

Instituto Cultural Minerva

Institute of Brazilian Issues

The George Washington University

The Administrative Modernization
of Brazilian Public Institutions

Francisco J. Pereira

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ABSTRACT

In Brazil, with the redefinition of the constitutional role of the State, the federal government developed through the Ministry of Federal Administration and Reform of the State a "Master Plan to Reform the State Apparatus".

Having as its main objective the retaking of the capacity of management, this Management Plan proposed the introduction of methodologies to modernize public administration and to revise the property of the State.

To complement the Plan, the Program of Quality and Participation was developed.

This Program proposes the accomplishment of several strategic projects: the Restructuring and Quality in the Federal Executive Power which stands out among these projects, defined as one of its work stages, and the dissemination of strategic planning in public administration entities.

This proposal is opportune and coherent, for it requires the effective participation and the commitment of all employees, but to avoid the same difficulties that the US Government confronted when it tried to implement this proposal in its federal agencies, it is essential that all limitations (no competition and internal culture, for example) and challenges (management information system) facing leaders are known.

INTRODUCTION

The purpose of this work is to describe the guidelines of the proposal of the Reform of the State Apparatus made by the Brazilian Federal Government, to analyze the several features of the measures proposed for Brazilian public institutions and to present new managerial patterns that are being implemented in the US government's federal agencies.

The intent is to analyze whether the project of Restructuring and Quality in the Federal Executive Power, presented by the federal Government through the Program of Quality and Participation in the Public Administration, that proposes the introduction of modern methodologies of public administration and the revision of the property forms of the State, is opportune and coherent.

Comments will be made about the guidelines adopted and about the challenges that the government will face regarding the adoption of the measures proposed of dissemination of strategic planning in all the federal public institutions.

This paper is divided into three chapters. The first, presents the Administrative Reform proposed for the Brazilian public institutions, the strategies of implementation and the objectives of the management contract proposed by the Brazilian Government. The second, emphasizes some reflections about the use of strategic planning by the Government for Brazilian federal institutions. In the third, it makes an approach about the guidelines on the Government Performance and Results Act and critical issues of the US Government's strategic plans for federal agencies'.

Thus, this paper intends to contribute so that public institutions can have its dynamics of planning improved, promote flexibility in the integration of the activities among its several units and, by the way, create satisfactory conditions for the strategic restructuring proposed by the Brazilian federal Government.

CHAPTER 1 - THE REFORM OF THE STATE APPARATUS

1.1 The proposal of the reform of the State

In the last fifteen years, the initiative proposed to reform the State that has sought to increase its efficiency and to reduce its size, became a world phenomenon.

In 1994, with the presentation of the governmental program "Mãos à obra Brasil", written by the current Brazilian President Fernando Henrique Cardoso, the redefinition of the constitutional role of the State became the object of extensive debate in the academic community and in the political stratum of Brazil.

To develop the proposed program to reform Brazil's Public Administration, the Federal Government, through the Ministry of the Federal Administration and State Reform, created a "Master Plan on the Reform of the States Apparatus".

The purposes of the Master Plan are the introduction of modern methodologies in public administration and revision of the property forms of the State. The Managing Plan proposes the implementation of a new model of the State with the creation of four sectors:

- a. strategic core of the State, where the laws and public policies are defined;
- b. exclusive activities of the State, where the State develops specific activities of regulating, tax collection, inspection and transferring resources;
- c. nonexclusive or competitive services of the State, what the State accomplishes to guarantee citizenship rights;
- d. production of market-oriented goods and services, accomplished by the State through public companies, operating in the strategic sectors or in the public services.

To become more efficient the public administration and to guarantee citizenship rights, the Reform has three basic proposals:

- a. to limit the actions of the State to those functions under its authority;
- b. to raise the administrative capacity of the State;
- c. to decentralize the actions of specific character, by means of the transfer of the same ones for the states and municipal levels.

These proposals were developed after it was possible to observe the Brazilian State assimilated the following characteristics: centralization of decision-making, adoption of pyramidal structures of power, rigidity and the impersonality of the routines and controls of the administrative processes. The state organizations addressed for themselves and not for the attendance to the citizens.

The proposal of the State Reform incorporates the necessity of efficiency values, the reduction of costs, quality of the public services to the citizen and the development of a managerial culture within public institutions. Managerial culture should have as objective:

- a. political decentralization;
- b. administrative decentralization;
- c. the adoption of more horizontal structures;
- d. flexibility compatible with the organizational, the competition and the conflict;
- e. the internalization of the presupposition of the limited trusts, in relation to employees and leaders;
- f. control for results;

g. the administration should attend to its citizens.

The current project of the State Reform tries to strengthen public administration, by means of the implementation of Autonomous Agencies and of Social Organizations controlled by management contracts. Autonomous Agencies and Social Organizations will be the entities to execute the exclusive activities of the State and of the nonexclusive services of the State, respectively.

