

PRIVATIZATION AT PERIPHERAL COUNTRIES: A BRAZILIAN EXAMPLE AT TELECOMMUNICATIONS

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Abstract:

The present Paper argues that the privatization of State-owned companies in Brazil represents an adjustment to the founding discourses created in the central countries. The privatization of the state-owned Brazilian Company's represents compliance to the founding discourses created in the central countries. The Paper is based on a research conducted in the telecommunications sector and it focuses on the discourses that have been instrumental to the transformation of a state owned company into a private one. It was found out that these discourses, espoused at the higher level, often turn the privatization into a traumatic event for other members of the organization. Many feel that in the process of organizational change not only the organization, but also its members, once they loose part of their story.

Key-words : Privatization, telecommunications, and discourses.

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Introduction

The Paper is based on a research conducted in the telecommunications sector. The telecommunications sector seemed appropriate to this research purposes as companies in this sector are facing many changes, due not only to privatization but also because the property of these companies is changing hands very rapidly, and very often and in a great extend, they have been acquired by foreign companies. The change of perspective - from state-owned enterprise to part of private holding - brings great transformations that intend to make these companies more advantageous and attractive to, what is called, market. The categories analyzed by this study – privatization, organizational and identity changes, reengineering, and total quality management – have a great impact on the internal and external image the company. The methodology section of the present paper will discuss those in more detail.

The present paper focuses on the discourses that have been instrumental to and have facilitated the transformation of a state-owned company into a private one. It concentrates on the spoken and written discourses of the CEOs and managers. In particular, it is examined here, how international ideas are integrated to the local narratives. In staff meetings the new owners brought up changes in structure associated with the new expectations. The new owners focused on the ideas and demands, and on the new responsibilities required from members of the previous state-owned organization. It was found out that these discourses, espoused at the higher level, often turned the privatization into a traumatic event for other members of the organization. Many of them felt that - in the process of organizational change - not only the organization, but also its members lost part of their story.

This paper argues that the founding discourses have been used to legitimate the reengineering in companies, promoted by those in power, and they also have been useful to bring about the changes imposed by international institutions such as IMF and WTO. The analysis of the discourses by members of a state-owned organization recently made private reveals how activities, groups and individuals in organizations are redefined and re-imagined, and consequently presents how a new identity is built by the use of new cultural patterns.

Founding Discourses and Practices

This paper, part of Rodrigues, Carrieri, and Luz's work [1] on the analysis of international discourses about competition finds that they are built by a superposition of indicators - varying from industrial productivity to education levels of the population. Different social groups, who create new indicators, ideas and words, such as *competitive edge*, *downsizing* and *re-engineering*, later remake these discourses. Those terms become common among the consumers of international discourses such as managers and consultants and are subsequently integrated the local narratives. Thus central economies' discourses may be absorbed, and competitiveness might be changed into a panacea for all problems of the organization, even at an individual level. The authors believe that this collage transforms an abstraction – the indicator – into a reality for the individuals, which are an essential component for the interjection of dominant discourses.

This is founding discourses are created at the central countries and they serve to demarcate discourses and practices at the peripheral countries. According to Orlandi [2] "Founding discourses [...] are the discourses that can be used as a basic reference in the imaginings [of a country, an organization, a group and individuals – our complement] [...] and our task is to show how they stabilize and become referential" in the construction of the history of a country, an organization, a group of individuals. Among the countless discourses and practices recreated, the privatization of the state-owned Brazilian enterprises appear with more intensity, showing the reformulation e transformation of a lot of them into private holdings (owned, in their majority, by international groups).

According to Gray [3], founding discourses try to impose the idea that the world gradually started to become a big free market at the turn of the 20th century. The above mentioned author believes that this notion is - most of all - a political project from neo-liberal experience enforced by globalization. Founding discourses foster and encourage a minimal State cultural imperialism, and ignore history. This author believes that the 'Washington consensus' is nothing more than an affirmation of a form of capitalist democracy that will be embarked by every country in the World, creating, therefore, a free market and - in the process - merging all the markets into a global one. Accordingly to this line, the Multi-National Companies (MNCs) accepts different means, which aim to incorporate all of them into one single free market.

