

Strategic Planning Process as an Arena of Power Legitimation

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1. Introduction

In the first two Reflections Papers, I realized BNDES has been in a "spot time" (as Wordsworth defined) or in a Rigidity Trap, considering the Adaptive Cycle Model (Holling, 2002). Although BNDES can be considered in an outstanding position when compared with its competitors (other Brazilian Banks, Development Banks and Multilateral Agencies), as respected and well-known brand with a young and well educated labor force, there are, *inter alia*, some quite important challenges which could be faced in the near future:

- . Strength of the economy that may push BNDES to a new role (no more monopolist);
- . Dramatic changing to a new generation demanding more opportunities (job rotation policy, job challenging and better remuneration) apparently inconsistent with our current inflexible structure;
- . Increase of BNDES' operations complexity withal the system and process management modernization;
- . Pressure on operations' efficiency gain and, at the same time, accomplish more restricted processes and controls..

I also pointed out that one of the values defined by the Organization brings a paradox: on one hand "Excellence" demonstrates the importance BNDES gives to the quality of work (as a mechanic), but on the other it carries what I have called "Cognitive Arrogance". Assuming that BNDES is a monopolist bank, I pointed out another important feature: we are focused on our needs and skills, i.e. we are *BNDEScentered (self-centered)*.

Due to these characteristics I understand it will be hard that to establish an environment of ample reflection to plan and manage BNDES. These difficulties have stimulated a culture of evangelists (Turnbull, 2001) in key decision-making committees of the Organization.

I also identified several dilemmas BNDES has experienced and the need to change its management standards. Change was my motto in these first two papers. However, after

my experience in the East (exchange management in South Korea and the third module in China), I started a reflection about various challenges BNDES has been facing and the influence of Anglo-Saxon models on management patterns. I also reflected on the need of adapting such models to Organization's daily life and the importance of think about ongoing change and continuity issues.

I concluded that there is a clear mismatch among BNDES management model (centered on the Balanced Score Card – BSC and the search for efficiency), BNDES' culture and values (stated-owned bank) and the nature of the Organization (Development Bank).

Once BNDES has several challenges to attend clients (from loans to large companies up to non-reimbursable support to NGOs), I focus that third Reflection Paper to the importance of adapting business models to challenges. **Why not to think about different models for different challenges?**

I guess maybe different perceptions are hindering an authentic reflection. This Reflection Paper registers an ongoing reflection on these issues, centering my analysis in the Strategic Planning Process. As I have already mentioned in the previous papers, I think that, metaphorically, these reflections are like a trip made by an upward spiral where I pass through the same point a level above from one Reflection Paper to another.

This paper contains this introduction and four more sections. In the following section, I identify that corporations are currently used by States to capture markets. With that said the management models support these corporations to operate in different countries and cultures. Therefore, models serve as instruments of legitimation and power to homogenize cultures.

In section 3, I describe the BNDES's strategic planning processes since 1993, using the Petigrew model (some key episodes). Then, I evaluate the current Strategic Planning Process (since 2007) using another Petigrew model (triangle of context, process and content) always relating to issues of trust and power culture. I also take a look at the process of strategic planning considering Knowing Organization Model (Choo, 1998).

In section 4, I point out my “IMPACT” and in the fifth and final section, I present my conclusions. This module has been important because I was able to reflect on everything I wrote previously from another point of view. This conclusion incorporates my learning about IMPM so far.

2. Anglo-Saxon Management Models and Brazilian cultural aspects

As Western thought was being consolidated, man moved away from God and nature. Mankind lost contact with its origins establishing utilitarian and mercantile relations among nations. The predominance of rationality provided a fantastic technological development (there has been great progress in this area) and consequent economic growth¹.

During this process, capitalism emerged as an hegemonic model. The notion of linear time and the need of efficiency have favored the growth of capitalism. Additionally, the system has been able to reinvent itself in every crisis because of its technological innovation capability.

The analytical method and the scientific empiricism have obtained the status of absolute truth. The impact on social sciences and bureaucratic organizations were also significant.

The specialization (in search of greater efficiency) and the need to control the working time, several management models were created increasing the efficiency of work with quality and safety. Thus, the myth of the Rational Organization was born assuming that all decisions in the Organization are objective and rational and there are no conflicts of interests ruling these decisions.

