

# ORGANIZATIONAL ELITES AND THE DISCOURSE OF FLEXIBILITY: WILL BE THE CONSULTANTS IN THE FUTURE MANAGERS?

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## Abstract

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The purpose of this article is to investigate how the discourse of flexibility could be used instrumentally by organizational elites in their disputes for power within the firms and how this phenomenon can affect some aspects of organizational behavior. The careers of business consultants who worked in a consulting firm operating in Brazil have been searched. Resumes of 239 individuals were analysed and the empirical evidence found allowed to advance in the understanding of the issue under study. The data obtained were analysed from the perspective of institutional logic and power structures established by organizational elites. The results showed that the passage by a renowned consulting firm represents a very effective shortcut to executive positions in organizations of various sectors of activity, especially when associated with a MBA for some prominent international business school, highlighting the use and alignment of the discourse of the interests of the elites to legitimize their organizational claims to rise to positions of power in organizations without having to go through the time-consuming path required for the assimilation of specific knowledge of each type of activity or business.

**Keywords:** Elites, Consulting, Managers, Economic Sociology

## 1. INTRODUCTION

The second half of the 20th century was a period marked by important transformations in the global economy. After the Second World War was at its height the mass production model, in which the big US corporations focused on economies of scale dominated global markets. Bureaucratic organizations were vertical, functional governed by large contingents of managers through multiple hierarchical layers (make it worse & Sabel, 1984; Womack, Jones & Ross, 1990; Smith, 1997).

From the late 1970 one conjunction of factors would change this picture. On the one hand, developing countries, in particular Japan, began to pose a threat to the hegemony of American industry. In parallel, the financial market was going through major transformations. Changes in legislation of the United States allowed insurance companies and pension funds could invest in stocks. These institutional investors had sufficient resources to take on, so traded or hostile, the control of large corporations. From then on they began to enforce a corporate governance model geared to their interests, that is, the generation of shareholder value (shareholder value). As a result, the senior management of these companies went on to manage them according to the interests of big investors.

Long-term strategies gave way so the movements aiming at more immediate results. The measured performance against quarterly targets and the announcement of administrative changes have acquired importance, are influenced more quickly the value of the shares. This phenomenon some authors termed "financialisation", a situation in which the executives of large companies inclined toward the financial market, prioritizing the creation of situations and results that would fuel the expectations of investors and giving relatively less attention to operational efficiency of their own organizations (Fligstein, 1990; Froud et al., 2006; Saltorato et al., 2014).

In this scenario the employment relationships were becoming increasingly uncertain, since the restructuring and the reformulation of processes began to occur more frequently. With the reduction in the number of employees, those who remained had to accumulate and, therefore, acquire additional skills. Moreover, with the reduction of hierarchical levels, it was hoped that they had more initiative, autonomy and take greater responsibility. With the old functional structures dismantled, workers now working in projects and processes. So, they were released in a dynamic environment and unstable and have been given to readjusting continuously as the projects followed and the processes were

refurbished. This new context of work organisation became known as "relaxation" (Smith, 1997).

According to the discourse of flexibility, rigid work environments typical of the Fordist era, characterized by standardization, hierarchy and restriction on the participation of workers, would give rise to new organizational arrangements in which people would have more autonomy to solve problems, learn from your mistakes and use their practical knowledge to transform and continuously improving the ways to produce goods and services (Kanter, 1989). Critics of flexible systems, however, saw them as little more than a form of work, arguing that the flexibility does not represent a real break with the traditional structures of domination; on the contrary, she would incorporate and deepen through their concealment behind a participatory language (Karlsson, 2007).

Some authors have realized an important rhetorical dimension in organizational transformations related to flexibility (Froud et al., 2006; Hirsch & Of Soucey, 2006; Norreklit, 2003). The relaxation triggers changes that provide opportunities for professional rise to individuals with specific capital, constituting the so-called organizational elites. When we use the term 'elite' we refer to the meaning assigned to it by Scott (2008), that is, groups that hold some degree of influence and, therefore, power. Consequently, organizational elites are groups of individuals who by virtue of capital that have (cultural, social, political, economic, etc.) occupy within the organizations positions that enable them to enforce their views and interests. To take ownership of the discourse of flexibility to favor specific interests, organizational elites divert administrative practices associated with the flexibility of its primary objectives. These practices can then become mere institutionalizations, in the sense given by Meyer and Rowan (1991), ceremonial unbound procedures of actual work activities. Thus, through the study of the instrumental use of flexibility by organizational elites, become more able to differentiate the rhetorical character/performance practices of those effectively aimed at improving organizational processes.

However, studies that emphasize the role of elites in the transformations for which companies have passing are infrequent. In general the organizational behavior has been parsed mainly from economic and technological factors. According to this perspective, companies become driven by market forces, in an attempt to adapt to the demands of consumers in order to survive and thrive (Porter, 1985; Prahalad & Hamel, 1990). This view neglects the influence of interests which manifest themselves within the companies through the performance of organizational elites. Even more comprehensive approaches, such as the institutional logics (Friedland & Alford, 1991; Biggart 1992; Thornton, Occasion & Lounsbury, 2012), generally give little attention to action of the elites. That gap was noted by Savage and Williams (2008), which highlight the need for studies on the elites for a better understanding of the social transformations of the current times.

