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IDORT AND MANAGEMENT DIFFUSION IN 1930s BRAZIL

Idort e difusão do management no Brasil na década de 1930

Idort y propagación del Management en Brasil en la década de 1930

ABSTRACT

Management in Brazil has been considered from different theoretical and analytical perspectives. Some seek to reveal its relationship with Anglo-Saxon thought, which is the original constitution of this body of knowledge and organizational practice, and highlights the importance of historical Management research. Therefore, this study examines how the importation of Management doctrines and its diffusion through the creation of Idort was marked by a turbulent scenario of political and ideological disputes, which became the substrate for the consolidation of practices that determined the institutional locus of Management in Brazil in the following decades.

KEYWORDS | Management in Brazil, Management history research, Idort, Management Institutes, Management diffusion.

RESUMO

O Management no Brasil tem sido considerado a partir de diferentes perspectivas teóricas e analíticas. Algumas delas buscam revelar sua especificidade em relação ao pensamento anglo-saxão, a perspectiva original de constituição desse corpo de conhecimento e prática organizacional. Nesse sentido, uma importante forma de abordagem do Management é pela perspectiva histórica, na qual este estudo foi realizado. Assim, buscamos revelar como a importação e difusão de doutrinas do Management a partir da criação do Idort são marcadas por um conturbado cenário de disputas políticas e ideológicas, que se revelou como o substrato para a consolidação de práticas que determinaram o próprio locus institucional do Management no País nas décadas seguintes.

PALAVRAS-CHAVE | Management no Brasil, pesquisa histórica em Administração, Idort, Instituto de Management, difusão do Management.

RESUMEN

La gestión en Brasil ha sido considerada desde diferentes perspectivas teóricas y analíticas. Algunas de estas tratan de revelar su especificidad en relación con el pensamiento anglosajón, que es la perspectiva original de la constitución de este conjunto de conocimientos y prácticas organizacionales. En este sentido, una forma importante de enfoque de la gestión es la investigación histórica. Así, en este estudio, hemos tratado de revelar cómo la importación y la difusión del Management, con la creación del Idort, están marcadas por un escenario problemático, de disputas políticas e ideológicas, que resultó en sustrato para la consolidación de prácticas que determinan la dirección del propio locus institucional en el país, en las décadas siguientes.

PALABRAS CLAVE | Gestión en Brasil, investigación histórica de la gestión, Idort, Institutos de gestión, difusión de la gestión.

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INTRODUCTION

Brazilian researchers face the challenge of understanding the uniqueness of the country's organizational practices, exercised in a significantly different context from the great majority of the management models adopted here. Therefore, one way to verify the peculiar aspects of Brazilian management and organizational forms is by scrutinizing the historical trajectory of Management in the country, and by analyzing the social, economic, and political references that conditioned this process.

There was a significant difference in the establishment of modernization processes in Brazil from that of Management in the United States during the turn of the 20th century. In the United States, the emergence and dissemination of Management occurred from an economic and social conjuncture favored by rapid capitalist and technological development characteristic of the second half of the 19th century, which conditioned the most advanced stage of industrialization (Chandler, 1977; Vizeu, 2011). In Brazil, the introduction of industrial capitalism and the first efforts to systematize professional management occurred at a time of political turmoil, when specific elements of the traditional institutions of a pre-industrial past persisted (Pinheiro, 1977).

Thus, the introduction of Management in our country was marked by anachronism, creating specific conditions for its consolidation in reality (Vizeu, 2011). In Brazil, industrialization began much later than other great nations, generating a peripheral and dependent system, in addition to having conditioned the pace of technological development and the competitive capacity of the country (Cardoso, 1972).

That said, the understanding of modern Business Administration in Brazil necessarily entails the understanding of the historical context surrounding its introduction and the first attempts to diffuse Management in the country. Thus, this study attempts to deal with this process by recovering one of the first efforts in the institutionalization of Management in Brazil: the establishment of an institute for the diffusion of Taylorist principles and techniques of work rationalization and systematic management. This effort was the foundation of the Rational Work Organization Institute (Instituto de Organização Racional do Trabalho [Idort]), which occurred in São Paulo in the early 1930s, a city and period of great relevance in the consolidation of the industrial economy in the country.

This institute was the manifestation of an effort to promote Management similar to that in Europe and the United States in the period between the great wars, through the creation of the International Management Institute and the Taylor Society, respectively. It is important to consider that the statute of the

Taylor Society served as the basis for the elaboration of the Idort statute, as verified in the historical documents investigated.

