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**THE MANAGERIAL DECENTRALIZATION
IN THE STATE OF SANTA CATARINA:**

A NEW PUBLIC MANAGEMENT MODEL

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ABSTRACT

This paper intends to present the decentralization program adopted by the Brazilian southern State of Santa Catarina.

In order to better analyse the administrative reform of the State of Santa Catarina, the paper will first review some of the main trends in strategic management of organizations, identifying useful aspects for a modern public administration. The paper will focus mainly on the organization management for results, to confirm that an effective performance reduces costs and means more available resources to better-quality public services to the population.

When dealing with Public Management peculiarities, this work shows some permanent characteristics attributed to the need for control, legality and transparency in management. On the other hand, it emphasizes some anomalies which can be modified.

Relations among organizational culture, motivation and the role of leadership in implementing changes are mentioned so that difficulties faced when transitioning from a bureaucratic administration model to a managerial one become visible. Finally, aspects related to structure and processes changes will be presented, concluding with theoretical aspects necessary to the case study proposed.

Through the analysis of the Santa Catarina State's administrative reform, the paper will point out diagnoses, characteristics and functioning of its structure. We will see that the structural change will allow greater flexibility and autonomy to the government. It will also allow efforts to be concentrated on its purpose, that is, on its true goals and mission so that authentic results-base management will be possible.

INTRODUCTION

Facing an increasing scarcity of resources and the difficulties generated by this scarcity, the whole world has started to rethink better ways to manage organizations, private or public, attempting to reach better quality patterns, efficiency and efficacy.

Specifically in the public sector, the necessity of new management models has assumed a relevant and urgent position. The State turned its actions toward its main goal the public interest. In this setting, the focus comes to the managerial point, a more forward, agile and efficient State, directed to better results for its citizens.

The public administration, in this context, is passing through a transition moment. In Brazil and all around the world, through reforms and technologic evolution, it is moving from a Weberian rational bureaucracy model to new public administration managerial approaches, also known as New Public Management.

The Administrative Reform in Santa Catarina, consolidated as a managerial decentralization model, must follow this transition in almost all its features, implementing deep structural and cultural changes. However, some bureaucratic control features ought to be kept, as long as they are updated and adjusted to the new managerial and technological reality (BRESSER-PEREIRA, 2000)

A more efficient and efficacious execution of public services can be achieved through the following: a) information management, using technology to reduce coercive bureaucracy (ADLER, 1999), and b) a combination of structural changes, redesigning some processes and making drastic alterations in some others. These changes must always consider some strategic features such as technology, environment, human resources, and legal limitations.

In this changing environment in public administration models, the Santa Catarina State Government proactively accompanies the evolution of knowledge and information technologies. The Santa Catarina State, exemplary, is going through changes by a complete restructuration process, searching for a results-focused decentralized management model.

The challenge of elaborating a paper with this theme, analyzing all the perspectives of the changes to be implemented, is already exciting in its embryonic state. It is a great opportunity to connect a concrete case to literature about strategic features and to some new trends in public administration.

This paper will be divided into phases, all necessary to reach its main goal.

In the first section it discusses theoretical topics about organizational structures, as its complexity, mainly because of its size and endless searching for efficiency in results. It intends to find in the literature some strategic features to consider when redesigning processes and when implementing a managerial public administration model.

The second section will approach the Public Administration and the bureaucracy as a structural model. The features related to structural changes are given special emphasis in the third section. In particular this section will show the difficulties for a complete implementation of a managerial public administration model such as public administration peculiarities, reactions against changes, legal limitations and organizational culture.

The New Public Management approaches will be shown in the fourth section. This section will highlight some possibilities of using management techniques to conduct the State activities.

Finally, the fifth section will present Santa Catarina State and analyze the actual stage of its managerial decentralization process, which began with its 2003 Administrative Reform. Finally, this paper will comment on the application of theoretical features in the Reform.

1.ORGANIZATIONS SEEKING FOR RESULTS

Some records from history allow us to understand that man has always searched for better ways to coordinate and control collective activities. With these activities mankind achieved better results, conquered new lands, destroyed enemies, built great works, or even has won over natural adversities which have faced through history.

Under leadership command and with organization, the Egyptians built their Great Pyramids, the Chinese built their Great Wall, the Incas raised cities, and the ancient Romans built roads, wall and aqueducts. These were works that required thousands of men and materials, beyond organization, that means COORDINATION and CONTROL (KWASNICKA, 1990).

From the 17th century on, when capitalism started, the first templates of effort coordination appeared. The search for common results by a group gradually originated what we today call organization. There are many definitions for organization.

BLAU (In CAMPOS, 1976, p.128) defines organization as a system to mobilize and coordinate efforts of several groups, typically specialized for reaching common goals.

This paper will assume a definition made by a combination from HALL's (1984) and BLAU's (In CAMPOS, 1976) concepts.

Accordingly to HALL (1984, p.32), "organization is a collectivity with a relatively identifiable boundary, a normative order, ranks of authority, communications systems and membership coordinating systems; this collectivity exists on a relatively continuous basis in an environment, and engages in activities that are usually related to a set

of goals; the activities have outcomes for organizational members, the organization itself, and for society”.

This concept is important because it has some key words that fix limits and features, which are: frontier and environment; normative order, authority and communication; continuous base, and activities and goals.

1.1 Management theories seeking to enhance the efficiency in results achievement

As capital accumulation became the capitalist organizations’ motto, the first capital-labor relations focused on production’s efficiency, which means better productivity in the search for profits.

If productivity is to produce more with less resources, and by cheaper costs (MARQUES, 1995), the productive use of human, monetary and material resources is conditional for the enterprise survival. However, productivity needs constant raisings to guarantee the survival (DRUCKER, 1981).

After the appearance of administrative theories, one started to use scientific skills to deal with productivity matters. Even though using different approaches, the goals were always the same: efficiency, reached by the best use of the available resources (production means) and its results; and the productiveness, which is the ratio of the quantity and quality of units produced by the labor per unit of time. The better the efficiency on activity execution the better are productivity and results. Continuous increase of productivity is one of the most important tasks in managing an organization. It is also one of the most difficult tasks, as productivity is the balance of a set of factors, from which only a few can be easily determined or clearly measured (DRUCKER, 1984).

One of the differences between the administrative theories is the way they treat productivity enhancement. They may focus on the tasks and how to make them, focus on the human resources and the relation between its performance and several other internal and external factors, or focus on the organizational structure, or on the environment etc.

The productivity enhancement and how to achieve better results were always among the main concerns of the theoreticians. The methods succeed each other and the approaches were changing at each time, adapting to the society's new exigencies or even imposing new concepts.

Some theories have complemented others, and some have opposed, in unavoidable philosophical debates, generally referring to workers human conditions face the new challenges for more and more results.

1.1.1 Emphasis on the tasks and on the formal structure

Taylor's time and motion studies originated the Scientific Management, and introduced the idea that a scientific methods could result in a major quantity of products done in a decreasing use of time (MAXIMIANO, 1995).

Fayol, when establishing the principles of the Classic Theory, also supported productivity raising, but not by repetition or optimization of the workers tasks. His proposal was a deep emphasis on the structure of the organization, defining its basic functions and the general principles of management. A defined structure where authority and its implementation would guarantee that the manager could *plan, organize, command, coordinate, and control* the activities of the organization.

Nowadays these principles are still used on the purpose of getting results with better productivity. The execution of any productive task requires *planning, organizing, commanding, coordinating, and controlling*, sometimes more and sometimes less, depending on the case (MAXIMIANO, 1995; KWASNICKA, 1990; CHIAVENATO, 1993).

BLAU's (apud HALL, 1991, p.85) definition for Organizational Structure has implicit ideas of labor sharing and hierarchy: organizational structure is "the distributions, along various lines, of people among social positions that influence the role relations among these people".

However, RANSON, HININGS and GREENWOOD better defined structure as a mutable aspect of organization, suggested HALL (1984, p.85), as "a complex medium of control which is continually produced and recreated in interaction and yet shapes that interaction: structures are constituted and constitutive".

Following this argumentation, one can note that the structure is active in its own change. But, at the same time, it is modified and constituted by some other parts such as the organizational strategies, organizational culture, human resources, values, behaviors and the external environment.

1.1.2 Emphasis on the Human Being

The Human Relations Theory was born in the beginning of the 1930s, starting the Organizational Behavior approach. It was a consequence of the "Hawthorne Experiments", which were a series of studies on workers' productivity. These studies changed the landscape of management from Taylor's engineering approach to a social sciences approach. The organizational environment and the worker productivity would be influenced by factors related to human behavior, such as social group dynamics, motivation, leadership, and human

relations (MAXIMIANO, 1995; KWASNICKA, 1990). Knowing these factors, two basic organizational functions needed to be harmonized: the economic function (resources toward an external equilibrium) and the social function (towards the internal equilibrium).

The increase of the productivity only could be reached within an environment that allows people to integrate to social groups and to satisfy their individual needs.

The development of organizational behavior as a discipline started in the 1940s. It totally redefined some management concepts by removing the normative-descriptive posture from the former theories and adopting an explaining-descriptive position. The focus was kept on people, once realized that they can produce more when motivated (CHIAVENATO, 1993).

1.1.3 Balancing the Structure and the human factor

The organizational structure's importance, already discussed by Fayol's Classic Theory, became solid within the Bureaucracy Theory, whose principles are due to Max Weber's sociological studies.

There were critical responses to the Classical Theory and to the Human Relations Theory. Weber's sociologic studies were already known, but only in the 1940s, after his death, were his works about structure and authority considered as inspiration to which became a new organizational theory, the Theory of Bureaucracy.

Max Weber argued that a bureaucratic scheme was the most logical and rational way of operating within larger organizations, because bureaucracies are founded on legal or rational authority, procedures, and rules. Weber's theory argued the positional authority of a superior over a subordinate stems from legal authority.

Efficiency in bureaucracies would come from clearly defined and specialized functions; legal authority; hierarchical form; written rules and procedures; technically trained bureaucrats; appointment to positions based on technical expertise; promotions based on competence; and clearly defined career paths.

The Sociology of Bureaucracy was used to state that the worker could be paid to act in an organizationally-determined way. Emotional interferences would not interfere on workers' performance, the way he could achieve a high level of productivity. The goal of the bureaucracy is to minimize some "human factors" which do not contribute to the efficiency of the organization, through the further refinement of written rules and procedures.

"With its hierarchical structural authority and functional specialization, the bureaucratic organization enabled an efficient accomplishment of technical and complex tasks" (OSBORNE and GAEBLER, 1995, p.13). Max Weber himself (in OSBORNE and GAEBLER, 1995, p.13) had recognized the cause of the success of the bureaucratic organization:

The decisive reason for advance of the bureaucratic organization has always been its purely technical superiority over any other form of organization.

Precision, speed, unambiguity,... reduction of friction and of material and personal costs – these are raised to the optimum point in the strictly bureaucratic administration.