Among the various groups that could be considered as components of the organizational elite (executives, financial market agents, managers,

high-ranking professionals, etc.), the business consultants constitute a particularly important paper segment. What characterizes as members of an elite is its ability to influence strategic decisions and its privileged access to the upper echelons of organizations (Donadone, 2010 a, b). In addition to being among the main broadcasters of new organizational practices associated with the flexibility, they themselves are examples of behavior that advocate, once working for projects and do not establish lasting links with companies in that Act. So, one way to investigate the extent to which flexibility could be rhetorically employed by organizational elites would be through the study of the performance of the business consultants. Here we do not mean to consultants in General, but to those that belong to consulting firms of international reputation, that influence on the business strategies and administrative practices adopted by large organizations around the world (Donadone and Novaes.2015). Examples of this category are consulting firms McKinsey, Booz Allen Hamilton, Bain & Company, Boston Consulting Group, etc.

The question then is: would it be possible to identify the professional career of members of the organizational elites evidence or evidence of the use of the discourse of flexibility as a tool to compete for positions of power within the firms? Although it is very difficult to answer that question categorically, it is possible to advance in the understanding of this phenomenon through a reflection based on theoretical and empirical evidence.

To seek possible answers we investigate the career of business consultants who worked in renowned multinational consulting firm in operation in Brazil. Information such as the number of those who left the branch of consulting, the time that remained as consultants, in which industries began to act and that positions began to exercise, inter alia, help to shed light on the matter under study.

This research does not seek to establish relations of cause-and-effect. His character is exploratory, turning strictly to discussion of assumptions consistent with the correlations observed in order to further reflection on the topic.

As the elites are defined by the exercise of power and how the way in which that power is exercised shapes the relationships among the actors in the organizational environment, understanding the problem under study requires the analysis of power relations within organizations. From this analysis, it is possible to understand the relationship between the power structures established by organizational elites and the institutional logic prevalent in organizations. These institutional logics, in turn, will correspond to specific forms of flexibility.

### 1.1. The article structure

In this part of article, we seek to present a contextualization of the theme, its relevance, the question we want to address and the objectives of the research. In the second one, we treat the question of organizational elites and how they influence the behavior of companies through the way you wield and vie for power. In the third part we

introduced the concept of flexibility, its origins, its multiple meanings, its forms and its consequences. In the fourth one discussed how the 'financialisation' led to the emergence of a new elite of entrepreneurs interns in companies and how these, in the roles of managers and consultants turned deeply organizations using the discourse of flexibility. In the fifth part, we describe research on the career of business consultants, detailing the method used. In the sixth one, we present and discuss the results of research addressing the question of the use of the discourse of flexibility by elites. Finally, the conclusions, final thoughts and suggestions for future research are presented in the seventh part.

## 2. ORGANIZATIONAL ELITES AND POWER RELATIONS

Savage and Williams (2008) reflect the importance of the study of elites to a better understanding of the dynamics of social change in modern times. After all, they argue, the last two decades of the twentieth century witnessed the most rapid and dramatic transfer of resources in favour of the very rich have occurred in modern history. In the United States and Britain the richest 5% doubled its share in total income from the beginning of the Decade of 1980. For reasons still not fully understood the CEOs (Chief Executive Officers) in these countries have achieved real increases of wages of 20% per year over 20 years, and the number of financial intermediaries has increased enormously. In spite of this, these authors call attention to the small number of studies addressing the issue of elites, which they attributed to two main causes. The first is the consolidation of quantitative research by sampling (sample survey) as a tool for the analysis of social inequality. Statistically insignificant due to the number of individuals, the elites become invisible in this type of research. The second cause is the diffusion of the social structuralist theories and post structuralism from the years of 1960. Such perspectives minimize the relevance of premeditated action of individuals or isolated groups in the definition of the processes of social transformation. Even recognizing the distributed nature and intricate relations of power (Foucault, 1975) and the fluid and dynamic character of the performance of financialised capitalism, is of fundamental importance to understand how certain individuals and groups thrive so prominently and that way they can organize society according to their own interests.

Once established the importance of the study of elites, the fundamental question: what are elites? Scott (2008) argues that the use of the term in imprecisely and indiscriminately is one of the reasons why scholars have avoided addressing the topic in recent decades. Its widespread use and often with populist intentions caused the term becomes devoid of meaning. For Scott, the minimum requirement for a more precise definition is that the word "elite" must only be used for groups that hold some degree of power. Thus, in its strict sense, elites can be defined as groups of people who occupy the positions of greater power in structures of domination.

Bourdieu (2005), in turn, believes that elites are the dominant groups in semi-autonomous fields. A

field consists of a set of interrelated practices for common interests and concerns and an understanding of the "rules of the game", of which the participants are aware and which undergo. This definition is consistent with that of Scott, because both are based on domination role played by elites, though perhaps Scott has a more direct concern with power relations, whereas Bourdieu gives more emphasis to the processes of cultural legitimization of these relationships. Bourdieu understands the power that defines an individual as a member of an elite comes from the possession of an appropriate combination of the following:

- Economical - money and other tangible assets;
- Cultural-knowledge, tastes and cultural provisions;
- Social-network of professional relationships, personal and family;
- Symbolic-reputation and qualifications.