From the methodological perspective, this study is a historiographical study. Our historical analysis is based on that of Burke (1992), who understands history as a narrative, a personal and peculiar version of the past, constituted originally by the researcher. Thus, the analysis of the historical documents was oriented to indicate a trajectory of construction and development of the project of diffusion of Management in the country from the foundation of Idort, in which we tried to identify factors that portrayed the results, problems, and even the transformations of Idort.

Operationally, the procedure used in this study was the documentary analysis of material made available in the historical archives. The collection of Idort's historical documents can be found in the Edgard Leuenroth Archive (AEL) of the Institute of Philosophy and Social Sciences of the State University of Campinas. The description of the documents is available electronically on the website of the archive, in the collections "Idort" and "Roberto Mange." These include all copies of *Revista Idort* (Idort Journal) (from 1932 to 1961), the annual board meeting minutes (from 1931 to 1961), and other documents of Idort and their divisions (leaflets, reports, and opinions) totaling more than 250 documents. We had the technical assistance of AEL's staff for the proper handling of the documents. In addition to the AEL, we used some documents from the "Getúlio Vargas" and "Lourenço Filho" collections, electronically available from the Contemporary Brazilian History Research and Documentation Center (CPDOC) of the Getúlio Vargas Foundation (FGV) to gather information on the time contextualization and participation of Idort's members in the Department of Public Service Administration (DASP) and FGV. These documents were consulted from their titles and descriptions. Finally, considering that the collections surveyed were composed of a limited number of documents and information, our narrative was constructed by examining the Brazilian historiographical literature, to contextualize the events and other aspects identified, as relevant to the historical trajectory of Idort. Among the most consulted historiographical texts are Dean (2001), Faoro (2001), Leopoldi (2000), Luz (1975), Martins (1974), Pinheiro (1977), Skidmore (1998), Marcovitch (2005), Cardoso (1972), Wahrlich (1983) and Codato (1997).

The period of coverage chosen for the documentary analysis was the year corresponding to the year of foundation of Idort, following up to 20 years later (1931-1951). This historical cut covers the period in which the first significant industrial momentum occurs in Brazil (Leopoldi, 2000; Luz, 1975; Pinheiro,

1977). Therefore, we understand that this is a decisive moment for the emergence of large manufacturing organizations, and consequently, when the need arises for a new model focusing on the rationalization of managerial practices.

HISTORICAL CONTEXT OF IDORT EMERGENCY

The attempt to introduce Management in Brazil by the Idortian project in the 1930s was conditioned by a particular institutional context, marked by elements of traditional patrimonial orientation (Cardoso, 1972; Faoro, 2001; Vizeu, 2011). Therefore, the agrarian institutions that consolidated in nineteenth-century Brazil played a decisive role in the pace of this modernization process, which, despite the fact that interest in political and economic modernization was already present at the beginning of that century, only substantiated at the turn of the twentieth century (Luz, 1975; Skidmore, 1998). In other words, the original institutions in the colonial period conditioned Brazilian business activity, and the role they played in the modernization process of the late 19th century resulted in the country's anachronistic configuration. Especially concerning the Republican state and the industrial economy, a largely ambiguous caricature was established, characterized by the paradoxical coexistence between elements of an archaic Brazil with the promise of modernity.

Therefore, patrimonialism conditioned the industrialization at the beginning of the 20th century and its consequent mechanisms of business management. Thus, the cultural elements prevailing in the political order of colonial-imperial Brazil, such as the clientelism of relations between private actors and public agents (the basis of maintaining the bureaucratic state), marked the entrepreneurial practice at the beginning of industrialization. Leopoldi (2000) observes this aspect when examining the formation of associations of the industrial class in the early 20th century, characterized by the protectionism of the elites and the articulation of private interests. This is the background to the creation of the first Management institute in Brazil.

IDORT CREATION PROJECT

According to the documentary sources consulted, Idort was founded on June 23, 1931, by a group of 92 associates, most of them from social classes and professional categories, which at

the time expressed an explicit interest in the great modernization projects of the country. The projects that focused on the demand for industrialization—questions about training factory labor, rationalization of production, technological improvement of the national industry, and even the modernization of the state machinery in support of industrial activity—stood out.

