tell us a little about:

- (1) your intellectual and professional background (studies, reading, trips and any other aspects you consider important to your background);
- (2) the political culture of your region and your generation; your family tradition and possible influences that you were exposed to;
- (3) your career in the private sector (if applicable) and in the public sector;
 - what factors led you to choose public administration?
 - how did your admission to it come about?
 - in which areas did you exercise your activities?
 - did you have to change your place of residence?
 - can we say that you specifically belong to a certain "group"?

After that, we will follow a specific questionnaire examining focal points of the project. In this section, relevant aspects to the research topic in terms of professional experiences and managerial abilities will be highlighted:

Specific Guideline

1. Do you agree with the statement that:

"organizational efficiency and efficacy depend to a large extent on the congruence between:

- the nature of the activity and the mission and objectives of the organization;
- structure;
- processes involving decision-making and information;
- human resources policy and
- systems of reward?

2. Which factors in the public sector make this congruence difficult?

3. What strategies, behavior and actions, both formal and informal, did you adopt to manage your organization?

Appendix 4

Table II – Presidential Mandates

Period of mandate	Name
1930 – 1945	Getulio Vargas
1945 – 1946	José Linhares
1946 – 1951	Eurico Dutra
1951 – 1954	Getulio Vargas
1954 – 1955	Café Filho
1955	Carlos Luz
1955 – 1956	Nereu Ramos
1956 – 1961	Juscelino Kubitschek
1961	Jânio Quadros
1961	Ranieri Mazzilli
1961 – 1964	João Goulart
1964 – 1967	Castelo Branco
1967 – 1969	Costa e Silva
1969	Junta Militar
1969 – 1974	Emílio Médici
1974 – 1979	Ernesto Geisel
1979 – 1985	João Figueiredo
1985 – 1990	José Sarney
1990 – 1992	Fernando Collor de Mello
1992 – 1993	Itamar Franco
1994 – 1998	Fernando Henrique Cardoso
1999	Fernando Henrique Cardoso

Table 1 – Source: Brasil, 1990.

Table III – Constitutions and/or Changes in Political Regime

Date of alteration	Type of alteration
1891	Republican Constitution: First legal document of the recently instated Republic. Heavily influenced by the North American Constitution (1787).
1926	Amendment: Introduced major changes to the original Constitution, among which it increased the possibility of federal intervention in the States.
1934	Constitution: Instatement of the Second Republic, influenced mainly by the Edict of Weimar, 1919.
1937	Constitution: One of the two Constitutions imposed upon Brazil, together with that of March 25, 1824 (Empire). It was imposed on the nation (by Getulio Vargas, marking the beginning of the New State - 'Estado Novo') though not even the plebiscite, which was to approve it, took place. In this Constitution, there is no reference to the harmony and independence of the powers, wherein the Executive "prevailed" over all.
1946	Constitution: This marked the end of the 'Estado Novo'.
1967	Constitution: This prevailed during the whole of the authoritarian regime.
1967	Decree Law 200: This was the blueprint for the administrative trajectory of the Brazilian State during the authoritarian regime.
1969	Institutional Law N. 5: This marked the beginning of the phase of major repression of political and individual rights during the authoritarian regime.
1988	Constitution: This Constitution marks the return to the democratic regime after the long period of authoritarian government. It contains ambitious social advances, albeit many of these have not yet been implemented.

