

Università Commerciale Luigi Bocconi

THE ORGANIZATIONAL ROLE OF BRAZILIAN MIDDLE MANAGERS

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ABSTRACT: In this study, I identify the main institutional streams that hybridize to form the role of Brazilian middle managers: technical knowledge brought by European immigrants; technically-oriented education in the early periods of industrialization; and, management models imported predominantly from the USA and diffused mostly by multinational companies (MNCs), business schools and consultants. Based on 96 survey questionnaires and 33 qualitative interviews, I find that Brazilian managers working for Brazilian companies follow a conceptualization of management based on technical problem solving skills, while Brazilian managers working for MNCs' subsidiaries located in Brazil adopted a conception of management supported by managerial-like competencies such as motivating, coordinating, and planning. Managers identified mostly with Brazilian culture and its hybrid variants. Hybridization of institutional streams is facilitated by the flexibility and adaptability that previous research identified as typical of Brazilian culture. Comparing my results to those of studies conducted in other countries, I also find that the local institution of management deeply-rooted in technical knowledge is simultaneously homogeneous across localities. The methodology consists of non-parametric rank tests and qualitative data analysis.

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INTRODUCTION

Management has diverse meanings, carries different constraints and is a distinct vehicle for action in different countries (Livan & Burgoyne, 1997; Sparrow & Hiltrop, 1997). Managers, more than other organizational roles, are exposed to a variety of institutional and cultural pressures. They have the responsibility to hold together different subcultures within firms, to connect their units with the internal and external organizational networks, and are exposed to both their national business system (NBS; Morgan, Kristensen, & Whitley, 2001) and to the global market of management and organizational ideas and fashions. Middle managers in Britain, Germany, and Italy, for example, have been shown to hold different types of knowledge in relation to national institutions such as the education and the career system, and have as common roles the maintenance of a positive social environment and the handling of exceptions (Delmestri & Walgenbach, 2005).

With globalization, much human activity has spawned a growing set of universalized rules and standards. The old protective armor provided by the sovereign national state and society has weakened, so much local activity become linked into the global web of organizations and institutions (Drori, Meyer, & Hwang, 2006). Businesses, regardless of nationality, have come to be viewed as similar – organizational actors that share universal and standardized characteristics (Moon & Wotipka, 2006). Standardized and universalized models of management rise, consulting industries propagate global models of management (Sahlin-Andersson & Engwall, 2002).

Managers are, therefore, in the middle of local and global institutional (and cultural) pressures. To study the effects of such pressures, I investigate the role of Brazilian middle managers, identifying the institutional streams (Delmestri, 2006) that contribute to the definition of their role. Previous research on Brazilian management focused on cultural traits such as flexibility and adaptability, (e.g. Amado & Brasil, 1991; Freitas, 1997; Tanure & Duarte, 2005), power concentration, personal relationship, (Elvira & Davila, 2005; Tanure, 2004) or its permeability to foreign management practices (Wood Jr. & Caldas, 2002). I go beyond this literature and, adopting the view of institutions as streams (Delmestri, 2006) and concepts of cultural hybridization (Shimoni & Bergmann, 2006), I explore hybridization processes that occur at the intersection of such streams, in addition to assessing whether Brazilian managers adopt a conception of management based on managerial-like skills, i.e. motivating, coordinating and planning or a conception based on technical problem solving skills (see Delmestri & Walgenbach, 2005). As its local institutions have not reached stability yet (Rodrigues & Tanure, 2002), Brazil offers a unique landscape for observing how different institutional streams merge.

Thus, employing a survey questionnaire and qualitative interviews based on Stewart, Barsoux, Kieser, Ganter, & Walgenbach (1994), I compare managers working for Brazilian and multinational companies (MNCs) in Brazil. MNCs, as bearers of transnational or even global institutions, offer excellent opportunities for studying such intersections. Results show that managers enact their roles differently in the two groups of companies and, although managers of local firms display conceptions of management different from those managers of MNCs, locals' conceptions are still similar to the conceptions of Italian and German managers in the dimensions studied. I propose explanations for the findings based on the

qualitative interviews and on previous research on Brazilian management. In this study, I employ the terms "MNCs" and "international firms" interchangeably (even though analytically they connote distinct relations, acting in multiple nations, and between and across national borders, respectively).

Brazil occupies a relevant position in the world scenario. Among developing countries, it hosts the largest number of affiliates of the world's largest MNCs (81) (UNCTAD, 2006, p. 34) and received 18.1 billion dollars in FDI inflows in 2005, behind only China, Hong Kong and Mexico among emerging economies. A critical factor in attracting FDI has been the privatization of high value added industries, such as service industries, banking and telecommunications. It is the third preferred emerging economy by CEOs of MNCs to invest (UNCTAD, 2006). Overall, Brazilian companies are playing an increasingly important role in the global arena. Among the Forbes Top 2000 World Firms, nineteen are Brazilian companies. On the other side, from the 80's through the 90's Brazil has been the leading developing economy in stocks of outward FDI, having fallen to the 6th position in 2005, after Hong Kong, British Virgin Islands, Russian Federation, Singapore and Taiwan . Still, in 2005 the flow of outward FDI surpassed that of inward FDI, suggesting that Brazilian companies and its management can be successful abroad. It is the 10th world economy, with roughly 794 trillion Dollars GDP in 2005 (World Bank, 2006).

The study is structured as follows: in the first chapter, I review the literature on Brazilian management and the cultural features that affect it - personal relationships, flexibility, power concentration - and trace the historical origin of these features. Although I do a study based on the institutionalist approach, this is the literature closest to that approach

available for Brazil, and it will be useful for understanding how middle managers enact their roles. In chapter 2, I discuss Brazilians' attraction by management models created in developed countries. Moreover, I present the concepts of institutions as streams and of cultural hybridization.

In Part II, from a historical perspective, I describe the Brazilian process of industrialization, detailing the most relevant forces present in different periods. It is important to follow this evolution in order to capture the different pressures present in each historic moment and, thus, understand how the Brazilian managerial identity has been formed. Each chapter is dedicated to a different stage.

The first stage goes from the second half of the 19th century until 1955. In this stage, European immigrants, mostly Portuguese and Italians, were the first entrepreneurs. They had brought with them the technical knowledge necessary to their activities, and they managed based on their technical knowledge. This is the beginning of the identity formation of Brazilian managers.

During the second stage of industrialization, the industry was modernized, and the automotive industry had a crucial role, North-American influence and management models started to have greater influence in the country. Japanese and European models were also present. Cooperation between American universities and Brazilian business schools led to a widespread dissemination of American management practices. Consultancy firms and the editorial market also played an important role on the diffusion of foreign models. Multinational companies adopted management practices dictated by their headquarters.

The third stage starts with the economic opening and globalization in the 90's. Competitive pressures force Brazilian companies to modernize or perish. Fashions and fads pop up: reengineering, restructuring, work

teams, downsizing, empowerment, learning organization, Intellectual Capital, Total Quality Management, among others, arrive in Brazil. Models, most of the times, are adopted without questioning and without understanding of their underlying rationalities.

Part III details the research design, results, and conclusions. The research is conducted in two steps: a survey questionnaire, filled by middle managers appointed by HR managers after an explanatory conversation with the researcher; and the qualitative interview for a restricted number of managers. Managers are split in two groups: *Brazilians*, who work for Brazilian firms; and *Internationals*, Brazilian managers working for the Brazilian subsidiaries of MNCs in Brazil. Companies from Denmark, Finland, Germany, India, Italy, Japan, and USA collaborated with the research.

Differences between the two groups are then identified, and managers of both groups are classified into profiles: those who enact their role following a managerial logic, i.e. emphasizing motivation, coordination, and programming skills; and those emphasizing technical problem solving skills.. Qualitative data are used to explain the differences. Results are then discussed according to the theory proposed. Finally, I present the conclusions, the limitations of the study, suggestions for future research, and implications for management.

CHAPTER 1

BRAZILIAN CULTURAL TRAITS

In this chapter, I review the literature on the Brazilian cultural traits that are relevant to define how management is enacted in Brazil. I present the historical origins of *jeitinho*, the Brazilian name for flexibility and adaptability, and argue that these traits intermingled and result in flexibility, adaptability and receptiveness to foreign influences. As previously noted, in this study I follow an institutionalist approach, but there are not studies in this line of research for Brazil. Thus, I draw from the cross-cultural literature some features that will be useful for the understanding of the issues discussed here.

Power concentration, personal relationship, and flexibility

As pointed out by Tanure (2004) power concentration, personal relationship, and flexibility are three pillars of the Brazilian cultural system. Leveraging on these pillars may allow managers to legitimate themselves in front of their subordinates.

Among the four dimensions considered by Hofstede (1984), the power distance index is the one that most clearly distinguishes Brazilian culture. Hofstede's study was replicated in 2004 by Tanure, who noted that, after three decades, the trend towards power concentration in the Brazilian companies remained demonstrating that the basic value of how to handle power did not change (Tanure, 2004). Power concentration manifests itself in authoritarianism. It implies no consultation in the making of decisions; a failure to discuss a policy with whom will experience its results (Rodrigues & Tanure, 2002). The power of an

authoritarian boss depends not only on who control the resources in an exploitative manner, but also on the enforcement of inferiority and incapacity among subordinates and on the exchange of favor by loyalty (Rodrigues & Collinson, 1995).

The manner and importance of personal relations is another fundamental trait of the Brazilian culture. This is a society where the bonds among people are strong and shape the structure of relations in different social groups. Brazil is acknowledged by visiting foreigners for the friendliness of relations, hospitality and the inclusion of the personal dimension in professional relations. This trait refers to the importance of relationships rather than individuals in Brazilian society. Brazilian people feel rather uncomfortable in impersonal and formal situations. This is due to the role of the family. Families were centralized on the father figure and regulated by blood and affective relationships (Freitas, 1997). Thus, Brazilians try to create a climate of intimacy with strangers as a means of shifting from the unfamiliar to the familiar (Rodrigues, 1996; Da Matta, 1989).

Elvira and Davila (2005), citing Montaño (2000), point that within Hofstede's (1984) dimensions of power distance and collectivism, two value categories, social relationships and respect for authority, characterize most Latin American countries. The interface of these categories reflects what Elvira and Davila (2005) call a hybrid cultural Latin American management model. Respect for authority appears in the form of: a) benevolent paternalism, a leadership style where a supervisor has the personal obligation to protect his/her subordinates and in some cases to safeguard the personal needs of workers and their families; b) avoidance of public conflict and confrontation with supervisors; and, c) social distance, displayed in valuing hierarchy and symbols of social

differentiation. The importance of social relationships appears in: a) social contacts, these being preferably face to face and loaded with a high emotional content; b) loyalty to the in-group; and, c) religious traditions in the workplace and social events that include the worker's family.

Paternalism, another strong trait in work relationships in Brazil (Tanure, 2004; Davel & Vasconcelos, 1997), sprouts directly from the combination of power concentration and personalism (Tanure, 2004). Fear of erring counteracts paternalism; the desire to always do well and be recognized by "big power" is one of the origins of this stance. Fear of erring can be paralyzing and negative to the performance of the organization or it can be well-handled by the leaders and become encouraging for improvement on the quest for self-actualization (Tanure & Duarte, 2005).

Another typical cultural trait of the Brazilian culture is flexibility, which is best expressed by the Brazilian "*jeitinho*" (Amado & Brasil, 1991). According to Freitas (1997), there is an 'intermediary path' between what is and what is not allowed. This search for an intermediary path reflects a way of life in which the impersonal and the personal can be related to each other. At the same time, it represents the flexibility and capacity of adaptation of the Brazilian people (Tanure & Duarte, 2005).

According to Tanure (2004) flexibility is, in fact, a double-faceted category, reflecting adaptability and creativity. Adaptability is identified in several situations in companies, such as the agility they show in adjusting themselves to the different government economic plans that have been so common in the recent past. Seen from the standpoint of process, the adaptability concept does not relate to producing anything new in the purest sense of creation, but it has to do with an adaptive capability exercised within pre-established limits. The concept of creativity

adds an innovative element. It occurs both in situations in which there is *de facto* originality as well as in those where there is *de jure* equality. Even in the so-called samba schools, there is that individual who stands out braced by personal relationship in the group or in the hierarchy. This is another hallmark of the Brazilian culture: the flexibility to coexist with hierarchy in a *de facto* egalitarian milieu. Flexibility is also permeated by one of the outstanding traits of the Brazilian culture: affectivity. Tanure (2004) points that Brazilians disclose thoughts and feelings through the verbal medium and otherwise. They are inviting and do not shy away from physical touch; their gesturing and expressions are strong and their talk is fluent and dramatic. Informality also plays a major role in this scenario. It may be expressed by several means: communication, language, way of dressing, use of time and so on. It is also used to inject a greater degree of cordiality and hospitality into interpersonal relationships (Freitas, 1997; Rodrigues, 1996). Still according to Tanure (2004), Brazilians' capability to hover in the spaces of leaders and followers or in institutional and personal spaces explains a few of the paradoxes of Brazilian society: it is happy and harmonic, even in poverty; it is creative but with a low level of critique. The manner of handling these apparent paradoxes is what typifies the Brazilian culture, and external observers marvel at the Brazilian way of being. Coexisting with opposites is an art typical of the country's culture (see also Elvira & Davila, 2005; Rodrigues & Tanure, 2002).

At this point, I go back in time to look for the origins "*jeitinho*", the Brazilian way of being flexible and adaptable.

The origins of “*jeitinho*” – Flexibility and adaptability

During his early interventions within Brazilian organizations, Amado was surprised by a mix of warm and discreet efficiency for the resolution of minor problems (Amado, Faucheux, & Laurent, 1991). “*Vamos dar um jeito*” (“we’re going to find a way”) was the expression that most impressed the French researcher because of its frequency and its final efficiency. He started questioning his Brazilian colleague about it. The latter confirmed the importance of the *jeitinho* in Brazilian mentality as a way to overcome obstacles, but he stressed mostly some of its negative aspects, linked to corruption. Out of the dialog initiated around this notion, a joint investigation process was born as an attempt to identify potential specifics of Brazilian organizational behaviors that would be likely to explain resistance to the implementation (if not the understanding) of North American principles, mostly in international firms.

In order to understand *jeitinho* (Amado & Brasil, 1991), or the facility Brazilians have to adopt foreign models and adapt to them, or the extreme capacity Brazilians have to find a way out of difficult situations, it is necessary to go back to its Portuguese roots. According to Faoro (1958; cited in Amado & Brasil, 1991), Brazil emerged, in early days, as a confluence of the Portuguese, the African, and the native peoples who formerly occupied the territory, usually referred to as “*Indians*”. Although Brazilians are a blend of races, the leaders in the process are the Portuguese, who had political control and formed the elite. The racial fusion took place with Portugal, the Metropolis, as the catalytic agent and also as the socio-political reference, whereas the Portuguese people are

themselves of mixed blood, with the Moors and even the Africans present in their ethnic background.

Such plasticity in the Portuguese ethnic background had deep influences in the colonization of Brazil. When the Portuguese came to Brazil, a long-standing and typical socio-political order had already been established in Portugal, different from that in other European countries.

A centralized power, of military nature, replaced the incipient feudalism in Portugal. The king chose his servants following a mercenary process, rewarding them with goods and the promise of privileges. These servants of wealth did not have to pass through the sieve of the feudal barony which, for that reason, was slowly extinguished.

The state, as a personal enterprise of the prince, had a part in every private business, buying loyalty via the royal treasury, always eager for more contributions. The economy was at that time centralized on the state treasury, which collected revenues and taxes. It was the paternalist entrepreneur and prince who controlled the kingdom as his own home. Everything was rather different from the rest of Europe, where business was held by private enterprise with a commercial and mercantilist angle.

Portuguese capitalism flourished like an appendix to the royal house and as a dependent and minor partner. In that structure, traditionalism and centralization predominate and are almost synonymous.

The fundamental element in this machine was the bureaucratic "*estamento*" recruited by the king in order to accomplish his despotic will and goals, in the realm of a patrimonial state. *Estamento*, according to Faoro (1958), means a group characterized by an aspiration to privileges, which finds its accomplishment in differentiation through honor and the

acceptance of individuals. It is different from class, which is the result and product of economic interests tied to the market. It is also different from bureaucracy, which is a simple apparatus of the establishment, its administrative staff performing on the borderlines of rational and professional behaviors. But, even so, *estamento* may sometimes appear as either a class or a bureaucracy, in some ways linked to the state. It cannot be seen as a dysfunction, but better yet as a distortion. It is also different from the political elite, since it is found in all strata.

The *estamento*, on behalf of the prince, is the nation's referee, and also its class's referee. It holds the economy materially as if it was the master of its sovereignty, and the Portuguese transplanted this social category to Brazil.

The country's colonization took place under an *estamental* and patrimonial economic order, to become later a state capitalism, highly supported by the bureaucratic *estamento*. Thus, it was the country's trademark always to depend on the state, even after the Proclamation of the Republican Regime—theoretically considered as a reaction against monarchy, but which maintained the bureaucratic *estamento* unchanged. But the republic was imposed on the people, and “it boycotted every single opportunity to consolidate citizenship” (Carvalho, 1987).

This economy dependent on the state started with the “*capitanias hereditárias*”¹, which were a king's donation to his “protégés”. The *capitanias* were inalienable and indivisible, to such an extent that they would eventually return to the donor's possession. The early explorers in Brazil themselves behaved as contractors and managers of the Power because they were used to being the king's commissioners.

¹ In colonial Brazil, the *capitanias hereditárias* were jurisdictional divisions corresponding to provinces, each allotted to a protégé of the prince.

Thus, everything in colonial Brazil and in the kingdom of Brazil was delegated. After independence, the empire organized itself as a bureaucratic *estamento* that nestled into the Executive Power and was the first symptom of the mechanism of intermediation and arbitrariness (Faoro, 1958, p. 204, cited in Amado & Brasil, 1991). Joaquim Nabuco (1915, pp. 280-281) had already noticed that "since the beginning, the heat, light and life for the larger organizations had come from the Treasury." This fact includes a high degree of economic and legal regulatory power that the *estamental* state holds, making private enterprise difficult. However, organizations found ways to get around such interventionism: that they avoided it by associating with the state, standing by its side, and by obtaining subsidies, protectionism, unofficial cartels, and exceptional financing. The government, by subjecting organizations to its will, provided for their needs.

In this manner, the *estamento* has become a way of taking advantage of one's own individual and personal influence before the state in order to get privileges, which has turned out fundamental to the nation's functioning. Even as a strategy to reduce conflicts and to hide the dualities found in the social structure, such *estamental* bureaucracy is the support of a culture that explains to a great extent the Brazilian people's characteristics and way of life. The popular answer to how to avoid or ignore this spurious usurpation is to create new behavior possibilities (Ramos, 1983) which become, in the course of time, deeply rooted in a culture or in the features of that culture.

The "*casa grande e senzala*"² represented the whole economic, social, and political system—namely, labor and production, religion and sexual

² The cluster of inhabitations common to most monocultural plantations in Brazil. *Casa grande* was the owner's house, while *senzala* was the slaves' house. Sugarcane and coffee were the largest monocultures in Brazil.

life, which have left marks in the Brazilian people's way of life and behavior. Slavery and large landed estates support the coffee and sugarcane monocultures. In these properties, the coffee farmer or the "*senhor de engenho*" (the owner and master of large sugarcane fields and sugar mills) was not only the landowner but also the master of men and women. Such "microcosmos" reinforces the ongoing authoritarianism and centralization in the *estamental* government, in colonial, imperial, or even in republican times.

The slavery regime—the base of the entire system—provided the blacks with economic support while they “compounded” with the Portuguese *senhor de engenho*, exchanging culture and blood, and thus incorporating habits, behavior, and food. In order to face an oligarchic social system, Brazilians developed a “*jogo de cintura*”—a flexibility of body and spirit to deviate from obstacles³ – an aspect of what can be identified as a key to the Brazilian behavior, the *jeitinho*, a typical cultural feature. Plasticity and flexibility are prominent. *Jeitinho* is the common denominator, the basis from which an interpretation of the Brazilian culture becomes possible. It is not an absolute feature, but the *jeitinho* provides a key for deriving some insights into Brazilian management. *Jeitinho* is kindred to the French *Debrouillez vous* and to the Italian *combinazione*, expressing a specifically Latin dimension of power and psycho-social means of mediation (Amado & Brasil, 1991; Rodrigues, 2002).

Two authors have elaborated a sociological theory of the *jeito*—a way, manner, tact, appearance, adroitness, aptitude, dexterity . . . (“dar un jeito” is a very common expression meaning “to find a way out to”) –

³ This idiomatic expression was originally used to depict the way Brazilians play soccer, as if they were dancing samba, swinging their hips to avoid opponents. It is applied as a metaphor in day-to-day life to indicate the tricks one has to use to overcome obstacles.

Guerreiro Ramos (1983) and Roberto Campos (1960). They see *jeito* as the most genuine Brazilian process of problem managing, “despite the contents of the rules, codes and laws,” as the latter says, an efficient adaptive process for living in a closed, centralized, “estamental,” and formalistic society, with the advantage of avoiding deadlocks, extreme solutions, and paralyzing situations. It is a highly functional and effective device. It bypasses a legal framework full of “texts out of context—technical elaborations that were not born from customs but from a highly oligarchical power” (Campos, 1960).

Nevertheless, by being flexible and labile, Brazilians have a chance to face their authoritarian and discriminatory environment, as well as to resist change (Amado & Brasil, 1991).

Another category we may include in Brazil's *jeitinho* culture is that of “*gambiarras*” which is a kind of a non-professional, cheap, and quick repair or mending (Paulielo, 1984). *Gambiarras*, as a rule, “breaks up” in very improper circumstances because the definitive arrangement is always postponed. In this way, a provisory solution becomes a permanent one, despite the risks involved in its adoption. Brazilians use *gambiarras* to patch up cars, utilities, and even the federal constitution, because it is easier to make a quick repair than it is to give a matter some more thought. In a positive interpretation, *gambiarras* reflects flexibility (Amado & Brasil, 1991). In management, *gambiarras* appears as provisory arrangements for problems which definitive solutions are too complicated to be figured out at the moment, or would take too long to be worked out, or would involve dealing with power issues which the managers are not willing to.

“Paid to know”

Still according to Amado and Brasil (1991), Brazilian organizations are predominantly worried about immediate results, achievement, and short-term performance, which are particularly stressed by managers with an engineering background. Results are consequently restricted to a short- and medium-term strategic framework. Such actions impair the purposes and goals of productivity, cost reduction, and quality, as well as organizational efficiency.

When analyzing the organizational, managerial, and individual strengths and weaknesses, the groups have shown a great ease in determining weaknesses and a great difficulty in finding strengths. Primarily, they limit themselves to the professional's personal skill and technical competence, and to each person's commitment to the organization – “we wear the company's jersey⁴” – and to one's best intentions of improving and developing.