In the heterogeneous set of sympathizers of Brazilian modernization, a group of intellectuals and professionals stood out in São Paulo during the 1920s (Leopoldi, 2000). This group began formulating a project to establish an institute focusing on the doctrines of Management that were proliferating in the United States and Europe at that time. Since this doctrinal movement was named *Organização Racional do Trabalho* (Rational Work Organization) in Brazil, this group began isolated projects of rationalization and systematization of business administration and industrial work, efforts which gradually gathered in a unified movement, which founded the Idort 10 years later (Amaral, 1961).

However, according to the documents, from the 1920s, under the coordination of Robert Mange—professor of the future School of Sociology and Politics of São Paulo and one of the founders of Idort—studies began on the rationalization of professional selection and physiological problems of work hygiene, under the supervision of the medical hygienist Paula Souza (Amaral, 1961). The results of studies by Mange and Paula Souza resulted in the proposal of an institute to promote these efforts to rationalize work, first as a society of psychotechnics, which would deal with issues such as physiology and industrial psychology.

With the failure of this first initiative, the idea was revived by Aldo Mario Azevedo, an engineer and businessman. The proposal was rethought as an institute for the propagation of the rational work organization, idealized like the American movement of Scientific Administration and denominated Instituto Paulista de Eficiência (São Paulo Institute of Efficiency). For this second initiative, besides the group linked to the project of the Institute of psychotechnics, managers, and entrepreneurs from several organizations from São Paulo were recruited. Only a few months earlier, the denomination was decided as the Rational Work Organization Institute, abbreviated to Idort. Moreover, Aldo Azevedo and his collaborators decided to invite engineer Armando de Salles to preside over it, in order to give weight to the institute (Amaral, 1961).

Armando de Salles was an important figure in São Paulo society, son-in-law of Júlio Mesquita, a remarkable businessman and founder of the newspaper *O Estado de S. Paulo* (Marcovitch, 2005). When he was invited, Armando de Salles had just become

the president of the company that owned the newspaper, which was fundamental to the strategy of promoting the institute in São Paulo, to increase its membership.

This is how Idort was organically formed, similar to the Taylor Society and other European organizations of dissemination of the rational work organization practice, especially the International Management Institute, based in Geneva, an organization of which the Brazilian institute was a member and representative in Latin America (*Revista Idort*, 1, 1932).

However, we must also consider that Idort emerged from a daring project of association of the political forces that made up São Paulo's elite in a troubled period of major transformation in the country. At this point, the foundation of Idort served the interests of intellectual and entrepreneur groups through the articulation of national institutions (Leopoldi, 2000). Idort needed the State's and that of other institutions in the non-economic sphere, acting in areas such as education, public health, and so on, its central element of rationalizing economic agents for national development. Therefore, in addition to engineers and industrialists, we find sanitarians, politicians, educators and even businessmen, and bankers as idealizers of Idort.

The founders of Idort came from a conciliatory ideological element, aiming to free themselves from the ideological dispute between workers and industry and between agriculture and industry (Leopoldi, 2000, Luz, 1975, Pinheiro, 1977), not only in the idea of conciliation between different economic niches (industry, agriculture and commerce), but mainly through the Taylorist assumption of harmony between employer and employee, generated by the rational work organization.

During the tense period between the great wars and owing to national and international conjunctures, those in São Paulo society that supported the Idort project saw, in the creation of this institute, a neutral ground, capable of joining forces, despite differences of interest and political differences. That was how, in the eyes of the founders of the institute, the period of global crisis only made the need for this "national integration" over efficiency and rationalization more acute (Amaral, 1961).

Thus, by bringing together the efforts of rationalization by some medical hygienists, by pedagogues concerned with the educational system and the professional training of the mass of workers, and especially by engineers and industrialists interested in systematizing the work process and management activity, Idort emerged in the 1930s with the great promise of introducing and disseminating the principles of Management in the industrial center of the country.

OBJECTIVES OF THE IDORT AND INITIAL EXPECTATIONS OF ITS FOUNDERS

As mentioned, the question of cooperation among the different classes of production in the country remained a central issue for this organization when it was founded, and this principle was reflected in its statutory guidelines. The group of scholars and sympathizers who created Idort justified this project as a way out of the crisis that plagued the world in the late 1920s and believed that efficiency was imperative, given increased competitiveness. The founding partner Moacyr Alvaro argued for the creation of Idort as follows:

Here, as elsewhere, the general malaise, arising from an economic-financial debacle, was the element that gave rise to a new and receptive mentality for the ideas long ago defended by some experts in the issues of scientific organization of work. Just as Taylor and his American disciples only saw their ideas of rationalization of work technique diffused when the crisis resulting from the immoderate expenditures arising from the World War forced the industry into intense competition, also among us the acceptance of Taylor's methods, according to the ideas of Fayol and Emerson, the application of the teachings of physiology and work hygiene and of psychotechnics were only possible when, having been hit hard by the restriction of easy markets for our products, we were forced to work harder to be able to compete with our competitors. (Alvaro as quoted in Amaral, 1961, p. 8)

As indicated by the Idort statute, the institute was created with the mission of studying, disseminating, and applying the methods of scientific organization of work for the economic and social promotion of São Paulo and Brazilian society. Although these broad guidelines imply a broad spectrum of the types of organizations and industries that the institute should embrace, the initial intention of the directors was for Idort to turn to the private sector. This is evident in the type of public initially approached to participate in the society, which, overwhelmingly, was that of entrepreneurs, managers, and private sector technicians. Furthermore, the documents relating to the first years demonstrate a preference for industries, as this was the original sector for the majority of the founding members, especially the engineers.

The founding statute of Idort defines the performance of its activities from the creation of a journal and two technical divisions, referred to in the documents as First and Second Technical Divisions of Idort, but with statutory names of Division of Administrative Organization and Division of Technical Organization of Work, respectively. The main objective of the technical divisions was to carry out, together with the companies of São Paulo and other Brazilian states, studies to reorganize the administrative structure of companies and public agencies. Thus, Idort wanted its technical divisions to be the direct channel for the empirical development of the techniques and principles of Taylor and the other authors in Management, through new arrangements and systems focused on work optimization and management as a technically oriented function in Brazilian companies.

A different focus of action characterized the attributions of the technical divisions. The working regime stipulated for the First Technical Division was *ad hoc*, where special commissions would be formed for each contracted project. According to the founding statute of Idort, besides the parameters of a modern general administration, this division would take care of the simplification, standardization, and efficiency of the methods and processes in Administration, Production, Statistics, Accounting, and Legislation of the applicant companies.

As for the Second Technical Division, the focus was the operational and execution level of the work, following the doctrinal line of Taylorism. This division brought together technicians interested in this doctrine and industrial psychology. Therefore, the Second Technical Division was headed, for a long time, by the professor of the Polytechnic School of São Paulo, the Swiss engineer Robert Mange, the main disseminator of psychotechnics in Brazil in that period.

In addition to the two technical divisions, Idort's other work center was the institute's journal. Created to be an important channel for disseminating ideas about the rationalization of business administration and industrial work, this journal was also designed to serve as an important vehicle for the promotion of Idort and its work in São Paulo society, becoming a channel of communication and integration of a true technicist community of rationalization.

Its editorial consisted of articles by members and experts on the ideas of important foreign thinkers in this area, summaries of the reports on the works of the institute's technical divisions, reports on management experiences and scientific organization of national and foreign companies. Idort had exchanges with similar organizations in Europe and the United States for the publication of foreign studies and articles on issues of interest to the institute, in its journal. That was how, according to this

editorial line, several translations of articles from American and European publications acquired by the institute were published in *Revista Idort*.

Another indication is that the creation of *Revista Idort* was mainly for disseminating the Management movement in the country. Although it was expected that the journal would become one of the main sources of finance for the institute, the free distribution of copies was adopted as policy since the first edition. When analyzing this decision of the Institute, we perceived it as an oriented mechanism for the diffusion of the ideology of rationalization. The initial strategy was the distribution of copies in important class associations and other organizations considered social centers conducive to the rationalization of management and work. This measure was direct action to attract new adherents to the cause of the institute, but also to attract new partners. In the reports and documents of the institute, the directors refer to the free distribution of copies of the journal as a conscious effort to sediment the so-called "rational mentality" in Brazilian society.

Finally, an important target set by the Idort's directors at the time of the founding of the institute was to reach 500 associates quickly. This number would convince the founding partners that it would be easy to establish a rationalization institute in São Paulo, considering that it was the great industrial center of the country. The following statement of the first-year management report suggests this: "An institute with the purposes of Idort must have at least 500 partners in an advanced environment such as São Paulo. It is not possible that it cannot achieve this." (Idort's Annual Report 1932, page 8). In addition, reaching 500 members indicated was deemed by the founders, as necessary for the financial balance of the institute, as it was expected that the journal and the technical divisions would finance themselves, and the revenue from members' contributions should maintain ordinary expenses with facilities, tax obligations, and the office. We will see below that, in fact, the number of partners was one of the main problems faced by Idort in its early years, significantly compromising the institute's survival. We will also see that this issue was fundamental in the redirection of Idort's focus of activity.