To some extent the various types of capital are convertible to each other. For example, economic capital can be used to acquire cultural capital through education in a prestigious school, which in turn can be converted into share capital in the form of a network of individuals who attended this school, and so on (Bourdieu, 1986).

Since the identification of the elites in their exercise of power function, it becomes essential to the understanding of its performance an analysis of the structures of domination and power operation mechanisms. According to Scott (2008), there are two basic perspectives of the study of power. The older approach, which could be called conventional or dominant (mainstream), Lukes (1975) one of its most important theorists. The second approach, called alternative, was developed mainly by Foucault (1975), but was as precursors Gramsci, Althusser, Arendt and Parsons. Although Foucault has argued that, by their nature, could not be defined in a systematic way and strict, Scott claims that the prospect of Foucault and the conventional perspective focus on distinct and complementary aspects, so that their combination would provide the support necessary for the understanding of the multiple ways that power can take.

The researchers from the conventional line of power research studying the real exercise of power by a superior (main) about an underling. The power in this case is to force others to do what own will not do. It is the sovereign power discussed by Weber (Hatch & Cunliffe, 2006), characterized by asymmetric relations involving participants with conflicting goals and interests. Let us look at some of the implications of this type of structure of domination. According to this logic, so that some have more power is required that others have less, i.e. the power to resemble a limited resource whose distribution would always be object of conflict, which necessarily would produce winners and losers. Maintaining this order would require imposing limitations to the destitute of power, so as to ensure that they would not get it. We have, then, as a consequence, a natural tendency of worsening inequalities, causing it to have a lot to lose in being part of the Group of underlings and much to gain in ascend to the Group of privileged. This dynamic course strongly competitive behavior induces and self-interested.

Already the alternative line of research could not concentrate in the intervention of a social worker in the life of another, but in the way the power spreads and takes on the character of a property inherent in social cooperative systems. Foucault (1975, 1979) and postmodernist theorists see power and control than as something located in a particular position (power) or owned by an individual (sovereign power), but as something inserted into all social relationships and organizational practices. What Foucault called "discursive formation of power" operates through mechanisms of socialization and community building are individuals with particular types of mental guidance and usual routines. As exposed by Hatch and Cunliffe (2006), Foucault used the concept of "disciplinary authority" to explain that the expectation of control makes people surrender to self-vigilance. His inspiration was the idea of the Panopticon of Jeremy Bentham—a single Tower in the courtyard of a prison, located so that a guard could see the inside of each cell and monitor the behavior of each individual. As the prisoners never knew when they were being watched they end up obeying the rules and behaving as desired. Thus they gave to self-vigilance, which is a highly efficient monitoring system. Foucault defined the self-vigilance as the product of two processes: the look of inspection (in which the superiors employ various monitoring techniques to create the expectation of surveillance) and reflection (feeling the look and self-monitoring). Foucault suggests that the disciplinary authority is part of everyday life and routine surveillance practices end up being accepted as normal. This would not be inherently bad, and may even provide the creation of opportunities for the production of knowledge, professional development and personal fulfillment, to the extent that the self-vigilance leads to self-discipline and encourages the organization of work.

By combining the concepts provided by conventional and alternative approaches to the study of power, Scott constructs its classification of power relations. According to this there are two basic forms of systematic social power. The "corrective influence", analyzed mainly within the conventional current, is based on the evaluations made by rational agents and operates through punishments and rewards. The "persuasive influence", main theme of the current alternative, is based on providing arguments and reasons that lead the underlings to believe that it is appropriate to act in a certain way and not another. The two main forms of corrective influence are "strength" and "manipulation", being that the force involves the use of physical restraints to prevent the actions of subordinates, while handling involves negative and positive sanctions – sanctions and rewards – to influence the decisions of underlings (for example, money, benefits, Ascension or professional stagnation, etc.). In turn, the persuasive influence has as main forms the "meaning" and "legitimacy", operating respectively through cognitive meanings and shared commitment to shared values. These discursive meanings are a particular course of action seem necessary or emotionally suited.

The elementary forms of power are the building blocks from which are formed more developed forms of power relations, as the

structures of domination. Structures of domination are systems by which the power takes the form of control relations stable and durable. Thus, "coercion" is the form of domination in which superiors are able to influence the underlings for the delimitation of the action alternatives open to them, either by direct employment of coercion or by providing induzimentos influencing the choices of underlings. This form of domination is also called "allocative" (allocative). "Authority" is the form of domination in the superior influence the subordinates through persuasion based on institutionalized commitment, loyalty and trust that come of accepted as legitimate descent (command) and knowledge (expertise). Agents who have internalized cultural values will tend to identify with those who occupy positions of domination defined in terms of these values. This form of domination is named "authoritative" (authoritative).

