The *Jeitinho* Paradox
How Brazil's Cultural DNA Draws the Line
Between Corruption and Innovation

"Culture is not something you can dictate. It is
what your people do when no one is watching"
Peter F. Drucker

Prologue
The Shortcut

The meeting was supposed to last twenty minutes.

The business team needed a vendor. The project was behind schedule, the deadline was real, and the supplier had already been identified. Not through a procurement process, but through a personal referral. When I asked for the documents we would need to run an integrity due diligence, the answer came like a slow exhale across the table: "He's trustworthy. He was referred to by someone we know. If we wait for the whole process, we'll lose time."

Nobody in that room intended harm. The person speaking was competent, well-meaning, and genuinely trying to solve a business problem. What they were doing, using personal relationships to accelerate a formal process, betting on trust instead of verification and planning to regularize the paperwork afterward, had a name in Brazil. It is called *jeitinho*. And it is so deeply wired into the culture that most people who practice it do not notice they are doing it at all.

We ran the full due diligence anyway. What surfaced were undisclosed corporate ties and a potential conflict of interest with a public official, nothing necessarily disqualifying, but significant enough to require careful management. The shortcut would have been a real exposure. A legal liability. And, had it gone wrong, another data point in the long story of Brazilian organizations failing not from malice but from the quiet assumption that relationships can substitute for systems.

I have thought about that meeting many times since. Not because it was exceptional. It wasn't. Because it was ordinary. Because it happens in hundreds of Brazilian organizations every day, in different rooms, under different pressures, with different outcomes. And because sitting across that table, watching a cultural reflex move instinctively toward the shortcut, I understood something that years of compliance training had not fully clarified:

The problem was never the jeitinho. The problem was that nobody had built a channel for it to flow through.

I
A Sequence, not a sentence

In molecular biology, DNA is morally neutral. The same genetic sequence that encodes resistance to disease can, in a different cellular environment, encode susceptibility to it. The sequence itself does not determine the outcome. The environment does.
The *jeitinho brasileiro* operates by precisely the same logic: and this is the insight that most analyses of it, from the romantic to the critical, consistently miss.

THe word is untranslatable in any clean sense. Literally: "the little way." Functionally: the art of solving problems through personal relationships, informal networks, creative improvisation, and a deliberate flexibility toward rules that seem misaligned with the situation at hand. Sociologist Roberto DaMatta described it as the navigation between the impersonal rigidity of norms and the warmth of human connection, a cultural capacity that Brazilians develop almost involuntarily, as a rational response to systems that were never designed with ordinary people in mind.

Its roots are colonial. Brazil's formation produced three structural inheritances that Justice Luís Roberto Barroso catalogued in a widely discussed 2017 essay: patrimonialism, the historical blurring of public duty and private benefit, a culture of inequality in which rules applied differently depending on who you were, and an institutionalized dependence on personal relationships to navigate a state that rewarded those with access and punished those without. In this environment, the citizen who learned to work through networks, to find the informal path, to ask "who do you know?" before "what does the policy say?" was not being corrupt. They were being adaptive.

A 2012 study by Ferreira and colleagues, published in Personality and Social Psychology Bulletin, mapped this precisely. The *jeitinho,* they found, exists on a spectrum: from legitimate creative problem-solving on one end to clear ethical transgression on the other, and where a given behavior lands on that spectrum is not primarily a function of the individual's character. It is a function of the organizational context in which the behavior occurs.

This is the DNA metaphor made concrete: the same cultural sequence, the impulse to find the informal solution, to use relationship capital, to refuse structural constraints as permanent, produces radically different outcomes depending on the environment it encounters. In an organization with clear values, genuine accountability, and leaders who name and shape the culture deliberately, it produces innovation. In an organization where controls are theater and relationships substitute for systems, it produces corruption.

The *jeitinho* is not the problem. The environment is.

> "Culture eats strategy for breakfast. But culture itself is shaped by the systems leaders build - or fail to build."
>
> Peter F. Drucker, Management Challenges for the 21st Century

The Same Sequence, Two Environments

Six months after the vendor meeting, my team was confronting a different kind of failure.

Our mandatory compliance training had strong completion metrics and close to zero impact. People clicked through modules, confirmed their attendance, and walked away having changed nothing about how they would handle a conflict of interest, a suspicious payment request, or a vendor offering a gift before a contract renewal. We knew this because, in the months following each training cycle, the same borderline situations kept arising. Not out of defiance, but out of genuine uncertainty. The training had transmitted information. It had not built judgment.