FIRST YEARS OF THE INSTITUTE: DIFFICULT TIMES

From the initial effort of the institute's idealizers, everything indicated that the creation of Idort would be relatively easy. In part, this was due to the optimistic spirit of this group, given the

intense mobilization of the commission to spread the project and increase members in São Paulo. From this initial effort, the Idort creation commission succeeded in bringing together 92 partners for the foundation of the institute in June 1931.

However, the documents reveal that the institute's actions in its early years were just the opposite. Financial difficulties, technical divisions that were not functioning due to lack of projects, and difficulties in terms of growth in the number of partners were the main problems that challenged the directors of Idort in disseminating Management to companies in São Paulo. (*Revista Idort*, n.1, 1932).

Furthermore, in the first Annual Report of the Board of Directors, we identified the disappointment of the directors over the frustrating indifference of society in São Paulo to Idort. In fact, the numbers in the early years are below the 500-partner target (423 partners in the fifth year), a regretful reminder in the Annual Reports of the Board of Directors of the first four years after foundation. The low membership of the institute was probably not due to the omission of the directors, as they were engaged in the arduous task of recruiting Idort adherents well before its foundation.

On the other hand, the involvement of the common partner in this effort to recruit new members is not similar, considering the weak response to the appeals of the directors, as can be seen in the following section, referring to the first Annual Report of the Board of Directors:

On February 15, 1932, we sent the founding members a circular letter inviting them, as a matter of urgency for the survival of the Institute, to advertise it and obtain new partners among their friends. The result of this circular, however, was so small that it almost went unnoticed. (Idort's Annual Report of the Board of Directors, 1932, p. 3)

If the low adherence to the appeals of the directors is explained by the difficulties of the ordinary partner in raising new members or if this problem was caused by the indifference of the members to the concerns of the board, is something that the documents available are unable to clarify. However, in either case, recognizing the importance of the institute and its cause was difficult. The late association of some important industries in São Paulo also shows a certain indifference with which the big industrialists received the Idort proposal. Companies such as Companhia Antártica Paulista, Fábrica Votorantim S / A, Indústrias Reunidas Francisco Matarazzo and Pirelli S/A only associated

themselves with Idort in 1935 (Idort's Annual Report of the Board of Directors, 1935, p.1), shortly after the president of the institute became the intervenor of the State of São Paulo of Vargas's Government. This may indicate that the affiliation was more for political interest than for the doctrines of Management. We will return to this issue in the next section.

TURNAROUND OF THE INSTITUTE

Considering that one of the expectations of the founding partners was that Idort's priority was in the private sector, the frustrated initiatives to expand the membership and in executing the consulting services of the technical divisions in the early years were decisive in questioning this perspective. Thus, from 1935, the institute began to take a new course due to the financial problems that jeopardized its survival (Idort's Annual Reports of the Board of Directors, 1933, 1934, 1935), but mainly due to the opportunities that arose with the appointment of Idort's president as federal intervenor in the government of the State of São Paulo. This political appointment was instrumental in the turnaround of Idort.

Two main indicators demonstrate that this was a period of significant turnaround in Idort's trajectory. They are, i) overcoming the financial crisis; and ii) significant increase in the number of partners, events which occurred specifically after 1935.

Concerning membership growth, the 1936 Annual Report of the Board of Directors indicates that from 1935 to 1936, there was a significant increase in the number of partners (from 423 to 791). The Idort board considered the following causes for this:

The remarkable surge in progress made last year may be largely attributed to the work of the administrative reorganization of the State of São Paulo carried out by IDORT, which had great repercussion not only among the statesmen and officials who were able to appreciate the excellent results achieved, but also by the public in general that had knowledge of them through the press. (Annual Report of the IDORT Board, 1936, p.3)

According to Idort's own directors, the increase in the number of associates, plus the resources from a job performed by Idort's technical divisions, was sufficient for the institute's financial recovery. This consulting work performed by Idort corresponded to a broad process of reorganization of the

administrative framework of the state executive power, centered on the rationalization principles of Management, and was named the Administrative Reorganization of the State Government. Not coincidentally, it was hired in the management of the newly appointed Governor of the State of São Paulo, Armando de Salles de Oliveira, Idort's first president.