These Bureaucracy's features were the object of new studies and fulfilled the blanks left by the former theories. Still nowadays there are warm debates around it, with defenders from an enabling bureaucracy model (ADLER, 1999 and WOOD JR., 2000a). The debates are chiefly about a global approach, involving three main issues: a) structural and human issues; b) a rational organizational model, where all the variables could be identified (human, industrial and administrative variables); and c) better defined organizational models, as the firms had reached considerable sizes and complexity at that time.

Bureaucracy should not be considered as a static thing. It is constantly reevaluating rules and procedures to insure greater efficiency in the attainment of its goals. Organizational structures take many different forms, with differences between its work units, departments and divisions, or according to hierarchical positions: “There is an intraorganizational variation, both across organizational units and up and down the hierarchy” (HALL, 1991, p 86). It depends on how close the organization is to Weber’s ideal type of bureaucracy. Organizations will vary from this ideal type.

The Theory of Bureaucracy gave new basis to a rational and ideal model of organization, which would apply to any economical activity. It was a step forward in formal organization, even though later some difficulties to react to changes imposed by the modern society, due to its inflexibility, had appeared. The Bureaucracy had negative features, used as targets by the critics, particularly due to the ‘machine model’ used to represent organizations (MORGAN, 2006; KEINERT, 2000 e HALL, 1991).

The management model used in the late 1940s was focused on the organizational structure, somewhere between the Bureaucracy and the Human Relation models. At that time the structure should be well defined and should interact with its external environment – the society.

The Neoclassical Theory, that has Peter Drucker as its major exponent, progressively moved the focus from the means to the ends.

The process-based model gave way to a results-based model. The concern of “how” to manage became a “why” and “for what” concern. Taylor’s view of doing correctly the tasks in order to be efficient was replaced by a special attention given to relevant jobs which were related to the firm’s objectives and necessary to reach efficiency.

The task was an “end in itself” and became only a way to get better results.

The Management by Objectives (ODIORNE, 1977 and DRUCKER, 1970) defined that productivity should be related to a set of objectives. The interconnection among objectives shows a *structuralist* feature of the approach, emphasizing the strategic planning, within tactical and operational plans, measuring performance and controlling results.

As the activities are usually performed by teams, their efficiency depends on the high performance of its members. The participative processes provide better collective results, which also shows the humanistic profile of Drucker's Theory.

1.1.4 Environment and Technology

The Systems Theory amplified the idea about organizations relating to its external environment. Its central theme was the statement that organizations are open systems, continually interacting with their environment (MORGAN, 2006).

They are in a state of dynamic equilibrium: they adapt to environmental changes and, since all of their components are interrelated, changing one variable might impact many others.

Finally, according to different management approaches and theories, in order to be competitive and reach better results, the organizations need to know and constantly monitor some variables that were remarkable on management theories evolution: **tasks, structure, human resources, environment and technology.**

1.2 Results-based management- RBM

A results-based management uses results as a basis for planning, management and reporting, and aims to improve performance by comparing and analyzing actual results against planned results through regular monitoring, evaluation, reporting, feedback and adjustments.

It consists in a focus changing, from a control-focus to a results-focus.

The control is not anymore on the means activities, but on results. It has moved from a '*a priori*' control – which is upon methods, norm task procedures and process development - to a '*a posteriori*' control – on the expected results.

OSBORNE and GAEBLER (1995, p.14) debated the focus problem on public administration due to its excessive controls : “in attempting to control virtually everything, we became so obsessed with dictating **how** things should be done – regulating the processes, controlling the outputs – that we ignored the outcomes, the **results**.”

MOTTA and BRESSER-PEREIRA (1991, p.142) defined results-control as a type of decentralization and a way to eliminate some dysfunctions of the bureaucratic model:

The superior delegates to its subordinate the authority to choose the means to reach the expected results, and controls only the latter. It's a better use of the subordinates' competences, by stimulating their initiative, by satisfying their needs for independence and by concentrating everyone's focus on results.

1.2.1 Establishing goals and objectives

In order to reach organizational efficacy, there are some central elements to consider (HALL, 1991): goals, resources, people, clients and community. An organization may be efficacious in some of its features and processes, but not so much in others.

The ideal model for organizational efficacy, according to HALL, is at the same time simple and complex. Under the most simple prism, efficacy is the degree on which a organization reach its goals. It's complex due to its multiplicity and sometimes due to its goals' incompatibility, which makes the model difficult to be used.

Determining a strategy is fundamental for fixing goals and objectives. DRUCKER (1970) defined it indispensable for a efficacious administration that it orientates every managers` vision and efforts to a common objective. The manager`s objectives must reflect the firm`s objectives.

ODIORNE (1977) suggests that defining objectives is the first step in the decision making process and towards problem solving. Without clear objectives, it will not be possible for employees to make reality from action, simply because they do not know them. And it is not possible also for the administration to know if its actions are efficacious or not.

Objectives must be constantly reevaluated, due to the environment's dynamicity e to its relations within the organization.

DRUCKER (1977) affirmed that objectives are the fundamental strategy of a business. They must bring motivation and accomplishment, and help making possible the coordination of efforts through concentration of resources.

The Management by Objectives theories advocated by Drucker and Odiorne are essential for a results-based management model, since they allow a previous establishment of

goals and a posterior control, through performance and results evaluation. Objectives consist of criteria to judge the results (ODIORNE, 1977). Developing means and criteria to measure how well the goals have been reached is a way to evaluate organizational efficacy (CAMPBELL apud HALL, 1991).

1.2.2 Performance Measurement

Performance measurement is more than a valuable tool to help the decision-making process in business. It is a lever to lift business success (LUCENA, 1995).

Nevertheless, its proper use is imperative, the way it can influence the behavior of the workers, bringing on a constant desire for improvement. With continuous qualification, performance measurement will create motivation which will be the propellant spring for the individuals' efficacy development, and consequently, for the organization as whole.

OSBORNE and GAEBLER (1995, p.156) recommended to governments three uses for information given by performance measurement:

Some organizations link pay to performance. Others use performance information as a management tool, with which continually improve their operations. And still others tie their spends to results. The most entrepreneurial attempt to do all three.

The authors also point out the difference between measuring efficiency and measuring effectiveness:

Efficiency is a measure of how much each unit of output costs. Effectiveness is a measure of the quality of that output: how well did it achieve the desired outcome? When we measure efficiency, we know how much it costing us to achieve a specified output. When we measure effectiveness, we know whether our investment is worthwhile. There is nothing so foolish as to do efficiently something

that which should no longer be done. (OSBORNE e GAEBLER (1995, p. 351)

The good use of performance measurement's results is the decisive element within a successful evaluation system. Surprisingly and unfortunately, in many private companies and in the majority of the public organizations, the performance evaluation results are not having a good use, and even less are having the information provided by them (DANTAS, 1995).

2. PUBLIC ADMINISTRATION

People needs are propellant spring of the economy. They start in the individual level, as food, habitation, clothes. As it is not possible for each individual to provide it by himself, there is a necessity for a union of talents and abilities the way a social organization will try to supply them.

Economic activity is a set of relations in the society towards the production, distribution and consumption of goods and services, in order to supply the individual needs.

Nevertheless, from the moment individuals get together in a society, new needs arise. They are the collective needs, some of them essential to survive as a group. The society will create collective instruments, such as social entities to satisfy individual and collective needs. New needs will appear, such as safety, health, education, and freedom. These new needs will be supplied with goods and services provided by the collectivity.

However, the individuals cannot supply all of these needs, because they are permanent needs, which generally depend on great sums of financial resources. These needs,

also known as public needs, are satisfied by organizations that composes the State's structure for public services.

The State cares for the collective and social interest and rights. The **public interest** became a matter of State, as a set of duties and their respective instrumental powers.

2.1 The activities of the State

State and society compose a democracy, an indivisible whole. The State has competences and limits fixed in the Constitution. Its main functions may be classified by (GARCIA, In MONTORO-FILHO et al, 1998):

Allocating Function: this function is connected to the supply of goods and services that are not adequately offered by the market system (GARCIA, In MONTORO-FILHO et al, 1998, p.557).

Distributive Function: the Government observes issues involving income distribution. It works as an income redistributing agent, combining factors such as taxing the high income levels of society with spending policies or subsidies to poor areas.

Stabilizing Function: this function is related to the maintenance of the price level and employment level. As full-employment and price stability may not occur automatically, the state must formulate a fiscal policy, in order to reach a desired employment level and to keep the price levels stable.

Considering these three roles of government, there are three ways to administrate the State (BRESSER-PEREIRA 2000):

The first and most ancient form of public administration is called a *patrimonialist* administration, that is a non democratic, a monarchic form. The concepts of "patrimonialism" and "patriarchalism" come from Weber's description of forms of traditional

authority. He used *patrimonialism* to refer to an authority relationship, in which the leader controlled an administrative staff selected from his patrimony, and based on personal loyalty to the leader.

In this model, the assets used to belong to the State. But they were not public, confounding *res publica* with the *res principis*. The management did not aim to the public interest, but to its governors.

The second model of public administration is the bureaucratic model where the rigid norms are more distinguished than their finalities. The civil service is professional and it has a rational-legal Weberian domination characteristic. The first great State reform was the transition from *patrimonialism* to bureaucracy. Hierarchy and clearly defined functions, settled on norms and rules, exercised the control.

The third model, more flexible and dynamic, is the managerial public administration model, as known as new public management. It aims to give autonomy to the public manager to decide the better way to attend and satisfy the interests of the populace.¹

2.2 Decentralized Public Administration

Public Administration is the organic and institutional whole which has the attribution of exercising the functions that define the expressed wish of the State. According to MEIRELLES (2001), it is the set of organizations instituted to achieve the Government objectives.

Public administration may be administratively organized in a **centralized** or **decentralized** form.

¹ There is a new trend, the "New Public Service", which is a reaction to the New Public Management. It focuses on the mission of government, and how to determine the collective public interest. The authors - Denhardt, Janet and Robert Denhardt - believe that there are considerations that **should** come before cost and efficiency, and that citizen participation should be a major factor in

It is centralized when its functions converge to a greater number of central agencies; and decentralized when the central agencies transfer functions to local agencies or others.

A public administration acts by its agents, entities and agencies, which can be organized in a direct administration, through its State entities and agencies, or indirect administration, through its *autarquias*², foundations, mixed economy companies and public companies, which are connected to a Department of State or Secretariat, according to its activities.

2.3 The Bureaucracy

As the State became an instrument of public interest regulation, it reached gigantic size and complexity. Several controls were implemented, and the public organization surrendered to the bureaucratic model of management.

This process was unavoidable, as it was for many organizations that became oversized. Size became the main contingency for the bureaucratic structural construction of organizational activities (DONALDSON, 1996).

The rational bureaucratic organization was socially and morally legitimated as an indispensable type of organized power (REED, 1999).

The rational structure, though, covered the human features with its well-defined posts and functions. Rigid norms and controls were more important than human aspects. As the number of its members rises, their responsibilities become more complex, and these

decisions. They see the role of the administrator as very complex: synthesizing the needs of citizens, interest groups, elected representatives, etc. This paper will consider, however, the NPM as the last settled model.