Within the Brazilian organizational reality, there is a remarkable appreciation of managerial positions, to the detriment of technical positions. Salary increases and promotions are closely bound to the executive positions, thus leading to a depreciation of technical duties. There is, however, a paradox in the promotion process, since managers are selected on the basis of their individual technical competence (Amado & Brasil, 1991, pp. 40-41).

Cardoso (1964) noted an excessive direct control inside Brazilian organizations, where family control works as a tool to restrain the

⁴ “To wear the company's jersey” is the literal translation for “vestir a camisa”. It is a reference related to football, and it means “to be committed to the company to the point of wearing its jersey”.

delegation of authority to subordinates, and to value and stress loyalty and trust as desirable characteristics of subordinates.

According to Laurent (1983), Brazilian managers believe more than the others that the main reason for having a hierarchical structure is to establish each one's authority. Unlike North Americans, and more than their Latin counterparts, Brazilian managers are convinced that they are paid to *know* and, in front of their own subordinates, they do not tolerate uncertainty.

Brazilian organizations seem to be comprised of members who are faced with the fear of unbearable conflicts, sensitive to the human dimension of work, and who are accustomed to avoiding difficulties thanks to personal interventions, which are the basis of the equilibrium. This is where the most remarkable difference of Brazilians seems to lie. Their history and their socio-cultural roots are the basis for these intermediations, of which the Brazilian "*jeitinho*", in Amado and Brasil's (1991) opinion, makes a paradigmatic synthesis.

In the absence of institutionalist literature to draw from, in this chapter I collected information on Brazilian cultural traits that, in combination with other contextual elements, give Brazilians a facility to mold themselves to different circumstances. In the next chapter, I put in evidence how these traits work together when adopting foreign management models.

CHAPTER 2

THE ADOPTION OF FOREIGN MANAGEMENT MODELS

According to Wood Jr. and Caldas (2002), Brazil is intensely drawn on managerial models created in developed countries. The reasons for that lie in a series of contextual elements. The first of these contextual elements is the set of traits that generate a national culture receptive to the importation of foreign managerial expertise. They highlight two such traits: plasticity, the openness and permeability to foreign influences; and formalism, the tendency to adopt façade behaviors resulting in a discrepancy between the formal and the real. These cultural features help to explain why Brazilians are open to external influences but usually submit to them only ceremonially (Aidar, Brisola, Motta, & Wood Jr., 2000; Barros & Prates, 1996; Motta & Caldas, 1997).

The taste for the exotic, for foreign items, for mixing and matching, began early in Brazil with the colonizers (Ribeiro, 2000). From the Portuguese, Brazil inherited plasticity and a tendency towards ethnic mixture.

However, the resulting mixture of races cannot hide the hierarchical society enforced by the colonizers over other ethnic groups. In Brazil, a myth of racial democracy was created, according to which people are supposedly equal, in concept and before the formal law. But Brazilian reality reveals unspoken racial prejudice (Da Matta, 1989). This gap does not apply to ethnic matters alone, being equally seen in connection with other forms of social behavior. In such circumstances, “formalism” materializes in the mismatch between what one does and what one says

(Caldas & Wood Jr., 1999). Formalism is relevant to several possible reactions to the adoption of foreign managerial expertise, especially ceremonial behavior. This behavior is designed to deceive foreigners that an alien practice is being adopted, when it is actually being resisted or only partially adopted.

The second element is related to globalization, special note being due to the country's integration into the world economy since the early 1990's⁵. Globalization is a process which exposes social actors to a wide array of interactions and institutional influences, which intermingle in defining the identities and cognitive resources that actors can have access to, in order to pursue their objectives and to be integrated in their social contexts (Delmestri, 2006). Globalization implies in a global culture. Among global cultural principles is the notion that, in place of the nation-state model rationalized around a sovereign state, we now have the global conception of a more abstract and universal rationality. There are generally right ways to do things, carried, among others, by social scientific professionals whose instructions have widespread and rapidly increasing authority. There are correct ways to bring about schooling, economic development, and democratic politics and the principles of bringing those things about apply everywhere. The laws involved rely in good part on a natural principle of logical rationality, and the principles and models are universal - not seen as linked to racial, historical, religious, or accidental virtues of particular peoples (Meyer, Drori, & Hwang, 2006).

⁵ This process includes: (1) increased investments of foreign companies, with emphasis on communications, electricity, auto industry, and banking; (2) increased imports, which increased from \$21 billion in 1992 to \$58 billion in 1998; and (3) increased exports, which increased from \$36 billion in 1992 to \$51 billion in 1998. Source: DIEESE/Banco Central do Brasil. Relatório Anual (<http://www.dieese.org.br/anu/2001/>).

As Brazil's level of involvement in the world economy increases, the country is forced to create institutions and/or adjust the operations of the existing ones to norms and standards acceptable to the international community. This helps the homogenization of political, economic, and business models, and can increase the flow of management ideas. This is a transfer mechanism that DiMaggio and Powell (1983) call normative. Globalization suggests a common and unified world. The scientization (Drori et al., 2006) of the natural environment underscores the notion that universal laws are in place everywhere – the uncertainties that these law-like patterns create are standard, and the means to most effectively deal with them are also standardized. Thus, large-scale consulting firms carry common policies and programs everywhere, and local firms copy them (Meyer et al., 2006).

The third element relates to changes in Brazil that have contributed to the rise of a business medium receptive to foreign managerial technologies. For Brazil, the 1990's may be seen as a crucial period in the process of adapting to the new world economic order and as a time of deep changes for local companies. As exposed in detail in Chapter 5, the economy was restructured, emphasizing reduced barriers to imports, freeing financial flows, and advancing a major privatization program⁶. The main consequences of these changes were the closing down of numerous firms, the denationalization of several industries, and a vigorous trend of mergers and acquisitions, most of them between

⁶ In the early 1990s, taxes for imports of capital goods, consumer goods, electronics, petrochemicals, textiles, and many other products were substantially reduced. Simultaneously, more flexible rules for the control of financial flows were implemented, and a major privatization program was accelerated. The joint effect was the attraction of investments from numerous multinational firms, such as: Telefonica, AT&T, Nortel, Daimler-Chrysler, Renault, PSA (Peugeot-Citroen), Honda, Toyota, HSBC, BBVA, Santander, and ABN-Amro. For a detailed account and statistics on the restructuring of the Brazilian economy, see Diniz (2000).

domestic and foreign companies. Another outcome was the massive importation of foreign managerial expertise. This inflow was a result of both the entry of new companies into the market and the effort made by local companies to face up to the new competitive reality. Since the beginning of Brazilian economic reforms, imports have grown consistently. In addition to material goods, the country started importing management ideas and concepts, managerial practices, and information systems. As national economies participate in the global market, business organizations are exposed to global models of management. As a consequence, nation-states are more likely to subscribe to standardized models of management (Moon & Wotipka, 2006). In this case, according to DiMaggio and Powell (1983), a mimetic transfer mechanism is in effect: local managers perceive problems and inadequacies and retain that, in absence of locally developed alternatives, already experimented foreign models are the most appropriate solution.

Toward hybridization

The outcome of this process, instead of evolving and linear transformation, was increased hybridization: a constant intermixture characterized by the coexistence of local and foreign values, and modern and archaic behaviors (Calás & Arias, 1997), local and transnational institutions. National culture, the national business system (NBS; Morgan et al., 2001) or institutions related to a specific organizational field, are only one of different, potential identity strands, and among them, opposite cultural and institutional templates can coexist (Delmestri, 2006). Like other emerging countries, Brazil today blends cutting-edge sectors, aligned with the most advanced practices, with industries that still preserve technology, production methods, and work organization more

associated with those typical of the 19th Century⁷. Thus, at the contextual level, three elements are present: historical roots and cultural heritage; contemporary external influences (diverse institutional streams); and contemporary economic and social context. As a whole, these elements provide a wide range of socio-cultural drivers that ease, or even invite, the infiltration of foreign influences into Brazil.

Institutions as streams

As in Delmestri (2006), I consider here institutional influences as streams in which actors in specific contexts are dipped in to various degrees. In this sense, we can think of confluence, blending (Delmestri, 2006), or hybridization of streams. Streams that have their origin in countries displaying a more central position in the global economic context may be stronger than those generating in less central economies due to “dominance effects” (Smith & Meiksins, 1995, cited in Delmestri, 2006).

Similar to Delmestri (2006), the concept of cultural hybridization (Shimoni & Bergmann, 2006) says that cultures are not given or fixed, but are constructs of history and discourse. That is, cultures are shaped and reshaped through interactions and negotiations with other cultures in which people reflectively or unreflectively insert new meanings into their own (already hybrid) cultural understandings (Bhabha, 1994; Werbner & Modood 1997, all cited in Shimoni & Bergmann, 2006). For Bhabha,

⁷ For instance, São José dos Campos, a tranquil city of 500,000 people, hosts Embraer, now the world's third-largest manufacturer of commercial aircraft and Brazil's number one firm in exports. Embraer is a good example of a successful high-tech venture. About two hundred kilometers west of São José dos Campos, one still find large sugar cane plantations which employ large groups of temporary workers and where work is still done by hand. Such contrasts are present all over the country.

hybridization is the process by which the colonial power tries to shape the identity of the colonized within a homogeneous framework, but then fails, producing something familiar but new (Papastergiadis, 1997, cited in Shimoni & Bergmann, 2006).

Still according to Bhabha, new hybrid configurations emerge from the interweaving of elements of the colonizing and the colonized cultures to challenge the existence of any fixed, coherent, stable or pure cultural identity. For him, the importance of hybridity is not in tracing two original moments from which a third emerges; rather its importance is the "Third Space", which enables other positions to emerge. These "other positions," that is, new cultural hybrids, according to Bhabha (1994), are located therefore between the colonizer and the colonized; they are produced in a third space where the hegemonic colonial cultural discourses and practices are disrupted and displaced by the colonized people through translation and negotiation with and in terms of their own cultural understandings.

In this sense, institutions provide a repertoire of institutional principles that actors use to create new solutions recombining such principles through an innovative process of bricolage whereby new institutions differ from but resemble old ones (Campbell, 1997, p. 22). Moreover, individuals have the capacity of "to participate in multiple cultural traditions, even when those traditions contain inconsistent elements", and "to maintain distinctive and inconsistent action frames" (DiMaggio, 1997, p. 268).

Managers are at the intersection of multiple social systems as possible bearers of multiple or hybrid institutionalized identities. Institutionalized identities are considered as taken-for-granted value institutions, and represent a cognitive, normative and emotional

antecedent of specific role enactments. Roles can be considered as resources (Baker & Faulkner, 1991), but only insofar as institutionalized identities exist, to which social actors can refer to, in order to negotiate their effective role enactment. The self is considered as the reflective personality of the individual.

As proposed by Delmestri (2006), such identities:

"... as value institutions, are not neutral but are also emotionally attached to the self, so that, even if individuals carry multiple identities variously attached to their selves, the extent to which they can switch from one to the next depends on their cognitive and emotional resources. Moreover, the identities social actors can enact depend on the roles they occupy. Role expectations can powerfully constrain or hinder the enactment of certain identities, but new roles, exposing actors to novel interaction partners and expectations, can also be sources for discovering the existence of previously unknown identities or for defining new hybrid ones – 'changes in interaction may precipitate changes in interpretation' (Campbell, 1997: 17)." (Delmestri, 2006, pp. 1518-1519)

Now, in addition to the influences described previously in this study, I present the institutional influences taken into consideration in order to explain Brazilian middle managers' understanding of their own work and the identities they enact. As said before, in this study I go beyond extant research on Brazilian management to portray Brazilian managers as adopting conceptions of management either centered on managerial-like skills, i.e. motivating, coordinating and planning or on technical problem solving skills (see Delmestri & Walgenbach, 2005).

Societal and intra-organizational institutional streams

For managers, and other workers in general, institutional influences can come from societal institutions or from intra-organizational institutions. Managers, more than other organizational roles, are exposed to a variety of institutional and cultural pressures. They have the

responsibility to hold together different sub-cultures within firms, to connect their units with the internal and external organizational networks, and are exposed to the global market of management and organizational ideas and fashions. Moreover “management” is in itself an institution. It has indeed diverse meanings, carries different constraints and is a distinct vehicle for action in different countries (Arduini & Delmestri, 2005; Delmestri & Walgenbach, 2005).

In the case of societal institutions, as described in the previous chapter, personal relationships, authoritarianism, and flexibility – *jeitinho* – are central for Brazilian managers. Moreover, they are worried about immediate results, stressed by managers with an engineering background; are convinced that they are paid to know; and remarkably appreciate managerial to the detriment of technical positions, though they are selected for the former on the basis of their technical competence. Brazilian entrepreneurs were, in their majority, immigrants or descendants of immigrants. Most of these immigrants were from continental European countries, with a manufacturing or commercial tradition, and their businesses were managed on the basis of experience and practice (Dean, 1991; Mello & Novais, 1998). Portuguese (1.8 million) and Italians (1.6 million) compose the majority of those immigrants, and Italian influences are very significant (Rodrigues & Tanure, 2002). Thus, it may be considered that continental European societal institutions, mostly Portuguese and Italian, are prominent in the Brazilian context. Due to the influence of the management practices of the first entrepreneurs, who ran their businesses based on experience and practice (as it will be further detailed in the forthcoming chapters), and the predominantly technical/engineering background of managers up to a certain period (also more detailed ahead in this study), I consider that it is more likely

that Brazilian middle managers have a conception of management similar to Italians' and Germans' conception, and this is one of the issues investigated in the present study.

Delmestri and Walgenbach (2005) studied British, German and Italian middle managers. According to them, middle managers are directly involved in the details related to solving technical problems, as in Germany and Italy, or play the roles of brokers of technical specialized competencies but do not get involved in technical details as in Great Britain. The professional identity of Italian and German middle managers and their credibility and legitimacy are based on their capacity to solve technical problems, while the identity of British middle managers is supported by managerial-like competencies based on an idea of management as a mysterious mastery sustained by the necessary personality traits and social skills (Stewart et al., 1994). British middle managers are very conscious of the split between managerial work and technical work.

British middle managers use management information systems and exception reporting to check their employees' work, but they do not want to get involved in actual problem-solving procedures. German middle managers generally apply formalized control instruments to judge the effectiveness of their subordinates, but they also apply qualitative controls, such as feedback from other departments or customers, and employ specific controls, or otherwise spot checks, in order to review each individual case in detail. Italian middle managers do not generally apply formalized control instruments but rely mainly on qualitative controls, such as feedback from other departments or customers, and personal spot checks (Delmestri & Walgenbach, 2005).

In Italian and German firms, career paths tend to be chimney-like, i.e. limited to single functional areas. In contrast, British middle managers move more often between functional areas that are not directly related. These different career systems direct attention to different aspects. While in Italy and Germany the most relevant exceptions are in technical problems and therefore the career system helps to integrate technical know-how into both the knowledge domain and the identity of middle managers, in Great Britain the career system is aimed at building general management skills (Delmestri and Walgenbach, 2005).

The Anglo-American institutionalization of management as a social art performed by talented individuals goes hand-in-hand with the institution of formal inter-functional career paths, the necessity to distinguish managerial high potentials early to be assigned to a “talent pool”, and the development of methods to perform this task (such as Assessment Centers run by trained psychologists). In other words the specific institutionalization of management in the Anglo-American world is likely to co-evolve with the development of formal HRM-instruments and with the professionalization of HR departments. Instead, decision power regarding personnel matters tend to stay in the hands of line managers, so that a logic of action which values past success rooted in technical competence prevails over the Anglo-American logic in Italy and Germany (Delmestri & Walgenbach, 2005).

For the other strong societal influence in Brazil, Portugal, to my knowledge there are no studies in the institutional tradition that might help to determine how they would influence Brazilian management.

In the case of intra-organizational institutions, they may have local to transnational jurisdiction. Multinational firms may be carriers of societal institutions originated in the country of their headquarters

(Kostova & Zaheer, 1999; Kostova & Roth, 2002) and may also carry transnational (or even global) institutions (Strang & Meyer, 1993; Djelic, 1998). According to Delmestri (2006), transnational institutions:

“... are those which are valid beyond the national boundaries of a specific state and also beyond the institutional space of multinational firms which have their headquarters in the same state. Transnational institutions exist if more than one multinational firm incorporates an element whose legitimacy only derives from its very adoption in the intra-organizational field. Such incorporated and globalized institutional elements, regardless of their historical origin, lose their foundation in specific societal fields and become transnational.” (Delmestri, 2006)

Other promoters of foreign management models

Foreign management models can be considered transnational institutions if they are valid beyond the boundaries of a specific state and also beyond the institutional space of multinational firms which have their headquarters in the same state, and if they are incorporated by more than one multinational firm (Delmestri, 2006, pp. 1521-1522) and, thus, in this study they are considered as institutional streams.

Like other emerging countries that underwent liberal economic reforms, Brazil also started to experience continuous and fierce pressures to reinforce its industries' competitive position. From the early 1990's, these pressures led business persons into a frantic race as local firms, formerly operating within a relatively protected market, found themselves unprepared for international competition. While economic pressures determined what needed to be done – e.g., management modernization, productivity increases, and cost reductions – the dominant neo-liberal discourse, infused with the idea of the universal validity of management concepts, determined how it should be done: via adoption of “models of excellence,” which could presumably be copied from developed countries.

Hence, local organizations end up adopting foreign management models without fully complying to, or even understanding, their underlying assumptions, such as ISO 9000, reengineering, and ERP (Wood Jr. & Caldas, 2002).

At an inter-organizational level, foreign management practices are diffused by agents such as the Brazilian government and its agencies, business schools, business media and management gurus, consulting firms and other professionals. These agents promote, disseminate, and legitimate new ideas and methodologies. It is the combined action of those agents that has spread the awareness of an endless flow of imported “excellence models” and motivated their adoption. They were responsible for converting contextual influences into organizational imperatives.

Brazilian Government and its Agencies: several administrations in Brazil, coming from diverse political and ideological backgrounds, have supported, with laws, policies, and fiscal incentives, the tendency to adopt foreign management models and practices.

One example is the role played by government in the widespread adoption of the ISO 9000 system. Since the early 1990's, the Brazilian government has facilitated subsidized public financing for companies that are ISO 9000-certified. Additionally, several public bids to contract services for government rewarded ISO certifications, even when they were irrelevant and/or inappropriate (Wood Jr. & Paula, 2002).

Business Schools: the first Brazilian business schools were created in the early 1950's. Education and research in the field of administration since then have been molded by the massive dissemination of concepts and methods brought from abroad and particularly from the United States. The first Brazilian management schools, the Escola de Administração Pública (School of Public Administration) and the Escola

de Administração de Empresas de São Paulo (São Paulo Business School) – both linked to Fundação Getúlio Vargas – had extensive assistance of University of Southern California and Michigan State University, respectively. Other US universities, such as Vanderbilt and Columbia University supported the creation of post-graduate courses in Brazil (Rodrigues & Tanure, 2002). In this type of support, a disguised coercive transfer mechanism (DiMaggio & Powell, 1983) is in action. By the time the collaboration with these US universities started, Brazil was under military regime. The Military Government had taken power illegally after a leftist slide in Brazil. Moreover, there were strong leftist pressures in Latin America. The USA gave financial support to the Military Government and, as a counterpart, spread its business and educational models.

It is important to notice that, initially, business schools prepared personnel to occupy top management positions. Business education became available for lower management positions only with its recent vast dissemination, both at the undergraduate and graduate levels. Most of the graduate courses are still non-accredited (Rodrigues & Tanure, 2002)⁸. Graduate business education is currently becoming mandatory for those who want to advance in management careers. Prior to the business education boom, middle management positions were, and still may be, occupied by personnel with under-graduate training in technical areas (mostly engineering) and high-school-level technical or general education: technicians in accounting, electrics, mechanics, electronics, construction, agriculture, chemistry, etc. Institutions providing technical education at

⁸ In 2000, the Ministry of Education registered 33 Masters in Administration, 10 doctoral programmes, and 5 professional Masters in Administration. The professional masters are equivalent to MBAs. Though MBAs have become popular, they still have not been officially recognized (Rodrigues & Tanure, 2002).

high-school level are located mainly next to the large urban centres, while under-graduate courses have already reached further into the country.

Recent research has evidenced the consistent and predominant use of North American and European ideas in Brazilian scholarly research and educational Business (Bertero & Keinert, 1994; Silva, Cunha, & Amboni, 1990; Vergara & Carvalho Jr., 1995)

Management education defines the role of management as a transnational social category: management is a generic role relevant for the running of an organization as such. Moon and Wotipka (2006) demonstrate that, over the duration of the globalization process, adoption of management education model is primarily determined by the country's embeddedness in world society (Drori & Meyer, 2006). To the extent that it is not clear how to increase efficiency in managing developing economies, societies deal with this uncertainty by mimicking those they perceive to be successful. Therefore, countries that attempt economic development and efficient management may adopt business schools since other societies with similar characteristics have adopted them. This process ends up in the institutionalization of business schools (Moon & Wotipka, 2006).

Media and Management Gurus: newspapers, management books, and other business publications have also fostered the reproduction of imported business concepts and models. For instance, *HSM Management*, a popular business magazine, publishes translated papers by famous American "gurus," such as Michael Porter, Peter Drucker, and Philip Kotler. Some of these gurus are members of the magazine's editorial board and come yearly to Brazil to present their ideas for large audiences. *Exame*, Brazil's number one business magazine in terms of circulation, regularly publishes cases on how local firms have successfully adopted the latest management ideas (Wood Jr. & Paula, 2002).

Consulting Firms and Other Professionals: consultants, training and development specialists, and other professionals also legitimate and propel the consumption of imported managerial expertise. International consulting firms have large operations in Brazil. In their practices, these firms regularly use ideas and models developed abroad, most often in the United States. Additionally, the early development of the management field in Brazil was followed by the appearance of small training and development firms. These firms promote courses and seminars for executives. The content is usually based on the latest fads and fashions originated abroad.

Nevertheless, Shiloni and Bergmann (2006) propose that managers do not simply absorb foreign management values and practices as they are, but actively open what Bhabha (1990, cited in Shiloni & Bergmann, 2006) defines as a “third space” in which local managers use local cultural understandings as a starting point in the production of new hybrid management cultural forms. Adopting imported models this way allows organizations to extract the best out of them, performing an appropriation of their core values, and translating the technology to their social and cultural universes.

PART II

EVOLUTION OF MANAGEMENT PRACTICES IN BRAZIL

THE EVOLUTION OF MANAGEMENT PRACTICES IN BRAZIL

In this section, I approach the industrialization process in Brazil and the evolution of the management practices that accompanied. It is important to follow this evolution in order to capture the different pressures present in each historic moment and, thus, understand how the Brazilian managerial identity has been formed.