Support from the Governor of the State of São Paulo

With the appointment of Idort's president as federal intervenor in the State of São Paulo in August 1933 (the equivalent of the governor of the state in the provisional government of Vargas), a unique opportunity arose for the institute to overcome the bad phase of its first years. Thus, with Armando de Salles Oliveira in the highest position of the state executive showed Idortians that their struggle to disseminate the ideology of rational organization in São Paulo had gained a strong ally—the State—an actor which, in that troubled political and economic context, might be able to sensitize large industrialists better, and implement more effective actions among the masses, something that even Idort's sponsor newspaper was unable to achieve.

Thus, in the same decree that recognized Idort as a public utility institution, Armando de Salles Oliveira authorized RAGE to be held on January 25, 1934, only five months after taking office in São Paulo's government (Idort's Annual Report of the Board of Directors, 1934, p.2). The agreement for this administrative reorganization program determined the payment of 75 “contos” to Idort, corresponding to the execution of work estimated to be carried out in five or six months. This money was sufficient to end the financial crisis definitively, considering the financial statements of the institute, and would allow the expansion of Idort's activities.

The RAGE was initially undertaken by the First Division, which analyzed and proposed changes in the first step of the administration of São Paulo, covering the office of the auditor and the State Departments. Subsequently, the government of the State of São Paulo requested the services of the Second Division to analyze the execution of operational processes, such as paperwork procedures, archiving, and attendance to the internal and external public. Moreover, the Second Division was responsible for carrying out studies and proposing new procedures for the selection and training of public servants.

After a long period of analysis of the administrative and operational structure of the State administration, the RAGE program proposed a new structure for São Paulo's

government, centered on the division between administrative services and technical services. In addition to the creation of a department of control and flow of managerial information, the RAGE promoted the rationalization of state government portfolios, reducing the number of departments and standardizing the purely administrative functions of these departments, such as accounting, protocol, and control of personnel. As mentioned, RAGE also had the participation of Second Division's services, which corresponded to the study of times and movements of protocol services and of furniture and materials used in this function. Furthermore, the Second Division held the first rational personnel selection process for a public agency in the country through RAGE.

New support from other political patrons

After the RAGE was contracted in 1934, other Idort members made similar commitments as the federal intervenor and former president of that institute. The route chosen by these new “political patrons” was the same as the RAGE: by decree or decision of the person in charge of a specific public body and who had some formal relationship with the institute. Thus, Idort was contracted to carry out large services, which always represented the input of financial resources in times of crisis, whether for the maintenance of the activities of the technical divisions or of the journal itself.

In this sense, some examples should be highlighted. Regarding the contracting of the RAGE in the state of Goiás (the second largest administrative reorganization program conducted at that time, by the First Division), this occurs exactly after the intervenor of that state takes office, another politician who had been a founding partner of Idort. The contracting of Idort services also took place within the ministries and state departments. Three important examples were the appointment of Aldo Azevedo to the Public Service Department (created by the RAGE in the government of Armando de Salles)—one of the public bodies that demanded services from Idort's technical divisions, the appointment of Abelardo Vergueiro Cesar to the Department of Justice of São Paulo and of Clóvis Ribeiro to the Treasury Department of that state, all of them founding partners of Idort.

Another interesting case was the increase in revenues from *Revista Idort* subscriptions. Before 1936, the journal's revenue was never enough to cover its own expenses, and finance from other sources was necessary. However, in 1935, there was an almost 250% increase in the number of subscriptions, which ensured the journal's self-sufficiency. This was due to 250

subscriptions held by the Municipal Administration Department of the State of São Paulo, under the command of Secretary of State Domício Pacheco e Silva, Idort's First Category partner. According to the 1935 Idort's Annual Report of the Board of Directors, these subscriptions were used to supply each city in the state with a copy of the journal. Although held at a reduced price, in the following year—when Pacheco e Silva left the government—the subscriptions were not renewed by the Department of Municipalities. Each city was granted individual renewal of its respective subscription, but this appeal had slight effect.

Furthermore, the Ministry of Foreign Affairs had contributed with the purchase of 99 copies of *Revista Idort* to be distributed at Brazilian embassies and consulates in foreign countries. However, this favorable attitude to Idort was because J. C. de Macedo Soares, a founding partner of Idort, held the top position in this important ministry of Vargas's government. Along with the other cases, this event demonstrates that even considering themselves a vanguard group, Idort's directors were not embarrassed to adopt the patronage politics characteristic of archaic Brazil.