However, this ideal organization does not exist because it is designed in the Anglo-Saxon model of overvaluation of rational aspects (Yang). In fact, Our decisions are also affected by our feelings, interests, national and organizational cultural values (culture and sub-culture).

¹ *Despite the predominance of Western thought in various fields of knowledge (science, arts, religion, philosophy, politics, management, etc), there are several authors that challenge, with severe criticism, this unique model pointing its pernicious effects on the environment and social relations. Since these tensions were discussed on previous paper, I would not repeat it..*

Perhaps the greatest misconception of the US social sciences is applying the scientific method to social sciences disregarding the differences among human societies (Mahbubani, 2010). These deficiencies are also noted in the application of management models in companies from different countries. Sometimes it is difficult to know whether the executive manages the company or is being managed by the model. The recipe is implemented on the Organization with no reflection about the cultural differences.

In fact, corporations nowadays are arms of the countries to conquer markets. Thus, the management models can be seen as instrument of power legitimization to increase the corporations' efficiency and, consequently, the countries' desire to prevent and eliminate competition. In this sense, power is "*derived from the generation and manipulation of symbols, language, belief and ideology (cultural aspects)*" (Petigrew, 1987).

It is quite important to consider the difference between Brazilians' and Americans' concepts of work. Brazilians define work as activity circumscribed in time and space, and organized by power relations. Americans recognize work and labor differently where the first is a creative and productive activity while labor is a repetitive, mentally debasing and painful activity (Migueles slides in IMPM class, 2014). For "*benedenses*" the work definition would be *as a creative and productive activity circumscribed in time and space, and organized by power relations*.

Considering that Brazil has many cultural differences, the application of management models designed for the US society will generate tensions at these local organizations. It is necessary to understand that these models fit an American cultural content that may conflict with ours. In addition, these models also have a role in standardizing the action² of companies internationally to facilitate the implementation of their strategies. Often these strategies are closely linked to the strategies of nations they are based (in sectors such as automotive, pharmaceuticals, aviation, defense, etc.).

According to the dominant perspective in these models, action causes (good) change when/if informed by good knowledge – i.e. leadership/authority and failure when

² Action here is defined as the fact or process of doing something, typically to achieve a goal. Action is visible, measurable and accountable.

informed by traditions, poor knowledge or false/invalid beliefs. Modern management is thus legitimated not only by the results achieved, but also by the ability to connect these results to managerial action. It is famous the statement written by Edwards Deming "*you cannot manage what you do not measure*". The question is how you measure cultural values not covered by the concrete reality of organizations. Work environment, innovative capacity, cultural traits as flexibility in emergency situations and other features that can be suppressed if the stimuli are not given in the right direction. All intangible assets of an organization should be taken into account in the application of management models; they were generally designed in a very diverse cultural reality.

Finally, it is also important to remember that all these models have been designed to manage private organizations. BNDES, besides being a Brazilian organization, is also a stated-owned company entailing an even greater need adaptation. Brazil's state administration and its traditional culture are very much connected. It's possible to realize strong presence of traditional link between the general country culture and its administration system (Motta, 2007) and, at BNDES is not different.

3. Understanding better the Strategic Planning

In this section I describe the processes of strategic planning since 1993, using the Petigrew model (some key episodes) and then further evaluate the current Strategic Planning Process (since 2007) using the Petigrew model (triangle of context, process and content) in relation to power, knowledge and trust in action.

3.1 Some Key episodes about Strategic Planning Processes

BNDES has always had a tradition of making a Strategic Planning from time to time. As the Bank is a state owned company whose crucial characteristic is to have the monopoly on the long term credit market in Brazil there was no concern in having formal planning processes. Until 2007 BNDES strategic planning did not occur routinely. Each assignment of a new President provoked the establishment of working groups in order to present possible routes of actions to the new Board. From their reflections, the new Board could make their choices concerning operational policies.

Until 2007, the Strategic Planning Processes were not exhaustive and allowed enough flexibility to Organization. Planning processes were *ad hoc*, without a continuous process of monitoring and control. From 1993 to 2000 I attended just one Strategic Planning Process (1994). I do not know if it is true, but it is said that the Federal Government privatization program was designed in BNDES' strategic planning in 1989.