² *Autarquia* is a self-administered decentralized public entity, specifically created by a law, to perform some activities of State. It has financial and administrative autonomy.

organizations bureaucratize, ‘massing’ the individuals and ‘unpersonalizing’ their social relations (CAMPOS, 1976).

WEBER (apud CAMPOS, 1976) affirmed that bureaucracy can give power to people who will manipulate it, damaging human relations. Bureaucracy is the ‘state as formalism’, and it is also the state as formalism in its purpose. But in fact, this kind of control did not reflect the spirit of the State, but its ‘spiritlessness’.

The mechanical bureaucracy is based on characteristics as centralization, hierarchy, authority, discipline, rules, career, division of tasks, stability.

The post-modern bureaucracy has already reached some decentralization aspects. It has used a decentralized and enabled communication and information technology, and a hierarchy that works in a “non-barrier” model, but in a coordination and control channel.

The political philosopher Edmund BURKE said two hundred years ago: “centralized power would always lead to bureaucratic procedures that ultimately stifle innovation, stamp out individual differences, and therefore inhibit growth” (HANDY, 1994, p.37).

As organizations grow, they give emphasis to predictability, formalized roles and systems of control. Their behavior has become predictable, rigid and unflexible. If inertia increases with organizational size and complicates organizational change, then size should have a negative effect on the result of changes (HANNAN e FREEMAN apud BAUM, 1999).

Central features are those that have inert characteristics – organizational objectives, types of authority, main technology, and marketing strategies. Peripheral features are those that protect the central features from uncertainty. They are the number and the sizes of the subunits, of the hierarchical levels, the control of the amplitude, and patterns of communication and protection mechanisms (BAUM, 1999).

‘Inertial tendencies in organizations increase with size and since selection pressures favour structurally inert organizations for their liability’ (BAUM, 1999,p.62). Nevertheless, it is necessary to use a model that can keep at the same time the controls and the efficiency patterns, without a significant obstruction of the organization to react flexibly to environmental variations.

One of the many different ways to make organizations agile would be a reduction of its hierarchical size. The reduction still is an efficacious instrument to manage complexity, but it has its weak points (MCGEE and PRUSAK, 1994). Diminishing the agility of the organization is one of these weak points. Those organizations, which CLEGG (2006, p.39) named “post-modern organizations”, are different from the rational bureaucracy because they are more agile and have a smaller hierarchy.

A coercive bureaucratic model obstructs any attempt to make the structure of the organization more flexible. An enabling bureaucratic model adopts modern practices and management models. The transition from a coercive model towards an enabling bureaucracy “is seen to be intimately tied to the growing sophistication, scope and variety of bureaucratic systems of surveillance and control, that can be adapted to very different socio-historical circumstances” (DANDEKER apud REED, 1999, p.33).

2.4 Public Management and Private Organizations Management

Private organizations, due to their aim for profits, search for excellence on production factors optimization. It requires a maximum reduction of costs and an increase in productivity, in order to reach better and better results. Competition is the factor that motivates resources optimization.

The results-based management uses criteria of conformity on the quality of its services and goods, in order to keep and raise its revenue. The clients are always treated as the main suppliers of resources for the organization. The focus on their satisfaction makes the management work on raising the quality on its costs; on the quality of its services and goods produced; on the hiring process and salary policies in order to keep the best workers, by prizing the best performances and practices; and on the image of the organization towards the public.

SEABRA (2001) reinforces this view, arguing that bureaucracy ties down the public manager, making it difficult to reach results effectively.

Another feature is the way operations are financed. While private organizations depend on their clients` satisfaction, the way they can invest more resources, in public administration the resources come, at most, from tax burden enforced to the citizens, who are at the same time clients of public services.

Once the income is granted, there is no concern either in satisfying its clients nor in making their productive processes better, reducting costs and seeking better procedures. People are awarded by antiquity, having not necessarily produced better services and satisfaction to the users.

But this scenerium has changed. “Today`s citizens refuse to pay higher taxes for services whose prices skyrocket while their quality declines (...). A growing frustration among taxpayers is that they don`t know exactly what they are getting for their money.” (OSBORNE and GAEBLER, 1995, p.140).

At these moments, the concept of *citizenship* suffered redefinitions, towards a new citizenship building posture, an activated-by-action citizenship (COVRE apud KEINERT, 2000).

The absolute citizenship is beyond a right. It is more a condition for improving democracy (KEINERT, 2000).

Even though there are many differences between public and private management, it is necessary and urgent to adapt the most agile forms of management of private companies, and adjust to the reality of public management, respecting its peculiarities.

It is not about ignoring the public administration specificities, but about bringing advanced technotradical solutions that can be useful to setup a post-bureaucratic model on public administration (KEINERT, 2000, p.97). The author continues:

The true alternative to give flexibility to public management will come with the increase of the social control, once it is necessary to consider power and divergent interest issues involved in any public project execution. No other than negotiation, renegotiation, collective definition of priorities, agreements and coalitions can guarantee that a project would be self-adaptable and lasting and would promote a mutual adjustment – internal and external – and give incentives to innovation.

In order to make the necessary adjustments, chiefly on the internal environment of the public organization, would be necessary a total change of paradigms, which would force a total change in the administrative procedures and in the organizational culture.

3 PREPARING STRUCTURAL AND CULTURAL CHANGES

Organizations are constantly moving systems. They are always suffering internal changes that reflect in an external image, slowly adjusting and changing its relations with the environment (MORGAN, 2006).

One of the reasons for organizational changes happens when these relations are inadequate. The external environment interacts with the organization and expects it to change, starting internally with its structural elements.

On public administration, there are other features that ought to be evaluated when seeking structural changes, as the size of the organization, the complexity of its operations, legal impediments and legal limitations, and difficulties when treating with human features.

Changing processes on public administration generally face extreme complexity and huge structures. According to DONALDSON (1996), structure optimization will vary according to some factors, as the strategy of the organization or its size.

The difficulties imposed by the environment and its fast changes are shown by OSBORNE and GAEBLER (1995, p.15) as a difficult adaptation, specially for bureaucratic public and private institutions developed during the industrial era:

*We live in an era of breathtaking change. We live in a global marketplace, which puts enormous competitive pressure on our economic institutions. We live in an information society, in which people get access to information almost as fast as their leaders do. (...) In this environment, bureaucratic institutions developed during the industrial era - public **and** private - increasingly fail us. (...) We live in a knowledge-based economy in which educated workers bridle at commands and demand autonomy.*

When referring to the human resources, the comfort zone has last for years, hidden by rigidly controlled long and bureaucratic processes. The lack of periodical

renovation in the human resources and the legally granted work stability cause, in many cases, a reduction on human performance, dedication and search for improvement. All these factors reflect immediately on services quality, and consequently on the user satisfaction.

Human features were usually left aside by management approaches that used to treat human resources as raw material: social, political and moral problems used to be overcome by rational technical solutions. ‘Modern organizations heralded the triumph of rational knowledge and technique over seemingly intractable human emotion and prejudice’ (*REED, 1999, p.23*).

3.1 The Organizational Culture and the Changes implementation

From the most compact concept presented by FLEURY (1996), organizational culture would be defined as the cultural patterns of a organization, a sum of its members' opinions and perceptions, or else, as a “climate diagnosis”.

According to SCHEIN (1996), the purpose of the organizational culture is to make the organization adapt to environmental changes, coordinate and integrate its internal operations. The culture acts like a filter created by experiences shared by the group, which moves on the organizational climate by processing the external changes and the internal operations.

Different cultures may be characterized by the way they process the external changes and the changes that are internally imposed, like strategy changes. The culture may accept and reflect these changes in a major or minor degree in the organizational climate, or sometimes simply repell them.

KOTTER and HESKETT (1994) divided organizational culture in two levels, according to its depth and consequently to the difficulties in imposing changes due to oppositions.

The most superficial level would be composed of behaviors, passed from employees to their new co-workers. At this level is very difficult to change the culture, but not as difficult as at the second level. The deeper level is where the resistances are stronger, because people share group values, and tend to persist with them even when there are changes in the group. These values are the “culture core”.

Even though the strategy, the organizational structure, the administrative systems, the financial analysis instruments, the leadership and other factors have influence on behavior, KOTTER and HESKETT (1994) believe that the organizational culture’s influence is the strongest.

It seems like that how longer solutions seems to work, the deeper they `nail` on culture (SCHEIN *in* KOTTER and HESKETT, 1994), hence the deeper the values are, the most difficult it is to impose the changes on them.

The culture may enable or make difficult the firm`s strategic actions. The point is that the successful firm`s culture must fit to its strategy, and support it. The change in strategy ought to come with the corresponding changes in the organizational culture, otherwise the strategy tends to fail (WRIGHT et al., 2000).

Organizations react to environmental restrictions and pressure by adapting its structures and creating organizational cultures that reflect its mission and global goals (BOWDITCH e BUONO, 1997).

PETTIGREW (2000) accepted also the possibility of managing organizational culture, even tough there are some difficulties related to important factors, such as the variety of people’s beliefs and presumptions. The author emphasizes that people’s beliefs

and presumptions within an organization are more difficult to modify than some culture manifestations, such as structure and administrative systems.

The beliefs and practices demanded by a strategy may be compatible with the firms' culture or not. When they are not compatible, the firm generally has difficulties to implement a successful strategy (KOTTER e HESKETT, 1994).

Even the defenders of reengineering, the famous radical revolution on organizational processes, had considered the difficulties imposed when the organizational culture is not receptive to changes. DAVENPORT (1996) predicted these difficulties when he said that reengineering should be coherent to the organizational culture, if it supported control and efficiency.

DAVENPORT (1996), when making the analysis of strategies to implementing reengineering, also related structural and cultural limitations that could be imposed to changes: rigid hierarchical structure, not much receptive cultures, organizational rigidity, and incapacity in accepting changes.

3.2 The leadership role on the changing process

According to DRUCKER (1996, p.xi), leadership must be learned, since “leadership personality” and “leadership style” do not exist. The author says that the great leader is not the one who has certificates or popularity, but who has responsibilities and presents results.

As DRUCKER(1996, p.xii) stated, “the only definition for a *leader* is someone who has *followers* (...), without followers, there can be no leaders”. From these principles,

leadership posture and attitudes are accepted as premise within the organizational and culture changing process.

Organizational leadership – both at the top and throughout the organization – is one of the key elements necessary to facilitate major change and transformation.

Changes do not occur without the high administration's leadership and commitment, and without a strong reason connected to the organization's strategy (MOHRMAN and MOHRMAN, In GALBRAITH et al, 1995). The same opinion is shared by COVEY (1996), SCHEIN (1996) and ARGYRIS (1987).

ARGYRIS (1987) emphasizes the influence of the leader on culture and behavior, sometimes flaring organizations, leading to an organizational change.

COVEY (1996. p.149) says that the leader of the future will be the transformer leader, someone who will assume the role of the impulsive force to start cultural change: “the leader of the future will be someone who creates a culture or a value system centered upon principles”.