For each type of domination have a kind of elite. Coercive elites derive their power from the duress resulting from its control over the distribution of resources that have (allocative domination). Already the elites of knowledge and derive their power descent of the process of internalization of self-vigilance and self-discipline, supported by the legitimacy arising from the sharing of beliefs and values (authoritative domination).

### 3. THE LOGIC OF THE MARKET AND THE LOGIC OF THE COMMITMENT

In his book "Exit, voice and loyalty" Hirschman (1973) analyzes the mechanisms through which the members or clients of an organization to react to its decline. According to Hirschman, the basic options available to members or clients of a declining organization are:

- "exit", when members leave the organization or customers are buying from other companies;
- "Voice", when the members or customers express their dissatisfaction directly to the direction of the organization or their representatives.

The output is a concept related to the economy. Is a market mechanism, impersonal and indirect? Already the voice is a concept related to sociology and politics. Is a "market", typical of human institutions such as the family, the Church and the State.

Like all organisations of a given market have some degree of imperfection, the departure of members or customers of an organization can, at least partially, be offset with membership or unhappy customers with other organizations, thus creating a certain balance that mitigates the effects of competition as Maximizer engine efficiency, as advocated by orthodox economists.

Once you choose the output, you lose the opportunity of voice, but the reverse is not true; in certain situations the output will be a last resort, after the voice failed. This can occur primarily between the individual and the organization there is a relationship of loyalty. Loyalty will cause the individual support unfavourable conditions for long time, believing that staying will be helping the situation improves or for judging that the existing alternatives are even worse. When there is loyalty to exit abruptly changes of character: from rational

behavior of an individual aware of the opportunities is now seen as a defect, desertion or treason.

As the output requires only a decision of one thing for another, while the voice implies involvement and exposure, the mere existence of alternative output can atrophy the ability to exercise your voice. An example of using the output when the voice would be more effective in the recovery of an organization is the relationship between the direction of corporations and their shareholders. When the management of a company facing difficulties, the first reaction of the shareholders well informed is to sell your stocks and look for actions of companies that are showing better performance. This causes corrective measures be adopted in a timely manner and that the company did come eventually to enter into crisis, reaching in extreme cases the traumatic restructurings or even to extinction.

Among the Western countries where this phenomenon can be observed, the United States of America, where the output always had a privileged position in national tradition. As described Louis Hartz (1955):

"The men who in the seventeenth century fled from Europe to North America were completely aware of the oppressions of European life. But they were different, revolutionaries and the fact they're fleeing was not of lesser importance: it is one thing to stay in your land and fight the precepts of 'feudal law', another is leaving it behind. It's one thing to try to establish liberalism in the old world and another to establish it in the new. The revolution, borrowing the words of t. s. Eliot, means murder and create, but, strangely, the American experience designed solely in the field of creation. The destruction of forests and indigenous tribes-though heroic, bloodthirsty and epic - can't compare to the destruction of a social order which belongs." (Hartz, 1955, p. 64-65)-translation of the author.

This preference for cleaning the output as opposed to confusion and discomfort of voice has persisted throughout history. The output of Europe was reenacted in the United States with the progressive occupation of West. Even after the forest has been cleared that boundary, the vastness of the country and the ease of transportation became much more possible for Americans than for any other people solve problems by "geographical Fugue", instead of resignation or confrontation of adverse local conditions. Since the Foundation and development of the country based on output, the preferred resource to this mechanism has been constituted in one of the characteristic traits of American culture (Hirschman .1973).

At the other end in relation to the United States in terms of propensity to output feature is Japan. According to Dore (1964), the geographic isolation and cultural uniqueness throughout the centuries minimized the opportunities tolerable of exile, who taught very well the Japanese virtues of mutual concession, of resignation and consensus. This can be observed in many aspects of everyday life and character of the people, but it is particularly evidenced by the strong relationship of loyalty existing between major corporations of the country and its employees. An emblematic example is Toyota, the most successful Japanese industrial company. Soon after a major crisis at the end of the

Decade of 1940, which culminated with the resignation of the own company founder Kiichiro Toyoda, Toyota undertook to avoid at all costs the dismissal of its employees. That promise led to preventative measures, such as a large financial reserve (about 30 billion dollars) to support the company during the bad years.

The difference in relation to Western companies is even greater when it examines the careers of officials of Toyota. Second and Hoseus Liker (2009), although the company try make some concessions to local cultures in its subsidiaries to avoid excessive frustration of its employees from other countries, it is not uncommon for Japanese members of Toyota work 5 to 10 years on each charge before being promoted. One day they might become Executive Vice Presidents, but it is expected that even the brightest individuals be patient and wait for your turn. The individual undertakes with the company and with their colleagues in the long term and the company is committed to the development of the individual. Toyota expects his bank manager to know deeply how to perform all the processes that will oversee.

Although Toyota usually have a greater prominence for having originated many of the organizational innovations which were later called as a whole as lean production system (lean), with regard to employment policy she doesn't differs significantly from the other big Japanese companies: hiring of labor immediately at the end of the school training, promotions and remuneration system based on length of service and an implicit contract of employment stability throughout the career (Westney ,2001).

