

GROW OR GROW : DETERMINANT FACTORS TO CONTINUOUS AND SUSTAINABLE GROWTH, the UNIMED-BH CASE

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ABSTRACT

The aim of this paper is to present essential factors that historically ensure notorious and well-known growth of a firm on a long term. A lot of studies attempt to explain why some organizations grow and maintain, while others fail to leverage results, and disappear, do not hold up. The theme of strategy of growth and survival of firms is the subject of research of renowned management scholars (Fleck (2001, 2003, 2004, 2009), Porter (1992), Collins & Porras (1995), Penrose (2006) e Chandler Junior (2002), for trying to explain this phenomena and propose some theoretical research lines as the theory of organizational traits and slacks resources (emphasis on Fleck (2009). We sought to apply existing theories to a case from a Medical Cooperative - Unimed-BH (Brazil), which was chosen because of its notorious growth that

differs from other market players in the same sector. We used the framework as proposed by Fleck (2001), based on his studies on the growth path of firms General Electric (GE) and Westinghouse (WH) and a qualitative longitudinal analysis research method seeking to understand the organizational traits that explain the growth and/or decline of these organizations. This model was then used seeking to understand the organizational traits and characteristics of Unimed-BH (Brazil) which enabled its growth, in a longitudinal analysis, in order to contribute to the comprehension of this study. It was built a causal map from the responses, based on the applied method.

Keywords: *Company growth. Superior performance. Organizational traits. RBV (Resource Based View).*

1- INTRODUCTION

Many are the studies made about Strategy in order to identify the factors that lead to differentiation between firms, searching to find a way of heading against the sustainability and continuous growth challenges to obtain competitive advantages and, consequently, self-perpetuating.

The systematic sustainable growth of companies in dynamic markets of big competition is no easy task for the managers, becoming necessary that the companies assess opportunities and threats, adjust themselves quickly to changes, and distinguish itself permanently from the competition.

Many authors that study the firms' growth can be indicated and, among these, Fleck (2001, 2003, 2004, 2009), Porter (1992), Collins & Porras (1995), Penrose (2006, originally published Theory of the Growth of the Firm, from 1959) e Chandler Junior (2002) can be highlighted.

We wish, in this essay, to give attention to topics of firm growth, seeking theoretical support evidenced on the sequence of studies elaborated by Fleck (2001, 2003, 2004 and give emphasis on the 2009 study) due to the studies on the topic and, evidenced, in the General Electric (GE) and Westinghouse (WH) case studies, analyzing secondary data collected from these firms in a period of 12 decades. The work of this researcher sought to explain "the why" the two firms (GE and WH) inserted in the same sector, contemporary and with origins similarity, presented meaningful differences in the growth process and continued existence, or decline.

Thereby, as mentioned, was taken as an emphasis reference and theoretical analysis base to this study the framework developed by Fleck (2009), for this being, as the author mentions, an evolution of her studies, to represent a more consistent theory to explain the phenomenon of companies' growth.

To constitute, according to its proposition, a theoretical evolution and presenting an outline attached to the companies' competitiveness, growth and survival.

For the object of this study, the Unimed-BH (Brazil) case was taken, acknowledged for having a remarkable growth along its operation. The medical co-op in study acts in the health insurance segment (supplementary health) and shows superior performance during its existence.

Unimed-BH, is a company that offers medical and hospital treatment services with an operational center in the city of Belo Horizonte (State of Minas Gerais – Brazil).

It is a medical co-op that acts in the supplementary health sector, classified (2013 data) in 7th place in the ranking of the 10 *biggest health insurance companies of Brazil*, according to data of the Agência Nacional de Saúde Suplementar – ANS (National Agency of Supplementary Health), though its action is regional, according to the rule of the systems in which it belongs to.

The medical co-ops, initially created with the intention of reacting to the so-called “commodification of medicine” and the “proletarianization of the medical professional” (Unimed do Brasil), became important players in the market of health insurance in Brazil and today it takes around 36% of the 48,7 million clients of supplementary health (ANS, 2013), with approximately 17,5 million clients. It is considered the biggest cooperative medical complex in the world, according to Lumertz (2011).