The evolution of management practices in Brazil has a pace slower than the pace of development of management theories in the world. In different periods of Brazilian industrial development, a certain group of management practices prevailed over others.

According to Motoyama, Galvan, Barcelos, Marques, & Capozoli (1994), industrial development in Brazil can be divided in three periods: between 1930 and 1955 there was *restricted* industrialization; between 1956 and 1980 *heavy* industrialization (sectors of durable and capital goods were implanted); in the 1980's there is a change in the standard of capital accumulation and the authors denominate this new period *complex* industrialization.

Alves (1990) presents three distinct phases in the Brazilian process of industrialization, where three different managerial profiles predominate:

"the first phase, that could be called of 'cycle of bachelors', lasted until the 1950's; the following one, the 'cycle of engineers', had its beginning during the physical installation of the national industry; and, from the 1970's, there what could be called 'cycle of the professional administrators', that translates a moment where the legal and technical aspects of the company are seen as elements that must be linked under an integrated approach. In this last phase, the administrator - with the

formal authority of the position and with the status of its position in the organizational hierarchy – acts as a communication channel, guides behaviors, spreads information, establishes priorities, selects objectives, solves problems, allocates resources, represents the company, leads people and groups, having in perspective the objectives of the organization that he manages." (Alves, 1990, pp. 121 -122)

It is important to observe that, although much valued, college education was not the rule, especially in the "cycle of bachelors". For example, in the "cycle of engineers" about half of the managers did not have college education. (Mello & Novais, 1998; Pereira, 1972)

The evolution of Brazilian management practices is related to the importation of models from the Northern Hemisphere, mainly of models from the United States. Since the colonial period, Brazilian society references its growth standards to those models. Analyzing the roots of Brazilian industrial thought up to 1960, Pitto (1992) defends that, until the decade of the 30's, this process was influenced by European models. From 1930, it has a transfer of influence for the United States. During the first half of the 20th Century, there is the "technological importation of methods and processes of production and its inherent forms of administration and management of that production." This process of influence continues in the 1950's, with the "disposition to establish in the Brazilian scene an efficient industrial park, and there is a virtual adhesion to the principles of administration used in the American work market, with the implementation of an educational infrastructure based on those standards of education". (Pitto, 1992, pp. 171-174)

When analyzing the importation of administrative methodologies in Brazil, Oliveira (1990) affirms that "from academic centers to the interior of government organizations and private companies, Brazilian administration became a space almost totally internationalized." (Oliveira, 1990, p. 6) Despite this importation, the thesis of the author is that this

process is mythicizing, that is, administrative methodologies had become myths in the organizational scene. These myths are produced, reproduced and publicized, resulting in incoherencies, both in education and management practice. Many factors and agents contributed for the diffusion of foreign administrative methodologies, among them government, institutions of business education, professional categories and the media (Caldas & Wood Jr., 1999, pp. 37-38).

Vergara & Pinto (2000) analyzed bibliographical references of the Brazilian scientific production in the area of organizations from 1994 to 1998. They verified that it was strongly supported in foreign references, and although it had an increase in participation of national authors in the last five years, this number is still small (30,9%).

It is a fact that Brazilian administrative knowledge was and is very influenced by imported models and methodologies. However, when verifying how these methodologies and models are applied in organizational reality, we find an imbalance between theory and practice, between what is publicized and what is applied. It may be affirmed that, in the Brazilian organizational reality, different administrative practices coexist in the periods to be analyzed. However, there is a group of management practices that predominates and defines what must be done by the managers, even if there is a gap between the discourse and action. "The main way of transmission of progress values among us has always been the imitation of the standards of consumption and the prevalent styles of life in developed countries" (Mello & Novais, 1998, p. 604).

The next chapters will present evidences of the development of management practices in the Brazilian scenario. For such, the following division into periods was used as starting point: up to 1955, from 1955 to 1990, and from 1990 to the present. For each period I present a panorama

of the development of the country at the time. To follow, the Brazilian companies and its organization are analyzed, trying to relate companies' characteristics with management models spread in administrative theory. As previously noticed, in this study foreign management models are treated as institutional streams, having a direct influence on the role of managers.

CHAPTER 3

THE ORIGINS OF BRAZILIAN INDUSTRIALIZATION (UNTIL 1955)

According to Baer & Villela (1988), Brazilian industrial development may be divided in five stages. The first stage involves the period previous to World War I. The second stage relates to the period of World War I. The third stage is the decade of the 1920's. The great depression of the 1930's is the subject of the fourth stage. The period of the Second World War corresponds to the fifth stage.

In the first stage, the industrial structure was dominated by light industries - textiles, clothing, footwear and foods. From the second half of the 19th Century, a manufacturing industry is established in Brazil, however without playing an important role in the economy (Carrion, 1975; Renault, 1976). By the end of last Century, the country still presented characteristics of a society where agriculture predominated, aimed to exporting and to production of raw materials, and the few existing plants produced hats, snuff, soap, cast iron and other articles (Baer, 1988). In 1850, the country counted on "about fifty industrial companies, including some dickers of salt mines, two cloth plants, ten of food, two of boxes, five small metallurgies and seven of chemical products" (Schlesinger, 1954). In the 1872 census, 80% of the working population was dedicated to the agricultural sector, 13% to services and only 7% to industry. In the services category, more than half declare to be house servants and mining is enclosed in industry (Fausto, 1995).

In the decades of the 1860's/70's, especially due to the initiatives of the Baron of Mauá, the first railroad was constructed, steam navigation

was initiated, new ports appeared, and textiles and feeding industries expanded. Of two textile plants, in 1850, the country had 44 in 1881 (Baer, 1988).

"In 1888, the capital invested in the industry was 25 million pounds, distributed in the following way: 60% in the textile industry, 15% in the food industry, 10% in chemical products, 4% in wood, 3% in clothes, 3% in metallurgy and the remain for other sectors" (Vargas, Katinsky & Nagamini, 1994, p. 195).

By the end of the decade of the 1880's, the industrial expansion presented a significant growth, related to the abolition of slavery and the announcement of the Republic. The number of industrial establishments was increased by 636 in 1889 and by 1088 in 1895 (Baer, 1988). There was a stream of thought that defended the creation of new industries to substitute imports, because economic independence would complement political independence. Despite this expansion, it is important to point that these industries were of nondurable goods, with very little vertical integration, there existing neither an industry of basic input material nor of capital goods. The economy was dominated by the primary-export model (Pereira, 1985).

In 1907, there were 3,250 industrial establishments, employing approximately 151,000 workers (Schlesinger, 1954). The middle class, quantitatively incipient, was formed by small proprietors and small traders, public officers, liberal professionals, clerical employees, etc.

The increase in productive capacity happened in the years previous to World War I. Plants were small, with an average of 20 workers each, and most of them had been established from 1910 to 1919 (Baer & Villela, 1988, p. 287-289). Between 1914 and 1919, the value of the industrial production grew, in real terms, around 150 the 160% (Baer, 1988).

The second stage is related to World War I. During that war, there was not significant industrial growth and, principally, there was not growth in the productive capacity, once capital goods and raw materials import was drastically reduced, and there was not, at the time, no industry of capital goods in Brazil (Baer & Villela, 1988, p. 289-290). As a result, although the productive capacity has not increased, there was a growth in food and textiles production, because of bigger utilization of the already installed capacity, aimed at to supply the internal market and exporting foods and fabrics.

The third stage occurs in the 1920's. The average rate of annual growth fell in relation to the period of 1911-1920, from 4,6% to 3%. In the 1920 census, the country counted on 13.336 industrial establishments, using a little more than 300 thousand workers, an average of 23 by establishment. Small metallurgies that produced electric engines, automobiles parts, tools, etc.; companies of capital goods, that mainly produced textile machines and equipment for the industrialization of sugar cane, besides cement companies. (Baer & Villela, 1988, p. 291- 292; Dean, 1991, p. 120) Part of the growth of the Brazilian industrial park happened though import of used machines and equipment. By the end of the World War I, European countries renew their productive equipment, and exported their old equipment to countries in the initial phases of industrialization (Pitto, 1992, p. 136).

The fourth stage is related to the depression of the 1930's. It resulted in a brusque fall of exports of Brazilian agricultural products, mainly of coffee, and, in consequence, the reduction of the imports of manufactured products. "The scarcity of goods until then imported and the consequent increase of its relative prices acted as catalytic to a surge of industrial production" (Baer & Villela, 1988, p. 293). From 1931 to 1939, the

industrial production more than doubled, especially in sectors as the metallurgic industry, papers, and fabrics. This industrial surge was concentrated in São Paulo.

"More than 61% of the value of industrial textile production is found in São Paulo, as well as from its plants come out 38.07% of the metallurgic industry, and 54.29% of the chemical industry. Representing 2.9% of the territorial area of Brazil, São Paulo has 39.16% of the employees in industry and 43.53% of the industrial wages." (Schlesinger, 1954, p. 11)

The process of imports substitution in the basic sectors is accelerated and, "in 1937 the cement industry attends 90% of consumption, that of pig iron, 99%, that of steel ingots, 75%" (Pitto, 1992, p. 152).

The decade of the 30's is a watershed in the formation of Brazilian society. There is a transformation that involves diverse aspects: economic, cultural, social and politician (Pereira, 1984; Pereira, 1985). Different from the liberal ideology, the "*desenvolvimentista*" (developmental) ideology initiated in this period. This ideology related to a project of independent capitalist development, linked to nationalistic ideas (Pereira, 1971).

In the economic plan, there has been the swift appearance of a domestic market appeared, modification of the structure of the external market, development of the equipment and heavy industries, and the growth and redistribution of the national income. Economically, the country was not basically agrarian anymore.

In the social plan, the social structure changed and diversified. The actual structure was composed of two basic classes – the controlling (landlords) and the dominated (agricultural proletariat). Between them there was a small middle class (public officers). From 30, two new social classes start to delineate: the industrial bourgeoisie and the urban proletariat. The middle class expands beyond the bureaucracy, installing

in industry, and a fraction of the agricultural proletariat transforms into urban proletariat.

In the political plan, the oligarchy of landlords, with its clientele policy, loses power and begins to decay. The emergent social classes will participate in the Government, together with the classes defeated in 30. In reason of commitments, the governments will deal with the antagonistic forces of the political scene of the time.

Regarding the cultural plan, transformations can be summarized in one: the beginning of the awareness of the country. Until then, instead of analyzing and knowing the country according to proper categories, Brazil imported foreign models. From 1930, there was the emergence of the conscience of Nation. This process is made explicit from the anthropophagic movement and by the unfolding of proposals of artists involved with the Week of Modern Art.

The modernization stimulated diverse technological and cultural transformations. In the decade of the 30's, there have been the foundation of Universities and centers of research. For example, the University of São Paulo (1934), the University of the Federal District (1935), the Institute of Technological Research of São Paulo (1934), the ABNT (1940) (Brazilian Association for Technical Standards) (Motoyama, 1994). In 1944, the Foundation Getúlio Vargas (FGV) was created, with the mission of conducting studies about rational organization of work and of preparing staff for public and private administration.

The fifth stage of the Brazilian industrial development encompasses the period of World War II. In this period, the Brazilian economy suffered difficulties, as lack of fuels, equipment, instruments, raw material etc. However, the exploitation of the idle capacity developed in the previous decade resulted in an increase of production, with little expansion of

productive capacity. The industrial production grew 5.4% yearly in the period 39-45 (Baer & Villela, 1988, p. 294).

São Paulo and Rio de Janeiro were the main poles of industrial development in Brazil. In the beginning of the 1940's, São Paulo had 1,4 million inhabitants while Rio de Janeiro had 2 million. In the decade of the 40's, 12,000 plants had been built in the axis Rio - São Paulo. In the industrial census of 1940, the State of São Paulo counted on 14,225 establishments (28.5% of the total Brazilian industries) and 272,865 workers. In 1950, this number went up for 25,519 establishments (a 72% growth) and 484,844 workers (a 77% growth) (Schlesinger, 1954).

After World War II, many measures favorable to industry had been adopted, with the creation of infrastructure, transfer of resources and customs protection. The State elaborated special programs to make industrialization possible, as the SALTE Plan, the plan of the Mixed Commission Brazil - United States for the Economic Development and the creation of the BNDE (National Bank of Economic Development). In 1942, National Factory of Motors (FNM) was installed. It was a mixed-economy society control by the State and with the objective of manufacturing airplane engines. From 1946, it started producing agricultural tractors, and in 1952, trucks.

In the 1930's, Brazilian development took off. Significant factors point to the increasing importance of rationalizing and professionalizing management starting in 1930, processes that established and intensified from 1950.

The Brazilian companies

At this time, most of the Brazilian companies can be characterized as small familiar companies, managed by the owner, who centralized all decisions. In some cases, the companies were managed by engineers and economists. Although they had technical knowledge technician in their areas, they did not have theoretical basis on administration. Practical knowledge predominated and was valued.

In the turn of the Century, most of enterprises were carried by small entrepreneurs, working by themselves. The entrepreneurs were, in their majority, immigrants of first or second generation, who had technical knowledge of some activity (Mello & Novais, 1998, p. 582).

This new group of entrepreneurs, members of inferior strata of the middle class, raised in the city, almost always was composed of immigrants of first or second generation, who had some technical training. This affirmation is corroborated by the statements of entrepreneurs (Lobo, 1997). Some common characteristics among the interviewees are:

- “1. The entrepreneurs in their majority are immigrant or children of immigrants.
- 2. The commercial and industrial companies are initially small.
- 3. The direction of the company is familiar, changing in the decades of the 1960’s, 1970’s, with the association of professional directors (...)
- 5. In the exclusively familiar phase of company management, this tends to be centralized and paternalist. (...)
- 8. The owners generally are autodidact.” (Lobo, 1997)

These immigrants or descendants of immigrants were most of the industrial business community emergent in the beginning of the Century in São Paulo (Baer, 1988). Those immigrants had a manufacturing

tradition, a technical knowledge of the activities related to the processes of industrial transformation. The management of the companies was based on intuition and the shrewdness of the proprietor.

Vargas, Katinsky & Nagamini (1994, p. 202) argue that the industries, in the beginning of the process of Brazilian industrialization, had not contributed neither for national engineering, nor for the installation of technological research centers. The production capacity of these industries originated in the immigrant entrepreneurs, who withheld know-how unknown in the country, and indiscriminately copied imported products.

Administrative knowledge was empirical. In fact, there already existed some initiatives of scientific organization of the work in the decade of the 1920's (Antonacci, 1993, p. 62). However, these initiatives were isolated, being used only in the large companies and the few multinationals installed in the country (Machline, 1994).

Taylor's ideas were supported by industrials of that period. The concern industrials had with scientific management "had little to do with the organization of the technical base in that moment of industry". It served as an argument to solve the "social issue", that is, to control the labor movement contrary to the intensification of the work (Pena, 1985, p. 25).

In São Paulo, during the decade of the 20's, the Institute of Hygiene, the Liceu of Artes e Ofícios (School of Arts and Crafts), the Professional School of Mechanics, the Normal School of the Square and some companies of the time had researched the scientific organization of the work.

The IDORT – Institute of Rational Organization of the Work – was established in June, 1931. It was fruit of the approach of two groups involved with the rationalization of work – a group interested in the scientific management and another one in the training and instruction of the work force. The objective of the IDORT was to organize the work process in accordance with modern and scientific methodologies and models. The influence of the principles of Fayol was also considered important (Antonacci, 1993, p. 140).

The IDORT was the first institution to import systematically administrative models, aiming to apply them in the Brazilian industrial reality. Despite the spreading of its activities, there has been limited adhesion to the Institute, translated in “the weak welcome to its services of assistance to the industry and the reduced number of new partners” (Antonacci, 1993, p. 155).

The import of administrative models is inserted in the statute of the FIESP – Federacy of the Industries of the State of São Paulo. Established in 1931, from a statutory reformulation of the CIESP - Center of the Industries of the State of São Paulo -, the FIESP congregated all the existing industries and industrial associations in the State of São Paulo. One of its incumbencies was to promote “the adoption of industrial and commercial rules and norms already tried and adopted internationally, adapting them to the national peculiarities, aiming at better conditions of productivity” (Silberfeld, 1984, p. 58).

From the beginning of the decade of the 40's, an increasing necessity of rationalization of the enterprise resources could be noticed. The factors boosting process were the necessity to substitute imports and the implantation of intermediate technology industries with imported machinery (Machline, 1994; Motoyama, 1994). The leading class expressed

a bigger concern with planning and the incorporation of methodologies to carry out that planning, as well as with the development of technicians capable realizing it.

Even with this concern with resources rationalization, there still was a preference for the "importing" qualified technicians. Only in the end of the decade of the 40's, with the disappearance of foreign workers, entrepreneurs started to train local workers. Until then, the Brazilian worker did not have a diploma or formal education, being its abilities acquired in the proper work (Dean, 1991, pp. 190-191).

Thus, still according to Dean (1991), until the 1950's, management practices can be characterized by the learning of the managerial activity in the proper work, by means of the experience; for the absence of a definite formal structure, with clear functional divisions; for the predominance of the technical knowledge related to the execution of one determined activity. Most of the companies of this period were small, managed by the owner or family members. Owners were, in their majority, immigrants or descendants of immigrants. Most of these immigrants were from European countries, with a manufacturing or commercial tradition. As they established in Brazil, these immigrants had brought in its luggage this tradition and they implanted it in small industrial and commercial establishments. These establishments were managed on the basis of the experience and in practice, because there was not, in that period, a structured administrative knowledge that could be applied in these companies.

CHAPTER 4

THE CONSOLIDATION OF INDUSTRIAL DEVELOPMENT (1955-1990)

From 1955 to 1990 there have been many changes in the economic, social, and political Brazilian scene. On the one hand, there is the consolidation of industrial development and, on the other hand, a surprising annual growth of the GDP from 2,9% (in 1956) to 9,4% (in 1960). With the approval of the Tariffs Law, the national industry was protected and some sectors had been able to develop. Foreign companies had started to invest in the country, by opening subsidiaries or in association with national companies. External financing of necessary infrastructure for the installation of the industrial park resulted in growth of external debt, and financial and technological dependence. There has been an increase in the power of unionism, and increasing political participation of the population.

In 1964, a military government was instated, with serious political, social and economic implications for the country. In the decade of the 70's, due to many factors, among them positive a global environment, the country passed to an euphoria phase, with high rates of growth; expansion of the public sector; augmented per capita income and income concentration. The increase in unemployment and the deterioration of life conditions in urban centers also occurred. The inflation stabilized in 20-25% yearly. The decade of the 80's, considered in Brazilian history as the "lost decade", may be characterized as a period of economic recession. There was a decline of GDP; raised inflation rates; increase of external and

internal debt; adoption of diverse economic plans; beginning of the political opening process and the country's re-democratization.

The Brazilian industrial park installation is fulfilled for three types of enterprises: transnational, private national, and state-owned companies. During the process of industrial consolidation and even in the process of recent organizational changes, that difference in ownership resulted in different styles of management. In this chapter I will give priority to the companies whose discourse dominated the business environment of the period: national private companies and the subsidiaries of transnational companies.

In the period of 1956-1962, the annual rate of growth of Brazilian GDP was 7,8%, and the industry presented a 10,3% rate while agriculture grew 5% (Baer, 1988). There is a marked urban growth, with 39 million additional people in the cities from the 1950's to 1970's. "It was thus that 50,8 million people (about 24% of the agricultural population of Brazil in 1950) migrated to the cities, in the 1950's; almost 14 million (about 36% of the agricultural population of 1960) in the 1960's; 17 million (about 40% of the agricultural population of 1970) in the 1970's" (Mello & Novais, 1998, p. 581).

Translated into his Goals Plan, Juscelino Kubitcheck's project was to transform the country installing the capital goods industry with foreign capital and technology. This project of development consisted of a model of interdependent development with worldwide capitalism. The Goals Plan involved 31 objectives divided into six great groups: energy, transportation, food, capital goods industry, education and the construction of Brasilia, named the synthesis-goal. (Benevides, 1979)

Aiming to stimulate installation of foreign companies in the country, Instruction 113 of SUMOC (the embryonic Central Bank) reduced

exchange exigencies for companies to import foreign equipment. Foreign companies could transfer equipment from headquarters and incorporate it in their Brazilian assets.

Government stimulated the development of capital goods and intermediate industries, that is, heavy industry – industrial equipment, automobile, and naval industry – was installed in the country. The capital goods industry gained new momentum with the installation of the petrochemical industry and the construction of new steel plants. The entry of these industries in the Brazilian market demanded a great volume of capital and the command of a complex technology, investments that could only be carried out by transnational companies or large state-owned companies. The change of productive structure could already be observed in the second half of the 1950's:

"Nondurable consumption goods, which constituted 60.7% of industrial production in 1949, reduced their participation to 45.2% in 1959. Intermediate goods, in contrast, advanced from 31.7% to 38.1% in the same period. The biggest progress could be verified in the sector of durable consumption and capital goods, which would reach 16.8% against 7.6% of 1949." (Motoyama et al., 1994, p. 335)

Industry becomes the most dynamic sector of the economy. In the thirty years from 1950 to 1980, Brazil pursued to build a modern economy. In some centers, standards of production and consumption are comparable to those of developed countries:

"We manufactured almost everything. Steel, even special steels, in the National Siderurgical Company, in Cosipa, in Usiminas, in Acesita, in Tubarão etc. From Petrobrás and its subsidiaries, from the petrochemical industry, came oil and its derivatives, gasoline, diesel oil, fuel oil, asphalt, plastic, detergent, several other cleaning materials, pre-materials for synthetic fiber, etc. Brazilian engineering had built huge hydroelectric plants, equipped with national generators and turbines, in Furnas, Três Marias, Urubupungá, and Itaipu. Aluminum industry was a reality, cement, glass and paper grew and modernized; traditional industries, like foods, textile, clothing, footwear, drinks, furniture, too. Pharmaceutical

industry and cosmetics grew by leaps and bounds (...) we produced automobiles, trucks, buses, tractors." (Mello & Novais, 1998, pp. 566-567)

Because the São Paulo area concentrated the industrial park, it became the richest and most dynamic region of the country. The expansion of this industrial park had, as a counterpart, low investment in social areas, what can be verified by low levels of formal education, high illiteracy rates, household deficit and insufficient basic sanitation.

During the Military Government, after a brief period of liberal inclination, the dominant industrial politics was related to the *nacional desenvolvimentismo*. This policy was characterized by a strong state intervention through wages indexation, credit concession, tax exemption, creation of state-owned companies, etc. Its objective was "to grow the cake to distribute it later". From the consumption point of view, industry expansion favored medium and high classes. The wages of low qualification workers were compressed by the creation of an index that underestimated inflation rates, resulting in sharp income concentration. "Taking as 100 the index of the minimum wage as of January, 1959, it falls to 39 in January, 1973. This datum is expressive enough if we take into account that, in 1972, 52.5% of the working population received less than one minimum wage and 22.8%, between one and two minimum wages" (Fausto, 1995, p. 486).