ARGYRYS (1987) complements the idea of the importance of the leader behavior and posture. According to him, real and durable changes require a continuous involvement of the high administration. Since the leadership behavior becomes conscientious and coherent to the goals, the firm must redesign its strucuture and managerial control systems, in order to support the new values”, which will start to build the cultural change.

3.3 Structural Changes and debureaucratization

Due to the difficulties in imposing impetuous changes in structure, about 95% of organizations change its structure according to its strategy (DONALDSON, 1999). This can

be the right way also when introducing changes in public administration: changing strategy in order to introduce structural changes.

Changing processes may choose short paths, imposing new rules and procedures, but those methods may generate difficulties, such as employee's rejection. The short path may become long and very difficult.

Otherwise, changing processes involving employees' opinions and positions are the long path, but with a trend to be a definitive journey, since it has the commitment of the structure.

According to GALBRAITH (et al 1995), the key of success is the perfect conjunction of policies and strategy. The organization must have the ability to design itself, that means change its structure in order to become more efficient within its environment. GALBRAITH also affirmed that the adjustable structural features of an organization are: human resources, systems, processes and technology.

DRUCKER (1984) expressed some reserves about decentralization on public administration:

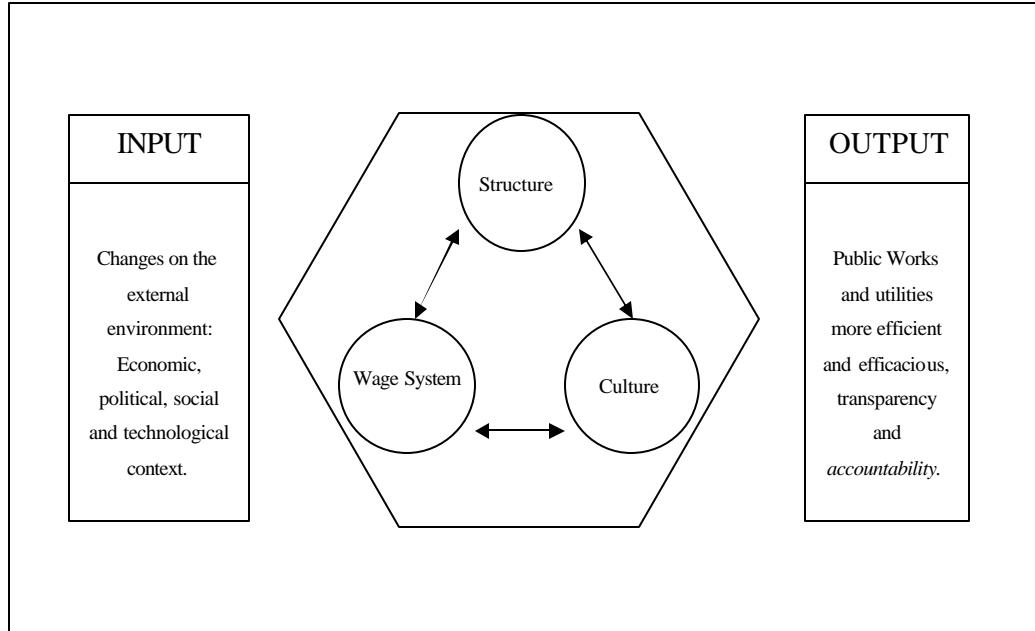
Within this area, there is no possibility of conferring autonomy of management. If it were possible, the competition would be undesirable. These activities ought to be under government's direct control and operation. The government's activities require discipline imposed by objectives, properties and performance measurement.

Organizations in comfortable positions in the markets permit themselves to react slowly with structural changes, without strongly affecting its performance. The same occurs with public administration, due to its monopolistic position in market.

SEABRA (2001) stated that changes in organizational culture, in the structure and in the wage systems are connected (Figure 3.1), and once there are changes in all of the three elements, the institutional results tend to be better. The author concludes that the effect of

changing the managerial culture on the New Public Management will be higher when there would be formal changes, giving flexibility to the decision making process, and with less bureaucratic obstacles on the communication process and with a wage system that remunerate individual and institutional results.

Figure 3.1 – Sistemic view of a changing process in a public organization



SOURCE: SEABRA, 2001, p.23.

When the structure doesn't allow immediate changes, the alternative is a change in strategy, because organizations are structured and controlled to assure the execution of their strategies (ARGYRIS, 1987).

In complex organizations, hierarchical structure still is an efficacious instrument of control. Nevertheless, it is changing due to the technological evolution. GALBRAITH and LAWLER III (1995) stated that even though hierarchy is necessary to solve conflicts, it should diminish into decentralized organizations, with fewer levels and workers.

The new model of organization designed by GALBRAITH and LAWLER III (1995) would be more dynamic, constantly learning and rich in information. It would be

focused on its products and clients, on its abilities (not on positions), on teams (not on individuals), and on involvement and commitment (not on command and control).

In huge organizations, the mechanical bureaucracy is the basis of the structure. The predictability of tasks enables standardization, through authority delegation to lower and lower levels. The process innovation and redesign make the tasks uncertain, precluding their pattern by bureaucracy.

Debureaucratization is a controversial subject, because it must preserve the necessary public legality and morality, even when having some collateral effects. One of the conclusions of the many discussions about this theme is that the ideal model is somewhere in between the structural rigidity and the total flexibilization.

WEBER concluded that bureaucracy creates routines for administrative processes as machinery does in production. The author had already shown his skepticism, predicting some problems that bureaucracy would cause on democratic organizations (KEINERT, 2000). The German sociologist believed that the bureaucratic model would become a prison, since the bureaucratization was a threat to the freedom of human spirit and to the values of the liberal democracy (WEBER *in* KEINERT, 2000).

EISENSTADT (In CAMPOS, 1976), however, defended an equilibrium between professional autonomy and social control, as a possibility of mixing the bureaucratic and debureaucratic trends.

MINTZBERG (1993) also presented a more flexible model of bureaucracy, called the “professional bureaucracy”. It would be efficient within its domain, but inflexible, not adapting to a dynamic or complex environment.

BLAU (In CAMPOS, 1976) defended the bureaucracy's flexibility and the capability of improvisation. According to BLAU, bureaucracy still is a useful weapon to strive complexity and uncertainty.

Thus, an enabling bureaucracy, as in ADLER's (1999) model, also quoted by WOOD JR. (2000a), would replace the rational legal model of bureaucracy :

Table 3.1 – Coercive Versus Enabling Features of Structure

COERCIVE	ENABLING
? Systems focus on performance standards so as to highlight poor performance.	<ul style="list-style-type: none"> Focus on best practice methods: information on performance standards is not much use without information on best practices for achieving them.
? Standardize the systems to minimize gameplayng and monitoring costs.	<ul style="list-style-type: none"> Systems should allow customization to different levels of skill/experience and should guide flexible improvisation.
? Systems should be designed so as to keep employees out of the control loop.	<ul style="list-style-type: none"> Systems should help people control their own work: Help them form mental models of the system by glass box design.
? Systems are instructions to be followed, not challenged.	<ul style="list-style-type: none"> Systems are best practice templates to be improved.

SOURCE: Adapted from ADLER, 1999

The *coercive bureaucracy* serves the purposes of coercion and compliance. The role of the authority hierarchy, procedures manuals, and staffs is to assure that potentially recalcitrant, incompetent, or irresponsible employees do the right thing. If bureaucracy always served this purpose, then efficiency would inevitably come at the expense of creativity and motivation.

Otherwise, the *enabling bureaucracy* serves the purpose of enablement. The hierarchy is based more in expertise rather than in positional power. The procedures are designed with the participation of the users in order to identify best practices and to identify opportunities for improvement. And staffs function as partners with line groups.

"When bureaucracy takes this form rather than the more traditional, coercive form, even a highly bureaucratic structure will be experienced by employees as a tool with

which they can better perform their tasks, rather than a weapon used by their superiors against them." (ADLER, 1999).

The differences between the models - particularly in relation to the way they deal with issues such as control of performance, standardizations, rules and flexibility in management – appear in the organizational design: the enabling model is opened to the participation of officials and users, encouraging their involvement:

Table 3.2 – Coercive Versus Enabling Approaches to the Design Process

COERCIVE	ENABLING
<ul style="list-style-type: none"> ? Organizational systems should be designed by experts to avoid politics. ? Organizational systems should be designed by experts because they know best. ? Broad participation in design is too expensive. 	<ul style="list-style-type: none"> ? Involve employees in organizational systems to encourage buy-in. ? Involve employees in designing organizational systems to ensure that they support the real work tasks. ? Poor design is too expensive: Broaden participation by investing resources, providing training, and eliminating disincentives.
<ul style="list-style-type: none"> ? The design team's goals should focus on technical features; ? enablemenl is a matter of implementation. 	<ul style="list-style-type: none"> ? The design team's enablement goals should be planned for.
<ul style="list-style-type: none"> ? Clear up-front goals should enable experts to deliver a clean final system design. 	<ul style="list-style-type: none"> ? Test successive prototypes of the new organizational system with employees.
<ul style="list-style-type: none"> ? A well-designed system should need no revisions after implementation. 	<ul style="list-style-type: none"> ? The system design should encourage improvement suggestions by members at every level.

SOURCE: Adapted from ADLER, 1999

According to ADLER (1999), there are many opportunities for organizations to improve their efficiency, effectiveness and quality, and increase the motivation and initiatives for innovation.

When organizations` management evolves, it allows the tasks that need control to adjust with the learning-oriented tasks, which are the tasks that require innovation.

The Table 3.3 shows organizational aspects when implementing the coercive and the enabling models of bureaucracy, as raised by ADLER (1999):

MO DEL CONTEXT	COERCIVE	ENABLING
SKILLS	<ul style="list-style-type: none"> ? <i>operational know-how</i> ? <i>narrow, specialized</i> ? <i>training as expense to be minimized</i> 	<ul style="list-style-type: none"> ? <i>problem-solving know-why</i> ? <i>both broad and deep</i> ? <i>training as investment to be optimized</i>
PROCEDURES	<ul style="list-style-type: none"> ? coercive constraints ? provide top-down visibility for supervisors 	<ul style="list-style-type: none"> ? Enabling Disciplines (creating possibilities) ? provide intelligibility for the top down, for the bottom up, and for everyone laterally
STRUCTURE	<ul style="list-style-type: none"> • fiefdoms • positional authority • top-down control 	<ul style="list-style-type: none"> ? mutually supportive specializations ? hierarchy of expertise ? shared control
STRATÉGY	<ul style="list-style-type: none"> • identifies desired results • focuses at business level • autocratic formulation process 	<ul style="list-style-type: none"> ... and required capabilities ... and functional levels participative formulation process
CULTURE	<ul style="list-style-type: none"> • command and control • mistakes are costly 	collaborative control and learning mistakes are learning opportunities

Table 3.3 – Coercive Versus Enabling Implementation Contexts

SOURCE: adapted from ADLER, 1999

4 CHANGING TO A NEW PUBLIC MANAGEMENT MODEL

To conduct a transition towards a results-based model, the modern public administration must deal with some challenges. It should seek to adopt management techniques; seek the democratization of the state-citizen relationship; and promote a decentralization that gives autonomy to the public service providers. It has also to professionalize its civil servants, well define goals and objectives, develop their skills and analyse individual and organizational performance.