In a team meeting, someone suggested something that immediately felt wrong: transforming part of the training into a game. Not a polished, production-quality serious game, something rougher and more honest. A set of dilemmas drawn directly from situations the organization had actually faced, presented without right answers, with teams required to decide and defend their reasoning out loud.

The instinctive resistance in the room was telling. Compliance work carries a gravity, a weight of regulation and legal liability, that makes informality feels dangerous. The suggestion sounded too casual for the stakes involved. It sounded, in a word that is deeply revealing in this context, like *jeitinho*.

We ran it anyway.

What happened in that room is difficult to describe in the language of metrics, because its value was not in what people answered but in what they said after answering. A scenario about supplier gifts produced a conversation about a real situation two people in the room had navigated differently and never discussed. A conflict of interest dilemma surfaced an ambiguity that existed in the written policy but never been acknowledged. People began not just to recite rules but to reason about why the rules existed. Which is the only form of compliance that survives the moment when no policy covers the exact situation at hand.

I want to be precise about what made the difference between that training session and the vendor meeting described in the prologue, because on the surface they look like opposite - one a failure of culture, the other a success - but they are, structurally, the same story.

In both cases, someone used the *jeitinho:* the impulse to find an informal, creative path around a formal system that produces inadequate results. In the vendor meeting, the informal path bypassed a control. In the training session, the informal path improved one. The DNA was identical. The channel was different.

Drucker understood this distinction better than most compliance frameworks do. In The Effective Executive, he argued that effective leaders build on strengths, of individuals, of teams, of the cultural contexts in which they operate. The relevant managerial question is never “how do we eliminate this behavior?” It is “how do we create the conditions in which this behavior produces value rather than risk?” The difference between those two questions is the difference between a compliance program and a culture.

III

Three Expression of One Sequence

The two meetings I have described are personal illustrations of a pattern that plays out at civilizational scale in Brazilian organizational history. Consider three cases that together constitute the clearest possible argument for the DNA thesis.

The first is Operação Lava Jato - the largest corruption investigation in Brazilian history, initiated in March 2014. The scheme it uncovered was, structurally, a *jeitinho* institutionalized at industrial scale: thirteen major construction companies formed a cartel to divide Petrobras contracts without genuine competition; bribes of one to five percent of contract value flowed to state executives and politicians across party lines; the entire system operated through personal relationships, informal agreements, and a shared cultural assumption that the process existed to be navigated, not followed. According to DIEESE research, the consequences included 4.4 million jobs destroyed, a 3.6 percent reduction in GDP, and losses to Petrobras alone estimated at R$88 billion. The company subsequently paid US$853 million in settlements with U.S. authorities and US$2.6 billion in a shareholder class action. Odebrecht, once Brazil’s largest private construction group, came to the edge of collapse.

What is instructive about Lava Jato is not the corruption itself - it is the environment that made the corruption possible. These were not organizations without rules. Brazil had extensive anti-corruption legislation. What the organizations lacked was a culture strong enough to give the *jeitinho* a different direction. In the absence of that culture, the current followed the path of least resistance: personal enrichment, institutional capture, the privatization of public resources. The same creative adaptability, the same relationship intelligence, the same refusal to accept the formal process as immovable, expressed in an environment without values - became systematic crime.

The second case is Nubank. Founded in 2013 by David Vélez, Cristina Junqueira, and Edward Wible, the company was built on a structurally identical impulse: the refusal to accept an inherited system as legitimate. When Vélez arrived from Colombia, the Brazilian banking system required months to open an account, charged some of the world's highest fees, and treated customers as subjects rather than clients. His response, to build a bank without branches, without annual fees, managed entirely through a mobile application, was the *jeitinho* as innovation: using the same adaptive creativity and institutional non-compliance that produced Lava Jato, expressed through a culture with clear values, genuine customer accountability, and a founding team that named and enforced what the company stood for. By 2024, Nubank had reached 44% of Brazil's adult population, with 58% of those customers using it as their primary account. The DNA was the same. The environment produced a different expression.