Inflation reaches a 92% record in 1964 (annual rate). The real value of the minimum wage falls 38% between 58-66 and per capita income reduced its growth in 6,4% between 61-64 (Teixeira & Totini, 1989). The 1960's crisis can be attributed to several factors, among them reduction of: private investments, possibilities of import substitution, internal consumption; and to the low agricultural productivity.

The process of industrial concentration begins in Juscelino Kubitcheck's government. In a survey of large economic groups in 1962, Covre (1991) concluded that it had an oligopolistic structure. These oligopolies were characterized by a concentration of diversified companies, active in different sectors, without connection among their activities. In most of the groups, there was not either vertical or horizontal integration. For the author, these companies searched capital diversification.

In large economic groups, foreign companies predominated, with few large national companies. In some sectors, the participation of foreign companies was majoritarian, as it can be observed in Table 1.

The process of industrial concentration follows from the transfer of transnational companies to the country and from the association of national industries to compete with foreign capital. The creation of large companies led to their structuring and bureaucratization, demanding specific manpower, technology and equipment.

The trajectory of transnational companies in Brazil can be divided in three periods: installation, accommodation, and, starting in the 90's, the restructuring stage (Fleury & Fleury, 2000, pp. 109-111). The two first stages will be described below. The restructuring stage will be discussed in the next chapter.

In the initial stage there has been the installation of subsidiaries "marked by transfer of technology (plants, products and processes) and of management policies and procedures (also of human resources)" (Fleury & Fleury, 2000, p. 109). In the second stage, there was an accommodation process, once financial performance of the subsidiary held to the expectations of headquarters. There was a gradual reduction of transfer of

Table 1. Capital control in some sectors of Brazilian industry, 1961

Sectors	Foreign control (%)
Tractors	99,8
Automobiles	98,2
Medicines	88,0
Cigarettes	85,0
Electricity	82,0
Chemical products	76,0
Machines	70,0

Source: Gerab & Rossi, 1997, p. 49

technology, knowledge and information from headquarters to Brazilians subsidiaries. "In this period, there has been the consolidation of local technological qualification, especially that toward the operation and management of production systems" (Fleury & Fleury, 2000, p. 109).

Simultaneously, there has been expansion of transnational companies that abandoned the traditional sectors of light industry and public services toward activities in capital goods, transformation, and durable goods industries. International automobile industry really set foot in the country with the opening of new plant's from Ford (1953), Volkswagen (1954), Vemag (1956), Simca (1957), Toyota (1958), besides Chevrolet's plant of engines (1959), and Mercedes-Benz trucks plant (1958). Auto-parts suppliers came together (Gattás, 1981; Shapiro, 1997).

It is important to observe that large Brazilian company was different from the large American company. Pereira (1972) denominates large companies those with more than 500 employees in that period. With these criteria, there were 541 industrial companies, national and transnational at that time.

These transformations in industry also affected Brazilian education. One of the main causes of the expansion of superior education, especially of management courses, was the need to form professionals capable of planning, controlling and analyzing production activities (Covre, 1991). While in 1960 there were 95,000 registered college students, in 1980 this number was of 1,4 million (Mello & Novais, 1998, p. 633).

Starting in 1967, the economy recovered and there was a period of extraordinary economic development. From 1965 to 1980, the manufacturing sector added value grew by 9,5% per year, index only surpassed, among developing countries, by South Korea (18,99%), Singapore (11,41%), and Indonesia (10,20%).

Consequence of a more liberal credit policy, the economy heats up. The economic upturn leads to increased use of the installed capacity. Brazilian economy could be split in a "traditional" sector, producing consumption goods (mostly agricultural), totally dependent on the "modern" sector, producer of capital goods in general (Gattás, 1981.)

Through its direct and indirect administration, and through state-owned companies, the State began to control several areas of the economy, such as credit, savings, investments, wages, transportation, and communications. The State also retained monopoly in some sectors, among them the production of fuel and steel. Due to new governmental guidelines, through mergers and acquisitions, there has been capital concentration in the private sector. For example, in the banking area, from 336 existing banks in 1964, only 195 remained in 1970. Import substitution policies, with prohibitively high import tariffs, spurred domestic production for a virtually captive market (Tanure & Duarte, 2005).

By then, the aeronautical industry was initiated, with State investments and military interests, as well as the petrochemical industry,

integrated in a tripartite model: one part, State capital, represented by a Petrobrás' subsidiary; a second part, national private capital; and the third part, foreign capital, generally supplier of technology. Referring to large economic conglomerates, Guimarães Neto (1996) points to the marked presence of the following actors:

- the State productive segment of electricity, resultant of the process of nationalization of the private sector;
- a diversified set of state-owned companies, in the areas of siderurgy, fuel production and distribution, and communications;
- of a significant number of large groups and large companies (in the industries of durable, intermediate and capital goods), responsible for the dynamism of the 65-74 period;
- large groups and companies active in farming and agro-industry;
- large financial conglomerates resulting of the banking system and the stock market reforms, and the policy of stimulating mergers;

In 1973, Brazil started to face economic difficulties due to the beginning of the worldwide recession, the oil crisis (the barrel price goes from US\$ 3,88 in 1973 to US\$ 12,55 in 1975), and to the consequent increase in international interests. Inflation raised and the GDP growth rate suffered a deceleration. Despite this, economic expansion continued (Kon, 1994).

The decade of the 70's also can be characterized by an increase of external indebtedness, an advance of foreign capitals in the economy, an increase in social inequality and regional disequilibria. After the period

known as “economic miracle”, in the first half of the decade, a deceleration stage followed.

The 80's are called “the lost decade” because of the recession and economic instability. In the beginning of the decade of the 80's, the inflation became a great problem, arriving at 223.8% in 1984, and 235.5% in 1985. To combat it, the government adopted a recessive economic policy. Imports were reduced, exports were stimulated through foreign exchange policies, internal consumption was reduced through containment of wages and government expenses, and there was an increase in interest rates. In that decade, GDP growth was not enough to attend the country needs of economic development (Alves, 1990). Almost every American bank cut off its credit lines to Brazil due to the political instability (Tanure & Duarte, 2005).

In the decade of the 80's, the economic, political, technological and social reality, in Brazil and worldwide, started to present a dynamics distinct of that of the previous period. Increased levels of inflation and unemployment, deflation with unemployment, chronic processes of monetary and financial instability, and the internationalization of the economy are some of the factors that changed worldwide scene and, consequently, the economic scene. In the political sphere, there has been greater participation of several social groups. In Brazil and other countries of Latin America, a re-democratization process occurred. The fast evolution of new technologies provoked changes in productive systems, in working relations and in competition standards. In the social sphere, reclaiming movements emerged (Baumann, 1999).

This new dynamics brought a new standard of complexity, resulting in the necessity to reformulate old models and to rethink management.

Aiming at stabilizing the economy, several economic plans were issued, what generated more uncertainty in the business community. In a presentation on Brazilian economic instability, Philips of Brazil evidenced that in the period 1980 - August of 1993, Brazil had 8 economic stabilization plans, 18 wage policies, 54 schemes of price control, 5 wage and prices freezing decrees, 18 changes in the foreign exchange regulations, 21 plans of foreign debt renegotiation, 18 presidential decrees for cut of expenses, 12 different inflation indexes (Gallupo, 1993).

Moreover, in the 80's, GDP remained steady in 300 billion dollars and per capita income fell down. The economic structure of the country changed: concentration and "centralization of capitals in a few hands, under control of a smaller number of large economic groups. The fact that the largest 100 groups duplicate, in only 12 years, their participation in GDP, reflects with clear colors this process. Financial groups were the most benefited" (Guimarães Neto, 1996, p. 74).

By means of ample market protection mechanisms, the Government stimulated the creation of a Brazilian computing industry (Fleury & Fleury, 1995). Until the beginning of the decade of the 90's, the national market was highly regulated, with special production regimes, sectorial chambers, controlled prices, customs barriers and a strong state intervention in the economy. In such environment, companies did not feel necessary to invest in modernization or search for global competitiveness.

"In comparison with international standards, in the beginning of the decade of the 1990's a fair fraction of Brazilian industry operates with equipment and technologically outdated installations, presents deficiencies in process technologies, is delayed in product technologies, and spends a too small fraction in R&D." (Coutinho & Ferraz, 1994, pp. 33, 34)

The Brazilian companies

With the proposal of intensive industrialization of JK, Brazilian companies went through several changes starting in the second half of the 50's. One of the factors that stimulated these changes was the development of the national automotive industry. Auto industries developed and provided technical training to manpower, mainly in the institutions related to FIESP (Federacy of the Industries of São Paulo), such as SENAI (National Service for Industrial Education) and SESI (Industry's Social Service) (Machline, 1994; Gattás, 1981). In the beginning of the decade of the 50's, a mass of small and average entrepreneurs from industry and services predominated in Brazil, with a reduced group of large capitalists (Mello & Novais, 1998, p. 589). These small entrepreneurs frequently did not have scale to compete with the larger ones.

However, with the consolidation of the industrial park, the structure of the small family business, managed by means of the practice and experience of the owner, changed. Product lines, structure, and relationship with the market changed.

With the increase in complexity, several companies started to feel the need to train their employees. The substitution of a type of knowledge by another can be exemplified in the analysis of the need of formal training of middle management in Nitro Química:

"Nitro's adoption of TWI (*Training Within Industry*) meant a change of posture relative to the leaders' roles on the factory floor. The former value attributed to practice as a criterion for satisfactory leadership began to be questioned. The old qualities of heads and workers, though still important, were not enough anymore. More than ever, it was necessary to train them." (Fontes, 1997, p. 43)

Beyond the search for the professionalization of the manpower, a demand for the professionalization of management occurred. Getúlio Vargas Foundation's (FGV) School of Business Administration of São Paulo was created in 1954, with the mission of supplying professional administrators for the companies in expansion.

Despite the high consideration enjoyed by scientific management concepts propagated by administration schools, in 1967 "practical" men still predominate in the management of companies. In "São Paulo industries with more than five hundred employees, 120 directors had concluded only the primary course, 411, the secondary one, 433 had completed the superior, less than half, therefore". Despite this picture, the requirement of qualification through superior education is increasingly imposed (Mello & Novais, 1998, p. 595). In another research conducted in the mid Sixties with managers of companies of the metropolitan area of São Paulo, 51.3% of the interviewees have superior education (Pereira, 1972, p. 222).

Still according to Pereira (1972), in the mid Sixties 47% of Brazilian companies employed bureaucratic criteria (capacity, experience, education, and seniority) to approve members for their board of directors, while 39% of them employed personal criteria (trust, dedication). Regarding degree of formalization, 80% had organization charts, and 41% had written internal norms. It is interesting to notice that almost the double of foreign firms (63%) had written internal regulations in comparison to Brazilian firms (34%). Thus, the author concludes that "in Brazil the process of bureaucratization is still in its beginning" (Pereira, 1972, pp. 59-60).

Cardoso (1964) points to the necessity of moving from family management to professional management. Describing professional

managers, he indicates two categories: the “reliable men”, who acquired confidence in several ways only indirectly related to technical competence; and the “director-employees”, who were hired mostly for technical rather than managerial functions.

HR policies were considered a minor issue, limited to the concession of indirect benefits, and rare incentives to the qualification of workers. Workers' participation in companies' profit was harmed, according to some entrepreneurs, by the implementation of federal policies, such as the creation of FGTS (1968), a fund to warrant workers compensation in case of contract termination, among other things, PIS and FINSOCIAL, two income redistribution instruments (Lobo, 1997, p. 237).

Transnational companies installed in Brazil presented a higher degree of structure in their activities, a certain level of organizational sophistication and administrative professionalization, with global standards (general, impersonal and international) of management and organization. These global standards were related to: strategic decision making; leadership and control styles, with operational decisions and results control mostly delegated and some delegation of strategic decisions; impersonal performance measures based multiple goals, such as ROI and total profit; rewards related to established goals; and planned careers, with interdivisional and inter-subsidiaries promotions, and the possibility of international careers (Silva, 1986, pp. 175 - 177).

Beyond these factors, automotive and other transnational companies had long experience of marketing. The modern advertising started to be used in this stage, “supported by marketing rules and using professional techniques, copied from the American” (Gracioso, 1999a, p. 44).

Beyond marketing growth consolidation, companies began to utilize systematically other administrative techniques, responding to the emerging demand for resources rationalization. This demand was mainly related to the large private and transnational companies, which required new standards of direction and professional management. The figure of the business manager began to appear – specialized in production, marketing, finance, organization and methods, etc. “Positions of command start to specialize and multiply. Schools of business administration, management clubs, and specialized magazines appear, and spread out the American standards of management” (Mello & Novais, 1998, p. 593).

Several production management techniques started to spread, some being used frequently while others did not adjust to the Brazilian economic reality (Machline, 1994).

Mostly due to transnational companies, planning began to be part of business reality, though marketing and finance still predominated as specialized functions. Diffusion of such knowledge is intensified in the 70's through business schools, specialized training firms, consultancy firms, and publishers (FCAV, 1976).

In the organization of work, Taylorist models still predominated. In 1977, analyzing 44 companies in different industrial sectors, Fleury & Fleury (1995, p. 130) concluded that “industrial companies, independent of the type of production system, presented a common standard of organization of work, an adaptation of the Taylorist model, that we call Work Routinization”.

The installation of some training agencies in Brazil, in the second half of the decade of the 70's, can be related to the approval Law nº 6,297, in 1975. By this law, the government started to grant significant tax incentives to expenditures with professional qualification activities. From

the sanction of this law, training companies multiplied, as well as the import of administrative and training methodologies. A broad training network emerged, in direct association with foreign firms. "Out of 14 Brazilian firms, 13 transmit imported know-how" (Oliveira, 1990, pp. 159-161).

Some methodologies became fashion in the Brazilian organizational environment. Among them, the most used were Organizational Development (OD) and Managerial Grid, Strategic Planning, Strategic Management, MBO, Situational Leadership, Hay System, Synectics, Transactional Analysis Applied to Management, Time Management, Problem Solving Methodology, Problems Analysis and Decision Making, Organizational Renewal, Role Negotiation, Brainstorming, Quality Success, and Quality Control Circles (CCQs) (Oliveira, 1990, p. 176-177).

In the 80's, the theme of quality predominated in the management scene, with the introduction of the Quality Control Circles (CCQ). With CCQs, companies solved both problems of workers' demand for participation and quality problems. In 1982, Brazil was the second country in the world in number of CCQs, after only Japan. In this period, there existed roughly 50.000 CCQs in more than 5,000 large and average companies (Machline, 1994). However, CCQs implementation was not associated with "bigger changes related to strategies or organization. Thus, after exhausting CCQs initial possibilities, these programs have been discontinued" (Fleury & Fleury, 1995, p. 131 - 132).

The strategic planning issue illustrates well the importing of methodologies in Brazil and their adequacy to Brazilian reality. Formulated by Ansoff and published in the United States in 1965, the strategic planning model was questioned and refuted by the author himself in 1973. In Brazil, his book was published in 1977 and widely

publicized in the business community. The publicized model, besides being outdated in relation to that was being spread in its native country, had been refuted by its author. Because of this,

“... we end up handling deceiving concepts and deficient methodologies for many years, since a great number of organizations implemented strategic planning programs massively, in its majority assisted by consultants who had proliferated around the country. Some companies even created departments or commissions with this purpose in their formal structure, based on a methodology that is failed, deficient, incomplete, imported without critical questioning and presented and applied as the latest scientific discovery of American management theory and practice.” (Oliveira, 1990, p. 194)

Still, “in some cases, the strategic plan is considered merely as a formal document, which only registers some objectives and action programs, without being effectively incorporated in the daily operations management” (Silva, 1986, pp. 192-193). In spite of all the development of administrative knowledge, by the end of the 70’s many of the tools, methodologies and models publicized were not yet applied.

“hiring, especially for executives, many times is made on the basis of personal acquaintance and personal qualifications, in this order (...) the qualities mentioned are: loyalty, the capacities, efficiency and, in many interviews and meetings, humility.” (Joly, 1990, p. 504)

In Brazilian companies, the general direction was still conducted by the founder and some of his kin. “The characteristic traits are tight control and decision making according to the owner’s ‘nose’” (Joly, 1990, p. 511). Collaborators were chosen in function of their compliance with the entrepreneur’s management style. Once chosen, they adopted the clan structure, reproducing the entrepreneur’s logic. “In these conditions, strategic management with imported techniques could only bring as a consequence the modernization of the modalities of exercise of the old patrimonial culture” (Joly, 1990, p. 515).

In 1980, multinationals' activities expanded, besides the arrival of new transnational companies. Several national groups consolidated, among them, Globe, Abril, Itaú, Bradesco, Votorantim, Antarctica, Odebrecht. In the big companies, more qualified employees appeared: directors, managers and assistants. Rendering services to large companies, advertising agencies, law offices, auditing and consultancy firms consolidated. In the medium and small companies there were also directors, managers, and assistants, though in less differentiated bureaucratic structures than those of the large companies (Mello & Novais, 1998, pp. 627-629).

Management of small companies was rudimentary, with lack of working standards. In most of the companies, structures were precarious. Control was totally centralized, impregnated with authoritarianism. "Entrepreneurs with whom we kept contact in general know little or nothing about modern management methods" (Cavalcanti, 1986, p. 206).

Information Technology started to be part of some sectors, such as banking. However, most of the companies had not figured yet the possibilities of computer science. Large companies which used mainframes were the exception. Some entrepreneurs had already foreseen that technological delay would become a real problem, what eventually happened in the 90's (Silva, 1986).

Despite the dissemination of strategic planning, during the 80's the economic policy instability made it difficult, if not impossible, any planning Silva (1986).

Summarizing, from 1956 to 1990, in Brazil management models and methodologies, such as scientific management, bureaucracy, and latterly strategic planning, were adopted mostly due to the arrival of the foreign automotive industry and the development of an industrial park. The

management models used then had the status of “one best way” when they were adopted. The Taylorist model was particularly diffused in the production area.

These models started to be implanted in 50’s, though they have been consolidated only by the 70’s. In production, the Taylorist model predominated. From the 70’s on, the dissemination process was intensified.

The import of models and methodologies was due to the installation of MNCs, as well as to the models’ diffusion in the business community. It was fundamental for industrialization and modernization processes. MNCs brought manufacturing and management technologies and defined those technologies as standards for their subsidiaries as well as for their suppliers. The dissemination of the imported models and methodologies in the business environment happened through business schools, consulting firms and the editorial market. However, the predominance of imported knowledge made it difficult to develop management knowledge fully adequate to the Brazilian reality.

CHAPTER 5

GLOBALIZATION (THE 90'S)

During the 80's, GDP presented growth rates below the necessary for Brazilian development. In the beginning of the 90's, this growth recovered. With the end of the military dictatorship and the process of re-democratization, the population participated increasingly in politics, seen in urban social movements and the mobilization for the first presidential impeachment in Brazil. Due to the drop of customs tariffs, opening to the imports caused a great impact in almost every Brazilian economic sector. More foreign competition flooded in, and many Brazilian companies either disappeared or were bought out. Most local companies could not keep up with the innovation necessary to compete. Ranked twenty-seventh in per capita income, with its large population base (170 million), Brazil had huge potential for increased consumption. The market environment had become increasingly competitive. Domestic competition had intensified with the opening of the Brazilian market and the stabilization of the economy in 1994. The removal of import tariffs and the creation of trading blocks like Mercosur made the region much more attractive for foreign players (Tanure & Duarte, 2005). One of the government intentions in applying their trade policies was to bring competition into the market and break up monopolies (Dupas, 2001; Rossetti, 2001; Baumann, 1999).

The advance of globalization resulted in changes in the Brazilian business environment. These changes are summarized in Box 1.

Box I. Changes due to the globalization process

Dimension	Main changes
Politics	<ul style="list-style-type: none"> ▪ Fall of communism and militarism in developing countries, and consequence fall of the protectionist policies; ▪ Competition escalation among developed countries.
Economic	<ul style="list-style-type: none"> ▪ Evolution of international finances, with the possibility of movement of financial assets in real time; ▪ More flexible policies of foreign currencies remittance and attractiveness of interests rates in some countries; ▪ Increase of FDI by transnational companies.
Social	<ul style="list-style-type: none"> ▪ Traditions modification , with the consequent questioning of traditional values; ▪ Internationalization of language and culture, with the dissemination of the North American lifestyle, through films, books, music and TV programs.
Technological	<ul style="list-style-type: none"> ▪ Telecommunications development; ▪ Transportations development, with cost drops and speed increases; ▪ Development of Information Technology, making possible the data analysis and fast information dissemination.
National	<ul style="list-style-type: none"> ▪ Demand for constitutional reforms, aiming at participation in worldwide trade; ▪ Participation in economic blocks (Mercosur).
Enterprise	<ul style="list-style-type: none"> ▪ Strong local presence; ▪ More autonomy of transnational subsidiaries; ▪ Rationalization of worldwide assets and resources; ▪ Restructuring; ▪ Increase of cultural diversity and transformations.
Individual	<ul style="list-style-type: none"> ▪ Greater demand for quality products; ▪ Search for continuous learning, to adjust to the companies' demands; ▪ More exigencies toward the government.

Based on Manfrinato (1996, pp. 7-31)

After decades without modernizing, companies started to confront much more efficient competitors and more sophisticated products. This increase in competition generated a growing movement toward restructuring, mainly in the industrial sector (more specifically, in the segments of auto-parts, capital goods, petrochemicals, paper and cellulose, computing, and electro-electronics). Patrimonial reorganization occurred through strategic mergers, acquisitions and alliances, as a way to

strengthen positions in the market, diversifying investment portfolios and simplifying transfer of foreign technology. There has been an increase in shared control, with a reduction of family and state ownership. Institutional and foreign agents emerged as important players in the economy (Siffert, 1999).

Sequeira (1990) shows that, by the end of the decade of the 80's, less than 10% of the Brazilian companies were operating in world-class levels of performance in any indicator. This gives an idea of the dimension of the competitive challenge for the national industry.

From the decade of the 90's, information technology supports a new technological leap in all business areas, organizational transformation tools spread, and Brazilian companies are introduced in the global competitive scene.

In 1981, 46% of the economically active population work in the services sector; in 1990, 54,5%. Likewise, in the same period, in the agricultural sector, there has been a reduction from 29,3% to 22,8%; and in the industrial sector, from 24,7% to 22,7%. (Sequeira, 1990)

The frantic rhythm of changes in the global economy started to reflect in the Brazilian reality. The means to overcome the hiatus become priority in the discussions on the need for changes in industry. A conjunct inquiry carried by FIESP, the American Chamber of Commerce and Ernst & Young showed that the annual stock movement and the quality of production were very inferior to world-class standards. Product costs, customer dissatisfaction and industry idleness were also very superior (Oliveira, 1994). The economic opening attracted an imports wave, allowing consumers to make new comparisons. This lead several companies, both Brazilian and multinationals installed in Brazil, to feel the need of adjusting to the new situation.