Under the lens of Western culture the Japanese collectivism can seem like a form of paternalism that would offer the margin that mediocre individuals "caught a ride" on team effort or inefficient companies if can seat in your mistakes. The logic of the market, in turn, would have the merit to automatically correct these failures through competition, through which the best and the worst could be easily identified. In this way the best can be rewarded and the worst can be penalized, maintaining efficiency, of both the workers and the companies.

Collectivism Japanese, however, does not lead to inefficiency or the accommodation of individuals or businesses, because it presupposes an extremely rigid discipline and a constant and thorough process of criticism and self-criticism denomiado hansei (Liker, 2004). The lean philosophy is based on precisely in giving visibility to errors and defects, making this exhibition learning medium for the continuous improvement of the company and the employees (Womack, Jones & Ross, 1990). This level of discipline and self-criticism, on the other hand, would be almost unbearable in Western culture, where people usually feel uncomfortable with this kind of exposure. In Western culture the admission of a mistake is something humiliating and, consequently, is avoided whenever possible. When an error occurs, the tempting thing to do is assign it to a single individual or an isolated event, thus saving the rest of the team and administrators of an embarrassing situation. Everyone feels relieved to leave these unpleasant issues on the invisible hands of the market, but that way is to learn everything he

could with the error. Seen under this perspective, the logic of the market loses its aura of disciplining mechanism and resemble more a process that can help to cover up the failures and responsibilities of all parties involved in the chain of events that leads to an error.

Long careers in Japanese companies contrasts sharply with the extreme mobility observed in most Western companies. Already in the 1970, this mobility if constituted a significant phenomenon, as noted by Kanter (1977). According to Kanter, the expectations for rising professional opportunities play a key role in worker commitment. However, an excess of opportunities and the resulting emphasis on mobility as an indicator of professional success can have adverse effects, such as internal competition exacerbated, focus on their own careers to the detriment of the interests of the Organization and motivation of those who end up in contention for scarce positions deprecated in hierarchical levels higher.

Ellerman (2004, 2014) makes it more comprehensive interpretation of the concepts of output and voice of Hirschman. According to him, the output options and voice match the two strategies or oppose that can be observed in nature, science and also in institutional arrangements. The output option corresponds to the strategy of exploring a large number of possibilities without digging or commit to any of them. Already the voice option corresponds to the strategy to concentrate efforts and resources in a single way. A simple analogy for these strategies are the two possible ways of dealing with risk: don't put all your eggs in the same basket reduces the risk of eggs breaking, a basket case is overturned; on the other hand, if you distribute the eggs for many baskets, hampers-if the task of taking care of all of them, whereas if you put all the eggs in the same basket simplifies the problem of watching her so that she will not be taken down.

Many other analogies are possible, such as, for example, the theory of reliability in engineering, we have two basic strategies to increase the reliability of a system: (1) by adding redundant components; (2) improvement of the reliability of individual components. In the first case uses a larger number of regular quality components in parallel, while in the second case uses a limited number of best quality components in series.

These two logics, which although opposed are not mutually exclusive, Ellerman calls, respectively, parallel or logic output and serial logic or commitment. In the field of institutional arrangements or organizational models we can think in terms of duality between the flexibility of options and flexibility. The difference between the output logic and the logic of the commitment is in what is flexible and on what is fixed in each case. In the logic of the output characteristics of each option are considered fixed, so that the flexibility is achieved by abandoning an option in favour of another, as many times as necessary to achieve the desired results. In the logic of compromise, the option is considered fixed, the only way to achieve flexibility is through the change of the characteristics of that option. For example, in a situation in which workers do not have the necessary qualifications to operate a new process or technology, the solution by the logic

of the output would be firing workers and hiring others at the market with the desired characteristics. In turn, by the logic of commitment the solution would be to retrain workers, so as to change their characteristics, making them appropriate to the new needs. Note that it is not a question of to be or not to be flexible, but how do you get the flexibility, through the logic of the output, or through the logic of compromise.

While the logic of output have essentially financial, companies that seek sustainable results need to promote a different type of motivation, causing the worker to identify with the product and with the Organization and employees identify themselves with management, thus creating a relationship of loyalty based on mutual commitment (Ellerman, 2004).

#### 4. MANAGERS, CONSULTANTS AND THE NEW ELITES OF FINANCIALISATION

According to Boltanski and Chiapello (2009), the flexibilization of work would have been driven essentially by the financialisation of the economy. To enable the application of a growing portion of capital in speculative investments and to reduce operating costs in an attempt to compete with the profitability of the financial market, the production activities have become the target of successive enjugamentos. As a result companies have sought to continuously reduce their spending on labor, so that launching a series of gimmicks, such as the use of temporary employees or outsourced, intensification of work and promotion of multifunctionality, all contributing to the reduction of the quota stable staff and to increase the productivity of the remnants. Thus, we can consider the production, have added flexibility where the organizational structure and the worker as the most visible manifestations of the financialisation of enterprises. The financial logic and flexibility would be, so, metaphorically, two sides of the same coin.