Since 2000, we can set some key episodes to understand the present moment of BNDES. In 2000 Federal Government adopted more liberal political policy guidance and decided that BNDES should fill in the gaps of the credit market in Brazil. The Bank for the first and only time in its history changed completely its organizational structure, turning it into matrix (customer-product). In a more liberal government, BNDES had more freedom to put forward its priorities since the management and efficiency were most valued aspects. However, there was no possibility to have capital contribution from the Federal Government.

In 2003, Brazil had a major policy shift at Federal Government and it reflected at BNDES. The entire Board was changed and the first decision of the new one was to return to the pyramidal hierarchical organization structure. It is interesting to consider that this decision was made **prior to** a Strategic Planning Process.

The new elected government understood that the economy should have a central planning and that it was up to the state the definition of economic sectors that should receive benefits among them lower interest rates provided by BNDES. Thus, the role of the Bank has become deeply linked to the priorities of the federal government. Within this new environment, the Board started a new Strategic Planning Process.

The Strategic Planning Process in 2004 lasted only four months and the results had been dozens of papers on each topic considered important. These themes were sectorial (about the sectors of the economy) and corporate (such as IT, HR, finance, etc.). After this process, only in 2007 (with the arrival of new President) another Strategic Planning Process was called. Since then, the Bank has been managing its annual revision. It was also chosen to support this process the classic Strategic Planning Process model.

The Federal Government was still the same since 2003, but the dynamic of the process was totally different between both processes (2004 and 2007). While in 2003 we only reflected on some economics sectors and prepared some papers. Differently, in 2007, we used the technique of scenarios; we defined the mission, vision and values. From there on, we built the strategic map and, for monitoring the implementation of the strategy, the Balanced Score Card (BSC). I

Unfortunately, in late 2008 the reality has changed completely with the international crisis. It is important to take into consideration that the environment of the following years - 2009-2013 - was totally different from the first one - 2007-2008 – when initial strategic plan was launched. But most of the decisions still based on the definitions established yet in 2007. **I think we were captured by the model!**

Another interesting aspect on this planning process: the policy of "national champions", so criticized by society (Lazzarini, 2011), was never clearly explained. There was never a decision to support (or choose by BNDES) the large national enterprises to be considered agents of consolidation in strategic sectors. It seems paradoxical that the Strategic Planning Process did not deliberate on one of the main and most important actions of BNDES.

Two other visible BNDES strategies during this period: Investment Plan Support (acronym in Portuguese - PSI) and Investment Program for states (PROINVESTE) were designed by the Federal Government. The Bank involvement in their formulations was very limited. Incidentally, this was another tension throughout this period (2008-2013): the *benedense* sees himself as policymaker and often was considered by the Government as an executor of its policy (**manage or being managed?**).

Also on corporate matters, some decisions were taken without further discussion during the Strategic Planning Process. Among them, I can point out the creation of the International and the Human Resources Areas, in addition to offices in London and South Africa. The set-up of this last office was a decision of the Federal Government, which caused a great discomfort within the Organization.

During this period, BNDES applied for the National Award for State Management (PQGF, acronym in Portuguese) two times. During the application process state

organizations present their management model to be qualified in gold, silver or bronze level. It is not a competition among organizations but recognition of management capacity. Both times BNDES was not qualified for the same reason: the Bank was not able to show that its results were consequence of management actions. The board of examiners did not identify causal relationships between a deliberate strategy and results. It is as if the results did happen by chance.

Also the decision to apply for PQGF was not made by the Planning Committee and there was again a great discomfort when the results were presented. Some directors replied saying that the evaluation model did not consider BNDES' particularities.