4.1 Aspects brought from private management

The transition from public administration to a managerial model, leaving aside negative features of bureaucracy, aims mainly to provide public managers the autonomy to make decisions and better manage public funds, searching for better quality in public works and utilities.

It is not about discarding the bureaucratic administration, but about considering its outdated features, and the characteristics that remain valid as standards to ensure effectiveness to public administration. The ideal model is a mixed model, where there is security, efficiency and effectiveness, which is the ability to have the decisions followed and implemented with security.

MERTON (In CAMPOS, 1976) recognizes some merits of bureaucracy, but mainly describes its dysfunctions, such as inflexibility when facing changes within its external environment.

Heavy bureaucratic structures also affect the focus on the customers, due to its impersonality, since a stereotyped treatment is not suited to the requirements of individual problems (In CAMPOS, 1976).

A bureaucratic government pays little attention to results. Since it does not measure results, rarely reaches great achievements: a bureaucratic government spends more with education, and there are more students failing; spends more with safety and there is more violence. Because of little or no information about results, public administration stays in vicious cycles (OSBORNE and GAEBLER, 1995, p.139):

Because they don't measure results, bureaucratic governments rarely achieve them With so little information about results, bureaucratic governments reward their employees based on other things: their longevity, the size of budget and staff they manage, their level of authority. So their employees assiduously protect their jobs and build their empires, pursuing larger budgets, larger staffs, and more authority"
(Osborne and Gaebler, 1992, p.139)

The change to a model of modern management would bring to light terms like accountability, performance and results. Goals and targets, and performance indicators for measurement of results will be carefully defined. "If you don't measure results, you can't tell success from failure" (OSBORNE and GAEBLER, 1995, p.147).

The setting of clear objectives and targets and subsequent verification of their compliance are fundamental to a model of management for results, because only recognizing the success you can learn from it:

Entrepreneurial public organizations are learning organizations. They constantly try new things, find out what works and what does not, and learn from the experience.

But if an organization does not measure results and can't identify success when it happens, (...) can it learn from success? Without feedback on outcomes, innovation is often stillborn. (OSBORNE and GAEBLER, 1995, p.150).

Also from Drucker's (1984) point of view is that what the entities that provide services need is not to become similar to firms. The author's opinion is against decentralization on public management if it does not have rigid controls: they need to submit their performance to evaluation as much as possible.

The results-based management model of public administration would have, therefore, the following characteristics:

- decentralization and trust;
- horizontal structure;
- flexible management;
- clear definition of objectives;
- systematic evaluation of results;
- reward for performance;
- control of results;
- guidance for the citizen-client;
- permanent training;
- incentives for creativity;
- managed competition.

The new models of public administration, as OSBORNE and GAEBLER (1995) exemplified widely in their work, measure their performance by measuring their agencies' performance. They focus not on the factors used, the inputs, but on results (OSBORNE and GAEBLER, 1995).

4.2 The NPM – New Public Management

"The paradox of aging is that every generation perceives itself as justifiably different from its predecessor, but plans as if its successor generation will be the same as them" (HANDY, 1994, p.37). The author illustrates how public administration has been dragging, stuck on old paradigms of management. But legality control is no longer an excuse for not searching for efficiency and effectiveness. It impedes the flexibility of management and rewards old patterns of behavior, obstructing the public administrator and hindering the effective achievement of results.

Several reforms depend on the creation of new institutions, on constitutional changes or on changes at administrative systems, often agitating the comfortable position of some groups.

POLLARD (in HESSELBEIN, 1996, p.245) warns that people in bureaucratic organizations "are absorbed by managerial activities and layers, but not by results; defending their *status quo* and preserving their positions, but without being of service or adding value."

A change from a bureaucratic system to a new system is necessary, given the inability of the current model in controlling the growing complexity of collective activities (FLEURY, 2001).

FLEURY completes (2001) saying that the new public management (NPM) is based on a series of discussions about the transition from a bureaucratic paradigm of public administration towards a new managerial paradigm that considers the changes in the environment and incorporate management tools successfully tested in the market.

FLEURY (2001) highlights the eight components of the new paradigm of public management:

- a) decomposition of traditional bureaucratic organizations into decentralized agencies, usually linked by contracts;
- b) reduction of expenditures to search for greater transparency;
- c) separation of suppliers and purchasers;
- d) introduction of market mechanisms;
- e) decentralization of managerial authority;
- f) introduction of performance management;
- g) new human resources policies, alternating permanent public employment, with national wage standards, and fixed-period contracts, with payments related to performance;
- h) increasing emphasis on quality, focusing on the “consumer’s” satisfaction.

4.3 Reinventing Government

The traditional bureaucracy is defined as a centralized organization with a rigid structure, which focuses on compliance with standards and procedures, where performance is evaluated only by the observation of legal and ethical rules. "The governments need to reframe their view of the world" (OSBORNE and GAEBLER, 1995, p.47).

The bureaucratic public administration did not notice the problem of efficiency. It also needs a greater democratization of the civil service and a greater organizational flexibility.

The government activity would be reset. But, because of its special nature, it can not be reduced to the standards of the private sector.

The reinvention of government is a set of new patterns to governmental management, with a focus on the real customer, and not on processes and structures that aim

exclusively at reaffirmation of power and status. A work that caused an impact on the theories about government efficiency and excellence was OSBORNE and GAEBLER's (1995) proposal to transform the bureaucratic government, not on a firm but on an entrepreneur government.

There are some reservations about the extreme pragmatical approach and little academic sophistication of OSBORNE and GAEBLER's new public management, such as not taking into account the culture and the reality of each country SEABRA (2001). However, it is extremely necessary to cite this work, due to its proposal of a solution to problems of inefficiency of public organizations.

OSBORNE and GAEBLER used the term "public sector entrepreneurship" referring to institutions in the public sector that constantly use their resources in new ways, to increase their efficiency and effectiveness.

The authors are quite emphatic to criticize the bureaucratic structure: "We embrace our rules and red tape to prevent bad things from happening, of course. But those same rules prevent good things from happening. They slow government to a snail's pace. They make it impossible to respond to rapidly changing environments. They build wasted time and effort into the very fabric of the organization" (p.111).

OSBORNE and GAEBLER (1995) proposed ten principles to a new public administration paradigm:

- a) Steering rather than rowing. The catalitic government provide knowledge and autonomy to managers;
- b) Community-owned government. Empowering citizens rather than serving;

- c) Competitive government. Injecting competition into service delivery. Public institutions must be competitive inside the public sector or with private organizations.
- d) Mission-driven government. Transforming rule-driven organizations into entrepreneurship, with autonomy and flexibility;
- e) Results-oriented government. Funding outcomes, not inputs;
- f) Customer-driven government. Meeting the needs of the customer, not of the bureaucracy;
- g) Enterprising government. Earning rather than spending, getting profit in not exclusive or essential activities;
- h) Anticipatory government. Strategic planning to prevention rather than cure;
- i) Decentralized government. Transition from hierarchy to participation and teamwork.
- j) Market-oriented government. Leveraging change through the market. Flexible structure allows better and more dynamic reactions to changes in the market's profile.

Indeed, OSBORNE and GAEBLER's work's fault is to preach the complete bureaucratization. The claim of the authors is that

Most of what civil service procedures were established to prevent has since been ruled illegal or made impossible by collective agreements. Yet the control mentality lives on, creating a gridlock that turns public management into the art of the impossible. (OSBORNE and GAEBLER, 1995, p.125)

However, this opinion confronted with the idea of the importance of maintaining control, the memory of the organization and the minimal formal structure, mainly due to the complexity of the organization and its size, as ADLER's (1999) and WOOD, JR's (2000) opinion

But the work is perfect in warning that the real client is the citizen, that finances services through taxation, and also is the user of the public services, which means that these services must be provided in higher standard of quality.

The reform of the state in Brazil started in 1995, with a model of what would become the Brazilian "new public management" (SEABRA, 2001). It sought the establishment of managerial models of administration, in which the taxpayer-citizen would be privileged with good quality public services, and also with:

- a) better transparency;
- b) effectiveness in government actions;
- c) accountability of civil servants;
- d) better results when managing public wealth

However, considering changes within organizations, the reform plan did not detail the characteristics of the organizations in the NPM. It only referred to the introduction of a 'managerial culture', focused on results and based in modern concepts of administration (SEABRA, 2001).

The managerial reform of the state is not simply about making public administration as private companies manage their businesses. It is not to resign at any cost, nor is it against civil servants. The reform proposes a new bureaucracy and not its end. It proposes to adopt the best practices and processes in order to provide better quality services to citizens.

The reform changes the institutions, enabling public administrators to manage the departments and agencies with more autonomy and efficiency, and at the same time subjects them more directly to the control of society (BRESSER-Pereira, 2000).

According to BRESSER-Pereira, in the private sector, where by definition companies have management autonomy, the worst problem is to choose the most appropriate strategies and management methods. In the public sector, the administrative reform of 1995 tried to create autonomy conditions to make management happen

4.4 A results-based public management

The transition from a paradigm of pyramid-bureaucratic government to a results-based model, with more autonomous managers in terms of decision-making, happens simultaneously with a reduction of the hierarchical levels (FLEURY, 2001 , p.17):

The effect of the change to the NPM's managerial culture will be greater when there would be changes in the formal arrangements of the organization, with more flexibility in decision-making, less bureaucratic obstacles in the process of communication and a payment system that remunerates individual and institutional results.

Unlike the bureaucratic rational model, in which the control and the evaluation of results are done previously by the simple compliance of rules and regulations, the results-based public administration prefers to use later controls of the results, by measuring performance in reaching goals and targets. Performance measurement is a technical instrument capable of making organizations learn from their own mistakes and, then, devise their future strategies.

OSBORNE and GAEBLER (1995, p.113) understand that results-oriented governments should "define their fundamental missions, develop budget systems and turn

their employees free to pursue the organization's mission with the most effective methods they can find." These mission-driven organizations, if compared to ruled-driven organizations, get obvious advantages, because "they are more efficient, (...) more effective, (...) produce better results, are more innovative (...), are more flexible and have higher moral "(p.113-115).

5 BUILDING A DECENTRALIZED MODEL OF PUBLIC ADMINISTRATION

The structure serves as an instrument to reach goals more efficiently, and varying the structure is a consequence of the expanding size (BLAU apud HALL, 1991). In other words, the size of the organization determines its structure, so that goals can be accomplished more effectively and efficiently.

Therefore, a leaner structure can provide agility of decision and action. It should consider hence the balance provided by bureaucracy, useful tool for the organization to more securely deal with the uncertainties of the environment and the complexity of its operations. The bureaucracy has as its main merit, according to MERTON (In CAMPOS, 1976), its technical efficiency attributed to the emphasis given to accuracy, speed, technician control, discretion and for their optimal production quotas. According to the author, what it must eliminate or at least diminish are its shortcomings.