Table IV – Historical Periods – centralization/decentralization

1889 - 1930	Old Republic
1930 – 1945	<p>Political Regime: Getulio Vargas Government – ‘Estado Novo’ Dictatorship (1937 – 1945).</p> <p>Administrative Features: Creation of DASP -- Public Service Administrative Department.</p> <ul style="list-style-type: none"> ▪ Bureaucratic Reasoning. ▪ Emphasis on the means (Personnel, Purchasing and the State Budget). ▪ Strengthening of Centralized Power.
1945 – 1964	<p>Political Regime: Democratic.</p> <p>Administrative Features: Loss of power of DASP.</p> <ul style="list-style-type: none"> • Differentiation through Parallel Administration. • Period of major development, mainly during the JK (President Juscelino Kubitschek) government
1964 – 1985	<p>Political Regime: Authoritarian Government</p> <p>Administrative Features: Decree Law 200.</p> <ul style="list-style-type: none"> • Differentiation through flexibilization of Indirect Administration. • Appearance of SEST.
1985 – 1989	<p>Political Regime: Democratic – New Republic.</p> <p>Administrative Features: Constitution of 1988.</p> <ul style="list-style-type: none"> • Strengthening of SEST in the control of State Companies. • Limitation of increased flexibility obtained by Indirect Administration, mainly after the Constitution of 1988.
1994	<p>Political Regime: Democratic –Fernando Henrique Cardoso Government.</p> <p>Administrative Features: Administrative Reform commanded by MARE.</p> <ul style="list-style-type: none"> • Proposal for New Forms of Management, Executive Agencies and Social Organizations • Privatizations

Appendix 5

BRIEF PROFILES OF PUBLIC FIGURES

Adriano da Gama Kury

One of the leading Brazilian specialists in Philosophy. A Qualified Professor of Fluminense Federal University (UFF), Emeritus Professor, author of several of the most important works on the Portuguese Language, specialist in the area of Romanic Philosophy, researcher of the Casa de Rui Barbosa Foundation.

Alceni Guerra

Physician trained at Paraná Federal University (UFPR), with specialization in Pediatrics, was the Minister of Health (Fernando Collor de Mello Government – 1990), twice elected federal deputy, mayor of Pato Branco during the period of construction of Cetus, Head of the Civil Advisory Bureau to the President (Jaime Lerner Government - PR) and Coordinator of the Paraná State Technological Program (Roberto Requião Government).

Aloísio Magalhães (1927/1982)

Brazilian, born in Pernambuco (1927), graduated in Law. Was coordinator of the project of the National Cultural Reference Center (CNRC), 1975-1980.

Acted as a member of the Federal District Cultural Council, 1976-1980. Was appointed Director of the former National Historical and Artistic Heritage Institute, 1979. Presided the National 'Pró-Memória' Foundation, 1979. Participated as a member of the Bureau of the UNESCO World Heritage Committee, 1981-1982.

Was a member of the Supreme Council of the Brazilian Foundation for the Preservation of Nature, 1981-1982 and Cultural Secretary of the Ministry of Education and Culture (MEC) in 1981.

Américo Jacobina Lacombe (1909/1993)

Professor, historian, biographer and essayist. Was the Director of Casa de Rui Barbosa from 1939 through 1967, at which time this organ of the former Ministry of Education and Culture was transformed into a Foundation, and to which he was appointed president and remained in office until 1993. Throughout this period, he was only absent on two occasions: from 1959 through 1960, to occupy the position of Secretary of Education and Culture of the former Federal District during the administration of mayor Sá Freire Alvim, and from 1962 through 1963 when he was summoned to oversee the 'Casa do Brasil de Civilização Brasileira' in the École des Hautes Études de l'Amérique Latine, at the Sorbonne.

His period as administrator of Casa de Rui Barbosa was highly productive, as he managed to transform this institution from a simple museum established to preserve the former residence, furniture, library and heritage of this important Brazilian luminary and publish his writings, into a pro-active and dynamic cultural center. Furthermore, it should be placed on record that he was the organizer and coordinator of the publication of the Complete Works of Rui Barbosa – undoubtedly one of the most ambitious editorial undertakings in the country, and which now runs to 125 published volumes.

Astrogildo Pereira (1890/1965)

Founder of the Brazilian Communist Party (PCB) in 1922. He was a journalist and writer who dedicated his life to political activities on behalf of the Bolshevik movement in Brazil.

In 1931, he published articles about Rui Barbosa. Being an ardent fan of the famous Brazilian writer Machado de Assis, he was a member of the Machado de Assis Commission, which was instructed by the Federal Government to compile critical modular editions of Machado's works.

Aureliano Chaves - Antônio Aureliano Chaves de Mendonça

He was the Federal Deputy for the state of Minas Gerais from 1967 through 1975. He was elected Governor of the state of Minas Gerais from 1975 through 1978.

He held the post of Vice President Brazil from 1979 through 1985 during the government of João Batista de Oliveira Figueiredo.

