

The My world is flat¹:

What global crisis taught me about the role of Managers for Organization's performance

Prologue

“The secret is to not look for your research subject but rather let it find you.” – Said one of my graduation professors, in an overly passionate discourse to her eighteen years students – “One day you’ll listen to an information, see a movie, understand an idea, and realization will come to you. You’ll feel strike you. And, frozen in this moment, you’ll be sure you’ve found something that bothers you to the point you wish to better understand it and ultimately, change.”

It hurts me a bit to admit you I didn’t give much care to her speech. Only to soften my dismissive attitude over social science research or life in the academy in more general terms, majority of the class did not share her same enthusiasm over academic career.

Four years later I concluded my International Relations major and by that time I aimed to be a politics leader. I saw myself striving for high positions in the United Nations and maybe one day I’d be sharing Friday’s dinners with my fellow Brazilian star Roberto Azevedo – not ambitious at all as you can notice. I couldn’t conceive how spend my days in my room writing about something could get me closer to fix the countless problems I saw in the world. Now, looking back, I can’t help but to allow a loose laugh to take over me when recognizing how juvenile and naïve my desires were and how unprepared I was to take on the tasks I envisioned for myself as a young student.

Anyways, it’s ironic that now her advice it’s the opening statement of this essay, and also unexpected that I’m writing it. I guess we all reinvented ourselves during these couple years of social isolation.

The truth is: The crisis caught up to me. But not in the same way it did to all Brazilians on the nationwide perspective and this is exactly where this story begins.

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It was a Thursday morning when our Country Manager called me saying under a worried tone, I should take all my desk devices from the office and bring them home so we could work remotely in the next months. I got in the car few minutes after hanging up to find an empty street all along the way. In the radio death counts were complemented by updated news about government measures upon the worldwide health crisis taking place. However, I was not surprised when same two concierges from my daily routine gave me good morning while I entered the elevator in my constant and sometimes unjustified rush.

Fast forward 24 hours later, I woke up for my first home office day. All my familiar set up stood quietly inside my apartment just waiting for me to arrive with a cup of coffee and inner will to make a productive day out of it. Internet worked perfectly well and some part of me was enjoying this strange (and way too constant) privacy.

¹ Reference to Milton Friedman 2005 book “The World is Flat”. The author elaborates on the process of “world flattening” at the dawn of the twenty-first century, what it means to countries, companies, communities, and individuals; and how governments and societies can, and must, adapt.

As History now tells, this change presented itself increasingly as a new way of working and soon became subject of discussion with friends and family. Whenever we spoke about it, I felt the disturbing sensation I lived in a bubble out of my own environment.

My youngest brother was struggling with his new student routine. Although he attended to a private school in the neighborhood, they had almost zero technological expertise, and once the isolation measures were implemented, all staff rushed on a chaotic adaptation to digital platforms. With a weak (and I dare to say “none”) management leading the transition, each professor chose its own channel to transmit both the classes and supporting pedagogic material leading to many technical problems, overlapping schedules, an offensive amount of time waste, and much frustrated parents and students.

After few months, neighbors started parallel activities for complementing income such as selling cookies, muffins, and other items alike. A friend employed in one of the country largest state-owned enterprise, with market value of approximately 74 billion dollars, had both payment and working hours reduced². These stories started to add up in my thoughts and for many months I just pushed them aside not knowing what else to do about it. Since I’m writing about it here, its not hard to see where we’re going with it. But before jumping to conclusions, it’s important to follow the lead of my lessons about management on a professional realm.

The Danish way of handling crisis

Meanwhile, in my own bubble, everything was peaceful. The top management of my company was well prepared to a social isolation way of life even though I believe they (as everyone else) never really *expected* it. It wouldn’t be exacerbated to allege the resilience performed by the Holding in the market together with the internal tools employed inside the organization during the crisis could be congratulated by Peter Drucker himself. Considering they operate more than 66 offices worldwide, is still impressive only 1,500 employees were responsible for a 156 million dollars EBT on pre covid-19 year. Not surprisingly it was crystal clear for C-suits executives that the exhaustive and way to common slogan “People are our most valuable asset” was not just for the sake of appearances and that any other approach different than making everything about them could soon lead to financial disaster. They didn’t need to worry so much about key customers and competitor’s onrush, for the culture long established within the organization assured this was the *employees* highest priority. Once the employees were productive and happy, customers satisfaction would follow the lead.