A model of modern public management focused on results necessarily must be setup through a comprehensive reform of State. It must disseminate a new philosophy, more effective and efficient, with indicators of performance and regular evaluations, strategic and tactical planning, flexible strategies to set and review goals, and broad autonomy to obtain the desired results.

In addition to the organizational structure, the change must consider also human and motivational features, and the organizational culture, which is the organization's values and behaviors.

Using as main source of information the State's official website, this section will introduce the State of Santa Catarina, showing its economic and geographical characteristics, in order to better analyse its decentralized model of public management, recently implemented.

5.1 The State of Santa Catarina

Located in southern Brazil, between the states of Paraná and Rio Grande do Sul, Santa Catarina³ can not be easily defined. This is a small Brazilian state, with a little more than 6 million residents, distributed along its unique 95,000 square-kilometer territory. Santa Catarina has a diversity of scenery and people that marvels visitors. This is a land of beautiful, sharp and fascinating contrasts, from white sand beaches, tropical forests and snowy mountains, to Azorean fishermen, Italian farmers, and German industrialists.

These contrasts are also in the economy. Its strong agriculture, which is based on small farms, shares space with an active industrial park, the fourth largest in Brazil. Large companies and thousands of small businesses are spread though out the state, linked to consumer centers and ports by an efficient highway grid. These roads also boost tourism, a natural vocation of this small state, now the nation's third largest tourism center.

The balance and dynamism of Santa Catarina's economy are reflected in high levels of growth, literacy, employment and per capita income that are much above the

³ Most of the information in this section is from Santa Catarina's official website, www.sc.gov.br.

national average. These numbers surprise and complement the fascinating profile of one of the most productive and beautiful Brazilian states.

In the beginning of the 16th century, the Portuguese tamed Santa Catarina, spreading outposts and settlements along the coast. The Azorean immigrants came much later, in the 18th century, but it was they who colonized and helped to mold the very special people who inhabit the 500 Km of the state coast.

In the second half of the 19th century, the Germans arrived, spreading themselves across the Itajaí River Valley, penetrating the interior searching for better land and opportunities. With hard work and determination, they built the powerful industrial face of Santa Catarina. Joinville, Blumenau, Brusque and Pomerode are cities that preserve this strong German heritage in the architecture, the cooking, the accents and the popular festivals, such as Oktoberfest.

At the end of the 19th century, the Italians formed the largest migratory wave to reach Santa Catarina. They principally settled in the southern portion of the state, near the coast, where until today traditions inherited from the pioneers are preserved: grape cultivation and wine making, love of good food, happiness, and religion.

But the mosaic of peoples that forged Santa Catarina's current population also included the mule team drivers that traveled from Rio Grande do Sul to São Paulo, the Japanese, the Austrians and more recently the *Gaúchos* from Rio Grande do Sul state, who occupied the fertile lands of the west. All of them are responsible for the rich cultural and sociological diversity of Santa Catarina.

Although it occupies little more than 1% of the Brazilian territory, Santa Catarina stands out on the national scene, and not only for its encouraging social and economic achievements. Its cultural, ethnic and geographic diversity, as well as its privileged location

in relation to the countries of Mercosur, represent an enormous potential for the affirmation of the state as one of the principal tourist destinations in the country.

Santa Catarina conquers visitors with a wonderful coastline; established tourist attractions, such as Florianópolis, Balneário Camboriú and Blumenau; beautiful mountains; and a complete circuit of festivals. With these attractions, the state receives about 4 million tourists per year, a number that is constantly growing.

Eco-tourism, the fastest growing tourism sector in the world, offers the best potential for Santa Catarina. Its waterfalls, the well preserved Atlantic Coastal Forest, crystalline rivers and imposing mountains attract a growing contingent of nature sports lovers, from mountain climbing to hiking, mountain biking to rafting. This trend can turn the region into a new world center of eco-tourism, a vocation that seems to have been especially planned for this land, that has the name of a saint and which is blessed by nature.

5.2 Geographic and Economic Aspects of the State of Santa Catarina

It is important to know that Santa Catarina has a huge territory, within which there is a geographical balance on its economic activities. Some well-defined characteristics may be attributed to the called MESOREGIONS of the state:



Figure 5.2 – MESOREGIONS of Santa Catarina State

5.2.1 The Coast

The 500 kilometers of coastline is a haven for those who seek beautiful beaches and contact with nature. This region, colonized by Azoreans in the eighteenth century, has bays, inlets, mangroves, lagoons and more than 500 beaches. It is also one of the most important areas of marine biodiversity in Brazil.

The main cities are Florianopolis, São José, Laguna, Imbituba, Itajaí, Balneario Camboriu and São Francisco do Sul. Fishing and tourism are marking economic activities.

Florianopolis, capital and administrative center of the state, is a privileged city: it is located in a beautiful ocean island with 523 square kilometers. It is the capital of State with better quality of life and the third Brazilian municipality most visited by foreign tourists, only behind Rio de Janeiro and Sao Paulo. The area of the municipality also includes a continental portion, linked to the island by three bridges. Its 280 thousand inhabitants live with the pace of an agile cosmopolitan urban centre and the tranquillity of the villages built by settlers from Azores. The 100 beaches of the city are mostly clean and suitable for swimming.

5.2.2 Northeast

With strong Germanic tradition, the northeastern region of the state mixes a dynamic economy with respect to the exuberant nature. The Electro-metal-mechanic industry shares space with the dense forests of the ridge⁴ and the waters of the *Babitonga* Bay. The region has high purchasing power and excellent quality of life. Its main cities are Joinville (the largest of Santa Catarina, with 500 thousand inhabitants) and Jaraguá do Sul.

⁴ Serra do Mar.

5.2.3 Itajaí River Valley

The Itajaí River Valley, located between the capital and the northeastern state, is known as a “small piece of Germany” in Santa Catarina. The legacy of the Germanic pioneers left marks on the style of the architecture, typical culinary and festivities, the well-maintained gardens and in the strength of the textile industry. Its landscape of hills, forests, rivers and waterfalls is a strong attraction for ecotourists. The main cities are Blumenau, Gaspar, Pomerode, Indaial, Brusque and Rio do Sul.

5.2.4 Northern Plateau

In this region, rich in native and reforested forests, is the timber pole of Santa Catarina - the most expressive of Latin America, covering timber industries, furniture industries, paper and cardboard. The main cities are Rio Negrinho, São Bento do Sul, Canoinhas, Corupá, Mafra, Três Barras and Porto União.

5.2.5 Plateau

The cold weather and the rural tourism are the main attractions of this region, of which main economic activities are livestock and forestry industry. Due to its bucolic landscapes and to the snow rains in some cities, every year the Plateau receives thousands of visitors in the winter. Other attraction is the road on *Serra do Rio do Rastro*, which has sinuous curves along its altitude of 1,467 meters from the sea level. The main cities are Lages, São Joaquim, Urubici and Bom Jardim da Serra.

5.2.6 South

The simple way of life of the descendants of the Italian immigrants is a hallmark of the region. Anyone who visits this region may know wineries and enjoy the Italian culture at typical parties. The mineral extraction and the ceramic industry are the main economic activities. The southern state has hydro stations and canyons rich in biodiversity. Its main cities are Criciúma, Tubarão, Gravatal, Araranguá and Urussanga.

5.2.7 Mid-West

In this region of rounded hills, located in the center of the state, there are small and medium communities, colonized by Italian, German, Austrian and Japanese immigrants. Its economic activity is based on agribusiness, breeding cattle and producing of apple. There is also an important metal-mechanic industry. The main cities are Joaçaba, Videira, Caçador, Treze Tílias, Curitibanos, Fraiburgo and Campos Novos.

5.2.8 West

The fields in the west are the "barn" of Santa Catarina, where much of the Brazilian production of grains, poultry and pigs come from. In the poultry industry, large and medium businesses are associated with rural producers in a successful model of integration: companies provide the families with inputs and technology, and buy their produce. The region has also begun to explore the tourist potential of its hydro sources. The main cities are Chapecó, Xanxerê, Concordia and São Miguel do Oeste.

5.3 The Diagnosis and the Government Program

The Government needed a strong restructuring, because it was concentrated and could be considered ineffective. It was distant and often absent from the remote regions. It needed more effective technical criteria, associated with the local reality, to grant funding, to sign agreements with municipalities and other institutions, and to establish specific tax treatment on products made in Santa Catarina. The government should consider the particular aspects of the economy of each region.

The restructuring process would aim for democratization and transparency. It would foster to the broad engagement and participation of the communities of each micro-region, through regionalizing of the budget, and planning and supervising government's actions. Its goal was mainly a social-economic objective: to combat the concentration along the shore, which has been dramatically emptying the fields, inflating and deforming cities, starting with the Capital. The main objective of the programme of government established in 2003 was harmoniously reequilibrating the population distribution throughout the territory, with quality of life, was (www.sc.gov.br).

The program sought to stop the rural exodus caused by the absence of regional policies of developing agro-livestock. Hence, it diagnosed a need for restructuring, which based on four basic lines: decentralization, municipalization, social priority and technological modernization.

5.3.1 Decentralization – Secretariats and Councils for Regional Development

In order for the Government to be present throughout the whole territory, the reform proposed a reengineering of the government's structure. This main change would

promote the redistribution of functions, from the central structure in the capital to several regions in the state. The Secretariats of State for Regional Development and the Regional Development Councils are the basis of the regional decentralized structure.

The **Secretariats** act as official agencies of development. The **Councils**, integrated by mayors and the community's organizations, are a permanent forum for discussion about: a) the implementation of the regionalized budget; b) the scale of priority of government actions; c) the integration State / City / University / Community, and d) the planning and implementation of goals.

5.3.2 Municipalization

The proposed system foresees a new relationship between the state and the municipalities. In general, the state becomes the planner and coordinator of the actions, and the Municipalities, their executors. Moreover, all that the local power can execute with more efficiency, economy, speed and quality, will be delegated to it, with the total or partial transfer of resources.

In this case, municipalization would manifest in the state's support to municipalities, through actions that will make possible the implementation of local works. This will mean the recognition that the improvement of the population's quality of life often depends on achievements that, even with relatively low costs, the municipalities cannot afford.

5.3.3 Social Priority

The mayors of Santa Catarina's municipalities developed established practices of effectiveness in the social area. The reform wanted to ordinate them, transforming the best local programs into state programs. A broad partnership of Union/State/City/University/Community can spread throughout the territory of Santa Catarina works and urgent actions in priority areas such as: housing (reurbanization, urbanized lands, residential buildings, etc.); sanitation and the environment; care for children, adolescent and elderly; and preventive health.

5.3.4 Technological Modernization

The government understood that the administrative structure of the state had not made proper use of modern technology, resources and management, damaging its efficiency. Public administration should use resources of information technology to provide greater efficiency, transparency and participation in society.