During the Sarney Government, he was Minister of Mines and Energy from 1985 through 1988.

Benedita da Silva

Born in the state of Rio de Janeiro, she was the first black Senator elected in Brazil. She headed the Federation of the Associations of shantytowns of the state of Rio de Janeiro and the Centre for women from Shantytowns and Outlying Areas prior to being elected town councilor for the Workers' Party in the Municipal Council of Rio de Janeiro in 1982. Benedita da Silva was reelected to the House of Representatives in 1990, with the highest ever vote for the Workers' Party (PT) in Rio de Janeiro. Benedita da Silva currently occupies a ministerial post in the Lula Government.

Carlos Drummond de Andrade (1902/1987)

The poet Carlos Drummond de Andrade was born in Itabira in the state of Minas Gerais and became a civil servant in 1934, appointed Cabinet head of the Ministry of Education of the Gustavo Capanema government.

Drummond is considered the most influential poet in contemporary Brazilian literature.

His works have been translated into Spanish, English, French, German and Swedish.

Delfim Netto - Antônio Delfim Netto

Economist. He was the Brazilian Treasury Minister from 1967 through 1974 and Brazilian Ambassador in France from 1975 through 1978.

During the Figueiredo government he accepted the post as Minister of State of the Planning Department of the President of the Republic (SEPLAN) from 1979 through 1985.

He was appointed member of the Constitutional Convention from 1987 to 1988.

Geisel - General Ernesto Geisel (1908/1996)

President of Brazil from 1974 to 1979. He instigated the process of the "slow, gradual and unremitting" movement towards a "relative democracy".

General Geisel's government was marked by both democratic and repressive measures, permitting popular debate by the Political Parties and in Congress as well as removing press censorship. The results of these measures appear in the elections of 1974, which were marked by a major victory of the opposition.

Geisel was appointed President shortly after the Oil Crisis, when Brazil was both optimistic and lacked the preparation to tackle the crisis. Despite this, he pushed ahead with the construction of massive projects, such as the Rio-Niterói bridge, the Angra dos Reis Nuclear Plant and the Itaipu Hydroelectric Dam.

Despite all the political and economic crises, Geisel managed to appoint his successor General João Batista de Oliveira Figueiredo.

Ezio Cordeiro

A sanitary physician involved in social works. He was appointed President of the Social Security Institute (INAMPS). He held the post of Secretary of Health for the state of Rio de Janeiro during the 1990s.

Fernando Collor - Fernando Affonso Collor de Mello

Journalist. First President elected by popular vote after 25 years of military authoritarian regime.

He was the youngest ever President of the Republic, being only 40 years old when elected in December 1989. He won the elections on the promise of being a "new broom" politician: to undertake administrative modernization, privatizing state companies, eradicating monopolies and opening up the country to international competition; sweeping away bureaucracy and economic restrictions, etc.

His first dramatic measure was the so-called Collor Plan in 1990. Drafted together with the team of Minister Zélia Cardoso de Mello, the plan eliminated the existing currency, namely the cruzado, re-establishing the cruzeiro, and, by means of a package involving 17 provisional measures, shock tactics were set in place involving the freezing of all funds in the current and savings accounts of all Brazilians for 18 months – except for Cr\$ 50,000.00 (equivalent to US\$

50.00), which could be drawn immediately; thereby confiscating approximately 80% of the money in circulation in the country, in addition to other economic and bureaucratic measures, to reduce inflation and promote free-market policies.

Denunciations of corruption were leveled against government members and the President himself. In August 1992, Congress authorized measures leading up to possible impeachment. These denunciations of corruption led to the setting up of a Parliamentary Enquiry (CPI), with a view to removing the President from office.

On December 29, 1992, President Collor de Mello submitted his resignation when faced with almost certain condemnation. He was replaced by Vice-President Itamar Franco and was banned from holding public office for a period of 8 years.

Hélio Marcus Penna Beltrão (1916/1997)

Lawyer. Was Minister of State for General Planning and Coordination from 1967 through 1969, during the government of General Arthur da Costa e Silva.

He became known as the Minister of Debureaucratization holding office from 1979 through 1983.