3.2 Looking back the Strategic Planning Process under Petigrew Model

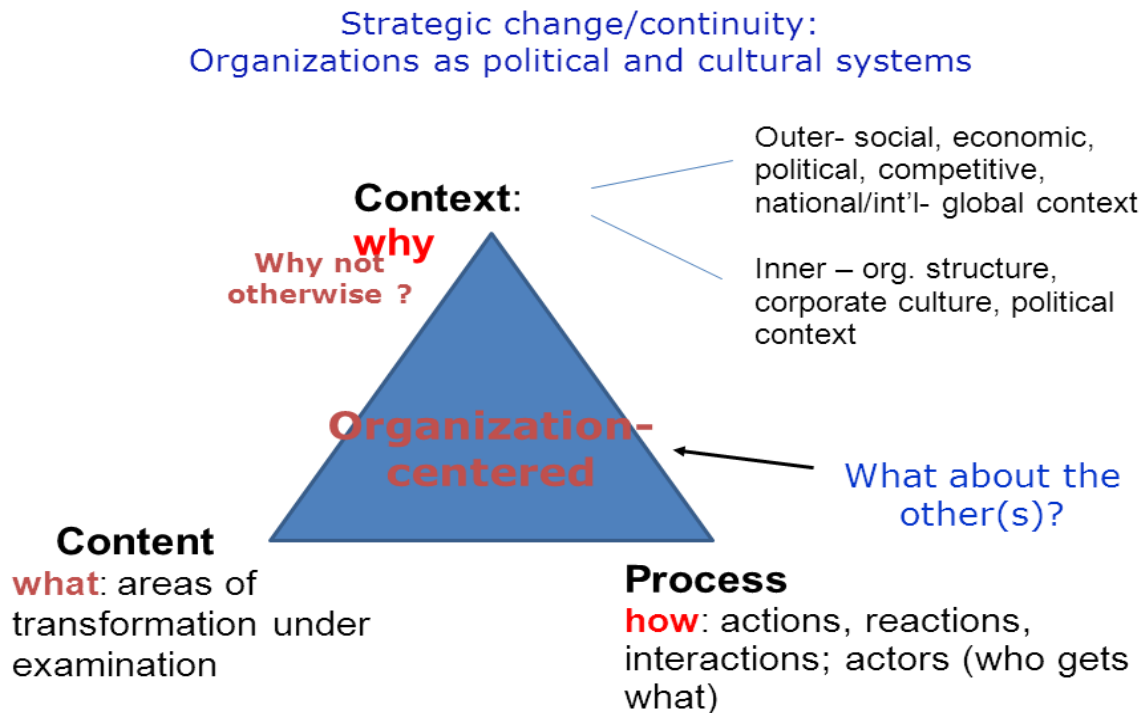
The President called for the Strategic Planning Process in 2007 willing to execute a list of organizational changes and priorities. It is undeniable that several changes have been implemented and that the arena of strategic planning was important for these changes. However, my assumption is that this arena was more a place where the President led his own goals than a place where decisions were collectively built. I'm not sure if the members of the Committee **acted or were acted (played or were played)**.

Analyzing the current Strategic Planning Process in the light of Petigrew model (1987), we can have some other interesting guesses.

First, it is undeniable that one of BNDES' hallmarks (already theme of exhaustive analysis at the first Reflection Papers) is what I have called as *BNDEScentered*. Many decisions are made in strategic planning meetings because BNDES' executives find them important, without taking into account the needs of the various stakeholders.

It is very difficult to BNDES (a monopoly) to evaluate its performance and set its own policies considering the needs of others, especially when those needs are diverse and diffuse. Bank,'s mission is very broad. BNDES should consider demands from large private companies, NGOs, civil society, local, state and federal governments, external auditors and commercial banks (partners and competitors at the same time), among others. Beside this, I should remember the main characteristic of *benedense*: **cognitive**

arrogance. There is no doubt that BNDES is a self-centered organization (**Organizational Centered**).



Analyzing the planning process (**Content**), there were three great missions that the President understood as priorities: investments in infrastructure, investment in innovation and the creation of large national groups capable to internationalize their operations – National Champions. The last one contested by some authors (Lazzarini, 2011). The other both priorities (investments in infrastructure and innovation) increased systemic risk. There were no discussions about investments support in infrastructure. Everybody agreed that this is a relevant mission of BNDES. The priority in innovation was widely discussed by the Planning and Credit Committees. Although there has been great resistance to approve credit lines for innovative projects, a sort of forced "consensus" was obtained settling a maximum amount of exposure for each innovation credit line. Moreover, these lines have had lower interest rates compared with the ones charged by BNDES.

Even with this agreement (maximum budget), it is very common the controversy on operations of “innovation” in the Credit Committee. Dissent says that the project has no innovation and therefore should have the usual Bank interest rates.

The financial support to create national champions was never explicitly discussed at Committees, but it was implemented through equity investments since the amounts were high and would not be possible to grant credit financing (very high risk).