Ayerbe [4] summarizes the measures promulgated by the ‘Washington consensus’ and propagated by institutions such as the IMF and the World Bank mostly to the countries considered peripheral:

“1. Balance of public accounts, to be obtained preferably by cuts and not by tax increases. The cuts should not affect education and health care but fall on tax exemptions previously given to public and private companies.

2. Economy freedom lowers fiscal barriers and de-regulation. Less governmental control over the private sector and no discrimination of foreign capital.

3. Privatization, transference of State companies to the private sector.”

Velascos Jr. [5] believes that on a concrete level the restructuring imposed by central economies aim to deeply transform the role of the State, which would range from producer/entrepreneurial to simply regulator. Such model – which has been well accepted by the peripheral countries’ governments – takes away the sovereignty from the State. This loss and the increase of the mediator’s role are paradoxical because a society is not represented when the State mediates the market or transnational companies.

Therefore, the discourses proposed on a concrete level - the opening of the markets, the re-engineering of the States, the privatization of the public companies. Also defending competition, sustainability and so on. Imposing by these means deep changes on the Brazilian society. On a symbolic level it is an external force pressing organizations to think and act in accordance with macroeconomic standards.

Founding discourses about the free market would then propel re-structuring inside the organizations through total quality programs, re-engineering, downsizing, core business, competitive edge and so on. Du Gay, Salaman, and Rees [6] state that during the 1980’s central countries produced a founding discourse that proposed organizational reforms. The discourse made use of previous discourses on consumer satisfaction, personnel management, total quality, re-engineering, downsizing, competitive edge, core business etc. These discourses and practices should all contribute for a flexible, creative and entrepreneurial organization. The founding discourse indicated a particular need for a huge organizational shift and the creation of a new identity, both for the organization and for the individuals. It previewed a new organizational culture.

Du Gay and Salaman [7] argue that this founding discourse, together with the notion of regulation by the market, is absorbed by the organizations. They set themselves to replace stable bureaucratic structures by the uncertainties of the market, thus opening their rigid controls to the flexibility of market interactions. Alvesson [8], Mumby and Stohl [9] add that anti-bureaucratic discourses are produced to dismantle the bureaucratic organizational culture based in values such as loyalty, conformity, standardization, impartiality etc. New discourses destroy bureaucracy and promote anti-bureaucratic qualities such as flexibility, creativity and competitiveness, thereby creating a new culture and a fresh identity while maintaining the organization.

Still, Du Gay and Salaman [7] argue that the public sector re-structuring and privatization going on around the world illustrates the process. The public sector is being remodeled in accordance with discourses about the market. The survival of the organizations depends on how well they adapt to the needs of the market.

Cooper and Johri [10], when studying the privatization of the Canadian postal service, also concluded that privatization succeed only when there a substantial change in organizational culture takes place. They believe that changes must include management styles and definitions of responsibilities. However, the shift cannot be too abrupt, they must start with some of the services or operations being privatized or few joint ventures. That procedure creates an opportunity for the public sector to learn about the values and standards from the private one.

If founding discourses point to the need of a new identity and values, such as flexibility to react quickly to the challenges of the market, the flexibility of an organization depends on the values shared by its members (Fleury, [11]). The organization is then an arena where different discourses battle: restructuring against uniqueness. The discourses produced elsewhere are 'translated' by managers in order to adapt the company to globalization. In the public sector, imported discourses also reflect new values such as performance, profitability and responsibility.

Discursive Practices: The Brazilian Privatization Case

Coutinho [12], Haguenaer et al [13] and Lastres [14] all agree that a non-critic compliance of Brazil to the founding discourses caused many changes in the Country. Those changes took the form of downsizing, cost reductions and sub-contracting of some activities, which in some instances are being provided by international companies. As a result, there have been some gains in productivity, less hierarchical levels and more efficient management,

but also “a deindustrialization process and the denationalizing of several sector of economy” [14].