After a decade of pessimism and numerous economic plans, the economy seemed to recover. The financial market, by then a complementary source of income due to high interest rates, retracted. A number of companies were obliged to look for alternative ways to obtain return on capital, by means of import or investments in production. The "Brazil cost" started to be questioned, becoming the great culprit for the lack of competitiveness of the national industry.

In the case of the financial sector, reorganization occurred due to its super-size. In 1988, the Brazilian banks detained, in financial assets, the equivalent to 34% of GDP, and this share was reduced to 18% after the Collor economic plan. As a response, banks went through various changes in the organizational, strategic, attendance and business areas. In the organizational area, structures are made lighter, with personnel reduction, operational rationalization, emphasis in automation, and outsourcing. In strategy, the sector emphasizes capitalization, and investments in technology, aiming at productivity and quality improvements. In the attendance area, the focus is on customer services, self-attendance, phone-banking, leaving personal attendance only for differentiated customers. In business, the sector invests strongly in the industrial area and seeks going to the international market (Campelo, 1994, p. 58).

In other economic sectors, changes occur according to the level of competition: the greater the competition, the faster the adjustment had to be.

Changes may be classified in three groups: changes in the organization of companies, changes in the organization of production and changes in the organization of work.

The changes occurred in inter-companies as well as in intra-companies relations. Inter-companies, they happen through strategic

mergers, acquisitions, partnerships, cooperative agreements. Intra-company relations change due to focusing in the core business, outsourcing, reengineering, downsizing, processes reorganization, integration of areas. All reorganization processes look for smaller structures, rationalization of operational processes and the consequent increase of competitiveness.

In the organization of production, various methodologies and techniques were adopted, mainly of Japanese origin. Their goal was to make companies more competitive by means of reduced stocks, quality improvement and modernization. In the organization of work, due to the need to reduce personnel, to reorganize activities, to new technological demands and social pressures, new concepts appeared, such as work-cells and teams, valuation of communication. Conjugated with productive changes (technological and organizational), there has been a significant productivity increase, which also resulted in a drop in the level of employment (Fleury & Fleury, 2000).

Brazilian companies initiate to look for new technologies and new partnerships with foreign capital. With the economic stabilization, transnational companies start to invest in Brazil again.

The globalization process initiated in the decade of the 70's, starting from financial globalization, with deregulation of financial markets; and advances in telecommunications and computing. It continued with commercial globalization, intensified during 80's, with changes in transportation and reduction of trade barriers. In the 90's, consolidation came with the process of productive globalization, which compelled companies to organize according to a globally integrated operations logic (Fleury & Fleury, 2000, p. 36-37).

This process resulted in reorganization of both Brazilian companies and subsidiaries of transnational companies installed in Brazil.

In Brazilian companies, organizational reorganization predominated, aiming at reducing personnel diminishing hierarchic levels. While in 1994 medium and large companies had 5,8 levels in average, in 1999 this number fell to 4,8 levels in average, evidencing a reduction in hierarchic levels (Curado, Pereira, & Wood Jr., 1995).

In the case of transnational subsidiaries, it is possible to identify three reorganization tactics: subsidiary as an operational arm; subsidiary as a relatively independent unit; and, subsidiary as competence center. In each type predominates a management model (Fleury & Fleury, 2000, p. 111-113).

National companies reacted to the globalization process chiefly from 1995. "The first observed change was the adoption of focusing strategies and outsourcing, in which companies gradually reduced their range of products, markets and activities, seeking to concentrate on their core business" (Fleury & Fleury, 2000, p. 114). Participative processes and personnel qualification were promoted in an attempt to increase productivity.

New terms became part of the vocabulary of the Brazilian manager, such as reengineering, benchmarking, downsizing, empowerment, employability. Although many companies did adopt these ideas, a significant parcel kept following models considered "obsolete" at that time.

The Brazilian companies

Analyzing the changes occurred in Brazil by the end of the decade of the 80's, Alves (1990, p. 34) affirms that "in the last years, the administrative reforms conducted by the government, and the subsequent mergers and acquisitions in the private area, led to a techno-bureaucracy that allowed organizations to be more structurally malleable, to better respond to external stimuli, besides assuming a certain self-renewing content".

New requirements of the global market pressed companies to adopt more efficient management forms. Old administrative paradigms were questioned; all traditional administrative functions suffered changes. In the strategic area, companies reassessed their strategies, identifying core businesses and outsourcing processes and services. In the production area, they sought for productivity, total quality, and products reengineering. In organizational structures, they reorganized, reducing employees and hierachic levels. External consultants were hired to help in the implementation of changes as well as to give credibility to the process; their activities were benchmarked internationally, searching for new ideas and management methods. The need for these changes is reflected in the findings of an inquiry promoted by FIESP, the American Chamber of Commerce and Ernst & Young:

- "Stocks turn 10 times less than the worldwide standard for manufacturing;
- Production quality 4 times less than the world-class standard (...);
- Product costs 24% greater than the best international competitor (...);
- Time of response to customer 20 times slower than the best competitors (...);
- Smaller use of manufacturing capacity: 26% of idleness in Brazil against an international standard of 5%." (Oliveira, 1994, p. 133)

Table 2. Main strategies of adjustment adopted

Strategies	1991 (%)	1995 (%)
Quality programs	85	93,1
Production rationalization	81,4	87,1
Training	78,8	86,1
Investment in technology	77,7	81,8
New equipment	64,4	69,7
Purchase of foreign technology	59,9	60,4
Reduction of the verticalization	33,9	57,9

Source: Commercial opening & Technological Strategy, CNI, 1991 and 1995

Table 2 displays strategies companies adopted to respond to the commercial opening.

The necessity of companies to re-adequate due to government policies in the beginning of the 90's can be verified in the statement of Gradiente's executives:

"In 1990, the measures adopted by the Collor government shook Gradiente. The company was submitted to a bitter adjustment that, between December of 1990 and middle 1992 provoked the closing of two plants and the dismissal of three fourths of the employees. Despite these adjustments, Gradiente became more competitive. The quality of its products had a positive leap, productivity increased and the prices of products were reduced." (statement collected by Barth, 1995, p. 176)

Quality programs, which were already being implanted in the decade of the 80's, received a new impulse with the search for ISO 9000 certification. Certifications went from 18 in 1990 to 1635 in 1997. Aiming to become more flexible, many companies reorganized and reduced their structure. In the automotive industry, processes of organization of the logistic system, outsourcing, manufacturing cells, continuous improvement programs, and careers and wages plans were adopted (Bresciani, 1997).

In a telecommunications company, for instance, in 1988 the first steps for the implementation of just-in-time were given through the introduction of the Kanban system. In 1989, they initiated TPM (Total Productive Maintenance), with objectives of zero breaks, zero defects, and zero accidents. In 1990, they launched a job rotation program and started training employees in Statistical Process Control (SPC) and self-control. Other programs implemented in the factory in that period were ISO 9000 certification (1991), and Total Quality Management – TQM (1992). Some behavioral programs were also launched, among them “Coffee with the boss”, and “Gymnastics in the plant” (Sammartino, 1995, pp. 117 -148).

Several companies went through organizational changes, adopting different techniques and tools and, though changes were more frequent in large companies, they also happened in the smaller ones, as displayed in Table 3.

Summarizing, this stage broke the “one best way” paradigm of formulas may be applied indiscriminately to all situations. Companies started to adopt more than one management tool. This stage may be characterized by the multiplicity of possibilities, models and methodologies available to managers. Most of them North American, these tools offer solutions for more competitiveness through modernization of processes and improvement of human relations. They also require new attitudes from managers, attitudes more in line with institutions from those countries where the tools were created.

Table 3. Use of management programs according to size

PROGRAMS/TECHNIQUES/METHODS	All companies (%)	Large companies (%)
Strategic planning	37	67
Teamwork	35	60
TQM	31	59
Acquisition of automatic equipment	33	58
Material Requirements Planning (MRP)	33	54
Energy conservation program	29	54
Lead time reduction	26	52
Environmental management program	25	52
Outsourcing	33	50
Computer aided design (CAD)	21	50
Statistical process control (SPC)	25	49
ISO 9000	17	48
Benchmarking	17	43
R&D programs	17	43
Just-in-time manufacturing	24	41
Total productive maintenance	27	36
Computer aided manufacturing (CAM)	16	35
Kanban	14	35
Use of mini-plants/Rearrangement of cells	17	35
Reengineering	13	23
Activity-based costing	17	22
Simultaneous engineering	10	19

Source: BNDES, CNI, SEBRAE – “Quality and productivity in the Brazilian industry”

Recapitulating, in Part II, from a historical perspective, I describe the Brazilian process of industrialization. In the first stage - from the second half of the 19th century until 1955 - European immigrants, mostly Portuguese and Italians, were the first entrepreneurs. They had brought with them the technical knowledge necessary to their activities, and they managed based on their technical knowledge.

During the second stage of industrialization, the industry was modernized, and the automotive industry had a crucial role, North-American influence and management models started to have greater influence in the country, although Japanese and European models were also present. Brazilian business schools, in cooperation with American universities, and consultancy firms led to a widespread dissemination of American management practices. Besides, MNCs adopted management practices dictated by their headquarters.

The third stage starts with the economic opening and globalization in the 90's. Competitive pressures force Brazilian companies to modernize or perish. Fashions and fads pop up, and foreign models, most of the times, are adopted without questioning and without understanding of their underlying rationalities.

PART III

EMPIRICAL RESEARCH

CHAPTER 6

RESEARCH DESIGN

In this chapter, I present the research questions, describe the sampling procedures, the statistics, and qualitative analysis employed.

Research Questions

The first objective of this study is to identify the institutional streams that have influenced management in Brazil, those that have come from abroad and those which developed internally, and assessing if and how they have melded and formed a “management institution” in Brazil.

Second, I want to investigate if management in Brazil is oriented toward either global standardized (Drori et al., 2006) management models (e.g., emphasizing managerial-like competencies supported by the necessary personality traits and social skills, hereafter denominated *managerial profile*); or toward a conception of management legitimated by the capacity to personally solve technical problems (hereafter denominated *technical profile*; see Delmestri & Walgenbach, 2005; Stewart et al., 1994), if any of these (see Chapter 2).

Third, I want to understand how Brazilian middle managers behave when in the crossroads of different and intersecting institutional domains, e.g., the Brazilian NBS and the transnational institutions carried by international firms, and how Brazilian specificities – such as *jeitinho*, personalism, formalism – influence behavior under this intersection.

These three points advance previous research on Brazilian management and contribute to the management literature in understanding the effects of globalization on management practices.

In the sample analyzed in this study, as I will describe in the next section, I differentiate between Brazilian firms and international firms, which have their headquarters in several countries. US-international firms rely on emphasis on corporate culture, tend to centralize and formalize practices and, building on the dominant position of the USA within the global economy, tend to allow their subsidiaries the autonomy which is deemed sufficient to adapt them to local conditions (Edwards & Ferner, 2002). There are four firms (out of eleven) from the US in the sample. Non-Anglo-American international firms export their corporate culture and impose management practices to a lesser extent because they lack the support of an internationally relevant HRM professional field, which is strongly influenced by Anglo-American practices (Almond et al., 2003). Non-Anglo-American international firms are carriers of institutions of mixed origin: on the one hand they may carry practices and attitudes from their headquarters' NBS (Harzing & Sorge, 2003), and on the other hand they carry global HR Management practices (Gooderham, Nordhaug, & Ringdal, 1999), supported by the global US-dominated field of HR-consultants and managers. According to Almond and colleagues (2003, p. 7) "the gap between US and other MNCs appears to have narrowed in recent years as a result of imitation of American practice". Also according to other authors (Ferner & Quintanilla, 1998; Ferner, Quintanilla, & Varul, 2001; Tempel, 2001), continental European firms have adopted Anglo-American HRM practices in the process of internationalization. Due to this generalized adoption of Anglo-American practices by companies of

multiple nationalities, henceforth I will refer to those practices as *global standardized models*, as suggested by Drori et al. (2006).

I use the term *managerial profile* to refer to managers' profiles that emphasize managerial-like competencies supported by the necessary personality traits and social skills; and the term *technical profile* to refer to those profiles enacted by managers which are based on the capacity to personally solve technical problems.

As already mentioned, due to the fact that the first entrepreneurs (mostly of continental European origin) managed their businesses based on their technical knowledge, and to the engineering/technical background of managers, I consider that it is more likely that Brazilian middle managers working for local firms have a conception of management similar to that of Italians and Germans, that is, centered on technical problem solving skills; and I expect that Brazilian managers working for international firms will exhibit profiles more inclined to the managerial ones described above.

Sampling

In choosing the sample for this study, I followed the recommendations of Miles and Huberman (1994). Sampling followed a strategy in order to maximize variation. It is important to notice that, as recognized by current research, it is not possible to represent cultures in singular terms, as unique and uniform, as having a full overlap with national borders (Shimoni & Bergmann, 2006). Thus, I collected information from firms located in different regions of the country (the most industrialized) and, in the case of the Brazilian sub-sample, I picked firms ranging from family owned/family managed to publicly

traded/professionally managed. I collected information from 17 Brazilian firms (see Appendix C for the list of firms in the sample, number of employees in Brazil, number of questionnaires and number of interviews). Out of these 17 firms, 3 of them have production units abroad, and other 6 have distribution units, or commercial representatives overseas, or have their stocks listed in foreign exchanges. The international sub-sample was built to achieve high managerial diversity including 11 firms from countries of different managerial traditions: Denmark (1), Finland (1), Germany (2), India (1), Italy (1), Japan (1), and United States (4). Only three Brazilian and one international firms have less than 200 employees (in the Brazilian branch); and twelve Brazilian and 4 international firms have more than 1.000 employees (in Brazil). Therefore, taking number of employees as a proxy for size, I consider that size effects are reasonably well balanced in the sample.

Middle managers are considered those managers with direct responsibility over subordinates but who are not functional directors. I avoided general managers.

The areas of inquiry into middle manager's work are based on Stewart's (1976, 1982) Demands-Constraints-Choices-Approach and regard:

1. *tasks and responsibilities*: perceived responsibilities and priorities; how the managers feel about their jobs and where they see the difficulties;
2. *work pattern*: how much work time is spent doing what kind of work and what scope there is to change the pattern;
3. *contacts*: networks and relationships; the nature of contacts vertically and horizontally, internally and externally; and,

Table 4. Descriptive statistics by headquarters

HQ		N	Minimum	Maximum	Mean	Std. Deviation
Intl ^a	Years of Work	56	4	47	23,09	7,232
	Age	56	26	62	43,45	6,264
	Levels from the Base	56	1	5	1,91	,996
	Nr. of Subordinates (directly reporting)	56	1	28	7,48	5,312
	Nr. of Subordinates (total)	55	1	715	78,64	148,718
Br ^b	Years of Work	28	13	36	23,32	5,857
	Age	28	26	51	41,71	5,962
	Levels from the Base	28	1	5	2,18	1,156
	Nr. of Subordinates (directly reporting)	28	4	101	19,11	27,055
	Nr. of Subordinates (total)	28	4	2200	258,07	478,204
Total	Years of Work	84	4	47	23,17	6,770
	Age	84	26	62	42,87	6,183
	Levels from the Base	84	1	5	2,00	1,053
	Nr. of Subordinates (directly reporting)	84	1	101	11,36	22,695
	Nr. of Subordinates (total)	83	1	2200	139,17	312,034

^a International firms

^b Brazilian firms

4. *understanding of management:* what managers expect of others and what they feel is expected of them; what they regard as effective and ineffective management.

The study follows a two-step approach. In the first step, participants filled a survey questionnaire adapted from Stewart et al. (1994) (see Appendix A for the English version of the questionnaire). The survey questionnaire was translated and back-translated, and the clarity of the meaning of the questions was checked with management students and with the first respondents. After an interview to explain the objectives and methodology, and to collect information on the policies of the firms, HR representatives distributed the questionnaire to suitable managers. Only managers born and brought up in Brazil were eligible for the study. Thus,

Table 5. Frequencies by gender - Survey

HQ			Frequency	Percent	Valid Percent
Intl ^a	Valid	Male	48	85,7	85,7
		Female	8	14,3	14,3
		Total	56	100,0	100,0
Br ^b	Valid	Male	35	87,5	87,5
		Female	5	12,5	12,5
		Total	40	100,0	100,0
Total	Valid	Male	83	86,5	86,5
		Female	13	13,5	13,5
		Total	96	100,0	100,0

^a International firms

^b Brazilian firms

I collected 40 questionnaires from Brazilian companies and 56 questionnaires from international companies. Out of the latter, 44 come from a single Italian firm. I personally collected 84 questionnaires between October and December 2006, and 12 questionnaires were collected in Brazilian firms between January and March 2005 by a research assistant under Prof. Delmestri's and my supervision. Table 4 presents descriptive statistics and Table 5 the frequencies by gender.

The second step, the qualitative one, is drawn from interviews with managers appointed by the HR representatives and from written responses to three open questions in the survey questionnaire. In Brazilian companies, I interviewed 19 managers and obtained 3 written responses to the open questions, plus 5 written responses collected by the research assistant, while in international companies I interviewed 14 managers and had 31 qualitative written responses. Semi-structured interviews (see Appendix B for the interview guideline) were either face-to-face or by phone (15 and 18 interviews, respectively), due to the geographical dispersion of the sample. The interview guideline is the same used by Delmestri (2006). Interviews lasted from 40 to 120 minutes, and I took

Table 6. Descriptive statistics by headquarters - Qualitative study

HQ		N	Minimum	Maximum	Mean	Std. Deviation
Intl ^a	Years of Work	37	4	36	22,70	6,704
	Age	37	26	55	42,86	5,779
	Levels from the Base	37	1	5	2,00	1,000
	Nr. of Subordinates (directly reporting)	37	1	28	8,08	5,918
	Nr. of Subordinates (total)	37	1	715	98,86	169,057
Br ^b	Years of Work	20	13	36	23,60	6,684
	Age	20	26	51	42,40	6,668
	Levels from the Base	20	1	5	2,15	1,226
	Nr. of Subordinates (directly reporting)	20	4	79	14,75	16,771
	Nr. of Subordinates (total)	20	6	2200	288,90	514,199
Total	Years of Work	57	4	36	23,02	6,651
	Age	57	26	55	42,70	6,050
	Levels from the Base	57	1	5	2,05	1,076
	Nr. of Subordinates (directly reporting)	57	1	79	10,42	11,325
	Nr. of Subordinates (total)	57	1	2200	165,54	341,251

^a International firms

^b Brazilian firms

extensive notes on the answers and comments. In some cases I asked the interviewees to put me into contact with other managers they had mentioned and that I considered could provide valuable information. Table 6 gives the descriptive statistics of the managers who provided qualitative information, and Table 7 the frequencies by gender of this group.

The qualitative interviews were used to identify unique Brazilian management institutions, as well as to verify the breadth and depth of variables already known to influence role enactment (Delmestri, 2006), such as scope of international contacts, presence and significance for the respondent of HRM practices (selection, starting programs for newly hired employees, management education, and coaching programs, profit

Table 7. Frequencies by gender - Qualitative study

HQ			Frequency	Percent	Valid Percent
Intl ^a	Valid	Male	32	86,5	86,5
		Female	5	13,5	13,5
		Total	37	100,0	100,0
Br ^b	Valid	Male	21	84,0	84,0
		Female	4	16,0	16,0
		Total	25	100,0	100,0
Total	Valid	Male	53	85,5	85,5
		Female	9	14,5	14,5
		Total	62	100,0	100,0

^a International firms

^b Brazilian firms

sharing and individual reward systems), the perception of organizational and national cultures, identification with cultures to which respondents had been previously exposed , career paths, education, and nationality of previous employers. I stopped interviewing managers when theoretical saturation was reached. Additionally, I interviewed HR representatives of 3 Brazilian and 2 International firms to collect information on HRM practices.

I also followed Miles and Huberman (1994) for data reduction, codification and analysis. I grouped the responses according to the respondent's quantitative managerial profile. The quantitative profile is calculated using the survey data and it orders managers from a technical to a managerial orientation (see Delmestri, 2006, and Appendix D for details in the profiles' computation). Managers were thus classified as: *Tec+*, those with the most technical conception and enactment of the role (first quartile); *Tec*, those immediately below the median; *Mgr*, immediately above the median; and *Mgr+* for those with the most managerial perception and enactment of the role (last quartile). I also

Table 8. Frequency by area - Survey

HQ			Frequency	Percent	Valid Percent
Intl ^a	Valid	Technical	34	60,7	60,7
		Commercial	13	23,2	23,2
		Staff	9	16,1	16,1
		Total	56	100,0	100,0
Br ^b	Valid	Technical	25	62,5	62,5
		Commercial	5	12,5	12,5
		Staff	10	25,0	25,0
		Total	40	100,0	100,0
Total	Valid	Technical	59	61,5	61,5
		Commercial	18	18,7	18,7
		Staff	19	19,8	19,8
		Total	96	100,0	100,0

^a International firms

^b Brazilian firms

considered separately managers who had worked previously for international firms and were currently working for Brazilian firms. I compared responses for statistically significant differences on the 37 items using the Mann-Whitney U test, which is the most appropriate when it is not possible to assume normally distributed populations.

After this direct comparison, I also compared how the two groups (*Brazilians*, that is, managers currently working for Brazilian firms; and *Internationals*, managers currently working for international firms) rank the items that should reflect opposed ways of behaving. For example, question 3 asks to what extent the respondent considers the statements "a" and "b" as properly describing a problem in supervising the work of her or his subordinates: a) "To be regularly updated from the technical point of view", b) "To always know who among her or his subordinates has the right technical skills to resolve emerging technical problems". It is expected that a manager with technical orientation will attribute higher values to item "a", and a manager with more managerial orientation

Table 9. Frequency by area - Qualitative study

HQ			Frequency	Percent	Valid Percent
Intl ^a	Valid	Technical	23	62,2	62,2
		Commercial	7	18,9	18,9
		Staff	7	18,9	18,9
		Total	37	100,0	100,0
Br ^b	Valid	Technical	17	68,0	68,0
		Commercial	3	12,0	12,0
		Staff	5	20,0	20,0
		Total	25	100,0	100,0
Total	Valid	Technical	40	64,5	64,5
		Commercial	10	16,1	16,1
		Staff	12	19,4	19,4
		Total	62	100,0	100,0

^a International firms

^b Brazilian firms

will do so with the “b” item. I ran such comparison for all two-item questions: 3, 4, 7, 9, 11, 13, 15 and 16. For this procedure I used the Wilcoxon Signed-Rank Test, a non-parametric test which computes the differences between the two variables for all cases and classifies the differences as either positive, negative, or tied. It considers information about both the sign of the differences and the magnitude of the differences between pairs. If the two variables are similarly distributed, the number of positive and negative differences will not differ significantly. For questions with three or more items, questions 8, 10, 14 and 17, I used the Friedman Test, also a non-parametric test which ranks the variables and bases the test statistic on these ranks.