Let alone all hardware available for a proper home-office set up, the continuous incorporation of technology in the company supported the right amount of control from the HQ over its people. I’ve started to attend online training academy once a week with a rather small group of peers from London, Seattle, Dubai among many other locations. We could share an hour to discuss from client behavior throughout the challenging times to our local government approaches and individual experiences during isolation. CEO from our division would host a ‘Tuesday Talk’ where all top management measures were communicated and open to be contested. We started receiving small market reports as an attempt to replace information we would maybe hear from colleagues’ discussions in a nearby desk if we were to meet every day.

At all, it’s worth mentioning the tools and procedures implemented in my work life as response to the global health and economic scenario that took place last couple years could not (and *should not*) be fully described

² Available at <https://oglobo.globo.com/economia/com-queda-no-preco-do-petroleo-petrobras-corta-producao-jornada-salario-de-21-mil-funcionarios-24343658>.

here. As ambitious I still am to this day, my intentions here are far humbler than providing any of this essay's readers a 3000 words "how-to" book about effectively managing crisis. Drucker himself dedicated a lifetime on management and, in a over 200 pages book, advised us to look at it as a discipline and practice where one must integrate elements into a working framework, for the whole is greater than the sum of its parts.³

So, in a nutshell, key elements to carry on such a challenging task did include constant technology acquisition, knowledge fostering inside which office and team, no attachment to specific portfolio products or services, constant go-to market strategy, and customer-driven mind-set. Moreover, if I were to make a protagonist of these features, I'd stand for the culture cultivated inside the Holding as the bedrock for a steady performance during the crisis. Ultimately, this family owned, danish company, made me feel like a distant but much-appreciated relative. I hope is not too cheesy to allege some days I could almost believe my room was not in Rio de Janeiro but Middlefart and that feeling included definitely helped me find that last drop of inner will to manage desperate customers the day Bloomberg showed negative rates for future crude oil contracts.

However, one didn't need to be political or social engaged to notice this was not a common reality in my neighborhood, city, state, or even nation. Outside my bubble the most outrageous cases of mismanagement were piling up as usual, but their impact outlined over crisis made me feel them as loud and clear as never before. The dichotomy between the realities I experienced left me with many answers about effective leadership and, notwithstanding, an everlasting doubt about my nation capacity to choose them.

Popping the bubble

As Drucker wisely argued in 1973, there is a clear limit on what the business social responsibility can and *should* interfere: its employees, environment, customers, and whomever and whatever it touches⁴. Some things my organization could not change. Work in social isolation was not easy but considering all above we can agree it went great given the events taking place. However, I did spend **much** time alone. While watching the rollout of crisis in my solitude, I caught myself increasingly disturbed when reflecting on how out of the curve was my experience compared to my national's counterparts.

As it is widely known, Brazil always struggled to become a developed country, but it seemed repeatedly incapable of healing structural problems such as corruption in public spheres and, more relevant for the current crisis, it's educational system and technological development.

As a young student from a middle-class family, I didn't rely on public schools and kept enrolled in private schools throughout all my education supported by both scholarships and my parents' financial aid. Since an early age, I worried about achieve financial security, so when a career in a multinational firm became a possibility, I've left aside my 'changing the world' priorities and jumped into the opportunity without

³ In "Management", first published in 1973, Drucker refers to its readers as "students of management and the liberal arts". Regarding the so-called Management discipline and practice the author argues: "It is polycentric – it has many centers and interrelated elements. It is, therefore, very difficult to master this subject by mastering individual chapters in a linear way. One must integrate the elements into a working framework, for the whole is greater than the sum of its parts." Drucker F. Peter. Management: Introduction to the Revised Edition. Revised Edition. HarperCollins e-books. Kindle Edition.

⁴ Drucker, P. Society of Organizations.

looking back. As one can clearly notice, I did harvest my pursued stability when most needed although some other personal realizations and ‘dreams’ were left in this path.