He held the Office of President of Petrobrás from 1985 through 1986.

José Sarney - (José Sarney Ribamar Ferreira de Araújo)

President of the Republic. He took office after the death of Tancredo Neves, who died before taking up the presidency.

He remained in office until March 1990, and will be remembered in history books as the president of redemocratization, as well as for his commitment to social programs. He also

provoked massive national mobilization around an economic package, dubbed the Cruzado Plan, and was in office when the New Brazilian Constitution was enacted.

The Cruzado Plan – introduced in February 1986 – changed the currency from the cruzeiro to the cruzado, freezing prices, creating a salary increase mechanism (automatic salary readjustment whenever inflation topped 20%), extinguishing monetary restatement and creating unemployment insurance.

Despite suffering severe political criticism, the Cruzado Plan received the backing of the population. He then implemented the Cruzado Plan II involving readjustment of public tariffs, fuel and other products. This plan did not receive the backing of the population. Subsequently, there came the Bresser Plan, in 1987 and the Summer Plan, in 1989, both of which failed.

In terms of foreign policy, he declared a moratorium on the external debt.

Lúcio Costa (1902/1998)

Born on February 27, 1902, in Toulon, France. Considered the leader of the movement for the implementation of modern architecture in Brazil, he is renowned as being the creator of the Pilot Project for the construction of the nation's new capital in Brasília.

Lúcio Costa made a pivotal contribution to the preservation of Brazil's artistic heritage and architectural renovation in the country. He worked together with Rodrigo Melo Franco de Andrade in setting up and structuring the National Historic and Artistic Service, in 1937.

He also elaborated the urbanization Project for the new suburb of Barra da Tijuca (1969), in Rio de Janeiro. His legacy in terms of theory comprises numerous essays, some of which are landmarks in the formation of Brazil's architectural culture, such as “Razões da Nova Arquitetura (1930) and “O Arquiteto e a Sociedade Contemporânea” (1952), in addition to his autobiography, “Lúcio Costa: Registro de uma Vivência”. Brasília (1985).

Rubem Carlo Ludwig (1926/1989)

Rubem Ludwig was a career military officer. He occupied the post of Minister of Education from 1980 through 1982 and was Head of the Military Cabinet of the Presidency from 1982 through 1985.

Marcio de Souza e Mello (1906/1992)

He was the Minister of Aeronautics in 1965 in the Castelo Branco Government. He continued in the post of Minister of Aeronautics in 1967 in the Costa e Silva Government.

He participated in the creation of EMBRAER in 1969 and continued in the post as Minister of Aeronautics from 1969 through 1971 during the Emílio Garrastazu Médici Government.

Marcos Vinícios Rodrigues Vilaça

Lawyer, journalist, professor, essayist and poet.

He has held public positions in his State and with the Federal Government, and as a member of the deliberative council of assistential, cultural and juridical institutions, notably the following posts: president of Fundação Legião Brasileira de Assistência LBA (from 1985 through 1988); full member of the Council of Justice, Public Security, Human Rights and the Defense of Victims of Criminal Offense, of the Government of the State of Rio de Janeiro; member of the Administrative Council of Pró-Memória National Foundation; Secretary of Culture of the Ministry of Education and Culture; member of the Federal Cultural Council; founding member of the Liberal Front Party (PFL).

He is Minister of the Federal Audit Court (since 1988), of which he was president in 1995; member of the Steering Committee of the Latin American and Caribbean Organization of the Supreme Audit Institutions (OLACEFS); and vice president of the International Organization of the Supreme Audit Institutions (INTOSAL).

Mario de Andrade - Mário Raul de Moraes Andrade (1893/1945)

Professor of History and Music. Poet, novelist, art critic, essayist, Brazilian musicographer and chronicler.

In 1934, he coordinated the Department of Culture of São Paulo City Hall, subsequently transferring to Rio de Janeiro. In 1938 he was appointed Director of the Arts Institute of Federal District University, while concurrently contributing to the Ministry of Education and Culture (MEC).

On his return to São Paulo in 1940, he worked with the National Historical Heritage Service.