The implementation of these changes, however, require its recognition by employees as an imperative for increased efficiency of the Organization, as well as an opportunity for growth and professional achievement. It is necessary that, in addition to instruments to increase the company's competitiveness, the changes are seen as a means to achieve greater autonomy and for the development of individual talents. Anyway, it takes a *engajadora* ideology, for employees to participate and become their own agents of change (Boltanski & Chiapello, 2009).

This *engajadora* ideology began to permeate the entire contents of the business literature, administrative theories propagated by schools for executives (the so-called MBAs) and of the methods used and recommended by the consulting firms. All these agents are engaged in the continuous transformation of organizations, in an effort to facilitate the achievement of progressively more challenging goals imposed by financial logic.

##### 4.1. The new elites of financialised organizations

According to Savage and Williams (2008) the elites should be understood not as traditional pillars immutable, but as a group of intermediaries whose

power comes from its ability to establish new connections and fill gaps. Although some see the emergency-oriented economy causing a decrease in the role of managers (Useem, 1996), that note is actually a reconfiguration of this role, with managers becoming increasingly similar to other intermediaries. It is not, therefore, the decline of the managerial elite, since their earnings have increased prominently, but of its assimilation to an elite more dispersed, which includes financial analysts, investment fund managers, business consultants and other professionals who have some share of power over the organizations because of its positioning in the dynamic environment and without borders-oriented economy. Some authors designate this scenario as the "new capitalism" or the "new economy" (Sennett, 1998) and by correspondence, we could call the elites of these organizations transformed the financialisation of the new elites".

By studying the importance of social capital to the heads of operations of investment banks, (2008) Godechot uses an interpretation that could be generalized to understand the performance of the new organizational elites. For him these individuals behave like "internal entrepreneurs", similar to the heads proto-industrials described by Marglin (1974). Stephen Marglin, a tuned scholar of the early industrial revolution, analysed the embryonic forms of capitalist firms under the putting-out system and captured in the famous article entitled "What do bosses do?" the essence of entrepreneurial activity. Contrary to the technological determinism found in some texts of Marx, he tried to show how the technology is a result of the social order and not the cause. In his opinion, the Division of labor was not adopted due to their greater efficiency, but why dismissed the worker of any control over his work and turned entrepreneurs in engineers who, becoming indispensable to the production, reached a situation of power that allowed them to higher profits. The strategy of the entrepreneurs would therefore "divide and conquer" (Marglin, 1974).

This way of acting of the managers is consistent with observed changes in financialised companies, in particular with increasing inequality and the separation between the operational and technical or administrative functions or coordination. Although this behavior has received a new impetus by the logic of financialisation, that urges managers to behave as entrepreneurs, in essence the phenomenon is not new. Just remember that the separation between work and power, that is, the untying of the control activities of the productive activities, it was one of the distinguishing features of Taylorism.

The consultants, in turn, lend legitimacy to the managers' strategies, contributing to the success of their narratives. On the other hand, are required to conduct organizational transformations and deploy administrative innovations. It is therefore a symbiotic relationship in which the interests coincide and in which both parties benefit. In addition to play the role of intermediaries in financialised organizations, consultants and managers have in common goals, metrics, methods and speeches. Their affinity is such that it is not uncommon for consultants to become managers and vice versa. So, it would be reasonable to consider them as members of the same elite.

## 5. THE RESEARCH METHOD

The way chosen to investigate possible evidence of use of instrumental discourse of flexibility was the analysis of the career of business consultants who worked in a multinational consulting firm in operation in Brazil. The company selected excels by the influence that carries on the business strategies and administrative practices adopted by large organizations around the world. We can cite as examples of companies currently in that category: consultancy McKinsey, Booz Allen Hamilton, Strategy & (formerly Booz & Company), Bain & Company and Boston Consulting Group, among others. In the rest of the text we will refer to this company as ECP (Searched consulting firm).

To investigate the career trajectory of consultants we analyzed their résumés, made available a known social network dedicated to sharing of information professionals. The main information obtained were:

- One of the consultants who have passed through the study consulting company, how many continued the business of consulting and how many moved into other industries;
- Of those who left the branch of consulting, how long they remained as consultants (and up to what age);
- What educational training (or cultural capital) of consultants;
- That assumed positions individuals who ceased to be consultants and what relationship exists between these positions and their education;
- For which industries have moved individuals who no longer consultants;
- Which differences of characteristics can be identified between individuals who remained as consultants and those who left the branch of consulting.

The collected data were processed through descriptive statistical techniques such as frequency distributions, measures of central tendency (mean, median), measures of dispersion (standard deviation) and correlation. The total number of resumes reviewed was 239.

Using the nomenclature of Appolinário (2006), our research can be classified as quantitative, descriptive, transversal, documentary/correlation and exploratory survey. With respect to timeliness, however, rests with the caveat that the survey also presents a certain longitudinal character, inasmuch as the trajectories of individuals extend toward the past.

It must be emphasized the exploratory nature of the research, that is, it is not intended to determine cause-and-effect relationships, but observe the correlations between the variables being studied, in order to support the proposition of hypotheses and feed the reflection on the issue of research.

## 6. RESULTS AND DISCUSSION

Of course, in a universe of 239 individuals expect a high degree of diversity. However, most of these individuals have many features in common and are these similarities that we will focus, in an attempt to

draw a representative profile of the business consultant of a consulting company as the ECP.