In addition, to complement this proposes, the Program of Quality and Participation in the Public Administration was created, that proposes to accomplish several strategic projects. Among those projects, the Restructuring and Quality in the Federal Executive Power can be outstanding, since the same will be used to mark the guidance for the restructuring that will be promoted in the ambit of each Ministry, with the revision of competence and structures.

To implement the Program and to make the project of Restructuring possible, as one of the work stages, the dissemination of strategic planning in public administration entities was defined, because the federal Government identified several problems. These problems are: lack of salary policies adapted in the area of human resources; disconnection between the budgetary programming and the planning process and the administration of entities in the budget area and finances; and excessive verticalization and disconnection in relation to the internal process of administration in the organizational structures.

To manage administrative integration, in such a way that the planning is addressed to achieve the results, the development of a plan perfectly structured and integrated, among the strategic, tactical and operational features, such as the work programs, marketing, budget, human resources and organizational structures is verified as essential.

1.2 The strategy of reform

The strategy of State Reform is based on two approaches which are: property form and the administration of different activities and services supplied by the State.

The exclusive activities of the State will be organized as Autonomous Agencies, being the State's property and with and administration of a managerial type. They negotiate the management contract with the administrative core, through its leader, chosen by the minister with whom the Autonomous Agency is linked.

The management contract enables the "autonomy" of the Autonomous Agencies, that will grant wide freedom to control the global budget, once the objectives and the performance indicators are established, which should be qualitative and quantitative. As well, the leader will have total autonomy for personnel's administration for recruiting and dismissal. For purchases, the general basis of procurement will be maintained.

In this way, the autonomous agencies can:

- a. implement career plans, for personnel's management, differentiated and adapted to characteristics of each entity;
- b. have autonomy to program and execute the budget, looking for ways to achieve objectives and fastened goals;
- c. have more agility and efficiency in purchasing and recruiting;
- d. improve the acting in the implementation of services to society.

The non-exclusive activities of the State, those that can be accomplished by the public sector as well as the private sector, will have within the Project of the State Power, a form of nonstate public property that does not involve the use of the power of the State. However, it is not private because it presupposes transfers of the State and is not necessarily geared towards profit.

The administration form will be managerial type and its control will be made by the market and by the State. The transformation of the activities and nonexclusive services of the State in form of nonstate public property will make, through the constitution of the entities, Social Organizations responsible for these activities.

These will have public character and private right will prove administrative and financial autonomy and possibilities of new employees recruiting. They will keep management contracts with the entity of the responsible strategic core for the regulation and control of activities and services rendered for them.

As well, its objectives are to consolidate the nonstate public sector, to reduce the number of public servers progressively in the entities of nonexclusive services of the State, to strengthen the social control in relation to the quality of the services (control for results) the use of resources, and the reduction of costs.

The reform implies the concession of financial and administrative autonomy to the entities in subject. The project visualizes this organization form for non-exclusive services of the State, such as universities, technical schools, research centers, hospitals, museums and the welfare system.

For the sector of production of market-oriented goods and services, the plan gives continuity to the privatization program of the state companies, considering that the companies will be more efficient controlled by the market and managed privately.

In agreement with the Government, at the end of the Administrative Reform it is intended that the institutions can achieve the following situation:

Synthesis of the proposals of the Administrative Reform:

1.3 Quality program and participation in the public administration

The development of that Program executes the function of change for a managerial culture, necessary for the implementation of a new model of the State, strengthening the participation, the attention to the citizen, the motivation of the public servers and the control results.

The emphasis on participation represents the involvement of all the servers, independently of their level or function, with the improvement of the public service, and the cooperation commitment among managers and public servers with the search of a solution to the problems, with the continuous improvement and with internal and external customers' satisfaction.

A integral part of the Program of Quality and Participation is the Program of Restructuring and Quality in the Federal Executive Power. The main objective of this program is to guide and to coordinate the implementation of specific projects to manage the improvement of government action.

For the implementation of this Program, the Government proposed the development of strategic planning for all the institutions that are part of the proposal.

The strategic planning that will be elaborated by the institution, in agreement with the Government, needs to identify:

- a. the mission of the institution - what it does and who does it;
- b. the future vision - after the analysis of scenarios, to define, for the medium (5 years) and long-term (10 years or more), where and how the institution should be in the future;
- c. the macro processes and the strategic objectives of the institution - to achieving the execution of the mission and that has a direct impact in the attendance of its customers' demand, among other activities;
- d. the analysis of internal and external environment - definition of scenarios;

- e. definition of performance goals - concrete and objective actions, needs to the execution of strategic objectives;
- f. definition of performance indicators - to measure the degree of execution of an objective and / or of goal.
- g. The implementation of that Program will be made for institutional parties, between the interested organization and the Ministry of the Federal Administration and State Reform.