As I already mentioned, corporate issues have also been taken into Strategic Planning Process (creating areas, offices, HR and IT issues). In general, controversial issues submitted to the Committee are complex and, as there has not been a genuine reflection process on these matters, the "consensus" has also generated tensions in the Organization.

Looking back the whole process, I firmly believe that as time went by the President try to make of the Strategic Planning Committee a place to legitimate his own goals (and sometimes Government Federal desires) hindering the real and deeper reflections in order to build a “forced consensus”.

In terms of financial environment, we can divide this period (**Outer Context**) clearly in two: before and after September, 2008 financial crisis. Before the crisis, the Bank had much more freedom to formulate their policies but we were not so supported by the Federal Government.

After 2008, clearly, the Federal Government began to impose various policies for granting credit to incredibly subsidized rates. It is also interesting to note that the strategy (established during the Strategic Planning Process since 2007) changed in 2009 without a deep reflection at Planning Committee. The greatest example of this new phase is the Investment Support Program (PSI in Portuguese). It is interesting that government's demands were added to the policy previously established (before September 2008) by the Bank raising tensions between the Organization and the Government (again, the conflict between **acted or be acted**). To implement anti-cyclical policy, the Government decided to contribute with almost U\$ 180 billion since 2009. It seemed that money defined the strategy (**manage or be managed**).

Politically, we can also divide this period in two: Lula and Dilma's administration. At first, BNDES clearly possessed greater political and operational autonomy. The Government's demands had strategic nature and operational specifications were up to BNDES ("how to"). During Dilma's government, there has been greater intervention both in policy as well as in operational definitions (micromanagement).

Dilma's government at times has defined guarantees structures and spread risk for some operations indicating that BNDES is considered a "Ministry". These actions, in addition to reducing the Bank's autonomy, dangerously over run the institutional issue since BNDES is regulated by the Central Bank and its directors have individual responsibility for Organization's financial management.

Clearly, BNDES' president had more influence during Lula's government establishing a balanced relationship between the parties. It seemed to me that this influence had its origin in the atmosphere of personal trust between President Lula and BNDES' President. The model of power established between Lula's Government and BNDES was based more on trust than authority. This model has completely changed during Dilma's Government. In the later, we can say that the model has been based on formal authority (Zanini, 2007).

Often it has not been clear, in the Committees, whether a decision was taken due to external demand or BNDES' President desire. Were we **managed or being managed?** Were we managed by whom: by the Government or by BNDES' President? During this period tensions have increased. The Planning Committee has become a locus of dispute among superintendents and directors who have understood that, under the new reality, BNDES' strategy should be "rethought" and others that believed it is necessary only to add new tasks to those already established before the crisis. This "fight" has persisted today yet.

Internally (**Inner Context**), I could also see a Machiavellian³ movement (Maquiavel, 2009). Since 2007, the Board approved a restructuring of the "Salary and Job Title's Plan" increasing the salaries of all employees. Additionally, during the period there was

³ *The term Machiavellian is being used based on the teachings of Machiavelli, where it is important to divide and rule. Clearly, at BNDES there was a cooptation process of employees on a large scale that currently comes draining away energy.*

a large staff turnover (due to early retirement plan), set up many areas and therefore, many new positions were available. Thus, in that environment, it seemed to be possible to build trust relationships between Board, top executives (mostly young people and newly promoted) and employees. Recently, this relationship has begun to deteriorate.

I could see that this trust was weak since it was not built in a fertile environment to deep and authentic reflections. When the subjects were easy to reach consensus, approval was fast. When a controversial operational subject (financing or equity investments) arose from discussions, debates were truncated and approval occurred *ad hoc*. Members in the Committees avoided deep strategic discussions and co-opted people (evangelists) to perform *ad hoc* actions. The result has been the rise of tension within these Committees.

When the discussions were about corporate issues (HR, IT or Processes), I mean, a cross-cutting issue, the result was even worse. The lack of a deeper reflection paralyzed the discussions of important corporate matters. Here, we can characterize "Paralysis by Analysis" both types: in a "Dialogue of Deaf" or "Vicious Circle" (Langley, 1995). As some examples, issues as the new career plan, pension fund restructure and the reorganization of processes suffer delays in implementation. These delays deteriorate the relationship between employees and the Board.