### 6.1. The business consultant of the ECP

Based on the information gathered, we profile the typical individual as someone who attended a public University of engineering first line (USP, ITA, Unicamp, UFRJ, etc.), then worked for a short period in a single company and then did an MBA or other graduate course in administration area in a renowned institution abroad (INSEAD, Harvard, etc.) or Brazil (FGV, USP, Fundação Dom Cabral, etc.). Then, with about of 28 years old, joined the ECP, where remained around 3 years. With approximately 31 years of age left the ECP to assume a management position or Board in a company from another activity sector (finance, consumer goods, capital goods, telecommunications, etc.).

The data clearly show the influence of the cultural capital of individuals in their professional career. A total of 76.7% of himself who left the branch of the consultancy took executive positions (President, CEO, Vice President, Director, Superintendent, partner, Manager, owner, partner), this percentage rises to 86% in the Group of those who had an MBA abroad and to 100% in the group that did an MBA at Harvard.

If we consider that the best positions are very disputed and that cultural capital is an important factor for an individual to be successful in this dispute, is revealing that the group who left the branch of the consultancy has a cultural capital greater than among those who continued in the business. The consultants were for companies of other branches, 53% had an MBA, while among those who remained in the business of just 35.1% had completed consulting MBA. In addition, although the share of consultants who have been to other branches of activity is quite high (84.5% of those who left the ECP), this index rises to 100% in the case of individuals who had an MBA at Harvard, for example. Individuals with MBA at Harvard not only left the consulting branch immediately after leaving the ECP, as also transferred all to executive positions.

The results suggest that the few individuals who remained in the business of consulting firm made primarily by that until then had not accumulated the cultural capital and the qualifications that either enabled to compete for the best positions.

A chance less evident, but we cannot fail to mention, is that at least a portion of individuals who were of ECP for another consulting firm may have done it because, eventually, have not been successful within the ECP. This could explain the length of stay in the ECP slightly lower in this group compared to those for other branches.

According to the interpretation proposed by Cohen (1988) for the correlation coefficients in studies of social sciences and related fields, a correlation coefficient equal to 0.5 would have a strong correlation. For the variables 'left branch of the consultancy' and 'Executive' Office assumed the observed correlation coefficient was 0.58. If we consider only individuals who attended MBA abroad, this correlation becomes even stronger, reaching the value of 0.75. For individuals who have an MBA at

Harvard, the correlation is equal to 1, since everyone assumed executive positions while leaving the consulting activity.

### 6.2. Discourse of flexibility and power structures

The scenario that we can glimpse with the search results shows us the ECP consultants as individuals who make use of legitimate means to quickly get to the top of the organizational hierarchies, in which, in General, are successful. This allows us to do some guesswork about the prevailing power structures in the companies in which they become executives. Companies seeking to assume policies functions individuals with reduced work experience and no experience within the Organization suggests the existence of obstacles to career progression of their own staff and, consequently, a weak integration among its managerial and operational levels. This is basically the panorama described by Lazonick and O'Sullivan (2008) as a result of the process of financialisation of the American companies and later spread to a greater or lesser degree by other Western countries.

A possible cause for the establishment of this situation would be the notion rooted in financialised companies that managers in any areas of activity have the main function to control financial indicators and therefore do not need to know in detail the operational aspects of the industries that administer. This makes the experience of officials of hierarchical levels below little relevant as factor that the enable progress in their careers to higher organizational levels. In line with this gap between top management and the rest of the company, and even legitimising it, we have the discourse of flexibility, whereby managers must not be experts, but generalists, so they are more adaptable to multiple functions of them required by organizations in continuous transformation. In this way, the institutionalized practice by the elites of these companies would be to seek organizational directive frames on the market, preferably with a background in business schools and good reputation with General and flexible profile prescribed by these same schools. The effectiveness of this practice, however, is questionable, as suggested by the ranking of the 100 best performing CEOs prepared by Harvard Business Review magazine ("The best-performing CEOs in the world", 2015), in which 86% of individuals have made careers inside the company and 74% did not have an MBA.

The option to seek training and general managers on the market at the expense of professionals developed internally would be indicative of the segmentation of the company among a group that determines how the Organization should work and the other employees, which fits run predefined plans. If there is little interest in taking advantage of the experience and knowledge accumulated by internal frames, promoting them gradually to higher hierarchical levels is because that knowledge would not be valued or perhaps even were considered relevant. We would have a very peculiar form of "flexibility", in that, while employees were called to assume broader responsibilities, participation in the establishment of the goals and in the definition of the processes would remain limited. Smith (1990), noted similar



scenario in his research on the restructuring of a bank.

This framework is compatible with the described by Ellerman (2004) for companies that operate according to the institutional logic of the output. Instead of seeking the flexibility by changing the characteristics of existing resources, as do Japanese companies that use continuous improvement practices, companies in which predominates the output logic regard their resources as having fixed characteristics and seek to be flexible by replacing those resources, bringing the market those that meet their immediate needs. In contrast, companies that operates under the institutional logic of the commitment to establish a relationship of mutual loyalty with their resources. The company responsible for developing its employees, preparing them gradually for the next steps in their careers. In turn, employees accept a slow career progression, patiently waiting for the breaks, as illustrated in the example of Toyota (Hoseus & Liker, 2009).