Mário de Andrade's main concern was always the cultural identity of Brazil. From music to literature, Mário sponsored and cultivated Brazil's cultural wealth.

Moreira Franco

Mayor of Niterói in 1976 and Federal Deputy for Rio de Janeiro from 1967 through 1975. Was elected Governor of the State of Rio de Janeiro from 1987 through 1991. Was Federal Deputy for Rio de Janeiro from 1995 through 1999.

Nelson de Carvalho Seixas

Physician and founder of APAE and its first President from 1964 through 1973, and again from 1980 through 1986. Member of the Constitutional Convention from 1987 through 1988. He was elected Federal Deputy for the State of São Paulo from 1987 through 1991 and reelected in 1995.

He was appointed President of the National Federation of APAES from 1987 through 1991.

Oscar Niemeyer

He graduated in engineering and architecture from the Escola Nacional de Belas Artes do Rio de Janeiro in 1934. His professional life began together with Lúcio Costa and Carlos Leão, when he participated on the project for the construction of the Ministry of Education and Health.

In 1945, he joined the Brazilian Communist Party. And in 1947, he travelled to New York to work on the project for the head office buildings of United Nations.

In 1956, he was contracted to organize the public tender for the selection of the Pilot-Project for Brasilia, for which he was also on the judging panel for designing the Alvorada Palace in Brasilia and the main buildings for the new capital.

He was made an honorary member of the American Academy of Arts and Letters and the National Institute of Arts and Letters.

Raphael de Almeida Magalhães

Governor of the State of Guanabara in 1965 and Federal Deputy for the State from 1967 through 1968.

Worked as Minister of Social Security from 1986 through 1987 and held the position as Secretary of Culture for Rio de Janeiro in 1988, during the Moreira Franco government.

Roberto Burle Marx (1909/1994)

The story of landscaping in Brazil is essentially the story of the life of Roberto Burle Marx. He was a member of the group of influential figures that contributed to modify the trajectory of art, architecture, engineering and landscaping in Brazil from the 1930s onwards.

Brazilian architecture began to make use of alternative materials such as steel, glass and concrete, which led to the innovative contours of architectural structures. Landscaping needed to keep pace with these new tendencies. Burle Marx began to tour the country in an incessant quest for new species of Brazilian flora. The "Gardening Man", by dint of his research, transformed himself into a self-taught botanist. He was the first person to draw attention to mankind's need to preserve the environment.

Salatiel Carvalho

He was Federal Deputy for Pernambuco from 1987 through 1988. In 1990 he was again elected Federal Deputy for Pernambuco.

Santos Dumont - Alberto Santos-Dumont (1873/1932)

Commonly hailed as the "Father of Aviation".

In July 1901, Santos-Dumont flew around the Eiffel Tower with his airship n. 5.

In 1906, he started his first experiments on the 14-Bis prototype. After several attempts, on October 23, the 14-Bis took off and flew a distance of 60 meters in 7 seconds.

Vinicius de Moraes (1913/1980)

He was born in Rio de Janeiro. He is generally considered one of the greatest Brazilian poets and one of the founders of the Bossa Nova movement. He graduated in law in 1936 and replaced Prudente de Moraes Neto as a representative of the Ministry of Education for Cinema Censorship.

In 1943, he started his career as a diplomat, being appointed vice-consul for Brazil in Los Angeles, California, in 1946.

In 1955, he began his professional career as a musician with the release of the LP "Canção do amor demais", in partnership with Antônio Carlos Jobim with vocals by Elizete Cardoso. It marked the beginning of the bossa nova beat, with the guitar of João Gilberto, who accompanied the singer on several tracks, notably the samba song "Chega de saudade", which is generally considered the beginning of the movement. In 1959, he released the LP "Por toda a minha vida", in partnership with Tom Jobim, with vocals by Lenita Bruno.

In 1961, he returned to his post at the State Foreign Affairs Department until his retirement from Itamaraty in 1969.

Zélia Cardoso de Mello

She was born in São Paulo (1953). She graduated in economics and worked as a university lecturer.