From 1998, with the edition of the Law n. 9.656/98 there was a health system regulation, which caused deep alterations in the so-called “health insurance market” in Brazil. Since then, besides the regulatory pressure from public entities, a combination of factors have been bringing new challenges to the insurance companies, among them, the high cost of medical assistance, population aging, the increasing in the health services usage and the speed of technological innovations. The health sector regulations coincided with a fundamental change in the governance model of Unimed-BH, end of lifetime trustees, with other movements, as the company’s professionalization and strategy definition that had as purpose putting the organization as a health sector reference in the national scenario.

Strategy definition that gathered divergent interests, enhanced its resource usage, ensured its perennial and generated value for the clients, was the challenge presented to health insurance companies in Brazil and health systems in the world, which wouldn’t be different to medical co-ops and to Unimed-BH.

Thereby, this study seeks to identify and understand which are the factors and processes adopted by the leaders over time in search of making “perpetuate” and, improve, grow, save its tangible and intangible resources in the competition process. The search to achieve phases, resources and competence baseline, in a regular way, that positions it in a more sustainable field and that comprehends going beyond “merely surviving” in the market and achieve superior baselines in a virtuous cycle. Therefore, we sought as the study’s objective to verify the adherence between the traits proposed by Fleck (2009) in the company growth explanation (in this case, UNIMED-BH, Brazil). *Accordingly, analyze Fleck’s (2009) organizational traits contributive capacity (“business personality” ontological elements”) to characterize applied behaviors by the leaders of sustainable and continuous growth companies.*

2- THEORETICAL REFERENCE – the theories of company growth

Many are the models and theories proposed in order to explain the superior performance conservation and permanence of some companies, whilst others fail and cease to exist.

Among other theories, Porter’s theory of Competitive Advantage and Generic Strategy stands out (1992). The author indicates that every company aims the creation and support of competitive advantage, seeking a defensive or proactive position based on the strengths that interfere in its course of action. Therefore, the leaders should make decisions in order to obtain attractive returns, based on the so-called five competitive strengths, which are: rivalry among existing competitor, bargaining power of supplier, bargaining power of buyers, threat of substitute products or services and the threat of new entrants.

In counterpoint to Porter’s theory, the RBV – Resource Based View (Barney; Hesterly, 2011) evaluates the internal resources as competitive base for companies. The work of Penrose (2006), *originally published Theory of the Growth of the Firm, from 1959*, is recognized as the RBV theoretical approach base. Penrose (2006) and other followers argue that the companies’ growth relies on possession, access and usage of heterogenic and unique resources or the relationship among these. The resources, on the other hand, to generate competitive advantage, need to be valuable and rare, hard to copy and substitute and the company must manage them to its advantage (BARNEY, 1986, 1991 apud GONÇALVES et al, 2011). This theory, however, emphasizes the inside out, in other words, the means of an effective internal management of tangible and intangible resources (idiosyncratic factors), can set the company in a better position on the market.

Penrose (2006) stresses that even though emphasis is given to companies' internal characteristics (resources and capacities), the environmental forces and business performance that affects the behaviors cannot be set aside.

Another author that seeks company's growth comprehension is Chandler Junior (2002), focusing his study on the analysis of growth strategies used by modern business companies. He developed his study analyzing the American industrial organization from 1850 to 1920, a period understood by him as "the modern capitalism". Thenceforth arises a new organization, the multidivisional company, suggests Chandler (2002, p.12) that the "the visible hand of management supersedes the invisible hand of market coordination..." of Adam Smith.