Finally, they may also be established assumptions about the power relations prevailing in these companies. The institutional logic of the output operates through rational assessments of individuals, whose choices are influenced through rewards and punishments. According to Scott (2008), this is the form of domination exercised by elites of type allocate. In this form of domination power manifests itself through asymmetric relations between actors with conflicting interests, involving the unilateral establishment of rules and positive sanctions (wages, benefits, professional Ascension, etc.) or negative (professional stagnation, descending variable remuneration, resignation, etc.). This hypothesis appears compatible with the segmentation of the company suggested by research data.

## 7. CONCLUSION

A prerequisite for a fact or concept is about to use rhetoric or instrumental is that it is remotely plausible or at least partially true. In this way, can always be found evidence and specific examples to counter any concerns or objections. It also helps if the concept is complex, multidimensional and liable to different interpretations and variations in meaning depending on the context. The concept of flexibility certainly meets these requirements.

As we have seen in the previous chapters, the relaxation of the organizations and the work spread in both Eastern as Western companies because of their great potential for increasing productivity and competitiveness. However, in the case of Western companies, two other factors contributed decisively to its dissemination and deepening. The first factor is a speech which relates the flexibility not only productivity and efficiency, but also to individual autonomy, mobility and career opportunities for professional achievement. The second factor is the convergence of this speech with specific interests of elites.

One of the reasons why we consider that the discourse of flexibility is aligned to the interests of the organizational elites is because it legitimizes their aspirations to rise to positions of power in organizations without having to go through the

time-consuming path required for the assimilation of knowledge specific to each type of activity or business. Acquire this experience would submit to a long career, usually starting in junior ranks. To advocate the generalist character of managerial functions, prescindiriam of industry-specific expertise, the discourse of flexibility justified the access of individuals with little or no operational experience to these positions, while access to bar individuals who have that experience, but who are now labeled as too specialized or little flexible.

The data from our research show that the passage by a prominent business consulting firm can represent a very effective shortcut to reach executive positions in organizations of various industry 112, especially if this passage is associated with a MBA from any American or European business school.

Although the premise that the management function is essentially is justified for generalist positions with management responsibilities on a large number of multidisciplinary areas, in most cases the practical experience and expert knowledge of the area administered contribute to effective management, as is supported by the lean philosophy and demonstrated by major Japanese companies. However, the requirement of General profile has been extended to virtually all managerial levels, with the endorsement of the business schools, consultancy firms and with the support of own managers. All of these parties have something to gain from the institutionalization of this vision. The interest of business schools is that the methods, metrics and criteria they broadcast are accepted as applicable to any industry activities and organizational levels. This is also the interests of consulting firms, applying these same methods, metrics and criteria. To the managers, the discourse of flexibility is appropriate for putting within your grasp a much higher number of positions, by multiplying the growth opportunities within the organizations and even facilitating transfers between organizations and between industries.

In addition, the discourse of flexibility it is also convenient for organizational elites insofar as it gives legitimacy to the frequent restructuring, whose main objectives are to impact the results of short-term and create narratives that demonstrate competence management. Those moves, plus create positive expectations in the market about the company's performance, provide managers the visibility required to maintain or increase their power within organizations.

The flexibility would have as one of its virtues the removal of barriers that the strict hierarchical bureaucracies imposed on the free manifestation of the spirit of enterprise and employee autonomy, enabling these qualities to be used for the benefit of the company. In doing so, however, is loosened the structure of rules that aimed to inhibit the opportunistic behaviours that prevailed before the advent of the bureaucratic order. In this way, which owns some portion could have more space to use this power of discretionary mode. This would be more plausible motive for organizational elites are generally sympathetic to the relaxation of organization.

## 7.1. Suggestions for future work

A possible approach to the deepening of this work would be the same kind of investigation considering other consulting firms in addition to the ECP. Could also be researched the careers of business consultants in some other countries, such as United States, Germany and Japan, in order to check how the results here obtained may vary depending on the different socio-cultural contexts.

For most emblematic, the business consultants are just a special case in the wider spectrum of organizational elites. Individuals who build their careers in other industries can also benefit to fit the stereotype of the flexible professional, avoiding overly specialized or operational functions and diversifying their fields of expertise, in order to maximize their mobility. Future work on this topic could analyze resumes for executives, correlating their training and professional trajectory with the function performing currently and verifying that made their careers within companies that administer or if came from other businesses or even other branches of activity.

Another suggestion for future work would be studying the so-called 'technical careers', or 'Y' careers, adopted in many companies. At one point of his career the individual is directed or for technical or career for managerial career, being that they are forwarded to the technical career may not occupy management positions. The question investigating is to what extent this could contribute to a division of the organization between individuals labeled as 'flexible', with unrestricted possibilities for professional growth, and individuals labeled as 'non-flexible', relegated to the operational functions which have no autonomy or decision-making power.

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