Finally, the political tone in contracting the services offered by Idort to public administration bodies can be attested by the interruption of these services after the “political patrons” left their positions. This orientation was clear in the aforementioned case of subscription interruption by the cities of the State of São Paulo, when the superintendent of the Department of Municipalities, Domicio Pacheco e Silva, left his position and the municipalities were not obliged to renew the subscriptions. However, the most significant example was the interruption of the RAGE with the departure of Armando de Salles from the government.

DISCUSSION: IDORT'S FAILURE AMONG ENTREPRENEURS AND ITS PIONEERING SPIRIT IN THE RATIONALIZATION OF THE PUBLIC SECTOR

The creation of Idort represents a movement very similar to the spread of Management in the United States and Europe at that time. Conceived as an institute of work psychotechnics for medical hygienists and professors of technical schools in São Paulo, Idort was only feasible as a project with the engagement of certain members of the emerging industrial management class. This class comprised mostly engineers working as directors and

technical leaders in the country's industries who, at the time, felt the weight of inefficiency in their organizations and wanted to share practical solutions to their managerial problems.

We see that the Idort project began as a vehicle for interlocution and gathering of practical ideas of the technical class in the industries of São Paulo, similar to the class associations and specialized newspapers of the United States, which at the turn of the 19th century, were the birthplace of Taylor's *Scientific Management* (Jenks, 1960).

However, its history is marked by aspects very different from similar institutes in the United States and Europe. In a way, this peculiar trajectory of the institute can be understood from the historical identity of Brazil itself, marked by privatization between the economic elites and public power, commonly noted in the literature on the history of national institutions (e.g., Codato [1997]; Faoro [2001]; Leopoldi [2000]; Skidmore [1998]; Vizeu [2011]). We present some possible explanations about Idort's history to recognize how its foundation and initial trajectory can help us understand the formation of Brazilian management thinking. Because it is a historiographic study with limited sources and many gaps—such as any historiographic study in the Brazilian organizational context (Vizeu, 2010)—we cannot consider the following points as conclusive evidence and definitive explanations about the history of Management in Brazil. Indeed, as noted by Burke (1992), the role of writing history is to constitute an interpretation of the past, a possible explanation, running away from the presumption of an absolute truth common to the hegemonic positivist thinking in the academic field of social sciences. Thus, we consider the role of Idort as a movement capable of explaining the history of Management in Brazil.

Despite Idort's initial expectation of wide acceptance of its program in the business environment (especially in industrial enterprises, as indicated by the documents), the difficulties in attracting new partners, conducting consulting projects of technical divisions of the institute and the financial problems in its early existence, indicated that their idealizers were wrong. The 500-partner target was reached only after a turnaround in the initial direction. The original concern for the broad participation of the private sector—as did most European and US equivalent associations—give way to greater emphasis on actions in the public sector, owing to the appointment of the institute's president to the highest position in the government of São Paulo.

One possible explanation for the disenchantment of Brazilian industrialists of the time with Idort is the social matrix of most of these entrepreneurs. As Pereira (1974) and Cardoso (1972) observed in their studies on the ethnic and social origins

of São Paulo entrepreneurship, and in Dean's (2001) study of the industrial references at the beginning of the last century, the relationship between entrepreneur and the professional manager in Brazil did not happen like in the United States and most industrialized countries of Europe. While in developed industrial countries, the logic of efficiency prevailed as a determinant of competitiveness, in Brazil, business growth was through relationships between industrialist and the political class, not by improvement in management practices. We have put forth this thesis already (Vizeu, 2011), noting that this orientation is the sedimentation of patrimonial mentality among the first Brazilian industrialists.

Another important point about the history of Management in Brazil from the initial Idort perspective concerns the beginning of administrative rationalization in the public sector. In the literature on the history of public administration in Brazil, DASP is commonly referred to as the first rationalization effort in state administration in the country (Wahrlich, 1983). However, in this study, we have seen that Idort's RAGE program was an earlier initiative and that, unlike usual literature, this program should be considered the first effort to restructure public administration, centering on the principles of Management. As this idea was overlooked in important studies on the history of the country's public administration, we can infer some possible reasons for this omission.