To make possible the execution of the commitments agreed upon, a Protocol of Intent would be signed among this Ministry, the Ministry supervisor and the public institution, that defines the responsibilities of the parts for the consolidation of Action Plan. In this Action Plan, the stages of strategic restructuring of the institution, with establishment of periods and responsibility are defined.

The development of strategic planning presupposes the employees' commitment. Thus, the Government considers indispensable that each server is fully aware of the institutional mission and full knowledge of the desired global results, therefore, he can only have a larger participation in the definition and in the planning that intends to achieve, specifically to the elaboration of goals, definition of performance indicators and conception of the operational plans.

1.4 Proposal of management contracts for the public institutions

A typical management contract specifies the objectives of the entity, in terms of desired economic-social impacts, goals of production and / or amounts and qualities of the services will be rendered in the period of validity of the agreement and the resources that will be supplied by the State for the attainment of these objectives. In compensation the entity will have larger operational flexibility.

The process of negotiation of the contracts emphasizes managerial initiatives of quality and extension of the rendered services, of efficiency in the use of human resources, equipment and public resources; investments levels; modernization of work process and of administrative systems.

The implementation of the management contract for public institutions, qualified as autonomous agencies or social organizations, will be made possible with the establishment of strategic objectives and goals that will be achieved by the institution, in a certain period of time, as well as the indicators that will allow its measure performance in the attainment of the commitments defined in the contract. The institution and the Ministry supervisor should assure in the contract, among other items, that:

- a. the objectives and the goals have coherence with the institutional mission;
- b. the goals and the indicators are useful to allow improvement of the acting;
- c. the indicators are appropriate to communicate the results;
- d. the basic sources of data and the collection procedures and those mechanisms exist for control of the validity of the data;
- e. people that do not work in the institution should understand the used language;
- f. the document consists of, when necessary, a glossary with the keys words, to avoid different interpretations about what it intends to achieve;
- g. the conditions regarding the execution of the pact commitments: definition of the available resources and of the autonomy levels granted to the institution;
- h. the validity conditions, renewal, revision, suspension and rescission of the contract are established;

- i. the responsible persons and the current consequences of the noncompliance of the established agreements are defined.

Thus, the next section will describe some reflections on institutions involved in the proposal that is being made by the Brazilian Government, specifically about different features of strategic planning, management information system, human resources and organizational structures.

CHAPTER 2 - SOME REFLECTIONS ON THE BRAZILIAN GOVERNMENT PROPOSAL

2.1 About the adoption of strategic planning on Brazilian Public Institutions

Strategic planning involves an assessment of an organization's mission and goals in relation to its external environment and internal capabilities, projected into the future by several years. Strategic planning is generally considered an essential management function for most organizations.

It is important to make some reflections about the care that should be taken with the proposal of implementation of the strategic planning proposed by the Government for its public institutions, because in conformity with Motta:

"The adoption of strategic planning usually requests a quite significant change in the philosophy and in the managerial practice of most of the public and private institutions. The strategic planning is not implemented by means of simple technical modifications in the processes and instruments decisions of the organization. It is, in fact, a conquest organizational that begins the level of conceptual changes of the management, resulting in new forms of administrative behavior, besides new techniques and planning practices, control and evaluation".

Thus, in order that the practice of strategic planning is used appropriately, it is necessary to consider the planning as an organizational process, with the establishment of objectives and with the description of the intended results. Moreover, the continuous revision of the activities and developed projects, starting from an analysis of the external and internal environment of the organization is fundamental.

It is possible to observe easily that strategic planning in private companies comes has been developed for decades, but it has not transformed its applicable actions to the reality of the public institutions.

For the public institutions the premises that do not invalidate the application of strategic planning, but that, nowadays, hinder its implementation are upheld.

Brazilian public institutions, specifically, do not have their growth strategy rooted in competition, nor are managed or evaluated by a system of gains and losses in the market sense. Their development strategy is based on the achievement of social objectives, which justify their existence in society.

Furthermore, the effectiveness of private companies depends on its adaptation capacity to the new demands, with frequent environmental alterations, while the public institutions have difficult following the lead of the private sector, to ensure coherence and stability, public institutions continue to function in the same manner.

However, the limitations in the application of the theory of strategic planning should be analyzed in the context of the public organizations, because it is noted that the environmental uncertainty is a typical fact for organizations of the modern world, being of public or of private nature.

In the specific case of the public administration, the community pressures for more and better services provoke revisions in the functions of the State, and the action that shapes so much the legitimacy of the institutions is questioned. In the search for quality and efficiency, public organizations resemble private companies.

Based on those arguments any strategic formulation raises the question whether the true objective of the organization should be structured to execute its actions in an effective manner. It is important to keep in mind the conception of any objective, should always consider the employees' within the organization. Cultural aspects such as: values, attitudes, motivations, technical, financial and humans resources should be applied to achieve the objectives and goals.