Here the Strategic Planning Process (**Process**) start to show opposite signs: the controversial subjects that achieve no consensus were sent to Working Groups to discuss. These groups were formed by Superintendents and Heads of Departments who were in favor of "build" acceptable proposals. This mechanism (creation of working groups) led to "impose" the approval of certain operational matters "by consensus" (Innovation Policy, for example) for the Planning Committee Meetings, causing a complete paralysis by analysis of corporate issues (HR, IT, process redesign and organizational structure).

After some time, the Board started deciding, without the Planning Committee's opinion, the creation of several areas, departments and regional offices. Nowadays many Superintendents and Heads of Departments of these areas faces difficulties to

legitimize themselves to its peers, but they form a large contingent of evangelists (Turnbull, 2001) as they have a certain "gratitude" to the board.

The existence of working groups complicated the assignment of responsibilities for Area's supervisors. Clearly, there are overlaps between Areas and Working Groups responsibilities, creating an environment of distrust and increasing the transaction cost, since a decision takes much longer to be made.

In an environment of distrust, it is very common for a third party (Zanini, 2007) appears; in this case the Working Groups represents it. The creation of Working Groups aims to induce completion of a task that the area originally responsible, somehow, is not performing. This Working Group draws the solution and approves the Planning Committee, in order to legitimize the decision corporately and constrain the area responsible for doing it. I can say that in most cases, this procedure did not work.

The problem with this solution is the transaction cost, which increases as the environment of confidence deteriorates. This cost has been **high** on operational matters (many discussions on each operation) and **very high** in some corporate matters. As said, on corporate perspective, we have many difficulties today to implement changes in HR policy, complex and inefficient processes not suitable to the Organization. Nevertheless, a major problem is our organizational structure, quite inadequate to meet BNDES needs.

I can see that the Strategic Planning Process was able to establish a virtuous organizational environment (Virtuous Cycle) at the beginning but it was continuously spoiled by the perception from Superintendents and Heads of Department that there was no room for deep and authentic reflections. There is a clear understanding from many executives that ultimate goal of the Strategic Planning Process has been to get them to be led (**not lead**), or to be managed (**not manage**).



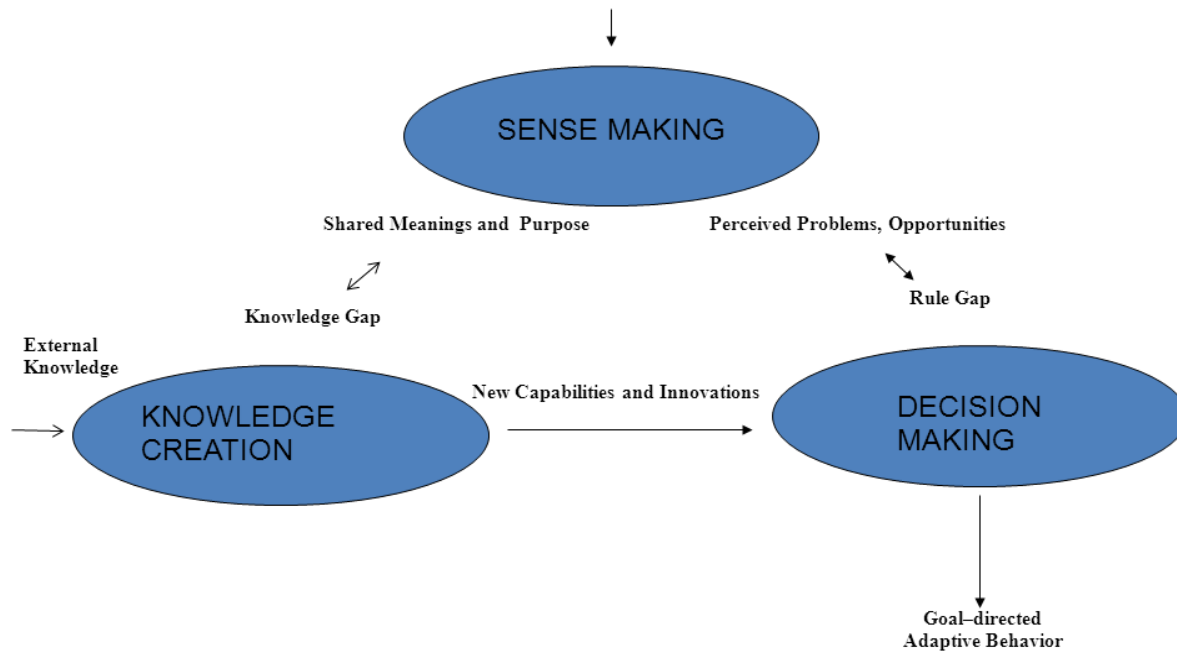
Over time, the process entered a Vicious Cycle culminating in a inanimate bureaucratic process. Sort of actions were taken to improve management: discussions were promoted, including what we called “Year of Management” and “the Year of More Management”, as well as the implementation of several management tools (many of them have already fallen into disuse). Additionally, the monitoring of the Strategic Planning Process became a “.ppt file” fulfillment and the board approved a formal resolution stating Strategic Planning Process as a permanent practice in the Organization (I remind that planning processes were *ad hoc* in BNDES before 2007).