Privatization is a tool to conform the country to the central countries discourses and to produce the insertion of the international into the Brazilian market, parallel to the neo-liberal discourses and measures that aim to decrease the role of the State as entrepreneur and conductor of the invisible hand of the market. Estrin [15], Ennes [16], Baer and Villela [17], argue that privatization is not a neutral question but an ideological and political choice. The authors believe that the means by which the State should participate less in the economy have never been properly discussed and, therefore, they believe that privatization is the formula found by central economies to get their results.

Examining Brazilian privatization (Velascos Jr. [18]), the telecommunications sector was chosen as a subject of this research because it was undergoing deep transformations, with new services being created. It is interesting to note that this same State was responsible for setting up the telecommunications’ infrastructure, since the private sector had neither capital nor interest in investing for long-term returns.

Methodology

The empirical approach conducted a case study in a telecommunications company - Telemig/Telemar. The research focused on the history of the organization throughout the last decade of the past century, as well as on its transformation from a public company into a branch of a private holding. The categories analyzed by this study – privatization, organizational and identity changes, reengineering, and total quality management – were examined through the communication (structured and semi-structured interviews) collected. Those categories guided the qualitative study and made clear the distinct poles of power in the company, which distinguished the secondary and major influences in the company. We can claim that the present paper focuses on the company’s context as whole, while analyzing the discourses of the Board, the discourses of other actors, and the ones subtlety collected in the company’s vehicles of communication – which, therefore have different histories inside the same company.

Through the analysis of the written and spoken discourses of the top administration in its endeavor to transform Telemig into the Telemar, this work attempts to apprehend the strategies employed inward the transformation process. In order to do that, a study using elements of Discourse Analysis (DA), such as thematicⁱ and lexical selections, and

construction of characters was conducted. The use of such elements in a research makes it possible to explore not only ambiguities and contradictions, but also the several manners of representations, the multiple values, and the construction of the meanings of the organizational life by the involved actors. To carry out this task, approximately 100 interviews with people who work - or did work - for Telemig/Telemar were performed. Among the individuals interviewed there were 45 managers, 40 technicians, two former CEOs, two Unionists, and 9 former-employees. Documents of the company such as *The Dddicas Journal* [20-21-22-23], Annual Reports [24, 25, 26] and other communication channels were also employed as a source of information.

Three interview guides were developed. The first version was structured in such a way as to focus on the context of the research; it was a basic draft used in the interviews with the directors and their assistants, both at the company studied and at its main Union. The second draft was used with managers of all levels. And the third draft was employed in interviews with other employees and former employees. In this qualitative study, the guides developed for the semi-structured interviews played only a supporting function. They allowed enough flexibility to the ways the issues raised were dealt with, in so far as they proved to be relevant to the study, such as, for example, aspects of the life-story of the actors involved. According to Thiollent [27], both the structured and the semi-structured interviews are strategies capable of guiding the researcher into the cultural universe of the individuals. Documents of the company, related to its history from the end of the 1980s until the beginning of the year 2000. To elaborate this Paper, we used only the perspective of the Board as it represents a neoliberal discourse inward the company.

After the data collection, the authors worked themes and character that appeared in the actor's discourses. Therefore, the most relevant themes – the ones that represented the founding discourses - were then, choosed to be part of the work. Based on the paper's findings, the authors believe that a bridge among the company's past and it's future can be build, showing that peripheral countries are striving to subit their privatization model to the neoliberal discourses.