One important aspect to be observed is that in the strategic planning a larger emphasis exists in the identification of the solutions of problems related to the external and internal environment of the organization, bringing a larger concern with the new tendencies and surprises.

The planning of Brazilian entities should consider the following important aspects in detail:

- a. customers : what does the customer want? How?
- b. competition and possible partners: the performance of other institutions and the possible partnership with international and national institutions.
- c. an analysis of the situation: the subject of the reforms, elections, wages and expenses.
- d. government: conjuncture, financial dependence and the changing of salaries.
- e. its own entity: reactions to the direction of the fastened objectives, the technological profile, human and financial resources, and the culture of the company.

An interesting evaluation, according to Sink and Tuttle, regarding the practice of strategic planning in American institutions, but that can be easily verified in Brazilian institutions, is that most of the time the planning:

- a. is formal and bureaucratic;
- b. emphasizes the plans (the products) without considering the processes;
- c. is commanded by the budget;
- d. involves just high management and consultants;
- e. does not consider many operational realities.

For those authors, the effective planning of an institution should:

- a. involve more people within of the organization;
- b. structured, even less formally;
- c. emphasize the plan (product) and the process;
- d. command the budget;
- e. create larger equilibrium among marketing, finances and operations;
- f. enlarge the planning horizons;
- g. link the planning of the actions more efficiently.

Therefore, it will be fundamental for the Brazilian institutions to transform formal structures, changing their correlation of power, organizational structures, attitudes, interests, ideologies and technological capacity. However, instead of trying to implement global reforms they are, easily blocked, due to the rigidity and to the

great resistance to change within public organizations. Several strategic steps that demonstrate potential change should be taken.

Among the benefits of strategic planning that this methodology can bring to Brazilian institutions are:

- a. the support gives to managers with information and activities of decision processes;
- b. activities and the strengthening of the budgetary process;
- c. the reduction the organizational dispute;
- d. the allowance of larger interaction within the company;
- e. the promotion of the decentralization of the planning process;
- f. the development of the managerial capacity;
- g. the guidance for the formulation of plans of a long period, of immediate, tactical and operational actions.

The process of the evolution of concepts and managerial procedures, occurred for many years. It shows, in the practice, that the planning activity, was different than in the past. It should not just be developed some times during the year. It should be integrated between the several administrative systems and the organizational, as well as continually appraised so that its deviations are corrected.

Strategic planning presupposes that organizations desire to develop positively for the future. This therefore implies the knowledge of effectiveness and efficiency, as well as the limits of the organization and the variables that compose the external environment. It also implies a relationship with the community, the technologies and the values of which the organization is inserted.

For that, the definition of quantitative and measurable goals, of the establishment of indicators and performance standards in the phase of the planning, that can be used in the evaluation of the results is important. The process will be more efficient whether the results are immediately achieved. The necessary changes can be made through alterations in the goals, in the objectives and with the creation of new projects.

From the point of view of the administration, the performance evaluation, starting from specific indicators, constitutes a need and not a managerial option. It should be seen as a useful instrument for performance.

However, the evaluation of the indicator of effectiveness of companies should still be considered as fundamental. To understand a little more on each indicator it is essential to know the definition made by Motta, which reads like this: "Efficiency refers to the execution of norms, rules and internal traditions linked with the reduction of costs. Efficacy refers within reach of organizational objective and the quality of the products and services. Effectiveness means the reach of desirable social objectives that justify the existence of the organization. The difference between efficacy and effectiveness is made in basis on the premise that the organizations can become insensitive to the external environment and to implement social objectives efficiently do not desirable".

In this way, according to the author, "to evaluate the efficiency is to know how happened; the efficacy, what happened; the effectiveness, that difference did".

The indicators related to the objectives and goals, besides the financial resources, humans and materials defined for its conclusion, should be evaluated periodically and controlled. Therefore it will allow the identification of the causes of deviations between what is planned and accomplished.

Thus, it is essential, in Brazilian public institutions that the leader tries to establish an information system that allows effective evaluation of each one of the items of the strategic process. It is also necessary to verify if the objectives and goals were understood and accepted by the employees, if the same employees are qualified to

accomplish the control process and evaluation and if the requested information (as reports of financial liberation, accomplished costs, resources used and qualification of the labor) are the most appropriate.

However, before the development of managerial information system care should be taken care with some situations that hinder the implementation of the system: the excess of useless information and the need for the manager to know each type of decision that should be taken.

Challenges exist, because the planning activity, frequently finds difficulties for its development. Usually, those difficulties are linked with the changes introduced by new procedures managerial and / or by new strategies used by the institution.