As well as Penrose (2006), Chandler Junior (2002) offers an oriented view to processes and internal resources. He evaluates factors as: managerial attitude, infrastructure importance, information role and the innovation on the companies' growth and the capitalism. According to the author, administrators naturally seek alternatives for a more effective and profitable resources management, resulting in a **continuous growth** process. And the underutilization of the available resources will always provide new productive opportunities, generating new abilities and resources, also underutilized, and forming a circular relationship. This generates **continuous growth** and continued existence. Was identified that the organizations' continuous growth process is equipped with a **self-reinforcing** mechanism, and that the experienced expansion to support growth and increase the resources and abilities utilization generated other modalities of resources and underutilized abilities, conducting to a new growth. This expansion mechanism generating new expansion was denominated **continuous growth engine** by Chandler Junior (2002). The author explains that operational unbalance on speed and productive capacity is potentially capable of starting a continuous growth process.

Chandler Junior (2002) addresses, still the concept of **continued existence** of the company is related to its capacity of hiring and retaining administrators that compromise with the company in a long range, helping regenerate its capacity and acquire continued existence propensity.

2.1 - ORGANIZATIONAL TRAITS TO GROWTH AND SELF-PERPETUATION PROPENSITY OF ORGANIZATIONS

Additionally to the presented authors, Fleck (2009), proposes a model, or archetype, to explain the self-perpetuation tendency of companies, evaluating, over 12 decades, the growth trajectory of American companies General Electric (GE) and Westinghouse (WH), abstracting, from this study, the denominated organizational traits. The superior performance of an organization, measured by its growth indicators, explains its propensity to remain active. To Fleck (2004), long-range success relies as much on the capacity of the company to execute lengthy power on the market, occupying a privileged position in the sector, as it does on the capacity of structuring organizational processes that permit capturing, exploring and reconfiguring valuable resources.

Fleck (2009), based on the Chandler Junior's (2002) work, develops a framework from two engines that boost the organizational growth, which are: **the continued existence**, with the administrators long-ranged commitment with the company envisioning its continued existence with the organizational integrity preservation; and the renovation upon the **continuous growth**, with the search of a more effective and profitable utilization of the tangible and intangible resources, boosting its growth. Growth generates need for new resources, or the better utilization of the existing ones, increasing in quantity and quality the cast of subtilized resources and abilities, promoting a growth oriented virtuous cycle.

Chandler Junior (1977) and Penrose (1980) apud Fleck (2009), introduce the concept of slack resources – that comes from the excess of resources so that the company can operate in a more elevated level, in order to achieve innovations, survive the uncertainties and avoid conflicts. This slack of resources enables the company to develop a self-renovating capacity, envisioning its expansion and continuous growth.

The organizational traits were synthesized in an archetype form and identified in the literature as the seven growth traits of Fleck (ANDRADE FILHO, 2003 apud LUDKEVITCH, 2005). Posteriorly, Fleck (2009), in an earlier publish of the same study, simplified his model and summarized the organizational traits in five, according to the structure presented in the “Archetypes of Organizational Success and Failure” (2009) article.

Chart 1

| Organizational Traits or Challenge Category | Description | Polar Responses to Challenge | |
|--|---|--|--|
| | | Unfavorable Pole | Favorable Pole |
| Trait 1 Enterprising | Promoting continued entrepreneurship by fostering the firm’s willingness to carry out reinforcing, value-creating expansion while also preventing the organization’s overexposure To risks. | Satisfactory or Less (Low level of ambition, versatility, imagination, vision, fund-raising ingenuity, and judgment, using nil- & defensive-motivated moves) | High-Reaching (High level of ambition, versatility, imagination, vision, fund-raising ingenuity, and judgment, using productive- & hybrid-motivated moves) |
| Trait 2 Navigating into the Dynamic Environment | Dealing with the organization’s multiple stakeholders in order to secure value capture and Organizational legitimacy. | Reactive Poor Monitoring, inadequate usage of response strategies. | Active Regular monitoring, usage of opportune and adequate response strategies. |
| Trait 3 Diversity Management | Sustaining the firm’s integrity in the face of increasing organizational Conflicts and rivalry. | Fragmentation (Failure to establish bonding relations and coordinating capabilities.) | Integration (Successful development of Bonding relations and coordinating capabilities.) |
| Trait 4 Human Resources Provisioning | Steadily equipping the firm with necessary qualified Human resources. | Tardy Just-in-time or after the fact actions. | Soon Planned in advance. |
| Trait 5 Complexity Management | Managing complex issues and solving problems of increasing complexity so as to avoid risks to the Organization’s existence. | Ad hoc (Poor problem solving capabilities upholding quick search for solutions and precluding learning) | Systematic (Strong problem solving capabilities promoting comprehensive search for solutions and fostering learning) |