From Public Company to Private Enterprise: A History of Adaptation to the Founding Discourses

When Telemig became part of the Telebrás System, the Brazilian Telecommunications System in 1973, it incorporated 100 other telephone companies of the

Minas Gerais State. Its first strategic plan involved the extension of its services to the countryside of the State. The identity of Telemig was built around the mission to supply telecommunications services to every part of the State. From 1990 to 1995, many important changes took place - such as the total quality and the reengineering projects - contributing to the change of the company's identity. That is, the transformations of engineering company into a service' company. In the pre-privatization period, from July 1995 to July 1998, a new Board of directors, nominated by the Federal and State government, takes over. This new Board works hard to implement and intensify some changes to make Telemig more profitable and, as a result, more appealing to potential new owners. The "plowed soil", as put by a director, is exploited and the company strives to deepen and institutionalize its new identity, in order to definitely transform Telemig's identity. Nevertheless, when the privatization occurred, the company still hadn't learned new ways of dealing with the market. The focus on the client was in need of being strengthened, despite all the preparation before the privatization. In fact, after July 1998 Telemig became part of Telemar. Little by little, it was being transformed into a branch of the new company, losing its own autonomy and history.

The 1990's are considered a decade of changes, or rather, of transformations both at the structural level of the organization and at the level of the cultural and symbolic meanings. The then, recently established Board of Telemig, aimed to impinge responsibility for the company's dreadful condition - bad services, lots of complains, etc - over all its members. At the same time, through its discourses to the employees, the Board searched to present itself as more accessible group, and not a bunch of bureaucrats enclosed in an 'ivory tower'. Two processes - always referred to in the interviews - total quality and reengineering, are presented as promoters of the structural and cultural transformation, which would lead the organization to strive for its clients' satisfaction and to be prepared to operate in a competitive market.

Telemig was going through a strong crisis, propelled by a pervasive lack of motivation. As Rodrigues [28] shows, in the end of the 1980's and beginning of the 1990's decade the company went through a phase of cultural fragmentation. In that period, none of the cultures identified in Rodrigues' study was able to play an integrating function. This cultural fragmentation was leading to the loss of those organizational characteristics, which kept people united within Telemig. One of such traces was the big family theme: the perception of the organization as a caring and nurturing mother. This point is important because the Board that takes over in the beginning of the 1990's would have as its main goal to reunite an organization that was culturally dismantled. Therefore, the Board's discourse should be a homogeneous, coherent and integrating one. It would be necessary to make the

employees – and among these the managers - internalize this discourse in a way that they could support and take part of the changes desired by the Board.

Once a company that had held the first position in the ranking of the 27 telephone companies of the Telebrás System, Telemig had dropped to the eighth position in 1990, and chances were it would descend even more. The quality of its services was extremely poor, and in the Board's view, this low quality was due to lack of training.

Telemig entered the last decade of the twentieth century discredited by the community it served. Owing its stockholders a lot more than 160.000 telephonic terminals. Given the fact that the company operated in a monopolist market, it had very little concern for clients' satisfaction, and was not used to provide the community with any kind of feedback on the quality of the services' rendered. Besides, Telemig's position in the PSTⁱⁱ Telephone Service Performance, which measures the quantity of complaints, repairs, services, completed calls, etc.] revealed the low standard of services then rendered.

In the Annual Report [25], one can clearly notice the tone of the themes approached, which will be explored in this period. The members of the Board, along with the managers, are the ones responsible for the resolution of the great challenges faced by the company in 1991. Words like creativity, flexibility, motivation, and optimization are used to describe the way in which the Board managed the company. Such words characterize a modern managerial style, compatible with the 1990s. The Board and the managerial team of Telemig seem to confuse themselves with the company. The Board tries to reconfirm its modern posture, and, above all, it struggles to liquidate its debt with the company's stockholders.

After the exaltation of the administration for the adaptation of its management to the modern times, at least through the use of words like creativity, cost reduction, flexibility, agility, efficiency and profitability, the Board seeks to reaffirm its social responsibility, as well as the social responsibility of the company as a whole, which is to modernize and operate the telecommunications services of the state of Minas Gerais. The image the administration wants to project is that of an organization struggling to adapt to the new times, which require flexibility, low costs, profitability and agility, among other things. Through creative management, this transformation may be achieved. However, for these changes to take place, it is essential that the managerial body endorse the proposals of the current Board. That would only happen if an adjustment in the attitude of the managers to the changes takes place.