The third case is older and, in some ways, more remarkable. When Embrapa researchers in the 1970s set out to transform the Cerrado into productive agricultural land, the international scientific consensus was unambiguous: the biome's acid soils and harsh climate were incompatible with large-scale farming. The researchers did not accept this verdict, not out of ignorance, but out of the characteristically Brazilian conviction that structural constraints are problems to be solved, not facts to be accepted. They developed soil correction techniques using agricultural gypsum previously discarded as industrial waste, and adapted soybean cultivation to a tropical climate that every established framework said was wrong for it. The Cerrado today produces more than 50% of Brazil's grain harvest, 86% of its cotton and 83% of its sorghum. A recent study by researchers from MIT, Notre Dame, Princeton and the Inter-American Development Bank concluded that the public R&D investment represented by Embrapa produced a 110% increase in national agricultural productivity, making it a global model for innovation in developing economies. The sequence that produced the Cerrado miracle is the same and what the Lava Jato companies lacked was an institutional culture that channeled the creative defiance outward, toward problems, rather than inward, toward personal benefit.

IV
The Environment is the Message

There is a conclusion that follows from the three cases above which has significant implications for how we think about organizational culture, leadership and specifically, anti-corruption work.

Most compliance programs are designed to eliminate the *jeitinho*. They build controls to catch it, policies to prohibit it, training programs to warn against it. And they fail, at scale, because they are working against a cultural current that five centuries of institutional formation have made nearly irresistible. You cannot regulate your way out of a cultural sequence. What you can do, what Drucker spent his career arguing for, is shape the environment in which the sequence expresses itself.

Drucker's definition of organizational culture as "the shared values and practices that determine how work actually gets done" contains a word that organizations consistently underweight: actually. Not how work is supposed to get done. Not how it is described in the code of conduct or the values statement or the compliance training module. How it actually gets done: in the vendor meetings, in the quick alignment calls, in the informal decisions that happen before the formal process begins. In Brazil, the *jeitinho* is how work actually gets done. Any cultural strategy that ignores this is building on fiction.

The organizations that rebuilt most effectively after Lava Jato did not do so by producing more rules. Petrobras built a compliance directorate of approximately 300 professionals. Odebrecht increased its compliance budget from R$15 million to R$65 million in two years. These investments were not primarily about detection, they were about building a culture that gave the *jeitinho* a different channel. The goal was not to produce employees who feared consequences. It was to produce employees who had internalized a different answer to the question the *jeitinho* always asks: "Is there a better way to do this?"

That question, asked in the right environment, produces Nubank. Asked in the wrong one, it produces a cartel. The question is the same. The answer depends on what the organization has built around it.

> "The task of leadership is not to put greatness into people, but to elicit the greatness that is already there"
>
> - Peter F. Drucker, The Practice of Management

I think of this a lot, particularly in cross-cultural teams, where the *jeitinho* creates friction that can be managed badly or well. Colleagues from Northern European or North American professional cultures often experience Brazilian flexibility toward formal process as unreliability. The Brazilian team member who finds an informal solution to a problem the process hadn't anticipated is, in their own frame, being resourceful and relational. To someone who has internalized procedural consistency as a professional virtue, the same behavior looks like deviation.

The leader's task in this friction is not to adjudicate who is right. It is to name what is happening, and to create the conditions in which the creative energy of the *jeitinho* flows toward the team's shared goals rather than around them. This requires, in Drucker's terms, building on the strength and the weakness are the same sequence, and that what differentiates their expression is the environment the leader builds.

Epilogue
The Question That Remains

In the meeting I described at the beginning of this essay, the due diligence revealed enough to warrant caution. The project was delayed. The supplier was eventually cleared with additional conditions. Nobody was happy about it. But the delay also changed something harder to measure: it created a precedent. The next time a similar pressure arose - a tight deadline, a trusted referral, a plea for pragmatism - the team had a different conversation. Not because the rules had changed, but because the culture had shifted, slightly, toward a different answer to the question the *jeitinho* always asks.

This is how organizational culture actually changes: not through policy announcements or training programs or compliance campaigns., but through the accumulation of small moments in which the environment makes one answer more natural than another. Drucker knew this. He also knew that the environment does not build itself. That is the product of deliberate choices made, or not made, by leaders who understand that their real work is not strategy or execution or innovation in any narrow sense. Their real work is culture.

The *jeitinho* will not disappear from Brazilian organizations. It should not. The same cultural sequence that produced Lava Jato also produced Embrapa, Nubank and, I believe, the compliance training session where people finally started talking honestly about the decisions they were actually making. The sequence is not the problem. It is an asset, one of Brazil's most distinctive and powerful, precisely because it contains both the worst and the best of what organizations can do.

The question for leaders, in Brazil and anywhere that culture is being shaped rather than simply inherited, is not how to eliminate the *jeitinho*. It is the question Drucker placed at the center of every serious management challenge:

What kind of environment are you building? And what answer will it teach your people to give, in the moment when the process is slow, the deadline is real, and no one is watching?

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