Anyways, this is not the typical story of young men and woman in Brazil. Nowadays, only 32.4% of 18 to 24 years old adults attend to graduation programs⁵ and still, there is significant geographical concentration on education access.⁶

When it comes to technology, percentage of households counting with a microcomputer or tablet available stood around 44.8% with significant lower rates in rural areas (13.1%). For these people, the benefits of globalization are still an urban tale. Meanwhile, globalization process is intensified in specific geographies and social groups widening even more the road ahead of those not included in the earlier stages.

The health crisis that led to a poor coordinated and much slopy social isolation showed me clearly how I could not simply agree or not with Friedman statement over the 21st century society. The world is flat, indeed, but for me and others alike. While I connected my peers in the United States, England and Middle East, majority of population geographically near me where still trapped within the possibilities of studying and developing skills available in their local territories. And this is, or course, a society or community’s issue rather than a business’s.⁷

Moreover, I’m aware government it different from the enterprise in its most intrinsic concepts. The former it’s responsible for managing the public life and, when in a democracy, serving people’s will. The latter should at minimum achieve economic performance, executing with excellence one task, and above that, secure a well delimited scope of social responsibility.⁸ I understand that, in many ways, one should analyze them separately but I’m willing to take the risk here and make an *ad hoc* bridge.

If the knowledge society is a society of organizations, where the purpose and function of every organization, business and non-business alike, is the integration of specialized knowledges into a common task⁹, I can’t help but try to make sense of *management* in public organizations. No doubt the public organization faces different challenges. But would dare to argue they **must** perform in an organized manner as urgently as an enterprise, and therefore society should bear accountability in choosing its leadership.

⁵ Available at <https://biblioteca.ibge.gov.br/visualizacao/livros/liv101760.pdf>, p. 86.

⁶ The graphic from IBGE (Brazilian Institute of Geography and Statistics) shows that while in South and Southeast states the rates of 18 to 24 olds enrolled in graduation programs is between 29.7% to 42.2%, in North states such as Pará they can reach only 15.9% to 20.6%. Available at <https://biblioteca.ibge.gov.br/visualizacao/livros/liv101760.pdf>, p. 90.

⁷ Just as I quickly explanation regarding Globalization I mean when I say I’m huge enthusiast. Truly, never felt much attached to a nation identity and always saw myself relating to what many labeled “world citizen”. But, still at college, fascinated with Baldwin’s work on the “New Globalization”, I do recall some worried thoughts about the problems it would come with it and, more particularly, how Brazilians would face it when inevitable.

⁸ Drucker, Peter F. The new society of Organizations. In: Harvard Business Review. The Peter F. Drucker Reader (p. 127). Harvard Business Review Press. Kindle Edition.

⁹ Drucker, Peter F.; In: The new society of Organizations. Harvard Business Review; The Peter F. Drucker Reader (p. 120). Harvard Business Review Press. Kindle Edition.

‘Hiring’ the wrong people

The state office announced a 1 billion reais (200mio USD) investment for addressing the economic and social impact of the pandemic. Out of that amount, approximately 83% was allocated for a social organization named ‘Labas’ that should be the entity responsible for lifting seven campaign hospitals.¹⁰

It was mid-May when I turned on the news to see this same organization was being investigated by Federal Police. They suspected of a huge scheme of contracts overvaluation and that both public agents and social organization were benefitting from it. And do speaking on behalf of my community when I say we were not surprise when, in August, the Governor himself was appointed as the scheme’s chief, which led to his retreat from the office. Therefore, out of seven hospitals only one was delivered to the population within the stipulated deadline. Same happened in many different scenarios, just changing the public agent and the scope of contract. The schemes ranged from hospital construction to oxygen machines and gloves with no restriction over geography. Federal court issued more than a thousand orders for search and seize and over a hundred arrests.

Regarding federal government, I did feel compelled to make a list of all current President’s mistakes. That alone could easily make a point about how to **not** manage crisis. As The Economist stated in this week’s edition:

Hospitals are full, favelas echo with gunfire and a record 14.7% of workers are unemployed. Incredibly, Brazil’s economy is smaller now than it was in 2011.¹¹

Both numbers and the patterns show a much more relevant conclusion: We suffer a chronic lack of effective leadership rather than lack of resources as it is commonly understood.