2.2 Several supports to implement the strategic planning

Another point that must be emphasized, is the understanding that the strategic planning only becomes indeed possible with administrative support, that is not used to by Brazilian public institutions, such as:

1. a management information system well structured. The main objective of this system is to help the leaders in taking decisions. It is necessary to always show data summarized and up-to-date information of the institution, facilitating the decision process. For use of the basic advantages of the information system, it is necessary that some aspects are observed, among which can be mentioned:
 - a. the involvement of the Directors and managers;
 - b. the rising of the information that will be necessary and of the organizational units participants, considering the actions and the desired results;
 - c. the existence of data and information of environment (internal and external);
 - d. the appropriate relationship cost x benefit. The system should present a cost situation below the benefits that it provides to the institution.
2. a compatible rising of costs with the activities of the organization. To define some indicators, the development of structure costs to help in the better use of the resources and to work to link the managerial process is essential.

The implementation of a cost structure at the moment when the budget is elaborated and the projects and activities are defined, requests the solution of several problems and a change in the philosophy of the leaders' work and technical expertise, in this manner only the execution of the work program of the organization with efficiency (if the available resources were used appropriately), with efficacy (if annual and future goals were executed) and with effectiveness (if the basic purposes of the program were achieved) is possible.

One of the important causes of the lack of knowledge of the costs of its products or services offered to customers is bad financial results and the failure of a organization. However, in the public sector, the knowledge of the projects costs or activities creates serious problems, as the budget can be over or underestimate.

However, others obstacles can be observed. They are the following:

- a. many programs present benefits of complex measurement;
 - b. the evaluation of the objectives suffers personal and political interference.
3. a organizational structure adapted to the strategic needs - "the structure should follow the strategy". Regarding the strategy and the organizational structure, is essential to know that the structure of the entities should be adapted in conformity with the strategies defined for the organization. It also should consider changes in the external environment. It is possible to observe that the efficiency of the workflow depends on the good integration of several units of the organization.

4. a complete knowledge of the organizational culture. For any change that is proposed, it is necessary to know the values and the power distribution of the organization.

The emphasis on the human factor, involving more participation of employees, in the planning process. The objective of which is to take care of the integration of the strategy with culture and to administer the necessary change process for implementation of new strategies for the institution. This part of the conceptual progress made in the last years.

It is essential to remember whenever the culture change is an adaptation process and destructive at the same time, the construction of the new implies the destruction of the old and that transition is not necessarily calm neither is lacking in problems.

CHAPTER 3 - US GOVERNMENT EXPERIENCE

3.1 The reengineering of the US Agencies

Starting in 1993, an ambitious and comprehensive program of administrative reform of the civil service was carried out. It is being implemented by US Government, under direct coordination of the Vice-president of the Republic, through of National Performance Review - NPR.

The NPR basically proposed reforms that involve the decentralization of personnel's administration, the improvement of the budgetary process, the orientation of the organizations towards results, the decentralization of the decision process, the deregulation of the normative system, the orientation towards the citizen, the improvement of the administration, the improvement of quality of the services and its smallest cost, and consequently, the elimination of unnecessary entities, with the reduction of hierarchical levels, by means of deep reengineering in the administrative structures.

Thus, the NPR has also tried to identify unnecessary, obsolete or redundant services, hoping to reduce costs and rationalize administration.

Among the goals of NPR are: flexibility of the personnel's recruiting by the government agencies, reform of the remunerative system, by means of the revision of General Schedule and of a classificatory system and the creation of payment systems linked to the performance, thus resulting in an employees termination in the case of inadequate performance.

The program verified that of 103 federal agencies, of which two thirds had executed strategic planning, only 9 had obtained success in its implementation. The NPR, started to emphasize the accompaniment of the results, changing the focus of the administration, which until then was excessively guided by the processes. The basis was the British experience, especially, in the implementation of executive agencies and program geared towards results.

In order to make those reforms possible and involve the public servers in the process, a presidential decree was published in January of 1993. It created a National Partnership Council, composed of the director of the Office of Personal Management - OPM, the Secretary of the Labor, the director of Office Management of Budget - OMB, the President of the Federal Labor Relations Authority, the President of American Federation of Government Employees (AFL-CIO), by the President of National Federation Federal of Employees, the President of National Treasury Employees Union, the Secretary-treasurer of Public Employees Department of AFL-CIO and two Secretaries of agencies or government departments, designated by the President. The function of the Council is to promote partnership between the government and public servers, to propose to the President modifications in personnel's legislation, to disseminate information, to allow the exchange of experiences and to contribute to the consistency of the reform measures as implemented by NPR.

However, exactly in the same period, in August of 1993, as legislated by the National Performance Review, the US Congress approved the Government Performance and Results Act - GPRA, often called "The Results Act". It was immediately embraced by the American Executive Power.

This Act requires federal agencies to develop strategic plans, performance measures, annual performance plans, and performance reporting for the federal agencies. The focus of GPRA, in the measurement of the performance, in the strategic planning and in the performance budget is to have a substantial impact in the long-term in the evaluation and consequent improvement of government programs. GPRA requests also that agencies incorporate the evaluations of results in its strategic plans and annual performance plans.