Source: FLECK, DENISE apud Authors Edition “Archetypes of Organizational Success and Failure” (2009)

Fleck (2009) suggests that five traits are required from the organizations, which can determine its success, or failure. These traits are also denominated by Fleck as growth challenges, namely: Entrepreneurship, Dynamic Environment Navigation, Diversity Management, Human Resources Provisioning and Complexity Management.

3- METHODOLOGICAL COURSE

The development of the research question was executed by a longitudinal study, with the execution of semi-structured interviews with leaders and people related to the historic growth of the company. We sought to investigate the company’s organizational traits and its effects in its continuous growth. Therefore, the interview script was organized, considering

the existence of organizational traits suggested and adapted from Fleck (2009). These traits were divided into sub-themes to facilitate the interview's orientation and analysis.

The research can be considered a unique case study for presenting characteristics of notoriety, since the firm's growth (YIN, 2001). Were interviewed, deeply, a total of 8 key people, for having followed the company's history for a long period of time.

The interview's project, in its analysis, occurred through the laddering technique. The laddering technique is a qualitative technique, which emphasizes the sense making logic, utilizing semi-structured interviews to comprehend the relation between concepts, consequences and values. It has as purpose a perceptual map development between concepts, objects and values, indicating the interrelations among them (REYNOLDS; GUTMAN, 1988 apud LADEIRA & ZANCHETA).

It was investigated, by the interview's script if the interviewed noticed the existence of slack resources that allows the sustainable growth of the analyzed company.

It was opted to select the traits attributes, enumerated by the interviewed, by the criteria of quantity and relevance. They were considered the attributes of frequency bigger than 1, or those that, still equal to 1, was noticed, by historical factors, as effective identification of traits. Secondary data, documents and company's publications released on internal and external means were used.

Two categories that synthetize the response to the five organizational traits were constituted, based on the two polar of Chart 1, in other words, if the response to the challenge is on the favorable or unfavorable pole.

The indicators of Unimed-BH were also checked, seeking to evaluate if there is a relation between the results found, in other words, expansion or retraction periods pointed out by the indicator, and organizational factors that might have resulted in growth.

4- TRAJECTORY GROWTH EVIDENCES AND RESULTS ANALYSIS

The growth mensuration indicators were calculated using the study of Fleck (2001) and Ludkevitch (2005) as basis. We sought to reduce the country's economic growth interference, dividing the results found by the Gross Domestic Product (GDP), as suggests Ludkevitch (2005).

In the Unimed-BH case some Growth and Productivity indicators alterations were made. The income was used in place of Gross Sales, and in Profitability, Operational Results were used in place of Net Profit. Due to data availability in the analyzed period, we opted to use Brazil's GDP from 1991 to 2012, available on the IPEA website (IPEADATA, 2013).