3.3 Strategic Planning Process as Knowledge in Action

The Strategic Planning Process can also be evaluated through the lens of Knowing Organization Model (Choo, 1998). For this model, the entire process must begin by Sense Making. At the beginning of the process in BNDES there was a time invested to homogenize the knowledge and disseminate the importance of perpetuating the Strategic Planning Process. In 2007, we built the strategic map and made BNDES’ values explicit for executives and employees.

On that moment, it was possible to create an environment of trust as mentioned in the previous item. Several important decisions were taken in the first biennium (2007-2008) in order to create a corporate sense and increase participation in all sharing meanings and knowledge (explicit and tacit) and more reflective environment.

Strategic Planning Process



Knowing Organization Model (Choo, 1998)

With the dramatic “generational shift” in BNDES and a sharp global financial crisis it would be crucial to build a new sense to support Strategic Planning. Much of what had been discussed until that moment no longer made sense. Unfortunately, the option was not to face the toughest questions with authenticity. Then, the process of Organizational environment deterioration started, leading to an environment of low trust among people.

Thus, analyzing the Strategic Planning Process according to this framework, it is easy to understand why the Bank starts to have difficulty in making hard decisions together with the decline of trust between executives. In the absence of shared meaning there is no trust in knowledge building and difficulty to perceive opportunities (problems are amplified). So, decision making has been hampered.

Still watching the model is quite interesting that, facing difficulties, the Board response was to intensify the creation of Working Groups producing bureaucratic process in an attempt to fill the Rule Gap.

The Bank is becoming an organization with more formal rules and leaves behind an environment where everybody knew what should be done and by whom. Clearly, we

have already migrated from an informal to a very formal Organization. And this process has been extremely accelerated recently.

4. What is my IMPACT

The first major impact of this module is to hear the numerous observations of my colleagues from IMPM about BNDES. Some of these observations were well aligned with my criticism on the Bank and others highly divergent. But all too relevant!

I can highlight the observations on the S (Social) from BNDES (“BNDES should embrace, outsource or forget about S?”) and the D (Development) indicating that we should better discuss the concept of development (“what is development to the Bank?”) in order to better communicate to society the importance of its purpose. Another important observation was about the possible difficulties that the Bank may face in a competitive environment (in an eventual convergence of interest rates).

From this experience HR superintendent proposed the creation of a community to discuss issues related to the Bank’s management. This community will be initially formed by executives who are involved to IMPM, but may be extended to all those who wish to discuss management more deeply.

The fourth module about Action Mindset (Gosling and Mintzberg, 2003) broadened my ability to recognize the issues raised in the first three Reflection Papers. I better understood the relationship between management models and their suitability with the Organizations’ culture and the relevance of Organization history.

I could also understand part of my discomfort with the Strategic Planning Process reported in the first three Reflection Papers. During all this time I did not realize that part of the discomfort was because the critical thinkers **be managed (not manage)** and, sometimes, **be acted, not act**. These two concepts are very close related with the lack of authentic reflection within the Organization.

Here, two interlinked issues have been confirmed as essential to improve the Bank performance. The Bank has to develop the capacity of organizational learning (Argyris,

1977), especially in cross-cutting themes, and increases its capacity to reflect with authenticity so that can emerge an environment of greater trust.