In crafting the Results Act, Congress understood that the management changes required to effectively implement the Act would not come quickly or easily.

The Results Act included an extended schedule for implementation of its various pieces. Pilot projects on strategic planning and performance measurement were part of the initial learning phase in 1994, 1995, and 1996. Thus, ten agencies were chosen to participate in a pilot project with the 3-year duration, to execute the goals appraised, under the form of waivers.

The authority of agencies to request waivers of administrative procedural requirements and controls is intended to provide federal managers with more flexibility to structure agency systems to better support program goals. The nonstatutory requirements that OMB can waive under GPRA generally involve the allocation and use of resources, such as restrictions on shifting funds among items within a budget account. Agencies must report in their annual performance reports on the use and effectiveness of any GPRA managerial flexibility waivers that they receive.

Some agencies will be excluded owing to the approach of the Office of Management and Budget - OMB, because they were considered very small or whose performance evaluation with basis in quantitative goals is not possible.

In 1998, the program is being extended to all agencies, which should fasten strategic plans with 5 years, linked with the accompaniment of the execution of its goals. Agencies submitted their strategic plans to Congress and the public September 30th, 1997. Annual performance plans have been developed in conjunction with the 1999 budget.

The Government Performance and Results Act (GPRA) places uniform requirements on federal agencies for strategic planning. Thus, GPRA required that the head of each federal agency submit to the Office of Management and Budget and to the Congress a strategic plan for its program activities containing:

1. a comprehensive mission statement covering the major functions and operations of the agency;
2. general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agencies;
3. a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, human capital, information, and other resources that will be required to meet those goals and objectives.
4. a description of how the performance goals included in annual performance plans are related to the general goals and objectives of the strategic plan;
5. an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and
6. a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for the future program evaluations.

3.2 An Evaluation of strategic plans made by US Agencies

On June 12, 1997, the US General Accounting Office - GAO reviewed and evaluated the latest available version of the draft strategic plans that were submitted to Congress for consultation by cabinet departments and selected

independent agencies. Those reviews of individual agencies' draft plans (1) assessed the draft plans' compliance with the Act's required elements and their overall quality, (2) determined if the plans reflected the key statutory requirements for each agency, (3) identified whether the plans reflected discussions about crosscutting activities and coordination with other agencies having similar activities, (4) determined if the draft plans addressed major management challenges, and (5) provided a preliminary assessment of the capacity of the departments and agencies to provide reliable information about performance.

The summary report made by GAO is based on its analysis of the information contained in its reviews of 27 agencies' draft strategic plans. To do those 27 reviews and the related reports, it used the Results Act supplemented by Office of Management and Budget - OMB's guidance on developing the plans (Circular A-11, part 2 - Preparation and Submission of Strategic Plans and Annual Performance Plans) as criteria to determine whether draft plans complied with the requirement for the six specific elements that are in the strategic plans.

To make judgments about the overall quality of the plans, it used its May 1997 guidance for congressional review of the plans. It recognized in each instance that the plans were drafts and that its assessment thus represented a snapshot at a given point in time.

At the time of its reviews of agencies' draft plans, it found that a significant amount of work remained to be done by executive branch agencies if their strategic plans are to fulfill the requirements of the Results Act. This served as a basis for guiding agencies, and helped congressional and other policy makers make decisions about activities and programs. Although all 27 of the draft plans included a mission statement, 21 plans lacked 1 or more than 5 other required elements. For example, two plans did not contain long-term strategic goals that are to be the basis for directing agencies toward the achievement of their missions, and six did not describe approaches or strategies for achieving those goals and objectives. Overall, one-third of the plans was missing two required elements; and just over one fourth was missing three or more of the required elements.

Its reviews of agencies' draft strategic plans also revealed several critical strategic planning issues that are in need of sustained attention if agencies are to develop the dynamic strategic planning processes envisioned by the Results Act.

First, most of the draft plans did not adequately link required elements in the plans. For example, some of the draft plans did not consistently describe the alignment between an agency's long-term strategic goals and objectives and the strategies planned to achieve those goals and objectives. Furthermore, 19 of the 27 draft plans did not attempt to describe the linkages between long-term strategic goals and annual performance goals. This linkage is critical for determining whether an agency has a clear sense of how it will assess progress toward achieving its intended results.

Second, long-term strategic goals often tended to have weaknesses. Although the Results Act does not require that all of an agency's strategic goals be results oriented, the intent of the Act is to have agencies focus their strategic goals on results to the extent feasible. However, several plans contained goals that were not as results oriented as they could have been. In addition, several plans also contained goals that were not expressed in a manner that would allow future assessments of whether they were being achieved. Further, in three plans, long-term were not developed for major functions or activities, as required by the Results Act.