The number of employees is available from 1997; therefore the productivity indicator was only calculated from 1997 to 2012. The other indicators were calculated from 1991 to 2012, since this is the available period of Financial Demonstrations. The calculation method is defined by the equations (Eq. 1, Eq. 2 and Eq. 3):

$$Size_{year\ i} = \frac{Income_{year\ i}}{GDP_{year\ i}} \times 1000$$

Equation 1: Size Indicator
Source: Developed by authors

$$Profitability_{year\ i} = \frac{Operational\ Result_{ano\ i}}{GDP_{year\ i}} \times 1000$$

Equation 2: Profitability Indicators
Source: Developed by authors

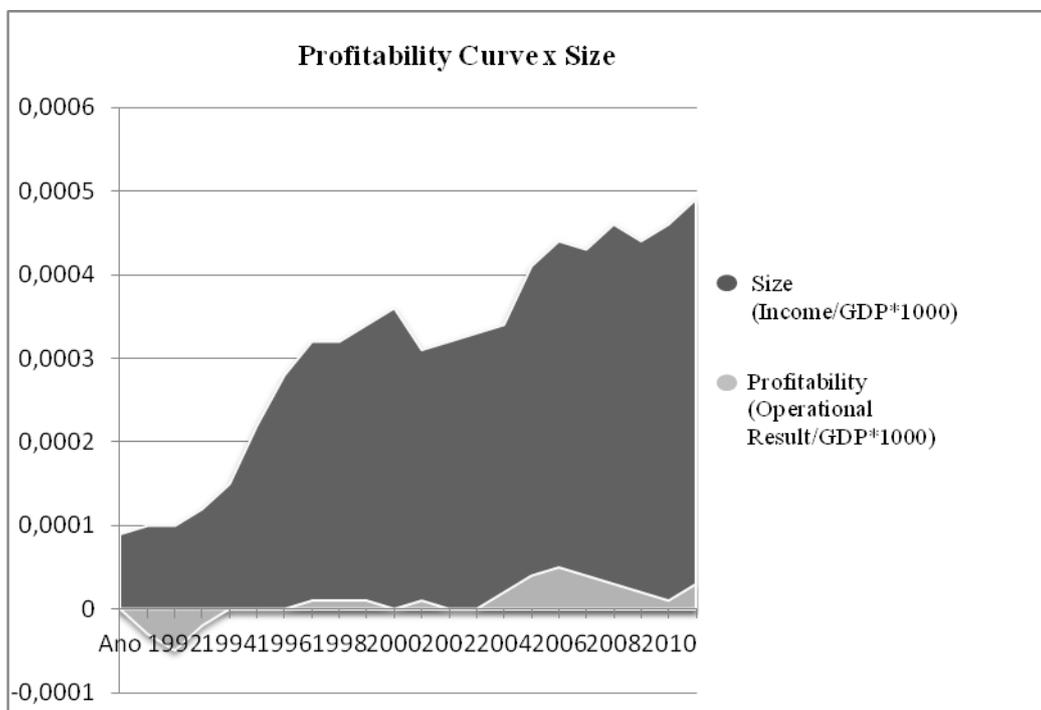
$$Productivity_{year\ i} = \frac{\frac{Income_{ano\ i}}{Employees_{year\ i}}}{GDP_{year\ i}} \times 100$$

Equation 3: Productivity Indicators

Source: Developed by authors

Accounting information from 1991 to 1993 was provided in the time currency (Cruzeiro and Cruzeiro Real). To make the information comparable, the numbers were converted from the time currency to the current currency.

Graphic 1 represents size and profitability growth. We can observe that, adjusted by the GDP factor, the company presented income growth throughout the period. The profitability trajectory, also adjusted by GDP, shows that the company showed little satisfactory results in the beginning of the cycle, which was reverted from 1995, becoming a growth trajectory, with relative stability from 1997 to 2004. An expansion occurs from 2005 on, though it falls, and recovers afterwards.