The development of the ability to learn requires effort to develop common meanings, to share knowledge (tacit and explicit), generosity in interaction between people and to increase the ability to listen to others.

The concept of "others" includes us (Directors, officers and employees) and other stakeholders. We have to improve our relationship with society providing more transparent information in order to legitimize BNDES' actions.

Personally, I've tried to listen my colleagues on Committees and also negotiate alliances to move forward on issues that I think essential. I understand "listening" in a broad sense because I have developed my perception of the environment and the existing tacit knowledge ("hear" the imperceptible). I have made concessions on issues that I understand it was not strategic and have tried to set myself more firmly in corporate matters.

Some superintendents have been giving me positive feedback about my performance on committees perceiving some changes in my behavior. Build alliances (Fisher and Ury, 2011) with my peers (especially with the critical thinkers) is my main objective in order to implement some changes. I finally realize that BNDES has to improve its decision making process: we have to move from **the consensus-basis to minimum agreement** model.

I also better understand the dichotomy **change-continuity**. My dissatisfaction with the BNDES difficulty in realizing that change is important has gained a new dimension. In fact, now I understand that this negative experience I acquire is important to gain the momentum of change. In this process, the organization realizes better what should be changed and what should be kept in a shared learning process. My anxiety about change has declined since I could participate in this process trying to influence it.

Finally, I think it is critical that BNDES prepares itself for a possible change in management next year. In October, there was presidential election in Brazil and there is a great chance to change BNDES' President, based on the new definition from

president of Brazil (even with the re-election of the current President Dilma). Thus, some superintendents are preparing a paper for the next BNDES' President in order to instruct him the main challenges to be faced in the coming years.

5. Conclusion

Since 2007, BNDES started a Strategic Planning Process but progressively this process became so bureaucratic that plasters the Organization. During this process a set of management tools has been launched in BNDES aiming to improve controls and increase the Organization's efficiency. These tools were introduced without a reflection on the real organization needs and suitability to BNDES's culture. I would say that those tools with technical aspect were designed primarily to pretend the absence of life in the Planning Process.

Gradually at Strategic Planning Process executives lost their capacities to reflect. Because of this lack of cooperative and authentic reflection I believe that there is clearly a mismatch between management model (centered on the Balanced Scored Card and the search for efficiency), culture, BNDES's values (stated-owned bank) and Organization's nature (Development Bank).

Nowadays, there is a great challenge: how to reconcile the diversity and specificity of BNDES with the management model chosen? **Is the coexistence of different management models to address different challenges? Are we managing or being managed?**

During the discussions on Strategic Planning and the day to day management often these differences in perceptions hinder an open reflection. It is quite common to hear expressions affirming this lack of balance between the chosen management concepts and the BNDES' culture. There is a great difficulty in matching perceptions within organizational structure characterized by silos and slabs.

My premise is that the Strategic Planning Process has become, over time, a tool to legitimate power. In this process, rather than an arena of reflections on possible strategies, the Planning Process has become a mean of obtaining forced consensus

based on an atmosphere of distrust among executives. By losing the substance, it was used to "decide" what was already decided.

To stop this process of losing confidence I understand it is necessary to restore a more reflective environment. We must introduce in BNDES reflective practice in the discussions and improve our learning capacity.

At the Action module, I was able to use the knowledge already acquired in the previous three modules, organizing it and putting it on a higher level. The scenario of the difficulty of establishing a genuinely reflective environment with a Strategic Planning Process without amalgam of trust between the parties is clear. The lack of trust in relations drove Strategic Planning Process to fulfill the gap between the Sense Making and Decision Taken with rules. In other words, the Strategic Planning Process became boring. **Instead of creating the Rule Gap, maybe we should establish Min Specs (Westley, Zimmerman and Patton, 2007) in order to create what I'm calling a "Minimum Agreement" among the parties.**

Finally, this module made me understand the Organization as a political arena where is crucial to build lasting relationships. Those should be based on trust, especially in an organization as BNDES where everyone thinks his own career in long term because it is very usual people has worked at BNDES for 25 years. The link between authentic reflection and trust building is clear. A deep discussion would create environment based on trust and the encouragement of new knowledge production. Ultimately, the Bank's competitiveness gain depends on develop an environment that enable innovation and concepts, a good start would be the executives becoming reflective practitioners.

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