Third, many agencies did not fully develop strategies explaining how their long-term strategic goals would be achieved. For example, it found that each of the plans could be strengthened if the sections on strategies included, among other things, specific actions, planned accomplishments, and implementation schedules. Also, the plans for most of the 27 agencies did not reflect strategies for addressing key management challenges that could affect the agencies' ability to achieve strategic goals.

Fourth, most agencies did not reflect in their draft plans the identification and planned coordination of activities and program that cut multiple agencies. GAO recently suggested that mission fragmentation and program overlap are widespread throughout the federal government. It noted that interagency coordination is important for ensuring that crosscutting program efforts are mutually reinforcing and efficiently implemented. However, its reviews indicated that 20 of the draft strategic plans lacked evidence of interagency coordination.

Fifth, its work suggests that the questionable capacity of many agencies to gather performance information has hampered, and may continue to hamper, efforts to identify appropriate goals and confidently assess performance. The lack of reliable data to measure the costs and results of agency operations has been a long-standing problem for agencies under the federal government. It is possible to observe that agency officials with experience in performance measurement cited ascertaining the accuracy and quality of performance data as 1 of the top 10 challenges to performance measurement.

Finally, the draft strategic plans did not adequately address program evaluations. For example, 16 plans did not discuss program evaluations, and the discussions of program evaluations in the remaining 11 plans lacked critical information, such as descriptions of how evaluations were used in setting strategic goals and schedules for future evaluations. Evaluations are important because they potentially can be critical sources of information for ensuring that goals are reasonable, strategies for achieving goals are effective, and that corrective actions are taken in program implementation.

It is clear for the GAO, that much work remains to be done if strategic plans are as useful for congressional and agency decision making as they could be. It found that agencies' draft strategic plans are very much works in progress. This situation suggests that agencies are struggling with the first step of performance-based management - that is, adopting a disciplined approach to setting results-oriented goals and formulating strategies to achieve the goals.

GAO considers that as agencies continue their strategic planning efforts and prepare for the next step of performance-based management - measuring performance against annual performance goals - it is important that the agencies, working with Congress and other stakeholders, address those strategic planning issues that appear to need particularly sustained attention. It is essential to know that leading organizations focus on strategic planning as a dynamic and continuous process and not simply on the production of a strategic plan. They also need to understand that stakeholders, particularly Congress in the case of federal agencies, are central to the success of their planning efforts. Therefore, it is important that agencies recognize that strategic planning does not end with the submission of a plan in September 1997 and that a constant dialogue with Congress is part of a purposeful and well-defined strategic planning process.

Authorization, appropriation, budget, and oversight committees each have key interests in ensuring that the Results Act is successful, because once fully implemented, it should provide valuable data to help inform the decisions that each committee must make. In that regard, Congress can continue to express its interest in the effective implementation of the Results Act through iterative consultations with agencies on their missions and goals. Congress can also show its interest by continuing to ask about the status of agencies' implementation of the Act during congressional hearings and by using performance information that agencies provide to help make management in the federal government more performance based.

To conclude, it is essential to present the GPRA summary timeline:

4. CONCLUSION

The development of effective strategic planning and performance management system require systematic work in a number of essential areas: defining agency vision and strategic mission; establishing program missions and objectives; establishing long-term and annual program performance targets/goals; developing performance indicators and collecting performance data; using performance indicators in improving program performance; and communicating this so that it can be used by policy makers, managers, and the public. When this was done, lessons would be learned and shared by an increased number of sophisticated users of performance measurement.

On the other hand, Brazilian Government faces several challenges in implementing the proposal. The first challenge is that all the developed negotiations, until now, to insert those institutions in the federal Government's projects are still in the initial stage, and in some cases the restructuring process has already been in discussion for several years. In the US, all agencies are obliged to participate in the GPRA and the process has a timeline.

The second challenge is that the implementation of the management contract in public institutions will present some limitations and difficulties. The nature of the activity developed by the institutions resistance and managerial unpreparedness. Few entities have the resources for the elaboration of a plan of consistent work, of managerial information, measure of costs operational and indicators of performance reliable.

Between the limitations and difficulties of Brazilian public institutions the following aspects remain outstanding:

- a. difficulty for the definition of indicators for accompaniment of the goals.
- b. disregard of the potential demand and of statistics of the quality of the rendered services.
- c. concentration in objectives and goals of effectiveness, for the period of validity of the contract.
- d. difficulty of the allocation of the resources (humans and materials) to the objectives and selected goals.
- e. demand of development of accompanied systems of project costs.
- f. difficulty, in the function of the nature of the activity, in accomplishing evaluation of the quality of the rendered services.
- g. absence of indicators of effectiveness and efficiency.