She held the position as Minister of the Economy from 1990 through 1991 during the Fernando Collor de Mello government. She was one of the mentors of the drastic economic measures implemented to combat inflation and reduce the public deficit, which involved confiscating the money of the populace, freezing all current and savings accounts for a period of 18 months, in all accounts with balances in excess of 50 thousand cruzeiros.

In 1991, she also participated in the Collor II Plan (involving further price freezes, deflation mechanisms and other measures affecting the financial markets).

She lost her job in 1991 due to political problems, being accused of corruption and leaking information.

Appendix 6

INSTITUTIONAL PROFILES

BNDES

The Brazilian (Economic and Social) Development Bank - BNDES (Banco Nacional de Desenvolvimento Econômico e Social) – is a State company answerable to the Ministry of Development, Industry and Overseas Trade, the scope of which is to grant long-term financing to undertakings that contribute to the development of Brazil.

Ever since its foundation on June 20, 1952, BNDES has operated as the financing organ for major industrial and infrastructure undertakings as well as being the essential link in support for investment in agriculture, commerce and services, and more recently in micro, small and medium-scale companies

BNDES seeks to build up the structure of the capital of private companies and the development of the capital market. It is also active in its support of social investment geared to education and health, small-scale agriculture, basic and environmental sanitation and collective transport.

BNDES is of central importance to the execution of credit policy and actively promotes sustainable development.

CNEN – Brazilian Nuclear Energy Commission

CNEN is a federal autarchy created on October 10, 1956 and affiliated to the Ministry of Science and Technology. It is the organ responsible for supervision and control of nuclear activities in Brazil. Its main function is to establish norms and procedures relating to protection against radioactivity.

It is the organ responsible for the security of those people who deal with ionizing radiation and the environment, by planning, explaining, supervising and monitoring compliance with and the adequacy of norms in protection against radioactivity.

CNEN is also responsible for conducting research into the utilization of nuclear techniques for the benefit of society.

CNEN's mission is: "To guarantee the safe and peaceful use of nuclear energy; to develop and make available nuclear and correlated technologies, always safeguarding the welfare of the population". This mission clearly reflects the preoccupation with the security and development of the sector, orienting its activities in line with the expectations of society

In this respect, it deals with the licensing of nuclear and radioactive installations; in the supervision of activities relating to extraction and manipulation of raw materials and minerals of interest to the nuclear sector; in the supervision of conditions of the radiological protection of workers in nuclear and radioactive installations; in handling requests for assistance, complaints and emergencies involving sources of ionizing radiation; in the development of studies and the rendering of services for measuring ionizing radiation. In order to guarantee its use solely for peaceful purposes, the control of all nuclear material existing in the country is the responsibility of CNEN.

EMBRAER

The Brazilian Aeronautical Company, or 'Empresa Brasileira de Aeronáutica', was founded in 1969 as a joint private and public State company. Embraer is active in the sector of design, manufacture, commercialization and after-sales of aircraft. In 1994, the company was included in the government's privatization program.

In 1999, the company formalized a partnership with the group made up of the major European aerospace companies – Dassault Aviation, EADS, Snecma and Thales, which

currently hold 20% of the company's capital stock, in order to enhance its technological excellence.

Embraer was the largest Brazilian exporter between the years 1999 and 2001, and the second largest export company in the year 2002, with total production of over 5,500 aircraft.

The company currently holds the position of fourth largest manufacturer of commercial aircraft in the world, employing more than 12.000 personnel.

Fundação Casa de Rui Barbosa

This was the first museum-house in Brazil, with its offices in the suburb of Botafogo in the city of Rio de Janeiro, in the same house in which the renowned Brazilian legal expert and intellectual RUI BARBOSA (1895-1923) had lived. After his death, the Brazilian government acquired his property, library, files and intellectual property and inaugurated the museum in 1930. The Fundação Casa de Rui Barbosa preserves and disseminates collections of national interest, which are an important part of the country's cultural heritage. The museum is open daily to the public and to all users of its services, ranging from a visitor wishing to admire the grounds to a researcher involved in a complex academic endeavor.