This is fundamental to the implementation of an effectively democratic management, because the mandate given to a governor is not an authorization to act alone and absolute, unaware of the dynamics of the society's participation. The Government ought to act in a permanent partnership with society, because its only purpose is to serve it.

5.4 The Managerial Reform in the Government of the State of Santa Catarina

The administrative reform started in Santa Catarina in 2003 with the Complementary Law 243. In 2007, the second stage strengthened, through the

Complementary Law 381, the structural changes already implemented. The change was not a further rearrangement of structures, but their decentralization and redesign, so that they could have more functional intelligence and flexibility and incorporate results-based management models.

The second stage's innovation was establishing a 'triple pillar' for the administrative reform. The changes planned by the administrative reform of the apparatus of the Santa Catarina State occurred in three dimensions (Table 5.1):

- a) the legal-institutional dimension – with changes implemented in **STRUCTURE**;
- b) the management dimension – with the application of modern approaches of **MANAGEMENT**;
- c) the cultural dimension – by observing and driving changes within the **ORGANIZATIONAL CULTURE**.

Table 5.1 – CONCEPTUAL BASIS OF PUBLIC ADMINISTRATION IN THE STATE OF SC.

STRUCTURE	MANAGEMENT	ORGANIZATIONAL CULTURE
? Decentralizing the decision-making process	? Systemic public policies	? New attitude
? Debureaucratization	? Defining goals	? Serving, being useful
? Improving processes	? Creating measurement indices	? Providing good conditions to the exercise of citizenship, allowing an easy development of people's and regions' talent, creativity, vocations and potential.
? Sharing knowledge	? Performance Measurement	? Decision-making power closer to the citizens
? Information Management		? Simplified procedures and formalities ? Transparency and Accountability
<i>Triple pillar of the Administrative Reform (from articles 1 to 4th Law 381/2007)</i>		

5.4.1 The Reform and The Structure

The structure's functions are clearly written in the very first article of the reform's law⁵:

Article I

The organizational structure of the State's public administration must

make the circuits of decision less bureaucratic,

less centralized

and less concentrated,

by improving

the processes,

the collaboration between services,

the sharing of knowledge,

and the correct management of information,

in order to ensure the

efficacious,

efficient,

effective and

relevant provision of public services,

aiming to make Santa Catarina a reference for sustainable development in the

environmental,

economic,

social,

and technologic scale,

promoting the reduction of inequality between citizens and between regions.

and raising the quality of life of its population.

⁵ Translated by the author, who also made the emphasis and the underlines.

The reform established that the organizational structure of the public administration in Santa Catarina would be divided into two levels: the *sectoral level* and *regional level*.

The *sectoral level* is composed of the Sectoral Secretariats and their related entities, which have the role of planning and standardizing public policies of the state. Those policies aim for the regional development and are specific to each area, but the Sectoral Secretariats perform the supervision, the coordination, guidance and control, in conversation with the Secretariats for Regional Development.

The *regional level*, the major innovation of the proposed model, is composed of the Secretariats of State for Regional Development. They act as agencies for development, and they will perform the role of executors of public policies of the state in their respective regions. The Secretariats of State for Regional Development will execute the supervision, coordination, guidance and control of the public policies, in conversation with the Sectoral Secretariats of State and the government's decentralized structures.

The reform defined Agency for Regional Development as:

"The decentralized organ of the structure of the state that is able to lead and motivate the engagement, integration and participation of the organized society to, in a planned way, implement and execute public policies and instruments for sustainable economic development, in order to create new opportunities for work and income, promoting equality between people and between regions."

The reform also addressed the solidification of the knowledge generated by the administrative decentralization in a third level. This level is the basis of governmental knowledge, to be implemented with the concepts of electronic governance, facilitating the population's access to information in a direct, democratic and transparent way, and also ensuring greater agility to public services.

5.4.2 The Reform and The Results-based Management Model

The model of public management adopted by the state is supposed to perform public policies developed in a system, and in line with institutional programmes of public organs and entities. It would link public works, programmes, services and benefits that are socially useful to goals and results that assure full social rights.

The **definition of goals**, the creation of indicators and the **performance measurement** might allow each agency to give its contribution. The public interest on each agency's performance, involving the leaders and servers in a common project, gives them responsibility for optimizing resources. Sharing responsibilities, forming multidisciplinary teams and organizing programmes and actions have assumed particular relevance.

The reform also stated how public administration should act in planning, coordinating, decentralizing, deconcentrating, implementing programmes and delegating powers, and finally, controlling. The executive power should implement a managerial model tuned to the modern public planning techniques, focusing on the flexibility of management, quality of services and priority to the citizen's demands.

The Reform Law also stated that the State Public administration would be focused on greater administrative efficiency, efficacy, effectiveness, transparency and relevance, due to the participation of the society in government's decisions.

In relation to fiscal management, the Reform defined the adoption of planned and transparent actions for risk prevention and correction of deviations, able to affect the balance of public accounts. Those actions will base on fiscal goals of results between revenue and expenditure, and in compliance to limits and conditions regarded to the resignation of revenue, generation of extra expenditures on personnel, social security, debts, credit operations, concessions granted and entry into the Pay Remains.

5.4.3 The Reform and The Organizational Culture

Organizational culture is an important feature of the organization. It is extremely relevant in the configuration of the transition from a traditional model of management to a model of modern public administration. It sought to solidify a new attitude of the State towards its citizens, based on the principle that the public sector exists to serve them, being helpful and a facilitator. The public sector must provide conditions for the full exercise of individual's freedom and for the development of talent, creativity, vocations and potential of people s and regions.

The Complementary Law establishing the Reform reported that the definition of aimed organizational culture implies a new culture of citizenship and service to people.

Recognizing the difficulty of changing the culture of such a complex organization, the reform predicted that certain measures would have to be imposed. By simplifying procedures and formalities, these measures would simplify procedures and formalities, implementing the principle of publicity of accounts and the principle of responsibility of the state and its administration towards the citizens.

5.5 The Functioning of the Decentralized Government in the State of Santa Catarina

The public administration in the Santa Catarina State is divided into direct and indirect administration: the indirect administration is formed by *autarquias*⁶, public foundations, public companies and companies of mixed economy, all endowed with legal

⁶ Autarquia is a self-administered decentralized public entity, specifically created by a law, to perform some activities of State. It has financial and administrative autonomy.

personality.

The direct administration is composed by an administrative organizational structure linked to the Governor's Office, such as the Office of the Vice Governor, the Secretariats of State and Special Executive Secretariats.

The secretariats may be Sectoral or Regional. The Sectoral Secretariats have the role of planning and standardizing public policies of the state, aimed at regional development, but specifically to their areas of expertise, acting in relation to them, supervising, coordinating, guiding and controlling, in conversation with the Secretariats of State for Regional Development. Some examples of sectoral secretariats' areas are Planning, Administration, Finance, Public Security, Education and Health.

The Regional Secretariats are the Secretariats of State for Regional Development, located and distributed by micro-regions of the Santa Catarina State. They have the role of implementing public policies of state, in their respective regions, supervisioning, coordinating, guiding and controlling, in conversation with the Sectorial Secretaries of State and other organs of the indirect administration of the State.

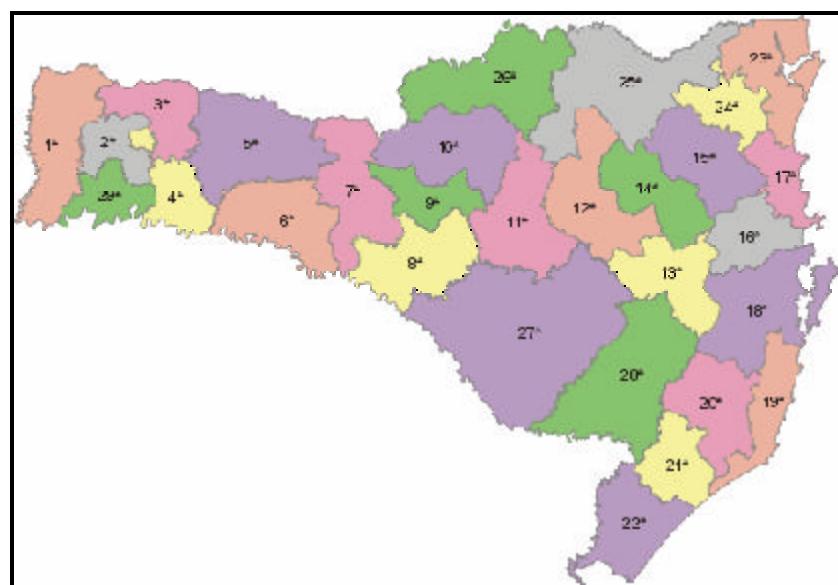


Figure 5.5 – Secretariats of State for Regional Development (see also Table 5.5 at the Appendix)

When the subject is related to public policy of the state towards regional development, the Sectoral Secretariats make the norms and guidelines, but the competence to execute them belongs to the Secretariats of State for Regional Development and to the regional-focused decentralized structure of the indirect administration of the state.

"The implementation of the Public administration of the State's activities will be decentralized and deconcentrated, and will be through the Secretariats of State for Regional Development and the state organs and public entities, with regional expertise, by them coordinated."

Through these agencies, the government acts strategically, prioritizing preventive actions, which are allied to decentralization and deconcentration of programs. The use of information technology is also an important support to the operational processes.

The decentralized structures of the organs and entities which are members of the direct and indirect administration of the State remain under the supervision, coordination, guidance and control of the Secretariat of State for Regional Development of their area of coverage, that will act combined with the respective Sectorial Secretariats of State, Autarchies, Foundations and Corporations of the State.

The `typical activities of state` were the only that remained subordinated to the central structure of the government, such as tax surveillance and audit, and those related to public safety, civil servers retirement pension funds, legal services system tasks, etc.

The decentralization and deconcentration were implemented in four main plans:
I – from the Sectoral Secretariats of State towards the Secretariats of State for Regional Development;

II – from the strategic direction level towards the managerial level, and from the last towards the operational level;

III – from the direct administration towards the indirect administration, and

IV – from the administration of the State towards the municipality or local entities:

- a) to the municipality or organised civil society entity, through the Secretariats of State for Regional Development, by agreements or similar instruments, and
- b) to social organizations, civil entities and nonprofit private entities, through concession contracts, permissions, terms of partnerships, management contracts and public-private partnerships.

The Councils for Regional Development, which are composed by mayors and community's entities, have the role of debating and setting guidelines on implementing regionalized budget and also defining priority of actions, and integrating State / City / University / Community.

The Sectoral Secretariats of State make plans and rules related to governmental programmes, projects and actions. Both the Sectorial and the Regional Secretariats do the supervision, coordination ,direction and control, but the execution is exclusively runned by the Secretaries of State for Regional Development.

The Secretaries of State for Regional Development can delegate the execution to municipalities, but the actions will still be supervised, coordinated, directed and controlled by themselves, in conversation with the Sectoral Secretariats of State.

The decentralization also allows the transfer of some attributions from the indirect organs to the Secretaries of State for Regional Development or to municipalities.