As the sample is divided into areas (technical, commercial, staff), I wanted to control if the distribution respondents by area and headquarters was homogeneous. A chi-square test for the homogeneity of distribution resulted in non-significant differences between headquarters ($p < .304$). Table 8 displays the frequencies by Area for the survey sample, while

Table 9 displays the data for the qualitative sample. Another variable to control for is number of levels from the base, as it is known that technical skills are important mainly for lower level jobs (Katz and Kahn, 1966). A chi-square test of the differences in distribution between headquarters also resulted non-significant ($p < .724$). Therefore, possible differences attributable to these two variables are expected to be distributed uniformly along the sample.

CHAPTER 7

RESULTS

Survey questionnaire

The results for the Mann-Whitney Test are reported in Table 10. In general, managers working for Brazilian firms (from now on referred to as "*Brazilians*") tend to be more concerned with technical issues than those managers working for international companies (from now on "*Internationals*"). Thus, *Brazilians* delegate less the solution of technical problems (question 2, $p<.05$), contact their superiors more for technical reasons (question 9a, $p<.01$), deal with the solution of technical problems in their contacts within the company (question 11a, $p<.05$), and, to be a successful manager, give more importance to the ability to manage people from a technical point of view (questions 15b and 16b, $p<.01$ for both). In this same direction, *Internationals* declare that they must see their subordinates more for managerial purposes (question 7b, $p<.01$). Questions 4a, 4b, 6, 7a, 9b, 15a, and 16a also reflect this tendency, although differences are not statistically significant.

The questions about modality of control indicate that *Internationals* both monitor and are monitored by their superiors more through communication with customers or internal clients (questions 8a and 10a, $p<.01$ for both) and less through direct control of their work (questions 8c and 10c, $p<.01$ for both).

Table 10. Number of cases, SD, mean and differences, by headquarters

	N			SD			Mean			Difference
	Total	Intl ^a	Br ^b	Total	Intl ^a	Br ^b	Total	Intl ^a	Br ^b	Intl - Br ^c
2	84	56	28	1,066	,935	1,213	3,68	3,88	3,29	,59**
3a	96	56	40	,833	,815	,853	4,18	4,09	4,30	-,21
3b	96	56	40	,976	,914	1,050	4,37	4,48	4,22	,26
4a	96	56	40	1,250	1,093	1,432	2,07	1,93	2,27	-,35
4b	96	56	40	1,193	1,044	1,350	3,59	3,77	3,35	,42
5	96	56	40	1,206	1,229	1,189	2,64	2,63	2,65	-,02
6	96	56	40	1,141	1,160	1,125	3,45	3,50	3,38	,12
7a	96	56	40	,930	,781	1,099	2,70	2,59	2,85	-,26
7b	96	56	40	,785	,769	,712	4,13	3,91	4,42	-,51***
8a	96	56	40	1,184	,948	1,349	3,41	3,71	2,98	,74***
8b	96	56	40	,972	,885	1,083	3,71	3,63	3,83	-,20
8c	96	56	40	1,039	1,027	,899	3,81	3,50	4,25	-,75***
9a	96	56	40	1,313	1,140	1,412	3,11	2,79	3,58	-,79***
9b	96	56	40	1,000	,879	1,159	4,23	4,25	4,20	,05
10a	96	56	40	1,330	1,159	1,394	3,09	3,46	2,57	,89***
10b	96	56	40	1,047	,949	1,177	3,91	3,84	4,00	-,16
10c	96	56	40	1,279	1,107	1,336	3,58	3,21	4,10	-,89***
11a	84	56	28	1,067	,981	1,175	3,43	3,27	3,75	-,48***
11b	84	56	28	1,073	1,054	1,113	3,70	3,63	3,86	-,23
12	84	56	28	,985	,863	1,143	2,57	2,73	2,25	,48***
13a	78	51	27	1,219	1,166	1,318	3,09	3,00	3,26	-,26
13b	78	51	27	1,063	,997	1,178	3,99	4,08	3,81	,26
14a	95	56	39	,452	,522	,307	4,80	4,73	4,90	-,17*
14b	95	56	39	,644	,520	,790	4,59	4,64	4,51	,13
14c	95	56	39	,617	,539	,720	4,51	4,48	4,54	-,06
14d	95	56	39	,748	,672	,852	4,39	4,36	4,44	-,08
14e	95	56	39	,710	,679	,756	4,56	4,61	4,49	,12
14f	95	56	39	,634	,572	,721	4,51	4,50	4,51	-,01
15a	96	56	40	,754	,682	,841	4,51	4,59	4,40	,19
15b	96	56	40	1,077	1,025	,982	3,64	3,30	4,10	-,80***
16a	96	56	40	1,034	1,086	,971	4,34	4,36	4,32	,03
16b	96	56	40	1,041	,913	1,132	3,68	3,45	4,00	-,55***
17a	94	55	39	,799	,627	,972	4,47	4,60	4,28	,32
17b	94	55	39	1,175	1,135	1,243	2,61	2,56	2,67	-,10
17c	94	55	39	,967	,979	,959	3,97	3,93	4,03	-,10
17d	95	56	39	1,058	,981	1,165	3,20	3,27	3,10	,17
17e	95	56	39	1,111	,910	1,360	3,37	3,41	3,31	,10

^a International firms

^b Brazilian firms

^c *p<.1; **p<.05; ***p<.001

Table 11. Ranks of items “a” and “b” by headquarters^a

	HQ ^b	Negative Ranks			Positive Ranks			Ties	Tot	<i>p</i>
		N	Mean	Sum of Ranks	N	Mean	Sum of Ranks			
3b - 3a	Intl	10	15,40	154,00	24	18,38	441,00	22	56	,011
	Br	10	9,35	93,50	8	9,69	77,50	22	40	,718
4b - 4a	Intl	5	17,80	89,00	46	26,89	1237,00	5	56	,000
	Br	9	14,94	134,50	25	18,42	460,50	6	40	,005
7b - 7°	Intl	7	11,00	77,00	42	27,33	1148,00	7	56	,000
	Br	2	5,50	11,00	29	16,72	485,00	9	40	,000
9b - 9°	Intl	4	23,63	94,50	42	23,49	986,50	10	56	,000
	Br	8	10,13	81,00	17	14,35	244,00	15	40	,026
11b - 11a	Intl	17	18,56	315,50	25	23,50	587,50	14	56	,083
	Br	8	8,56	68,50	9	9,39	84,50	11	28	,698
13b - 13a	Intl	6	13,42	80,50	30	19,52	585,50	15	51	,000
	Br	2	4,00	8,00	10	7,00	70,00	15	27	,013
15b - 15a	Intl	42	24,60	1033,00	4	12,00	48,00	10	56	,000
	Br	18	13,53	243,50	10	16,25	162,50	12	40	,344
16b - 16a	Intl	36	22,39	806,00	7	20,00	140,00	13	56	,000
	Br	19	16,21	308,00	12	15,67	188,00	9	40	,226

^a Wilcoxon Signed Ranks Test

^b Intl = International firms, Br = Brazilian firms

As mentioned before, Brazilians in general have difficulty in conflictive situations and, from the results, it seems that in Brazilian companies this is even more salient, since *Brazilians* report to have less conflicts than *Internationals* (*question 12, p<.01*).

Further analysis help to confirm the tendency depicted above (see Table 11): differences in ranks of items in question 3 (*p<.05*) point in the direction that *Internationals* are more concerned with the managerial aspects of their jobs, the opposite being valid for *Brazilians*, though the differences are not statistically significant. In question 11, *Internationals* ranked contacts with other departments of the company with coordination and planning objectives more frequent than those contacts with the aim of solving technical problems (*p<.1*). *Brazilians* ranked the two items equally. The different ranks attributed to items a and b of questions 15 and 16 show that *Internationals* (*p<.01*) and *Brazilians* value more the ability to

Table 12. Ranks by headquarters - Questions 8 and 10

HQ	Question	Mean Rank ^a	Asymp. Sig. ^b	Question	Mean Rank ^a	Asymp. Sig. ^b
Intl	8a	2,09		10b	2,22	
	8b	2,00	,549	10a	2,00	,029
	8c	1,91		10c	1,78	
Br	8c	2,34		10c	2,31	
	8b	2,13***	,000	10b	2,24***	,000
	8a	1,54		10a	1,45	

^a Significance of difference to the immediately following item: * $p<.1$, ** $p<.05$, *** $p<.01$

^b Friedman Test

manage people from a social point of view, but the difference is not statistically significant in the case of *Brazilians*. In questions 4 (Intl and Br: $p<.01$), 7 (Intl and Br: $p<.01$), 9 (Intl: $p<.01$, Br: $p<.05$) and 13 (Intl: $p<.01$, Br: $p<.05$), rank differences for items a and b were significant and in the same direction for both groups.

Still comparing the relative ranking of question items within each group (see Table 12), I find that *Brazilians* monitor their subordinates significantly less (question 8, $p<.01$) through communication with customers or with internal clients than through periodic checks with respect to the budget and to the relevant programs or through direct control of the work in its course of execution. Superiors of *Brazilians* rank their monitoring preferences in the same way (question 10, $p<.01$). *Internationals* reverse that order when they refer to their subordinates (but differences are not statistically significant), and they say their superiors monitor their work in the following order of modalities (question 10, $p<.05$): through periodic checks with respect to the budget and to the relevant programs, through communication with customers or with internal clients, and through direct control of the work in its course of execution.

Table 13. Ranks by headquarters – Questions 14 and 17

HQ	Question	Mean Rank ^a	Asymp. Sig. ^{b, c}	Question	Mean Rank ^a	Asymp. Sig. ^{b, c}
Intl	14a	4,00		17a	4,40***	
	14e	3,73		17c	3,45***	
	14b	3,68*	,000	17e	2,74	,000
	14f	3,29		17d	2,57***	
	14c	3,27		17b	1,84	
	14d	3,03				
Br	14a	4,14***		17a	3,96	
	14e	3,42		17c	3,63***	
	14f	3,38	,018	17e	2,85	,000
	14c	3,37		17d	2,51**	
	14d	3,37		17b	2,05	
	14b	3,31				

^a Significance of difference to the immediately following item: * $p<.1$, ** $p<.05$, *** $p<.01$

^b Friedman Test

^c Asymptotic significance of the overall rank

Internationals rank loyalty and transparency (see Table13) as the most expected characteristic of subordinates, followed by attachment to corporate values, autonomy and initiative, knowledge sharing, skillfulness and efficiency, and collaboration and willingness. Rank differences are significant ($p<.01$). More detailed analysis (statistics not reported here) show that the differences between the three first items are not statistically significant. For *Brazilians*, the order is loyalty and transparency, skillfulness and efficiency, autonomy and initiative, collaboration and willingness, attachment to corporate values, and knowledge sharing ($p<.05$). More detailed analysis (data not reported) shows that only loyalty and transparency is statistically different from the other five items.

Internationals prefer to be seen by their subordinates as a “coach” that knows how to manage a team, followed by a point of reference ($p<.01$), a charismatic leader ($p<.01$), a technically skilful master (difference not statistically significant), and “*primus inter pares*” ($p<.01$). *Brazilians* prefer a “coach” that knows how to manage a team, followed by a point of

Table 14. Distribution of managers in the profiles ^{a, b}

HQ	Intl	Count	Profile				Total
			Tec+	Tec	Mgr	Mgr+	
HQ	Intl	Count	9	16	17	14	56
		% within HQ	16,1%	28,6%	30,4%	25,0%	100,0%
Br	Intl	Count	16	9	8	7	40
		% within HQ	40,0%	22,5%	20,0%	17,5%	100,0%
Total		Count	25	25	25	21	96
		% within HQ	26,0%	26,0%	26,0%	22,0%	100,0%

^a 0 cells (,0%) have expected count less than 5. The minimum expected count is 8.75.

^b Asymptotic significance (Pearson Chi-square): $p=.071$

reference (difference not statistically significant), a charismatic leader ($p<.01$), a technically skilful master (difference not statistically significant), and “*primus inter pares*” ($p<.01$). Therefore, they rank their preferences almost equally.

Inducers of non-local behavior

From the survey data it emerged that Brazilian managers displayed attitudes, beliefs and role enactments contingent on whether they worked for Brazilian or international firms in Brazil. Their behavior ranged from emphasis on technical mastery to emphasis on interpersonal skills. Table 14 displays the distribution of managers according to their profiles in Brazilian and International firms. Most of the managers working for Brazilian firms (here denominated *Brazilians*) inclined toward technical mastery, similar to the Italian and German conception of management, while most of the managers working for international firms (here denominated *Internationals*) inclined toward interpersonal skills, akin to

the global standardized conception of management, widespread in MNCs. A chi-square test resulted significant ($p<.1$). Yet, a minority share of *Brazilians* adopted a managerial conception, and a minority share of *Internationals* adopted a technical conception of management. Why did the majority of Brazilian managers working for international companies adopt a managerial conception of management? For example (all quotations have been translated from Portuguese. Managers' comments are identified by their number, followed by their profile, and by whether they work for a Brazilian firm - *Br* - or an International firm - *Intl*):

Others in my position might delegate less than I do. There are members of my team who know the processes much better than I do.

(Manager 20, *Mgr+*, *Intl*)

What I have to do myself is to define strategies with other areas of the firm (e.g. marketing, sales) and to have my team motivated. I have regular meetings that I use to assess their motivation.

(Manager 51, *Mgr*, *Intl*)

And, correspondingly, why did the majority of managers working for Brazilian firms adopted a technical conception of management?

When I delegate, I always check execution. When I see a mistake, I avoid doing it myself, though I wish I could do it. I employ a great deal of my time with routines that are not being done by those who should perform them. To be effective is to master the technical aspects of my area.

(Manager 63, *Tec+*, *Br*)

I usually contact my subordinates to correct technical errors.

(Manager 74, *Tec*, *Br*)

Looking at the survey data, hierarchical level curiously displayed a very homogeneous distribution of managers among all four profiles, and only when number of subordinates is greater than 100 there is a visible disposition of managers toward managerial profiles. Area of work

Table 15. Distribution of managers according to change of functional area^a

HQ	Intl ^b	Area Change	None	Profile		Total	
				Tec	Mgr		
Br ^c		Change	None	Count	13	9	22
				% within Area Change	59,1%	40,9%	100,0%
		Total	Yes	Count	12	22	34
				% within Area Change	35,3%	64,7%	100,0%
		Change		Count	25	31	56
				% within Area Change	44,6%	55,4%	100,0%
		Total		Count	11	5	16
				% within Area Change	68,8%	31,3%	100,0%
		Total	Yes	Count	14	10	24
				% within Area Change	58,3%	41,7%	100,0%
				Count	25	15	40
				% within Area Change	62,5%	37,5%	100,0%

^a 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.00.

^b Phi = .234, Approximate significance: $p=.080$

^c Phi = .105, Approximate significance: $p=.505$

affected results slightly too, with managers belonging to the technical area more inclined to technical profiles, staff personnel evenly distributed, and managers from the commercial area more prone to managerial profiles. Chi-square tests resulted non-significant for all variables mentioned above.

Besides headquarters, change of functional area and age resulted statistically significant for *Internationals* (phi statistic, $p<.1$ and $p<.05$ respectively), and non-significant for *Brazilians*. Table 15 displays the distribution according to change of functional area and Table 16 according to age. *Internationals* who have ever changed functional area significantly enacted managerial profiles, while those who have not changed area exhibit technical profiles. Similarly, *Internationals* under 42 years of age (the median age of the sample) enact significantly more managerial profiles, while those over 42 enact more technical profiles. In

Table 16. Distribution of managers according to age ^a

HQ	Intl ^b	Age (years)	up to 42	Profile		Total
				Tec	Mgr	
Int'l	HQ	Age (years)	Count	7	19	26
			% within Age	26,9%	73,1%	100,0%
		more than 42	Count	18	12	30
	Total		% within Age	60,0%	40,0%	100,0%
			Count	25	31	56
			% within Age	44,6%	55,4%	100,0%
Br ^c	HQ	Age (years)	Count	10	6	16
			% within Age	62,5%	37,5%	100,0%
		more than 42	Count	5	7	12
	Total		% within Age	41,7%	58,3%	100,0%
			Count	15	13	28
			% within Age	53,6%	46,4%	100,0%

^a 0 cells (0%) have expected count less than 5. The minimum expected count is 5.57.

^b Phi = -.332, Approximate significance: $p=.013$

^c Phi = .207, Approximate significance: $p=.274$

both cases I had to collapse the profiles into *Tec* and *Mgr* in order to avoid expected counts less than 5.

Data collected in the qualitative interviews unexpectedly show that the extent of contacts with foreign colleagues does not affect enactment of a managerial or technical role, whatever the frequency and modality (face-to-face, phone, email, teleconferences, etc.) of such contacts. Those contacts may well be motivated by technical matters:

To perform the role of interface among the different Latin America factories and the international contact with Europe (always motivated by technical subjects), I believe this enriched me both professionally and personally.

(Manager 12, *Tec+*, *Intl*)

Furthermore, neither the presence of HRM practices (starting programs for newly hired employees, leadership training, individual performance appraisal and reward systems) nor the presence of selection

processes that assess technical knowledge or relational skills bear direct relationship with the enactment of any profile (chi-square tests resulted non-significant).

Although educational background influences management conception, both technical and business education induce enactment of managerial profiles: four out of five managers who had exclusively business education (college, MBA's or other postgraduate studies) and seven out of thirteen managers who had exclusively technical education (college or other postgraduate studies) enacted managerial roles. Seven out of eleven managers who were educated (high-school, college or postgraduate) in both areas enacted managerial roles. Nevertheless, three out of four managers who had not been to college and had education neither in business nor in the technical area in which they worked enacted the most technical profiles (*Tec+*), suggesting that lack of education may be more determinant than its business or technical nature. The only exception to this group is a manager who declares himself as someone who appreciates and plans for change:

I like change. Before I change area, I already know, by observation, what different people do. I have been promoted due to personal characteristics: I am very rigid and meticulous.

(Manager 67, Mgr, Br)

Clearer signs for the reasons of differences in role enactment emerged from spontaneous comments managers made in the interviews. Ten managers in International (out of fourteen interviewed) and seven in Brazilian companies (out of nineteen interviewed) pointed that Brazilian firms lack working methods (six comments), planning (five comments), organization and clear definition of goals (three comments), rules and standards (two comments), strategies, order, control, and accountability

Box II. Comments on working methods, planning, etc. ^{a, b, c}

"From my subordinates I expect methodology of work" (Manager 20, *Mgr+, Intl*)

"I started working for a Japanese company in the electronics sector. It was an important apprenticeship in oriental culture, where discipline, respect to productive and organizational methods play a very important role in the company." (Manager 34, *Mgr, Intl*)

"In Brazil it is mandatory to follow-up activities. Accountability does not work." (Manager 53, *Tec, Intl*)

"In this firm I learned to respect processes and methods: it is possible to be predictable. Visibility (to see the entire process) and predictability are key concepts in this company. Brazilians have problems with this. In this firm there is no '*jeitinho*': follow the method and it will work." (Manager 54, *Tec, Intl*)

"I expect from my subordinates dedication, that they follow the rules (...) In Brazilian firms there is little planning and lots of action." (Manager 56, *Mgr, Intl*)

"Our directors are too centralizing, they do not have plans, projects, nothing is talked." (Manager 59, *Mgr, Br*)

"Companies from other countries have methods. We do not." (Manager 73, *Mgr+, Br*)

"I've worked both in American and European firms, and both experiences influenced me in teamwork and long-term planning." (Manager 74, *Tec, Br*)

"Being disorganized is typical Brazilian, not-planning, '*jeitinho*' for everything. Brazilians bend the rules too easily. We lack standards. In the international firms I worked, I learned to do my tasks with a certain frequency, to follow the rules." (Manager 75, *Mgr, Br*)

"The manager of my current firm wants to solve the problem, to put out the fire, but then we should investigate its causes so that the problem does not happen again, and Brazilian managers do not do that. We fail in keeping records. There's a lot of heroism in Brazil. Multinationals have more instruments." (Manager 83, *Mgr+, Br*)

^a *Intl*: International firms

^b *Br*: Brazilian firms

^c *Tec+, Tec, Mgr, Mgr+*: managers' profile

(one comment each). Box II contains examples of such comments. Eleven out of these seventeen enacted managerial profiles, suggesting that the existence of working methods, planning, goals, and rules may prompt the enactment of managerial profiles. These attributes are considered to be present in International companies, and their lack might help to explain the technical-oriented role enactment of managers of Brazilian firms. Out of the seven managers of Brazilian firms who commented on this, five had previously worked for International firms, what indicates they had opportunities to get in touch with those methodologies.

Another aspect that emerged spontaneously in the interviews was the importance of the emotional climate in the workplace: seven managers in International and six in Brazilian companies pointed that maintaining an amicable climate is important. Box III display some of those statements. Five out of these thirteen people were women (who are seven in the interviews sub-sample). Eleven out of these thirteen enacted managerial profiles, thus suggesting that managers concerned with emotional well-being may be more inclined to enact managerial roles. Correspondingly, thirteen *Brazilians* and seven *Internationals* did not comment on the emotional aspect, and thirteen out of these twenty enacted technical profiles, suggesting that managers with the technical aspects of their jobs attribute less importance to the emotional climate in the workplace.