The main activities of Fundação Casa de Rui Barbosa are:

The maintenance, preservation and dissemination of the Museu Casa de Rui Barbosa and the park in which it stands;

Assembling, preserving and disseminating the bibliographical and documentary archives, with special attention to the technical laboratories;

Involvement in study and research in its areas of activity (Rui Barbosa studies involving cultural policy, history, law and philology) and in Brazilian culture in general;

Publication of this research and participation of researchers at academic and scientific events;

Training and qualification of researchers;

Use of other venues for staging exhibitions of permanent catalogue items or related to works in progress, as well as courses, congresses and seminars.

In recent years, Casa de Rui Barbosa has paid tribute to the memory of its Patron by publishing his *Complete Works*, studying his life and disseminating his ideas as an intellectual. Rui Barbosa was one of the most important names in Brazilian History, actively participating in several areas of professional activity: lawyer, diplomat, journalist, deputy, senator, minister, candidate to the Presidency of the Republic, president of the *Academia Brasileira de Letras*, and the author of an impressive list of publications.

HTO

The Traumato-Orthopedic Hospital – HTO – was inaugurated in 1973 and is the largest public hospital specialized in orthopedics in Latin America. It was originally part of the National Institute of Medical Assistance and Social Welfare, or INAMPS (Instituto Nacional de Assistência Médica da Previdência Social) currently known as the National Institute of Social Security, or INSS (Instituto Nacional de Seguridade Social).

It is a pioneering hospital responsible for many modern resources and surgical techniques: prosthetics for biological hip and knee replacements, single-unit knee prosthetics and the revolutionary Cotrel Debussy method for fixation of spinal fractures. It is considered a national benchmark in orthopedic medicine

In 1987, HTO set up the first Bone Marrow Implant Bank for public transplants in Brazil, making it possible to treat and cure patients with bone cancer. In 1990, a surgical intervention never previously attempted in Brazil, namely a bone transplant from a cadaver, was conducted at HTO.

IPHAN

The Institute for Brazil's Historic and Artistic Heritage – *Instituto do Patrimônio Histórico e Artístico Nacional* – which is currently an organ of the Ministry of Culture, was created on January 13, 1937 during the Getúlio Vargas government, comprising part of the basic structure of the Ministry of Education and Health. The scope of IPHAN is to research, promote, supervise and protect Brazil's cultural heritage in accordance with the National Constitution. Its archives were compiled from the former archives of *Secretaria do Patrimônio Histórico e Artístico Nacional - SPHAN* and *Fundação Nacional Pró-Memória - PRÓ-MEMÓRIA*.

IPHAN was entrusted with the supervision, protection, identification, restoration, preservation and revitalization of monuments, archaeological sites and cultural assets of the country, by means of specific legislation. It is responsible for training technicians, controlling the number of listed buildings, supervising restorations and revitalizations in order to guarantee the safekeeping of the bulk of Brazil's architectural and urban heritage.

The work of preservation of Brazil's cultural heritage conducted by IPHAN can be seen in the more than 16,000 listed buildings, 50 open complexes and centers, 5,000 registered archaeological sites, over one million objects, including a museological archive, over 250.000 bibliographical works, archive documentation and photographic, cinematographic and videographic records. Brazil currently boasts nine cultural and natural monuments considered World Heritage sites by UNESCO.

In November 1979, IPHAN once again became part of the Ministry of Education and Culture (MEC) and became known as the *Secretaria do Patrimônio Histórico e Artístico Nacional – SPHAN*, the scope of which included responsibility for one of the fundamental purposes of the Ministry of Culture. In April 1990, as decreed by Law 8.029, the Brazilian Cultural Heritage Institute – *Instituto Brasileiro do Patrimônio Cultural - IBPC* was founded and the duties, files, income and budgetary allocations of SPHAN were transferred to it. The Instituto Brasileiro do Patrimônio Cultural assumed all its rights, obligations and attributions. The Institute, the corporate designation of which was established in Decree 99.492, of September 1990, suffered a further name change back to *Instituto do Patrimônio Histórico e Artístico Nacional - IPHAN*, as per the terms of Law 9.649, of May 1998.

LBA

On August 28, 1942, President Getúlio Vargas created LBA - Legião Brasileira de Assistência – a foundation established for the purpose of providing social assistance to the needy.