Ultimately, when it comes to management, the public organization is the empirical proof that, such as being profitable by exceeding in a specific task is the business fundamentals, the manager most basic requirement is **integrity**.¹²

Within the last four years, five Rio de Janeiro’s Governors or ex-Governors were arrested for crimes related to corruption¹³. Could our leadership patterns say something about Brazilian culture? The early consolidation of Bolsonaro and the left-wing former president Lula as the strongest candidates in next year presidential election¹⁴ enhance my thesis about a cultural fit for a ‘people’s hero’ which heavily relies on charisma and popularity in detriment of ideas and integrity track record.

¹⁰ Available at <<https://www.cnnbrasil.com.br/nacional/2020/12/17/quase-r-2-bilhoes-relembre-operacoes-da-pf-contra-desvios-na-pandemia>>.

¹¹ The Economic. Brazil’s dire decade. Jair Bolsonaro is not the only reason his country is in a ditch. Available at <<https://www.economist.com/leaders/2021/06/05/jair-bolsonaro-is-not-the-only-reason-his-country-is-in-a-ditch>>.

¹² Drucker F. Peter. Management (p. 17). Revised Edition. HarperCollins e-books. Kindle Edition.

¹³ Available at <<https://g1.globo.com/rj/rio-de-janeiro/noticia/2020/05/26/witzel-e-o-6governador-do-rj-investigado-em-menos-de-4-anos-5-foram-presos.ghtml>>.

¹⁴ Available at <https://valorinveste.globo.com/mercados/brasil-e-politica/noticia/2021/05/12/lula-dispara-a-frente-de-bolsonaro-em-pesquisa-para-2022-do-datafolha.ghtml>.

Conclusions

If I'm right in addressing the people responsibility over its leadership, I'll take this place to share the moment I felt the 'burden' of my personal accountability. It's more accurate to describe it as a process. Still there was a moment that now, looking back, I can relate to the "striking realization" event described my social science professor. Few months ago, I went to a commercial building in my neighborhood, for a doctor appointment. It was rather old and only one out of two elevators were working. I was looking at Outlook when the doors opened for a small and poorly lit elevator. Inside there was an African-descendent, 40 years old, skinny man sitting on a bench and holding a book. He promptly said to me with a gentle smile to come in and advise him which floor I was going to. Clearly his function was to spend the day sitting on a small bench inside the elevator pressing the floor buttons. Firstly, I asked myself why someone still paid for this type of service. Why would I need someone to press the button for me? However, I soon started to peek on the book content but when not getting to clear conclusions I asked: "Are you reading?"

Happy about my initiative of making small talk he answered with details "Yes, ma'am. Actually, is not just reading, I'm studying English". Now that he was facing the pages in my direction, I could see the book was similar to the ones I had in school for practicing English grammar. He went on "I'm studying so I can apply for other vacancies. English is the world's language and it's really important I can educate myself about it"

I gave him a smile and agreed in an attempt of supporting his discipline, but once I said goodbye and followed my way to the clinic, I felt a bit of grief for my people. I wondered how they would acquire skills and capacitate for the future labor market? Is it reasonable there is no clear instruction or open debate about this not-so-distant reality? Who is taking care of them? Who is engaging in this major transition of social functions? No doubt when crisis hit those not included in knowledge-based activities will be in the front line of economic disruption and there is no corporate social responsibility to address that.

Integrating a successful crisis management in a global organization made me look for other applicability's to the same strategies where the problem of performance was clearly persistent. Of course, the implementation of strategies in the political world face different constraints than the one's present within the business environment.

Notwithstanding I still find some true on the validity of the managers profile for societies leadership roles and will seek my way of fostering this change, even though I don't have all the answers now. In normal times, we've learnt to let some indignations go numb. But now looking back, realization hits me when finishing this personal essay about all I've seen and did not shared in such detailed and personal way over the last two years. Just to complete the irony of my return to my professor's advice there is, indeed, some catharsis in giving direction and purpose to what is, in the end, a huge amount of frequent and tiny observations not said about the reality around us. And since *my* world is flat, I must show up and joining you. Because I noticed it all too. And maybe together we'll think our way through.