One possible explanation is that Idort and its achievements appear to have been intentionally excluded from the news and official documents of other organizations of that time. In the editorials of *Revista Idort*, we noted some regrets of the directors regarding the omission of Idort in the headlines, specifically on the initiatives in which this institute had direct participation, such as the creation of CFESP, DASP, and FGV. This posture of the press towards Idort could be explained by the sharp political differences in the troubled scenario of that time, highlighted by sharp polarization within the State of São Paulo (Codato, 1997). Furthermore, we must consider the tensions between the citizens of São Paulo and the federal government, which may have encouraged the disregarding of Idort's participation in the rationalization initiatives of Getúlio Vargas's government.

However, our study reveals strong evidence on the participation of Idort and its members in such management rationalization initiatives in Vargas's Government. For example, Idort documents (especially *Revista Idort* editorials in the issues published between 1937 and 1941, as well as the director's reports of the same period) reveal that the institute probably played an

important role in the creation of DASP and FGV, although Idort was not mentioned in the literature as a participant. Similarly, other institutes and parastatal organizations were associated with Idort, considering the participation of their directors and founders, such as the Brazilian Association of Technical Norms, the Railway Center for Teaching and Selection of Personnel, the Institute of Psychology, the Brazilian Association for the Prevention of Accidents, the Free School of Sociology and Politics, and the University of São Paulo itself.

CONCLUSIONS

We consider that studying the founding of Idort in the 1930s is important, as it reveals a decisive moment in the configuration of Management in Brazil and indicates a new understanding of Brazilian managerial identity, currently investigated by studies on current organizational and managerial culture.

How Idort dealt with difficulties in achieving its goal of disseminating Management doctrines—problems caused by the low adherence of businessmen and industrialists to the institute—also reveals a pattern of behavior of the Brazilian business class. In fact, what the directors of Idort did to solve their problems was a common practice between the nineteenth-century agrarian elite and the estate. That is, the pursuit of privileges obtained through good relations between the economy class and authorities in public power and the advantages from the patronage of strong men in the state, as was the case in colonial and monarchic Brazil (Faoro, 2001). Ironically, Idort only adopted this practice due to the difficulties it faced, suggesting an indifference to the importance of the management rationalization program by the business class. In a way, the practice of obtaining economic benefits through political influence reflects a characteristic of patrimonial relations, something already noted by Vizeu (2011). That was how an organization founded under the aegis of the vanguard, because it defended one of the most important values of modernity—rationality—was stuck in the same institutional order that it tried to renew.

Another important point to consider is the pioneering spirit of Idort. Founded in 1931, it was a vanguard project, being contemporary to the introduction of Management in industrialized countries of that time. Despite this, this effort is commonly overlooked in most literature that directly or indirectly addresses the history of Management in Brazil. During our study, we inquired about this gap and its reasons. Through this study, we intend to remind the country that Idort should be recognized as a pioneer organization in the promotion of Management in Brazil.

Thus, just as the pioneering role of ESAN in business administration education in Brazil is obscured by the great impact of FGV-SP and USP Administration schools on the institutionalization of Management teaching (Bertero, 2006), or even the role of the Administration courses of FACE/UFMG (Barros, 2014), the first efforts of Idort were also relegated to oblivion. Thus, despite this first attempt by Idort to introduce and establish Management practices in the country, it was only in the 1950s that that this institution was incorporated into Brazilian business reality, especially considering presence in the administrative frameworks of the companies of professionals trained by the great management schools (Bertero, 2006), but also due to the greater presence of foreign industries in the country, which, forced to operate directly in the production of industrialized goods owing to strict application of law on similar products, contributed to a widespread professional management mentality in Brazil (Pereira, 1974; Pinheiro, 1977).

Idort's history urges future studies on comparative history. As we focused on investigating events and data in Brazil, we do not know the extent of exclusivity or similarity with other countries having similar trajectories in introducing Management. It would be interesting to examine the constitution of Management in countries outside the mainstream. It may help understand the influence of the United States and the industrialized countries of Europe in the import and diffusion of managerial doctrine.

As the aspects revealed in our study about the role of Idort have gone almost unnoticed by the specialized literature shows that in a country as complex as Brazil—and with such poorly investigated business realities—the history of Brazilian Administration is not as obvious as it seems. Therefore, it is important to highlight recent studies that elucidate this complex reality, such as the historical studies by Amon and his collaborators on teaching administration in Brazil (Barros, 2014, 2017; Barros & Carrieri, 2013), or studies by Alcadipani and Bertero (2012, 2014) and Wanderley (2016). Our study aims to contribute to these efforts, revealing important nuances in the history of Management in Brazil. Understanding Brazilian management is the understanding of Brazil in its social, cultural, economic, and political totality, a task only possible through broad historical perspectives.

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