Thanks to its programs on many fronts, by the second half of the 1980s it had become the largest social development agency in Latin America. These programs included: reduction of child mortality; physical and psychosocial development of children between 0 and 6 years of age; the reintegration of the elderly in the social milieu; assistance to the handicapped; social inclusion for the exercise of civic duties; incentive for corporate initiatives.

In 1995, after a series of managerial scandals beginning in 1990, LBA was closed down.

However today (2003), the implementation of a social policy sorely lacks the structure and agility of that former agency in order to promote the objectives of the government in this area

PETROBRÁS

Petrobrás was founded in 1953, with a view to conduct activities in the petroleum sector in Brazil. Petróleo Brasileiro S/A began its activities with the archives received from the former Conselho Nacional do Petróleo (CNP).

Over the course of five decades, it has become a market leader in prospecting, exploration and distribution of derivatives in the country, and is now among the twenty leading worldwide petroleum companies.

In 1961, Petrobrás inaugurated the Duque de Caxias (Reduc) Petroleum Refinery in Rio de Janeiro.

In 1962, the government established a monopoly for the importation of petroleum and derivatives in order to reduce the cost of imports. This measure made it possible for Petrobrás to conduct negotiations resulting in considerable savings in foreign exchange for the country over the course of the following years. In 1997, with the passing of Law 9.478 the petroleum industry market was opened up to private initiative and the ANP – Agência Nacional do Petróleo – was created to be the regulatory organ for the sector.

Petrobrás currently boasts the most advanced technology in the world in terms of deep-water petroleum prospection, exploration and production, as was declared at the OTC – Offshore Technology Conference. Since 1997, Petrobrás has been a member of a select group of 16 countries that produce more than 1 million barrels per day.

Fundação Nacional Pró-Memória

Fundação Nacional Pró-Memória was founded on December 17, 1979 by Law 6.757 of the Ministry of Education and Culture. It is a public foundation run as a business, which has the duty to classify, list, conserve, protect, restore and revitalize the assets of cultural and natural value that exist in Brazil.

Fundação Nacional Pró-Memória took over the archives of the Patrimônio Histórico e Artístico do Brasil. In April 1981, the Secretaria da Cultura do Ministério da Educação was created. The Secretaria do Patrimônio Histórico e Artístico Nacional, which is linked to it, became a sub department. In March 1985, the Ministério da Cultura was founded, and in July the same year, the Secretaria do Patrimônio Histórico e Artístico Nacional was reinstated.

During its existence, Fundação Nacional Pró-Memória was also responsible for both present and future listed assets.

With the administrative reforms promoted by the Federal Government in 1990, Fundação Nacional Pró-Memória and the Secretaria do Patrimônio Histórico Nacional were extinguished to make way for the Instituto Brasileiro do Patrimônio Cultural. The attributions and archives of the two aforementioned institutions were transferred to it, and in December 1994, it became IPHAN - Instituto do Patrimônio Histórico e Artístico Nacional.

On April 12, 1990 Law 8.029 extinguished Fundação Nacional Pró-Memória and transferred all the assets under its responsibility to IPHAN (Instituto do Patrimônio Histórico e Artístico Nacional). Due to this transformation, IPHAN again became part of the basic structure of the Ministry of Education and Culture (MEC) and was again known as Secretaria do Patrimônio Histórico e Artístico Nacional – SPHAN, the scope of which was to be responsible for one of the intrinsic purposes of the Ministério da Cultura.

IPHAN has therefore been in existence, under various different guises, since 1937. It is one of the oldest preservation institutions in the world

SEST

The State Company Budget and Control Sector, or Secretaria de Orçamento e Controle de Empresas Estatais, currently known as DEST – Departamento de Coordenação e Controle de Empresas Estatais, which is a public institution linked to the Ministry of Planning.

Its purpose is to coordinate the preparation of the Global Spending Program of the Government and the investment budgets of the state companies. It also conducts budgetary execution and monitors the results of the state companies against the pre-established goals.

DEST was an institution of fundamental importance in assisting the Minister of State for Planning, budgets and management in matters related to the National Privatization Program.

DEST is also responsible for making available economic/financial information on state companies and establishing parameters within which the state companies should act.