In Telemig's Annual Report [25] there is a discourse aimed to internal themes, such as lack of motivation, and to internal changes, which would be conducted by the Board, through the training of managers and employees. On the other hand, in the Annual Report

[26], the important theme is the adaptation of the organization to the economical globalization, which, by then, was increasingly spreading in Brazil.

The founding discourses already demanded Brazil to take a stand over the State monopolies maintained by the 1988 Constitution. According to the constitutional reform announced for a near future (it was suppose to have happened in 1993, but happened only in 1995), there was a chance that Brazil would adapt to the neoliberal discourse, “the Washington consensus,” which presupposes the privatization with the transference of state-owned companies to the private sector.

The introduction of the quality program by the federal government on the state-owned enterprises, in the beginning of the 1990's, aimed at training the public workers to develop a concern for the clients' satisfaction. This way, no longer would exist the figure of public services users; instead there would be only clients. The total quality program would bring a managerial model, which would be able to modernize the country and, as a result, allow it to join the selected group of the first-world countries. An interesting issue is defining Telemig as an edge-breaking company in terms of technological management, both within the Telebrás System and in the Brazil. Hence, Telemig adheres to the total quality movement as a means of signaling to its internal and external public its innovative character, which affected the services rendered.

As the adaptation of the country to the neoliberal discourse had already started, nothing could seem to be more appropriate than to try to privilege the client. After all, the ultimate goal is to satisfy the client, no longer perceived as a mere subscriber or an ordinary user. Maybe this was also a process of internal transformation of an almost 'blind' company into an open and receptive organization.

Besides that, the Board considers the change implemented by itself as a transformation of the company's identity. This change was the result of the transformation in the attitudes of the employees, mainly of the managerial team, which during this Board's administration participated in several training programs directed to the recycling of behaviors considered critical to the management of the company. In the perception of the Board, the organization was changing identities, that is:

“Introverted identity, turned to itself, to the engineering, to the technical aspects ... to an extroverted identity, in sync with the world, with the outside...with the customers” (former manager)

In 1995, a new Board takes over. This new Board takes on an important mission:

“Make simultaneously a profound organizational reform, (...), meant to reorient the focus of the set of our business actions” Annual Report, [26].

“In this pre-privatization period and that we have insisted again and again today, huh, that it was exactly this issue of defining the values of the organization.” (Director)

The year of 1995 is considered a cornerstone to the majority of the individuals interviewed - the year of rupture – at least in the discourse. As the new president and vice-president take over, they prepare the organization for a period of transition. The approach used was an attempt to eradicate or minimize the old power structures. As they implemented what was internally called reengineering, the Board members attempted to centralize the power. To the interviewee above, the Board was trying to make cultural changes. However, to him, such change only happened in the discourse. In fact, to this interviewee, the organization still remained focused on the engineering aspects, on the hierarchical structure and very little on its the processes or on its employees in general. Managers still kept some power. To the interviewee, another reason why the restructuring did not work out right was the fact that the organization was a public company, which meant that employees had their salaries and jobs guaranteed. That is something, which would not happen today when employees, threatened by the loss of their jobs, tend to accept any change.

In general, the discourses analyzed begin stating that the opening of the market requires a new Telemig with new characteristics such as creativity, quality, dynamism and low costs. They all refer to a company that can conquer and keep a place in the globalized world. A new organization is needed because the old Telemig would not be able to enter the 21st century. Besides, it is now necessary that everybody participate, not only Board members and managers, but also the rank and file. To accomplish that, the Board determines how all employees should behave. Everybody must struggle to conquer clients, every day. No one can abide still. All employees must adopt a new attitude, which involves working in teams and being responsible, flexible and entrepreneur. Nobody can remain static as in the old days. To develop this new posture, the employees must question themselves daily what they can do for the organization and not what the organization can do for them. Once employees have developed this new desired posture, all can share the core values, dictated by the Board. The

Board's values are considered highly relevant and easy to be perceived by the employees, the clients and the stockholders.