The third challenge that can be identified has to do with the relationship to employees' participation. For that, subject can be divided into two aspects: the resistance of the managerial team with relation to the need of using the planning as an administrative technique and the employees' resistance to due to unsatisfaction with the current wages.

It is possible to observe that the resistance of the managers happens for three reasons:

- a. everything needs to be solved quickly by managers, because they are involved in shaping the activities of the institution, which means managers lose control of their own time. Consequently, any time dedicated planning is considered a loss of time.
- b. ignorance of the planning techniques. They that the techniques of planning are very complex.
- c. uncertainty about the future. The planning is considered useless, because the future is uncertain.

In some cases, the resistance of employees occurs because of the delay and the inadequate salary distribution, the shortage of human resources, the lack of career advancement in the institutions and the difficulties for renewal of the technical team after the retirement, without succession policies that have been developed. The current situation practically is one of widespread apathy, where few try to develop innovative processes.

Another aspect to remember is the relationship to public employees that is outlined by any document elaborated by the Government which until now takes into consideration cultural aspects (values, distribution of power) of the public employee, as well as the lack of employee participation and involvement. Research increasingly shows that employee involvement is essential in achieving quality and productivity improvement. If one or more unions represent the workforce, top agency leaders should consider involving unions in the strategic and quality management effort from the onset. In addition, management should also consider involving other employee groups, such as minority representation groups. This was the procedure adopted by the US Government.

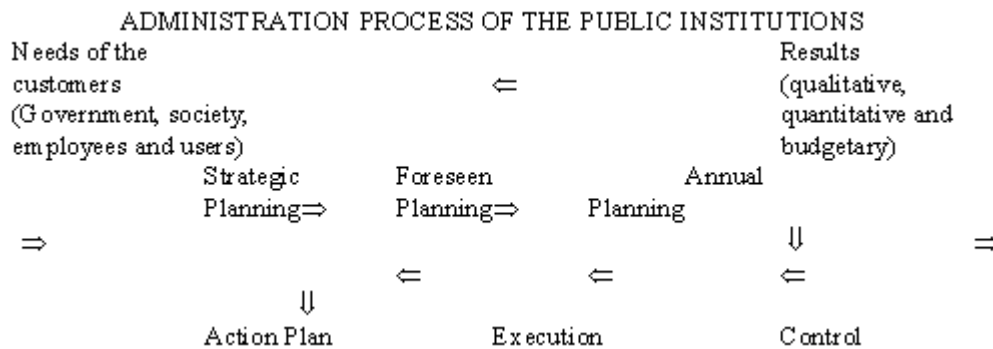
All these problems need to be analyzes and, if possible, solved before the signing of the management contract with the Government and its implementation will be possible to develop the strategic planning - the project that will guide the process - without the effective participation and all the employees' commitment?

Even if the thought is that administrative modernization, with the use of quality techniques and of planning, alters the current situation of the federal public administration, it will be necessary to overcome some of the

mentioned obstacles, therefore the use of any administrative technique requests the employee's full satisfaction to improve the performance of its activities.

Besides, it can be evaluated that everything that is being proposed can be beneficial for the employees, because it can, if well carried on, to create a new incentive for all the employees of the public institutions, since new work possibilities will be developed.

For the public institutions that are engaged in the proposal of strategic restructuring and to achieve results desired by society, it is believed that several problems mentioned in this work will be overcome what will become the most dynamic and more agile institutions. However, it will be essential to develop a better relationship with its users, seeking to identify all of the demands of society.



The development of strategic planning certainly will bring for the institutions a new organizational structure, because for the strategies that are implemented it will be essential that the structures are adapted to the actions and goals established.

As well as the establishment commitments that make possible the knowledge of all the planning and evaluation stages are essential.

Some aspects can be analyzed and learned from the US experience, in spite of the difference between the two countries. We can observe that the strategic planning of Brazilian institutions should show progress in developing comprehensive mission statements upon which they can build strategic goals and strategies for achieving those goals. A mission statement is important because it focuses the public institutions on its intended purpose. It explains why the institution exists and tells what it does and is the basic starting point of successful planning efforts. However, it should be considered that several critical strategic planning issues should be avoided. They are the following:

- a. the lack of linkages among required elements in the draft plans;
- b. the weaknesses in long-term strategic goals;
- c. the lack of fully developed strategies to achieve the goals;
- d. the lack of evidence that agencies' plans reflect coordination with other federal entities having similar or complementary programs;
- e. the limited capacity of entities to gather performance information;
- f. the lack of attention to program evaluations.

To conclude, it is important to emphasize that the Government's of administrative modernization proposal for its institutions, with focus on the administration addressed to results, is opportune, coherent and, above all, viable. However, in any moment should be forgotten that the Master Plan of Reform only will be implemented and consolidated whether there are the employees' commitment, the largest knowledge about the methodology of strategic planning and the periodic evaluation of the strategies and goals of the Brazilian institutions.

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