In the interviews, I tried to identify with which culture and institutions managers identified. Managers of International firms identified themselves equally with Brazilian culture and institutions (four cases, three *Mgr+*, one *Tec* profile) and with mixed cultures. Mixes were made of the Brazilian and the national culture and institutions of the company's headquarter (two cases, one *Mgr+*, one *Tec*), the Brazilian and the global cultures (one, *Tec*), and corporate and global (one, *Tec+*). Two managers identified themselves with their corporate culture and institutions (*Mgr+* and *Tec*), one identified himself with the services sector (*Mgr+*), one with his area of work (quality management, *Tec+*), and only one with the culture of his firm's headquarters, the Japanese (*Mgr*). Not by chance he descends of Japanese immigrants established in Brazil. As it can be seen, identification with Brazilian culture and institutions does not imply in technical role enactment. The main reason for identification with Brazilian or mixed forms of culture which include the Brazilian is the emotional aspect, the warmth of relationships:

Box III. Comments on emotional climate in workplace^{a, b, c}

"In the [American] service company I worked we celebrated more the results, managers are concerned with how people are feeling." (Manager 20, *Mgr+, Intl*)

"In the two Italian firms I've worked before, one can see the effects of a more creative environment, where dialogue among organizational levels and personal relationships are more valued, creating a sense of belonging" (Manager 32, *Mgr, Intl*)

"The company where I work is Italian. Emotion and personal relationships are directly linked in day-to-day activities. It is not a cold company. Goals are not left aside, there is strong pressure to achieve them, but people relate to each other and participate of each other's lives. The environment is competitive but not irrational." (Manager 37, *Tec, Intl*)

"This company really influenced me: I've been working here for 20 years and there is a strong link between me and my family and this company. Actually, it is a passion, what has made it difficult for me to look for opportunities in other companies" (Manager 40, *Tec, Intl*)

"There is also lack of psychologists, social assistants, and I end up discussing family problems with employees." (Manager 45, *Mgr, Intl*)

"I try to have my immediate subordinates as close as possible. I walk around the factory in the morning. If production is ok in the afternoon, I do not go back. If it falls, I go back and check if it is hot or cold, if people are feeling well, if they have personal problems. If they do, I talk to them." (Manager 75, *Mgr, Br*)

"I arrive early and walk around to show everybody I am there and the doors are open. Personal contact is important because it creates credibility with internal personnel and with suppliers." (Manager 76, *Mgr+, Br*)

"I want to be considered a leader, someone to give guidelines, someone with whom to discuss projects, someone who can be followed because of my knowledge. This happens if one has good bonds to people." (Manager 77, *Mgr, Br*)

"I have daily contacts with direct subordinates to present news, discuss tools, planning. With indirect subordinates, as often as possible to demonstrate their work is important, to keep a cordial and brotherliness environment, not to spy on them. It is important that they feel close to management. I also collect information on their needs: outfits that should have been provided and were not, I get informed and try to solve the problem." (Manager 78, *Mgr, Br*)

"In this firm I learned how to be more easily available for conversations. I changed a lot: I was arrogant and feared instead of admired. Today, I am recognized for what I did, for how I helped people grow." (Manager 79, *Mgr+, Br*)

^a *Intl*: International firms

^b *Br*: Brazilian firms

^c *Tec+, Tec, Mgr, Mgr+*: managers' profile

Brazilians take it with 'jeitinho', more relaxed, without losing commitment. Americans sometimes do not know the person who sits beside them. In Brazil, we go for the barbecues all together.

(Manager 45, Mgr, Intl)

US for the organization, Brazilian for interactions.

(Manager 46, Mgr+, Intl)

In Brazil there is warmth in the interaction with other people, and this makes a big difference.

(Manager 83, Mgr+, Br)

Identification with corporate culture and institutions or with corporate culture mixed with global culture occurs when managers perceive corporate culture diverse and better than Brazilian and that of headquarters:

Working for a Finnish company is a unique experience. Corporate values are communicated and practiced constantly in every business. Managers are very young, but competent. Finish people command, and they learn other cultures. There are many opportunities for periods in other countries, and many joint projects with people from all over the world. We lose deals because we are not "tropicalized": we do not accept any sort of exchange of favors or corruption. We are extremely ethic and transparent.

(Manager 52, Tec+, Intl)

An image to describe my company is an oasis: a mess in the streets, but when you enter the IT firms in India it is like Microsoft in the USA. It is like moving to another planet. Indian IT firms are islands of excellence. I prefer the oasis.

(Manager 54, Tec, Intl)

Participative management and openness of communication are considered positive characteristics, and the majority of managers who alluded to the importance of these attributes enacted managerial profiles (two Mgr+, two Mgr, one Tec, one Tec+).

In Brazilian firms, the majority of managers identified themselves with corporate culture (eight out of nineteen), followed by Brazilian culture (six), then a mix of Brazilian and another foreign culture (four), and finally by identification with the professional culture (one). There is a clear divide in the sample of Brazilian firms: those firms whose corporate culture was praised and those whose corporate culture was criticized. Managers of praised firms identified with corporate culture and enacted mostly managerial profiles (five out of eight. One of the three managers enacting technical profiles has neither technical nor business education):

We have well structured training programs. ISO 9000 procedures determine our activities. It is family business: we are always looking at the owner. We have turnover rates that are 1/3 of the sector averages. Workers of the transportation sector replace blood by diesel: we eat, drink and breathe transportation.

(Manager 67, Mgr, Br)

Our company culture is different from the Brazilian culture: we make things happen, projects happen. We are extremely integrated vertically: we build our own machines, we are committed to quality, to terms, and this distinguishes us from the competitors. There is a lot of traffic between hierarchical levels; workers have access to all levels. We do first and approve later. Verticalization distinguishes us from foreign competitors too: we manufacture our wire, paints, we do our foundry. Foreigners are amazed.

(Manager 77, Mgr, Br)

Managers of criticized firms identified with Brazilian culture and mostly enacted technical profiles (four out of six):

Hierarchy is not clear, there is not a career plan, there is high turnover, and salaries are negotiated individually. I have the final word in hiring for my team, but there are appointments, requests. HR limits itself to declare the candidate apt or inapt. I control the timing of the report, and I present them to the directors. I also check for errors. I could delegate more but I do not do it because my subordinates are already overburdened.

(Manager 60, Tec, Br)

Another company whose corporate culture was criticized had three managers enacting managerial profiles, but they all had had previous experience in international firms, and identified themselves with a mixed culture, mostly due to the emotional warmth of Brazilian culture:

A difficulty here is the lack of a strong corporate culture: when new management arrives, everything gets changed. You have to know how to reproach, know when to listen to people. Sometimes it seems they want to criticize, but they just want to be heard. I delegate all operational activities. If I go operational, I am not a manager. I prefer to have the day to walk around, have meetings. When consulting for (name of an American automotive company) I learned it is important to standardize everything, to have models, right or wrong, but to have models (...) I think we should pick the best of each culture.

(Manager 76, Mgr+, Br)

From the group of five managers who had had previous experience in international firms, only one manager enacted a technical profile and identified with the Brazilian culture.

If we consider all thirty-three managers interviewed, the most frequent identification is with Brazilian and corporate culture and institutions tied (ten cases each), then mixed forms (six cases), and profession (two cases). Managers identified with Brazilian culture and institutions were equally split between technical and managerial profiles (two Mgr+, three Mgr, three Tec, and two Tec+). Identification with corporate culture seems to induce more managerial behavior (two Mgr+, four Mgr, three Tec, and one Tec+). Identification with mixed forms of cultures and institutions are more clearly linked to managerial behavior (five Mgr+, one Tec), and managers who identify with the profession or area of work enact the most technical roles (two Tec+). Aspects deemed negative hinder identification with foreign cultures and institutions, and drive managers toward hybrid identities. Box IV presents some of these

Box IV. Negative comments ^{a, b, c}

"People from headquarters [Italy] visit us not to help, but to press on results."

(Manager 21, *Tec+*, *Intl*, identified with his area of work, quality management)

"Brazil is treated as the colony, those from headquarters know everything." (Manager 23, *Tec*, *Intl*, identified with Brazilian culture)

"Management in American firms is too "by the book". Acronyms are a must, they are very methodic and have the "x-steps" programs for everything. It is too rigid, and I like to be allowed to make changes." (Manager 46, *Mgr+*, *Intl*, identified with mix Brazilian/American culture)

"I've worked in an American firm before this one (Japanese). People were more arrogant, as if they were the only ones. In Japan it is different, it is a different concept. It is not humbleness, it is more integrated, things are done in collaboration, there is not the idea that 'I am the man'". (Manager 51, *Mgr*, *Intl*, identified with Japanese culture)

"Americans are too much subject to fashions: there would be a new fashion before I could finish implementing a program." (Manager 53, *Tec*, *Intl*, identified with mix Brazilian/Global culture)

"We have a centralized corporate culture, and we are trying to decentralize it. Our guideline is authoritarian, with someone pulling decisions. This is also a characteristic of the national culture of headquarters. We are less innovative." (56, *Mgr+*, *Intl*, identified with Brazilian culture)

"In the American firm I worked before, pay schemes were bold, but here I feel more recognized, it is easier to talk. There the goals were well defined, supervision was not so direct, and we achieved results and received financial compensation for that, but we did not participate in management as we do here. Americans are arrogant, they treated us as underdeveloped, they determine and we follow their determinations. Here, if I have to deliver a job for the next day, I try to find a collaborator, I negotiate. There, people had no option: they had to stay until the job was finished and that's it". (79, *Mgr+*, *Br*, identified with corporate culture)

^a *Intl*: International firms

^b *Br*: Brazilian firms

^c *Tec+*, *Tec*, *Mgr*, *Mgr+*: managers' profile

comments, followed by the culture and institutions managers identified with.

Managers with experience in international firms were favorably inclined to make comparisons among the different institutional and cultural settings they know. Box V presents some of those comments.

Beyond enactment of technical or managerial profiles, other issues were approached in the interview. Regarding effectiveness, in spite of the concern Brazilian managers have for personal relationships in the

Box V. Institutional and cultural comparisons ^{a, b, c}

"The factories in Brazil and in England are quite alike." (Manager 20, *Mgr+, Intl*)

"We, in Campinas (a manufacturing unit in Brazil), are more developed than in the headquarters (...) Japanese have the best controls: if they complain about something, you'd better check it out. US firms are less organized than the Japanese. In the American company I worked before we had more autonomy." (Manager 21, *Mgr, Intl*)

"Versatility is strong in this [Italian] company. People who left us told me so. We are able to get out of tough situations. This has a little help from the Italian culture. In my job I have contacts with people from many countries. Americans are methodic, rigid, polite. They don't deviate from the plan, even when they realize the plan is not ok. Italians are more passional, they change the plan everyday, and they are more flexible. Japanese people are extremely methodic and precise. Brazilians are in between Americans and Italians: we try to follow the plan, but we are more versatile, we propose changes, but less than Italians." (Manager 23, *Tec, Intl*)

"The Italian firm is much more sentimental than technical. One of the strongest values I perceive in Italians is the need for loyalty. Loyalty and the sense of not contradicting an order, even if it is grounded on the emitter's personal desire. Thus, open discussions not always are well accepted. The commitment to realize something that came from Italy is also well appreciated." (Manager 37, *Tec, Intl*)

"We [Brazilians] are not as rigid and cold as typical Americans. We do not emphasize fear and respect." (Manager 45, *Mgr, Intl*)

"Brazilians are more emotional, less focused, more informal. Americans put order, which is a facilitator. Brazilians accept lower quality to have more flexibility." (Manager 46, *Mgr+, Br*)

"In European companies, they do not consider anybody better than anybody. The need to follow-up someone's activities is very infrequent. It is also difficult to reward well-done jobs: "Why he? Everybody does the same!" Americans are more competitive, they press more for results. Even the best feel embarrassed. In Brazil we choose the best of the year. In Denmark they abandoned this practice. Brazilians adapt more easily to the American culture." (Manager 53, *Tec, Intl*)

"The culture of this firm [Indian] is centered in collaboration. I did not see this in others. I follow the manuals of any branch in the world. In this firm, practice is equal to theory. Indians sees us as partners, we can exchange experiences with all. US firms are more closed. Units outside the base are not supposed to contribute, they have to do what they are told to and that's it, especially if they are outside US. In the oil company I worked before, vision was more local. I cannot distinguish between national and corporate culture. Indian culture is inside the firm, and the firm takes this to the world. In the Brazilian branch we are still moving toward the Indian culture." (Manager 55, *Mgr, Intl*)

^a *Intl*: International firms

^b *Br*: Brazilian firms

^c *Tec+, Tec, Mgr, Mgr+*: managers' profile

workplace, most of them declared that achieving results is the prime measure of effectiveness (see Table 17). To achieve results in balance with the emotional integrity of the personnel and teamwork came second, with

Table 17. Effectiveness according to Brazilian managers

Answers	Frequency ^{a, b}
Results	7 (2 Intl, 5 Br)
Results with integrity of personnel	3 (1 Intl, 2 Br)
To be able to answer to questions	3 (1 Intl, 2 Br)
Results first, then people	2 (1 Intl, 1 Br)
Good relationships with other areas, then results	2 (1 Intl, 1 Br)
Other answers: master technical aspects; attend deadlines; to be transparent; "make the lemonade"; take definitive, not palliative actions; Not effective: to be centralizing.	1 each

^a *Intl*: International firms

^b *Br*: Brazilian firms

less than half citations. No manager put their subordinates in front of results. Being able to respond to questions also received three citations, and to achieve results while maintaining good relationships with other areas of the firm was mentioned by two managers.

Another area of questioning is what managers expect from subordinates. Sixteen out of thirty-three managers declared that they expected commitment from their subordinates. Dedication, a close concept, appeared twice, so as loyalty, honesty and obedience to rules. Other answers were: enthusiasm, love for what one is doing, transparency, efficiency, initiative, entrepreneurship, trust, results, and "*jeitinho*". Nine managers (4 *Internationals*, five *Brazilians*) lamented the low qualification, the low level of education of employees, underscoring the difficulties generated.

Paternalist practices were reported to be present in their firms by three managers. Other two managers used paternalist attitudes as counterexamples. Two comments had negative connotation, and the paternalist attitude was a burden for the manager who was performing it:

The selection process is flawed: technical criteria do not prevail. There is too much interference from directors. Loyalty and trust are determinants. Appointments are the major entrance in the firm. Directors are too centralizing. Knowledge is not disseminated; there is little investment in

training or in management methods. It is very paternalist, based on favors exchange. We do not even have performance appraisal!

(Manager 63, Tec+, Br)

This firm is very emotional, very paternalist. Even when ownership changes, people continue to expect paternalist treatment: they expect flowers every time someone leaves the company. It has family structure, it lacks professionalism.

(Manager 73, Mgr+, Br)

One major problem here is the indebtedness of collaborators: they take many loans of R\$ 50,00 installments (equivalent to 18 Euro) for long periods. They lose focus, they do not work in the normal pace, they want the company to fire them to get the additional money of contract termination and pay the debts. I myself do the personal financial planning of my collaborators; I renegotiate their debts with retailers and banks.

(Manager 79, Mgr+, Br)

The HR director of the firm of Manager 63 cited above gives a description of how things work in that firm. This firm is one of those which were criticized by their managers and none of them had identified with its corporate culture.

We prefer to hire members of the families of our employees. We also attend political appointments. Family relationships give more reliability to employees: we know someone will not mess up if he has close relatives in the firm. Sometimes an entire family is fired due to problems caused by a member. We also have many people from our founder's native town (...) The IT area is very sensitive: once we had a person working here who knew IT more than anybody else, and he cheated the company. From then on we prefer not to take risks and to have less IT resources. I know that we end up working with people who are not ideal technically speaking, but it's ok. We do not provide more training because the Union wants us to pay for hours in training, and we cannot give up working hours for training.

(HR Director, Br)

The so-called “*jeitinho*”, a Brazilian hallmark, was mentioned explicitly by three managers, and two other used the word “flexibility” to point this specific feature of Brazilian managers. Football, a national

passion, appears frequently in metaphors: "I want to be seen as a player who can occupy many different positions without problem", "I expect my subordinates to 'wear the team's jersey'" (two occurrences), "I cannot let the ball fall down", "We are obsessed with success, we're like São Paulo (historically, one of the most winning football teams in Brazil): we invest in the development of people". Barbecues are a very popular way of social interaction. They appear in the comments of two managers, one already mentioned: "Americans sometimes do not know the person who sits beside. In Brazil, we go for the barbecues all together", "I see my subordinates to check if they are overburdened, if they 'have too much meat in the grill'".

CHAPTER 8

DISCUSSION

Analyzing the quantitative data, I found that *Brazilians* (Brazilian managers working for local firms) tend to follow Italian- and German-like institutions and are more concerned with technical issues, while *Internationals* (Brazilian managers working for international firms), instead, tend to follow transnational/global institutions – which are, by their turn, strongly influenced by Anglo-American HRM practices (Almond et al., 2003) – and are more concerned with managerial aspects of their jobs: goal definition, programming, coordination and motivation.

Sixty-two percent of *Brazilians* enacted technical profiles. One important historical reason for this seems to be the fact that the first entrepreneurs in Brazil, mostly immigrants of continental European origin, ran their businesses on the basis of experience and practice, and their management practices were characterized by the predominance of the technical knowledge (Dean, 1991; Mello & Novais, 1998). In addition, during the peak of the Brazilian industrialization process, industries developed and trained manpower mostly in technical aspects in organizations such as SENAI (National Service for Industrial Education) (Machline, 1994; Gattás, 1981), and the legitimation of the managers' identity based on technical problem solving capacity seems to have remained in Brazilian firms. Although most managers in the interviews emphasized the managerial aspects of their jobs, results are more in line with Laurent's (1983, p.45) assertion that "Brazilian managers are convinced that they are paid to know".

In spite of the strong diffusion of North-American management models in more recent periods, via a multiplicity of agents – the Brazilian government and its agencies, business schools associated to American universities, business media, consulting firms and others (Drori et al., 2006; Meyer et al., 2006; Moon & Wotipka, 2006; Wood Jr. & Caldas, 2002) – it seems that the attempts of the colonial power to “shape the identity of the colonized within a homogeneous framework” failed and, through interactions and negotiations, produced “something familiar but new” (Papastergiadis, 1997, cited in Shimoni & Bergmann, 2006), a hybrid (Shimoni & Bergmann, 2006).

One characteristic of such a hybrid grasped in the discourse of more than 50% of the managers interviewed is the lack of working methods, planning, clear definition of goals, rules and standards in Brazilian firms. These methods are central to the management models, and the absence of the methods in Brazilian firms indicates inadequacies in the adoption of the models. It may happen that *Brazilians* do not understand the underlying logics of such models due to the diverse cultural backgrounds, as suggested by Amado, Faucheuix, & Laurent (1991), and the inadequacies could be consequence of this misunderstanding. Besides diverse cultural backgrounds, another reason that managers do not fully apply foreign management models may be education, or lack of it: results have shown that business education is related to managerial role enactment only slightly more than technical education; and that only absence of both business and technical education is related to enactment of technical profiles.

It is interesting to notice that almost all of the managers who mentioned the importance of an amicable climate in the workplace enacted managerial profiles while most of those who did not comment on

the emotional climate enacted technical profiles. This suggests that managers more concerned with the technical aspects of their jobs may act with more professionalism or in a more impersonal way, distancing themselves of the friendly Brazilian stereotype. However, the fact that some managers did not comment spontaneously on the importance of the emotional climate does not mean that they do not value this aspect.

Managers of Brazilian firms identified themselves with the Brazilian culture only when they did not have anything "better" to identify with: managers of firms whose corporate culture was praised by their employees identified with their corporate culture and enacted mostly managerial profiles; managers who had previous experience in international firms identified themselves with a mixed culture and enacted mostly managerial profiles too; and, finally, those managers of firms whose corporate culture was criticized identified themselves with Brazilian culture and enacted mostly technical profiles. It is important to notice, however, that the Brazilian culture does not have any technical or managerial connotation for those managers: its most remarkable characters are emotional warmth and friendliness. Mixed cultures, instead, were adopted by managers who wanted to incorporate characteristics positively perceived and judged not present in Brazilian companies, such as methods, teamwork, planning, rules, and procedures. Managers identifying with these mixed forms enacted mostly managerial profiles.

Fifty-five percent of *Internationals* enacted managerial profiles. On the basis of the interviews, the main reason for this is that in international companies, differently from Brazilian ones, there exist working methods, planning, clear definition of goals, rules and standards. Most of the managers who mentioned this subject enacted managerial profiles, and this is the most distinguishing feature of the managers of this group.

This is the point where diverse institutional streams intermingle (Delmestri, 2006), and Brazilians use *jeitinho* (Amado & Brasil, 1991) to shape and reshape their already hybrid culture into new hybrids (Bhabha, 1994; Werbner & Modood 1997, all cited in Shimoni & Bergmann, 2006). It is in this confluence that the Brazilians' taste for the exotic, for mixing and matching (Ribeiro, 2000), their receptivity to foreign models (Wood Jr. & Caldas, 2002) allows them to thrive: they manage to integrate "multiple cultural traditions, even when those traditions contain inconsistent elements", and "to maintain distinctive and inconsistent action frames" (DiMaggio, 1997, p. 268). Thus, while they complain of lack of working methods on the one hand, and of excessive rigidity and demand for results of foreigners on the other, they talk about reaching results without breaking the emotional integrity of their personnel; they talk about having fun in barbecues altogether; they manage to integrate lack of accountability with cultures that are participative and horizontal; they manage to combine flexibility and adaptability with strict attendance to written procedures; they are able of keeping a factory producing while caring about the emotional state of their colleagues. As Delmestri & Walgenbach (2005) found for Britain, Germany and Italy, maintaining the emotional balance in the workplace is among the most relevant attributions of the managers' job. Using their flexibility, Brazilian managers are able to interweave contrasting exigencies into new identities.

An evident limitation of such flexibility is the risk of, without fully understanding the underlying logics of foreign management models, adapting too much and ending up losing the characteristics that make such models effective and efficient.

Considering that sixty-two percent of *Brazilians* enacted technical profiles and fifty-five percent of *Internationals* enacted managerial profiles, we can say that the local is, simultaneously, local and global: it is different of the global standardized models enacted in MNCs but, at the same time, it is similar to local practices of Italy and Germany, and thus the local becomes global in its similarities with other local realities, and it remains local in its specificities.

In addition to the distinction by headquarters, I found that managers who have changed functional area of work enact significantly more managerial profiles only in international firms. In Brazilian firms there are not significant differences. The Anglo-American institutionalization of management as a social art goes hand-in-hand with the institution of formal inter-functional career paths (Delmestri & Walgenbach, 2005); inter-functional paths tend to emphasize managerial skills instead of technical, and one could expect that this would be valid also for Brazilian firms. This suggests that change of functional area in Brazilian firms comes together with the acquisition of technical competencies for the new area, while the enactment of managerial profiles not backed up by technical knowledge are accepted in international firms.

I also found that age significantly influenced role enactment only in international firms: managers under the median age of the sample (42 years) display more managerial profiles. The age effect can be explained by the changes occurred in the country since the 90's: the country opened its economy, and foreign management models – with a predominance of US models – were more and more being adopted by both Brazilian and multinational firms. Younger managers may have had more opportunities to get in touch with those models in school; or may be not have become rigid to the point of not being able to adopt a new managerial identity; or,

yet, may use the situation to challenge the “old technical way” of managing, evidencing the generational conflict. Nevertheless, the age effect should also be present in Brazilian firms. A possible explanation is, as above, the availability of working methods and management instruments in international firms.

It is important to notice that although managers of international firms adopt a managerial conception of management, thirteen out of fourteen managers have technical education, a greater proportion than in Brazilian firms – five of these have also business education. Thus, it may be possible that they legitimate themselves in their positions also supported by their technical knowledge. But, as said before, it is lack of education, business and technical, that seems to induce the enactment of technical profiles.