To the employees it is acknowledged that positive participation is the determining factor. Committed to the organization or to this current Board, they must work in teams and satisfy the clients as much as possible, without, however, jeopardizing the stockholders' profitability. The more the employee contributes, the more he/she has to earn, especially in terms of pay. It is necessary that the employees have a positive posture and believe that the changes will be good for everyone. It is also important that they believe the Board is working to improve the organization. The employees' need not only to believe in the goals of such changes, they also need to commit to them. This way, they must perform the new functions determined by the Board with enthusiasm, good will, initiative, energy and responsibility. Flexibility is also demanded, as an important element to this new posture, once it allows the employees to adapt to the ongoing changes. Teamwork and team spirit are now highly praised and constantly exalted. This new requested posture be attached to the following discourse:

"The success of Telemig is our success". (Business Plan, [29])

The success of Telemig is everybody's success: the Board's, the managers', the employees' and the suppliers'. The attainment of success is bound to the discourses above-mentioned, which try to impose new values, behaviors, and managerial styles to the company. Employees, especially those without a managerial position, should always question themselves about their behavior towards the company. They should question how committed they were to the company and how much they contributed to it. There is already a sketch of the idea of work productivity and reward attached to individual and team performance, which appears disguised in the performance and image of Telemig.

In 1997, the discourses about the privatization of the telecommunications sector already started to gain impetus. In July 1997 the Brazilian Congress approves the General Law of the Telecommunications (LGT). This law deals with the organization of the telecommunications services and with the establishment and functioning of the regulating agency, the ANATEL — National Telecommunications Agency (*Agência Nacional de Telecomunicações*). It also deals with the restructuring and privatization of the Telebrás System. According to the LGT, the model of restructuring and privatization placed Telemig as part of a *holding* company, which congregated 15 other operating companies. To many employees, mainly members of the top administration, who had lost their power and whose

life stories were closely tied to the organization, the ideal privatization model would be one in which Telemig was privatized alone, given that it was the best of the operating companies in the Telebrás System, but it was not what really happened. In fact the sale of Telemig was associated to the sale of 15 other companies which, alone, could not reach the minimum price, the whole thing made the privatization program a joke.

Internally, at Telemig, the Board accomplished its duty and remained faithful to its principles, which were to make the organization profitable in the eyes of the market. The model chosen by Telebrás to make the operating companies of the system “modern” and “profitable” was the sale of the organization, in other words: privatization. In the Board’s discourses, there was no resistance to the privatization. The company already operated such as private enterprise, that only the final agreement of the sale was missing. The orchestrated discourse was:

“Telemig is prepared for the privatization. (...) A main point [emphasized] is the freedom the privatization will bring to the whole company.” (Dddicas, [22])

Freedom - that’s what privatization would bring to the company. Privatization doomed the end of legal and bureaucratic ties, and also the end of the ‘low’ salaries. It also meant freedom to offer the company’s clients a wider variety of products and services, to invest money in the financial system, and even the freedom of changing jobs’ roles. The Board viewed the privatization with much optimism once the new president had been nominated with this intent, as well as the Board itself.

As July was about to come, some other expectations grew. Two of them, to the Board, concerned the new owners and the sale’s price. The Board thought that the sale of the company to a foreign group would be important to definitively consolidate the desired changes. In fact, they believed they could erase the history of the organization, dissolve the existing groups, eradicate the embedded values, and demystify the myths. In short, they believed that with the privatization the organization could have a fresh new start.

The price of the sale also generated great expectations because the current idea was that the higher the price, the higher the company’s prestige would be. But, the final price was 1% above the amount calculated by the government, which gave rise to doubts on the reliability of the process. At the end, the founding discourses would still add value to the sale. Such discourses rested on the nationalism and fought the denationalization that was happening in the telecommunications sector given that the fact that many companies were

bought by foreign groups, such as: Spaniards, Italians, Americans. As for Telemig Cellular a Canadian group acquired the cellular.