The Secretaries of State for Regional Development, as development agencies, have also the duty to guide the productive agents and municipalities about financing and financial incentives available in official banks and agencies, as well as in development programmes of the governmental companies, as well as the programmes maintained by the Federal Government.

6 FINAL CONSIDERATIONS – CONCLUSION AND RECOMMENDATIONS

This study addressed the model of administrative decentralization adopted by the Government of the State of Santa Catarina. To better analyze the model, it sought to analyze the main trends in modernization of public administration, especially with regard to the possible use of a model of management for results.

Government organizations are very complex, and have characteristics that make necessary the use of modern management techniques. However, missions and objectives must be clearly fixed, targets of productivity must be set, and the human resources ought to be highly qualified and internally trained.

In order to be competitive and reach better results, organizations should consider and constantly monitor variables that were remarkable on management theories evolution: **tasks, structure, human resources, environment and technology**. Santa Catarina understood the signals the environment had sent, and started as changing process on its structure.

Santa Catarina has the main features for leading the change and it has started a transition to a model of modern public administration, with a results-based management.

Santa Catarina began a trajectory that tends to produce good results, by reaching a stable state, in a near future.

The modernization driven by structural reforms will make the State of Santa Catarina more attractive to capitalinvestment by foreign and domestic companies, attracted by the high-quality labor, the strategic geographical location in Mercosur and the logistical facilities of airports, roads and ports, projecting Santa Catarina in the ranking of industrialized and exporter states in Brazil.

The modernization of public administration in Santa Catarina cannot stagnate with the administrative decentralization. For that there must be a evolution on its structure in order to allow the continuation of its regular modernization. Searching for improving this process, it needs to maintain its structure modern, agile, flexible and productive, since it is a process that has no end. For this, the suggestions of this work discuss the main points that were analyzed:

A) Structural Change - Bureaucracy or debureaucratization?

Legality is a principle that governs all actions in public administration, from the simplest front-desk assistance to the most complex strategic decision-making policy.

We must not confuse the shortcomings of bureaucracy with its proposal. Control is fundamental in public administration, as it is in any complex organization. Bureaucratic structure should be well defined, more agile, still having defined roles and clear rules, but with emphasis on posterior controls, or results. Excessive controls on means deviate the structure from its purpose, distorting its true missions and goals.

The Secretariats of State for Regional Development must have its activities and functions clearly defined, and the positions must have their functions and tasks committed to

the goals. The activities must be distributed, and monitored so that there is no dysfunction between means and ends. They also must combine the available resources (human, equipment etc.) in an optimal way, in order to reach the goals.

B) Changing Management: reengineering, redesigning or continuously improving procedures?

Public administration does not have the same characteristics of private organizations, and may not be totally managed as one. It does not aim at the shareholder's profit, but at the population's welfare. The taxpayer is at same time at a position of sponsor and customer. Reengineering can even happen in some processes where change is involved in the structural change proposal; but we should not fail to seek continuous improvement of procedures, aiming at the quality and effectiveness of satisfactory results to the population.

The results-based public administration is, after all, the diversion of the focus from the *means*, with excessive controls and norms before and during the procedures, to the *ends*, with posterior control. Goals and targets must be clearly defined, for the government itself and also for its central organs, decentralized organs, departments, divisions and individuals. Everyone must have duties clearly defined, but also and more importantly, a systemic view of its role in a larger goal.

And one can not talk about results-based management if there is no way to measure such outcomes on the previously set goals. Every result must be measured and compared with the goals. The performance of the means must be measured, but the focus must be on the final services and utilities. The performance data is very necessary to show where changes are needed.

The quality of the services, utilities and works must be measured using citizens' opinions, since the main goal of the decentralization program was bringing government close to them.

C) Culture Change

The cultural change is strategic, and must not be imposed hierarchically, because what apparently looks like a shortcut can become an endless trip, due to the barriers that will be imposed to changes. The change process is slow and will not happen if there is no leaderships' commitment, and if they perpetuate the work the way it has been done.

The role of the leaderships is to implement change, respecting the culture, by using mechanisms such as strategies, procedures, structures and systems. It is also providing training and human relationships that values and behaviors will adapt to the new and the organizational culture will shape gradually, in a slow but irreversible process.

The changing process started strategically with a modernity clash with old patterns, implemented by the administrative decentralization of the Santa Catarina State Government.

After all, modernization is a process with no end, information and knowledge are infinite, and human beings do not even know their own limits. Modernization is an eternal and endless process.

APPENDIX

Table 5.5 – Secretariats of State for Regional Development and its municipalities

1	SDR - Araranguá	Araranguá, Balneário Arroio do Silva, Balneário Gaivota, Ermo, Jacinto Machado, Maracajá, Meleiro, Morro Grande, Passo de Torres, Praia Grande, Santa Rosa do Sul, São João do Sul, Sombrio, Timbé do Sul e Turvo
2	SDR - Blumenau	Blumenau, Gaspar, Pomerode, Luiz Alves e Ilhota
3	SDR - Braço do Norte	Braço do Norte, Armazém, Grão Pará, Rio Fortuna, Santa Rosa de Lima, São Ludgero e São Martinho
4	SDR - Brusque	Brusque, Botuverá, Canelinha, Guabiruba, Major Gercino, Nova Trento, São João Batista e Tijucas
5	SDR - Caçador	Caçador, Calmon, Lebon Régis, Macieira, Matos Costa, Rio das Antas e Timbó Grande
6	SDR - Campos Novos	Campos Novos, Abdon Batista, Brunópolis, Celso Ramos, Ibiamicibá, Monte Carlo, Vargem e Zortéa
7	SDR - Canoinhas	Canoinhas, Bela Vista do Toldo, Irineópolis, Major Vieira , Porto União e Três Barras Chapecó, Águas Fria, Caxambu do Sul, Cordilheira Alta, Coronel Freitas, Guatambú, Nova Erechim, Nova Itaberaba, Planalto Alegre, Serra Alta e Sul Brasil
8	SDR - Chapecó	Concordia, Alto Bela Vista, Ipira, Ipanema, Peritiba, Piratuba e Presidente Castello Branco
9	SDR - Concórdia	Criciúma, Cocal do Sul, Forquilhinha, Içara, Lauro Müller, Morro da Fumaça, Nova Veneza, Orleans, Siderópolis, Treviso e Urussanga
10	SDR - Criciúma	Curitibanos, Frei Rogério, Ponte Alta do Norte, Santa Cecília e São Cristóvão do Sul
11	SDR - Curitibanos	Dionísio Cerqueira, Anchieta, Guarujá do Sul, Palma Sola, Princesa e São José do Cedro
12	SDR - Dionísio Cerqueira	Aguas Mornas, Angelina, Anitápolis, Antônio Carlos, Biguaçu, Florianópolis, Governador Celso Ramos, Palhoça, Rancho Queimado, Santo Amaro da Imperatriz, São Bonifácio, São Pedro de Alcântara e São José.
13	SDR - Grande Florianópolis	Ibirama, Apipucos, Dona Emma, José Boiteux, Lontras, Presidente Getúlio, Presidente Nereu, Vitor Meirelles e Witmarsum
14	SDR - Ibirama	Itajaí, Balneário Camboriú, Bombinhas, Camboriú, Itapema, Navegantes, Penha, Balneário Piçarras e Porto Belo
15	SDR - Itajaí	Itapiranga, Iporã do Oeste, Santa Helena, São João do Oeste e Tunápolis
16	SDR - Itapiranga	Alfredo Wagner, Atalanta, Aurora, Chapadão do Lageado, Imbuia, Ituporanga, Leoberto Leal, Petrolândia e Vidal Ramos
17	SDR - Ituporanga	Jaraguá do Sul, Corupá, Guaratuba, Massaranduba e Schroeder
18	SDR - Jaraguá do Sul	Joaçaba, Águas Doce, Capinzal, Catanduvas, Erval Velho, Herval d'Oeste, Ibicaré, Jaborá, Lacerdópolis, Luzerna, Ouro, Treze Tílias e Vargem Bonita
19	SDR - Joaçaba	Araquari, Barra Velha, Balneário Barra do Sul, Garuva, Itapoá, São Joinville, Francisco do Sul e São João do Itaperiú
20	SDR - Joinville	Lages, Anita Garibaldi, Bocaina do Sul, Campo Belo do Sul, Capão Alto, Cerro Negro, Correia Pinto, Otacílio Costa, Painel, Palmeira, Ponte Alta e São José do Cerrito
21	SDR - Lages	Laguna, Garopaba, Imaruí, Imbituba e Paulo Lopes
22	SDR - Laguna	Mafra, Campo Alegre, Itaiópolis, Monte Castelo, Papanduva, Rio Negrinho e São Bento do Sul
23	SDR - Mafra	Maravilha, Saudades, Bom Jesus do Oeste, Flor do Sertão, Iraceminha, Modelo, Pinhalzinho, Romelândia, Saltinho, Santa Terezinha do Progresso, São Miguel da Boa Vista, e Tigrinhos
24	SDR - Maravilha	Palmitos, Águas de Chapecó, Caibi, Cunha Porã, Cunhataí, Mondai, Riqueza e São Carlos
25	SDR - Palmitos	Formosa do Sul, Irati, Jardinópolis, Santiago do Sul e União do Oeste
26	SDR - Quilombo	Rio do Sul, Agrolândia, Agronômica, Braço do Trombudo, Laurentino, Rio do Oeste e Trombudo Central
27	SDR - Rio do Sul	São Joaquim, Bom Jardim da Serra, Bom Retiro, Rio Rufino, Urubici e Urupema
28	SDR - São Joaquim	São Lourenço D'Oeste, Campo Erê, Coronel Martins, Galvão, Jupiá, Novo Horizonte e São Bernardino
29	SDR - São Lourenço D'Oeste	São Miguel D'Oeste, Bandeirante, Barra Bonita, Belmonte, Descanso, Guaraciaba e Paraíso
30	SDR - São Miguel D'Oeste	Seara, Arabutã, Arvoredo, Ipumirim, Itá, Lindóia do Sul, Paial e Xavantina
31	SDR - Seara	Taió, Mirim Doce, Pouso Redondo, Rio do Campo, Saíete e Santa Terezinha
32	SDR - Taió	Timbó, Ascurra, Benedito Novo, Doutor Pedrinho, Indaial, Rio dos Cedros e Rodeio Tubarão, Capivari de Baixo, Gravatal, Jaguarauna, Pedras Grandes, Sangão e Treze de Maio
33	SDR - Timbó	Videira, Arroio Trinta, Fraiburgo, Iomerê, Pinheiro Preto, Salto Veloso e Tangará
34	SDR - Tubarão	Xanxerê, Abelardo Luz, Bom Jesus, Entre Rios, Faxinal dos Guedes, Ipuaçu, Lajeado Grande, Marema, Ouro Verde, Passos Maia, Ponte Serrada, São Domingos, Vargeão e Xaxim
35	SDR - Videira	
36	SDR - Xanxerê	

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