Surprisingly, differently from the reported in previous research (see Delmestri, 2006), neither the presence of global standardized HRM practices nor the existence of extensive contacts with foreigners influenced significantly the enactment of managerial profiles. As discussed above, it seems that the institutional environment in international firms, with the presence of work methods, rules, etc., is sufficient to prompt the enactment of managerial profiles.

In international firms, identification with Brazilian or its mixed forms of culture prevailed, and this did not prompt the enactment of technical profiles, on the contrary. As previously noted, Brazilians do not attach abilities of technical problem solving to the Brazilian culture. Again, it is the emotional aspect, the friendliness, the importance of social relationships (Elvira & Davila, 2005; Tanure, 2004) that drive identification with the Brazilian culture. Negative aspects of headquarters’ culture also

impact, leading managers to produce hybrid cultural forms (Shimoni & Bergmann, 2006) to identify with.

Confirming previous research (Davel & Vasconcelos, 1997; Elvira & Davila, 2005; Tanure, 2004), paternalism appeared in the comments of few managers, and it had mostly a negative connotation, but it also provided a mean to bring emotional balance to the workplace. Hiring on the basis of family relationships has shown to be still practiced, mostly with the aim of motivating loyalty. Brazilians tactfully avoid conflict: they do not extend discussions with their superiors when they do not agree with their decisions, although they do expose their point of view and, with rational arguments, try to convince their bosses to change their minds. Contrary to what other authors (Elvira & Davila, 2005; Tanure, 2004) indicated, authoritarianism did not appear as a conspicuous characteristic in the workplace; instead, participative management was considered highly positive by managers. Maybe the re-democratization of the 90's and the reinforcement of democratic institutions that happened afterwards have attenuated authoritarian postures.

CHAPTER 9

CONCLUSIONS

In the present study I advance the literature on management identifying the main institutional streams that contribute to the formation and role enactment of Brazilian middle managers, and showing how they combine to form a managerial identity that is based on maintaining the emotional balance in the workplace and, compared to international firms located in Brazil, more inclined toward technical problem solving skills. Moreover, the present work includes Brazil in the tradition of institutional studies that distinguish managers according to their managerial or technical approach (see Delmestri & Walgenbach, 2005; Stewart et al., 1994). This study also contributes to the literature in showing how a local peculiarity, namely the Brazilian, is, simultaneously, local and global: it is different of the global standardized models enacted in MNCs but, at the same time, it is similar to local practices of other countries, namely Italy and Germany, and thus the peculiarity becomes global in its similarities with other local realities, and local in its specificities.

Brazilian cultural traits already portrayed in previous research were discussed, with emphasis on personal relationships – friendliness and warmth in professional relations; and, flexibility – the Brazilian *jeitinho* – which historical roots were traced since the Portuguese Empire. Paternalism has been shown to be used as a means of maintaining emotional balance in the workplace and of stimulating loyalty through the practice of hiring on the basis of family relationships. Authoritarianism did not appear to be as pervasive as pointed in literature (Elvira & Davila, 2005; Tanure, 2004), maybe due to the re-strengthening of democratic

institutions after the 90's. Instead, participative management was praised enthusiastically by some managers. Previous research was approached, and it suggested that Brazilian management had a technical nature: "Managers are convinced they are paid to know" (Laurent, 1983, p. 45); managers are selected on the basis of their technical competence and have an engineering background (Amado & Brasil, 1991). Previous research also indicated that Brazilians avoid open conflict, what our results confirmed.

Previous research (Wood Jr. & Caldas, 2002) has shown that Brazil is intensely attracted by management models created in developed countries. The principal factors affecting this are Brazilians' taste for the exotic, for mixing and matching (Ribeiro, 2000) associated to an industrialization process largely supported by the action of multinationals – first in the 50's and later in the 90's, when Brazil opened its economy to the globalization process, with the consequent competitive pressures and a second wave of entry of multinationals companies, mostly through mergers and acquisitions. I described how the outcome of this process was increased hybridization, characterized by the existence of local and foreign values, local and foreign institutions intermingled.

I presented the conceptualization of institutions as streams (Delmestri, 2006) and discussed how these streams can hybridize (Bhabha, 1994) and produce something familiar but new (Papastergiadis, 1997, cited in Shimoni & Bergmann, 2006). I distinguished societal, intra-organizational, and transnational institutional streams, and the concept of managers as possible bearers of multiple or hybrid institutionalized identities and reviewed the British, Italian and German conceptualizations of management proposed by Delmestri and Walgenbach (2005): the professional identity of Italian and German managers is based on their

capacity to solve technical problems, while that of British managers is based on an idea of management as a mysterious art sustained by the necessary personality traits and social skills. I went on presenting promoters of foreign management models (also considered institutional streams), such as the Brazilian government and its agencies, business schools, and consulting firms. Summing up, the facilitators of foreign institutional influences in Brazil are: its historical roots and cultural heritage; the exposure of social actors to a wide array of institutional influences due to the globalization process; and, the economic and competitive pressures also imposed by globalization.

Then, I detailed the phases of the Brazilian industrialization process, the evolution of management practices occurred in that process, and the main institutional streams present in each of the phases.

The first phase goes from the second half of the 19th century until 1955. In this phase, management is based on practice and experience; administrative functions are ill-formalized and organizational structures ill-defined. European immigrants, mostly Portuguese and Italians, were the first entrepreneurs. They had brought with them the technical knowledge necessary to their activities, and they managed based on this technical knowledge.

During the second stage of industrialization, when the industry was modernized, and the automotive industry had a crucial role, North-American influence and management models started to have greater influence in the country. Japanese and European models were also present, but the USA started to play a prominent role in the economic and political scenario of Latin America, and the risk of a turn toward communism in Brazil motivated them to invest in diffusing their economic model in the country. Cooperation between American universities and

Brazilian business schools led to a widespread dissemination of American management practices. Nevertheless, business education was still reserved for top general managers. Middle managers had backgrounds in engineering or in learned-by-practice technical knowledge. Consultancy firms and the editorial market also played an important role on the diffusion of foreign models. Moreover, multinational companies adopted management practices dictated by their headquarters, further diffusing foreign models. From the mid-seventies on, economic instability and frequent government interventions in the economy precludes firms from medium- and long-term planning.

The third stage starts with the economic opening and globalization in the 90's. Competitive pressures force Brazilian companies to modernize or perish. Transportation and telecommunications increased the speed of information diffusion. Fashions and fads pop up: reengineering, restructuring, work teams, downsizing, empowerment, learning organization, Intellectual Capital, Total Quality Management, among others, arrive in Brazil. Many of them maintain their English names. Models, most of the times, are adopted without questioning and without understanding of their underlying rationalities.

Thus, initial influences on Brazilian management come from the first entrepreneurs, mostly immigrants of continental European origin, who ran their businesses on the basis of experience and practice, and had their management practices characterized by the predominance of the technical knowledge. Imported management models, mostly from the USA, but also from Europe and Japan, are other institutional streams providing elements to be interwoven by Brazilian managers. Considering the influence of the first entrepreneurs' management practices and the predominance of technically-oriented education available during that

period, I expected that Brazilian middle managers would follow a conceptualization of management based on technical problem solving skills.

The analysis of the 96 survey questionnaires and 33 qualitative interviews revealed that managers working for Brazilian firms are more oriented toward technical problem solving than their peers who work for international firms. The main reason for that, as deduced from the interviews, is that in international firms there are work methods, plans, clear goal definition, rules, and standards, while in Brazilian firms there are not. It may be that even if such methods, rules, or whatever, are formally present in Brazilian companies, their underlying assumptions are not present in Brazilian companies or are not fully understood by Brazilian managers. It may also be that, due to the relatively recent importation of such models, and the relatively recent massive diffusion of American management models, there has not been enough time for them to be really incorporated by Brazilian managers. Or it may be that, as proposed here, there has been a hybridization process that resulted in management as it is in Brazilian companies.

Similarly, in international companies, hybridization occurred to varied degrees. In some of them, where subsidiaries and not only the headquarters had active voice in defining procedures, adoption of such procedures and identification with the corporate culture has been total. In others, where participation by the subsidiaries was not welcome and Brazilian managers accused their foreign colleagues of prepotency, adoption and identification was partial.

The Brazilian tradition of *jeitinho* – adaptability and flexibility – acts as a facilitator of the hybridization process. Nevertheless, it also poses a

risk in the sense that excessive adaptation may result in losing the essential characteristics of the model.

The maintenance of a friendly atmosphere in the workplace, as expected, appeared as an important concern for managers. The emotional well-being of their collaborators sometimes inspired paternal behaviors on the managers' part. Managers' identification with the Brazilian culture or its hybrids was the most frequent exactly due to this concern. Nevertheless, even identifying themselves with Brazilian culture or its hybrids did not prevent managers to enact managerial profiles. Furthermore, managers who spontaneously mentioned the importance of the emotional climate in the workplace enacted more managerial profiles, while those who did not mention this subject enacted mostly technical profiles, suggesting that technical managers tend to act more impersonally, distancing themselves from the "friendly Brazilian" stereotype.

The quantitative part of this study is mainly limited by the fact that 44 out of 96 respondents of the survey questionnaires belong to the same international company. In addition, the sample size does not allow country-wide generalizations. Further research involving more companies and more respondents is needed to certify these results. The qualitative part is limited mostly by the geographic dispersion of the firms, what forced the researcher to perform more than half of the interviews by phone. In spite of this, interviewees did not limit the time spent on the phone, and a satisfactory level of empathy has been reached in all the interviews. The strength of the qualitative study resides in the number of respondents and the diversity of ownership structures, sizes, and location (in this case geographical dispersion becomes an advantage). Researched firms are scattered through the most industrialized areas of the country.

For further research, a longitudinal study for checking if there are changes in profile enactment overtime, mostly in Brazilian companies, would be welcome. Also, picking a sample of managers with experience in international firms who have returned to work in Brazilian firms would allow observing if managers carry different managerial identities according to the origin of the firm, Brazilian or international. The opposite would also be welcomed. Furthermore, it would be interesting studying if certain personality characteristics such as self-monitoring (Kilduff & Day, 1994), shown to be related to higher adaptability, are also valid in the Brazilian context and bear any relationship with Brazilian *jeitinho*.

As implications for management, for expatriates it would be interesting not only to try to implement models or practices in the subsidiaries following strictly headquarters' standards. Rather, it may show beneficial to get a deep understanding of the subsidiaries' cultures and try to leverage on their traits, such as the ability to get out of difficult situations that Brazilians have, and even to try to hybridize those most remarkable through training or through sharing of practices. For locals, it would be interesting to get a deep understanding of foreign models' underlying logics, and also of the cultural traits of the headquarters which are behind the efficiency and the effectiveness of those models, and thus develop such cultural awareness in those people who will employ the models, leveraging in the local cultural traits to generate hybrids better than the pure ancestry.

As a final comment, in face of even the most conflictive situations, there is a saying in Brazil that synthesizes its appreciation for the immigrants' contribution, Brazilians' openness to foreign items, and the friendly nature of its people: *Tudo acaba em pizza* (Everything ends up in pizza). It is important to notice, however, that Brazilians consider *their*

hybrid pizza the best of the world. Thus, if you want to achieve full acceptance of imported creations, add some local flavors to them. After all, they may be the only available.

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APPENDIX A - SURVEY QUESTIONNAIRE

Management, Leadership and Identity

This questionnaire is part of an international research project aimed at understanding the relationships between management behaviour and identity of managers in national and international firms in the wake of globalization. Prof. Giuseppe Delmestri, Università di Bergamo and SDA Bocconi (Milan); and Silvio Carlos Arduini – Università Bocconi – are responsible for the study. Some results have already been published, and after completion of the questionnaire you will be given a copy on request (please contact Prof. Delmestri at giuseppe.delmestri@unibg.it or silvio.arduini@uni-bocconi.it).

If you are now attending a full time MBA course, please consider your last appointment for your answers.

Thank you for your time.

1) General information on your person, position and career:

- Gender: **male:** **female:**
- The first employment after university or school was (firm/industry/nationality):
- You work since years.
- How often did you change employer?
- How often did you change your job moving across borders?
- How often have you been promoted?
 - in the same company:
 - in different companies:
- ◆ Your age:
- ◆ How long have you been employed in your actual company? Years
- ◆ How long have you been employed in your present position? Years
- ◆ How many hierarchical layers exist between your position and that of the General management? Number
- ◆ How many hierarchical layers exist between your position and that of employees who are only responsible for executing operative tasks? Number
- ◆ What is your official job title?
- ◆ How many employees report directly to you? Number
- ◆ How many employees are below you? Number
- ◆ Which is the nationality of the present employer:

2) In your work the solution of technical problems, i.e. those problems whose resolution requires possessing specific technical skills in marketing, or production, or human resource management, or any other knowledge domain you are responsible for, happens mainly:

- Without the help of your subordinates
- (intermediate between 1 and 3)
- With the help of your subordinates
- (intermediate between 3 and 5)
- Delegating the solution to your subordinates or involving staff experts

3) To what extent could you consider the following statements as properly describing a problem in supervising the work of your subordinates:

[1= not important; 5=extremely important]

	1	2	3	4	5
“To be regularly updated from the technical point of view”	<input type="checkbox"/>				
“To always know who among your subordinates has the right technical skills to resolve emerging technical problems”	<input type="checkbox"/>				

4) According to delegation of tasks how much do you agree with the following statements:

[1= I do not agree; 5=I am in full agreement]

	1	2	3	4	5
“I have to apply myself to tasks that could be delegated to my subordinates, because they are few and already overburdened”	<input type="checkbox"/>				
“I carry out only the tasks concerning the management of my subordinates and delegate as much as possible to them”	<input type="checkbox"/>				

5) Another colleague, in the same position, could be able to delegate in a different way and work in a different manner?

- Yes, certainly
- I believe yes
- I don't know, depends ...
- I don't think so, not in a completely different way
- No, absolutely

6) Which percentage of your time is dedicated daily to “technical work”, i.e. work that requires you to apply technical skills, in comparison to work that is either administrative or managerial?

- More than 80%
- 50-80%
- About 50%
- 20-50%
- Less than 20%

7) Considering the reasons why you must see your subordinates, how much do you agree with the following statements:

[from question 7 to 11: **1**= I do not agree, **5**= I am in full agreement]

	1	2	3	4	5
“I must see them very frequently and often in relation to technical problems”	<input type="checkbox"/>				
“I must see them to define objectives, for planning, and for motivating, guiding and coordinating them”	<input type="checkbox"/>				

8) How do you monitor their work and their effectiveness?

	1	2	3	4	5
“Communication with customers or with internal clients”	<input type="checkbox"/>				
“Periodic checks monitoring the results with respect to the budget and to the relevant programs (for example periodic reporting)”	<input type="checkbox"/>				
“I have a direct control of the work in its course of execution”	<input type="checkbox"/>				

9) When and why should you contact your superior?

	1	2	3	4	5
“Mainly for problems and matters that go beyond my technical responsibility”	<input type="checkbox"/>				
“Mainly for problems and matters that go beyond my financial responsibility”	<input type="checkbox"/>				

10) How does your superior control your work?

	1	2	3	4	5
“Communication with customers or with internal clients”	<input type="checkbox"/>				
“Periodic checks monitoring the results with respect to the budget and to the relevant programs (for example periodic reporting)”	<input type="checkbox"/>				
“I have a direct control of the work in its course of execution”	<input type="checkbox"/>				

11) Do you have to see or cooperate with others inside your organization?

If yes, how much do you agree with the following statements:

	1	2	3	4	5
“The cooperation is aimed to resolve technical problems ”	<input type="checkbox"/>				
“Contacts with other departments are very extensive and regard both coordination problems and the planning of joint actions”	<input type="checkbox"/>				

12) Do these contacts and co-operations give rise to conflicts?

- No
- Sometimes
- Average conflicts
- Not many
- Yes, often

13) Do you have to cooperate with people outside your organization?

If yes, why? [1= I do not agree, 5= I am in full agreement]

	1	2	3	4	5
- In order to “buy” skills outside your organization	<input type="checkbox"/>				
- In order to “cooperate” for the sake of implementing new technical solutions	<input type="checkbox"/>				

14) How much do you agree with the following words describing what you expect of your subordinates?

[from question 14 to 16: 1= not relevant, 5= extremely important]

	1	2	3	4	5		1	2	3	4	5
Loyalty and transparency	<input type="checkbox"/>	Collaboration and willingness	<input type="checkbox"/>								
Autonomy and initiative	<input type="checkbox"/>	Attachment to corporate values	<input type="checkbox"/>								
Skillfulness and efficiency	<input type="checkbox"/>	Knowledge-sharing	<input type="checkbox"/>								

15) What in your opinion identifies a successful manager in your position?

	1	2	3	4	5
Ability to manage people from a social point of view	<input type="checkbox"/>				
Ability to manage people from a technical point of view	<input type="checkbox"/>				

16) And apart from your position?

	1	2	3	4	5
Ability to manage people from social point of view	<input type="checkbox"/>				
Ability to manage people from a technical point of view	<input type="checkbox"/>				

17) How do you like to be seen by your subordinates?

[1= not important, 5= extremely important]

	1	2	3	4	5		1	2	3	4	5
A “coach” that knows how to manage a team	<input type="checkbox"/>	A technically skillful master	<input type="checkbox"/>								
“Primus inter pares”	<input type="checkbox"/>	A charismatic leader	<input type="checkbox"/>								
A point of reference	<input type="checkbox"/>										

18) Before holding the present position (or the last if you are now attending an MBA):

- I had been holding a different position in the same firm and in the same business function
- I had been holding a different position in a different firm and in the same business function
- I had been holding a different position in the same firm and in a different business function
- I had been holding a different position in a different firm and in a different business function
- The present one is your first employment after graduation

In the case you have been holding a position within a US-American, British or international corporation, do you think this experience did influence you and in what terms? Regarding which behaviors? Please tell the nationality of the company you are referring to.....

APPENDIX B – INTERVIEW GUIDELINE

1. Could you please tell me your career steps after the end of your studies (in which firms, of which nationality, for how long, in which functional areas)?
2. Since when do you work in this firm?
3. Could you please describe the contents of your job? What are your responsibilities?
4. What are the specific difficulties of your job? Which are the typical problems you encounter managing your employees? Which tasks do you have to perform by yourself and cannot delegate?
5. Could another holder of your position delegate more or less? And perform your job in a completely different way? Which changes related to your position would you introduce to increase the effectiveness of your job?
6. When and why do you have to contact your subordinates? How do you check whether they work effectively? How do you control their work? Which words would you use to describe what you expect from your subordinates?
7. Are you responsible for reaching formal objectives? What do you do when you do not agree with the conduct or the decisions of your superior?
8. Where would you identify the difference between effective and less effective managers in a position like yours? And in general regardless of your position? How would you like to be seen by your subordinates?
9. When entered the present firm did you follow a specific entry program?
10. Did you attend or do you still attend professional or managerial courses? In Italy or abroad? Who did organize them?
11. In which and how many occasions do you have contacts with people of the nationality of the Head Quarters?
12. Do you think that you learned something new in terms of managerial skills thanks to tour experience in the present firm? If yes, what?
13. What do you think is specific of the managerial culture of this firm? Could you explain what you mean using a metaphor? In what do you think does the managerial culture of this firm differ form the typical Italian managerial culture? Which are the advantages and disadvantages of both? After all, if you would be forced to choose, which of the two would you consider as better?
14. What do you think is specific of the managerial culture of the country of origin of this firm? Could you explain what you mean using a metaphor? In what do you think does the managerial culture of that country differ form the typical Italian managerial culture?
15. Do you think having been influenced in a conscious or unconscious way by the culture of this firm or of its country of origin?

APPENDIX C – LIST OF COMPANIES

Company	HQ ^a	Nr. of Employees	Nr. of Quest ^b	Nr. of Interviews
Arvista Life Sciences	Japan	350	1	1
Black & Decker	USA	600	1	1
Lundbeck	Denmark	25	1	1
Nokia	Finland	210	1	1
Orbitall	USA	980	1	1
Pirelli	Italy	6,000	44	4
Sara Lee	USA	550	1	1
Starrett	USA	1,200	1	-
Tata Consultancy Services	India	640	2	2
ThyssenKrupp Elevators	Germany	1,200	2	1
Volkswagen	Germany	28,000	1	1
ACG&F Comunicação	Brazil	155	2	-
Agrocomercial Wiser	Brazil	120	1	-
Boticário	Brazil	10,500	1	-
Foco Recursos Humanos	Brazil	54	1	-
Gol Transportes Aéreos	Brazil	8,100	2	2
Grupo Pão de Açúcar	Brazil	23,000	2	-
Natura	Brazil	4,200	1	1
Petrobrás	Brazil	48,000	2	-
Pierre Alexander	Brazil	270	4	4
Randon	Brazil	7,400	1	-
Real Expresso	Brazil	1,900	9	4
SENAI	Brazil	9,000	2	-
TSN	Brazil		1	-
Varig	Brazil	6,500	1	1
Viação Planeta	Brazil	4,500	6	4
Weg Motors	Brazil	14,100	3	3

^a Country of Headquarters

^b Number of questionnaires

APPENDIX D – PROFILE COMPUTATION

I computed an index to use as the criterion to classify the managers in the Technical or Managerial profiles. This index is the average of the following (see Appendix A for the survey questionnaire): Difference of responses 3b-3a, response of question 6, differences of 7b-7a, 8b-8c, 9b-9a, 11b-11a, 15a-15b, 16a-16b, response of 17a, the values of 5-17b and 5-17d, and the response of 17e. Based on the face-validity of the questions, this average is expected to reflect how much the manager's behaviour tends to be technically or managerially oriented: The greater that average, the more managerially inclined is the manager.

Question 3 asks about the importance of being technically updated versus knowing who has the expertise to solve problems. Question 6 asks straightforwardly the percentage of time spent daily with technical activities. Question 7 is about the nature of contacts with subordinates: technical versus planning, coordination and motivation. If subordinates are monitored directly or through periodic checks relative to budget is considered in question 8. Question 9 deals with the technical or financial concern when contacting the superior. The goal of external contacts, for technical or coordination purposes, is examined in question 11. In questions 15 and 16, the respondent points to what, in his or her opinion, identifies a successful manager: the ability to manage people from a social or from technical point of view. Question 17 is about how the manager wants to be considered by his or her subordinates: as a coach (17a), "*primus inter pares*" (17b, inverted score), as a technical master (17d, inverted score), and as a charismatic leader (17e).

After computing the index, managers were then classified in the following profiles:

- Tec+ : those with the most Italian behavior, that is, those present in the first quartile;
- Tec- : immediately below the median;
- Mgr- : immediately above the median; and,
- Mgr+ : in the last quartile.