“The privatization sold our telecommunication companies to holdings controlled by foreign groups. But, here [at Telemig] the capital is totally national. This is very important and keeps Brazil growing and talking...”
(Director)

Final Considerations

It can be observed that the first Board of Directors of the 1990s arrogates to itself the responsibility of facing the great challenges that arose in the company in 1991. Words like creativity, flexibility, motivation and optimization were used to describe Telemig's new management model, characterizing a modern way of management, in line with the 1990s' decade. The Board of Directors appears to mix well with the company, reaffirming its contemporary profile. The Company has the goal of making its telecommunications services more agile, modern, profitable and efficient. Telemar strives to provide and attend the demands of its employees and the community it serves.

The implementation of a Total Quality project, more than changing the control system used by the organization, operates a profound change on the world vision shared by the social actors. The idea of imposing a unique language – quality – over a company that started a cultural fragmentation process would serve not only to agglutinate, but also to enforce a common vision to everyone. Once incorporated the vision the presidency desired for the company – though the implementation of the total quality project, the identity of the organization changes, little by little it goes from being a simple “telephonic engineering company” to a become a “telecommunications service company.” With the newly proposed identity, Telemig would increasingly turn into a health and reliable company. It could finally present itself as a service company. The issue of market services, i.e.: customer services is seen as critical to the market scenario of the 1990s. Concomitantly it would also be critical to the survival of the Board in power, once it suggests synchronicity between the government and the company's Board, in terms of discourses and actions.

Others should keep in mind that the second Board has as its president an individual from ‘outside’, someone appointed by the president of the country and by the ministry of communications, a politician. While his vice-president and directors tried to make the

company more profitable and appealing to potential buyers, he organized social events and parties, and promoted the state culture, that is, the *“mineira”* culture. According to some discourses, he worked on the motivation of the employees so that the changes could take place. The interviews by the second directors show discourses based on the rationality of the market. In order to impose their views to the organization, directors present logical explanations for transforming the company into a private operation. They also make use of discourses to incorporate the new views, values, procedures and standards into the corporate culture. Rodrigues [28] says “a discourse that gives the impression of renewal helps breaking with the past, but is not completely legitimate. The group that promotes the renewals then adopts a strategy both cellular and organic” that is, the discourse that promotes changes in the moral code tries to penetrate the structure in its “molecular” level to obtain a sophisticated control of the details.

“The client is always right” increasingly becomes the motto desired by the Boards, one to be internalized by the company. When accepting this axiom as true, what is really being accepted is the world vision of Telemig’s high administration and the success’ ideology linked to a certain line of business management. The discourses elaborated by the two Boards of the company were gradually absorbed by the organization, hence, disseminating internally this modernization and change of identity, one that would be based on the alterations of behavior, attitude and values of the employees of all hierarchical levels. Therefore, the two Boards searched to implement new cultural significations in order to “contaminate” the company with their world vision. In that way, new projects were introduced, as the total quality project, as a tool to give structure to those significations and to the possible new cultural identity.

Finally, the symbolic arena could be clearly seen. In one side, many people, which composed the various organizational groups, gradually start losing their own cultural significations, and increasingly incorporate the ones of the high administration. The subjects related to the loss are, in their majority, in the Board’s discourses. In the other side, there were the managers and technicians that tried to resist and keep a certain vision of the company, attempting to maintain their history as Telemig, a public company opposed to Telemar, the private business company.

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ⁱ Fiorin [19] argues that the themes are semantic elements present in any discourse. They refer to the abstract elements. The thematic "discourses have a predicative or interpretative function" (Fiorin [19]) playing the role of "an ordering category of the observable facts", (Fiorin, [19]) that is, they try to explain reality, even establishing dependence relationships.

ⁱⁱ The TSP appraises the operators by the following criteria:

- Rate of repair demands by 100 accesses
- Rate of repair services
- Rate of repair demands repeated in 30 days
- Rate of telephone net repair demands
- Rate of complaints by 100 telephone services bills
- Rate of dial tone after taking the phone off the hook
- Rate of special services rendered, such as wake up calls
- Rate of calls completed (completed DDD) (Annual Report [24]).