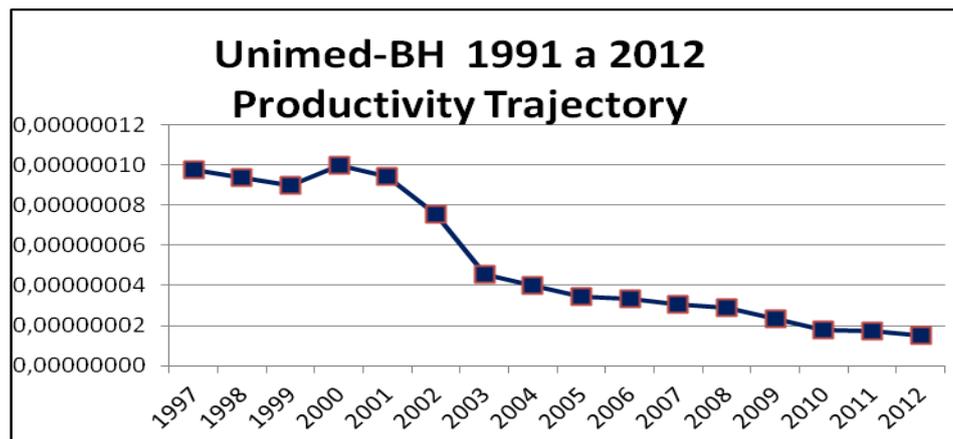


Graphic 1: Size and Profitability Curves Comparison - Unimed-BH (1991-2012)

Source: Developed by authors based on Accounting Data of Unimed-BH and Management Reports/GDP (IBGE e IPEADATA)

By the Growth and Profitability curve overlapping, Graphic 1, adjusted to the scale, we can observe that there is a relative coincidence in the growth, stabilization and contraction periods. It can be observed, still, an ascendant curve period from 1995 to 1998, in a new growth phase from 2004 and 2005 on, which puts the company in a new result baseline, characterizing a new clear expansion phase.

As for productivity (Graphic 2), what can be seen is that there is a decline between 2001 and 2003, and a continued decrease, though less accentuated, from that period on. The company's history brings inputs to justify the strong curve inclination in the beginning of the period as we can observe in its Management Reports and the observed data in the Human Resources area.



Graphic 2: Productivity Trajectory - Unimed-BH (1997 a 2012)

Source: Developed by authors based on Accounting Data of Unimed-BH and Management Reports/GDP (IBGE e IPEADATA)

This period, that coincides with a change in management, envisioning its professionalization, is marked by a strong expansion of the personnel board to enable a strategic change, and there are evidences of a human resources slack in order to support the continued growth.

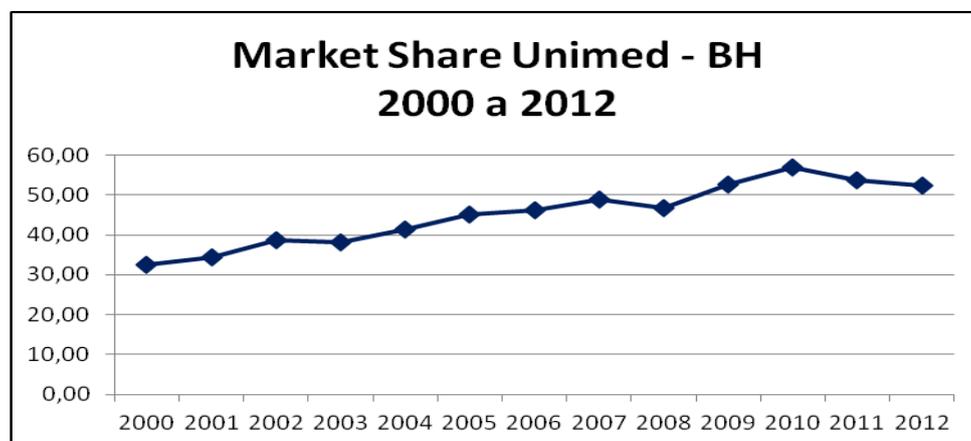
To complement the analysis, the Market Share of Unimed-BH was calculated since 2000, Graphic 3, which is the first year that data was provided by ANS about the health plan beneficiaries quantity. The calculation was made adjusted by the health plans beneficiaries, in general, based on the well-known methodology of market share calculation, which is the company's participation in relation with the market of its activity, here represented by the number of clients or beneficiaries (Eq. 4)

$$Market\ Share_{year\ i} = \frac{Unimed - BH\ Customer\ Portfolio_{year\ i}}{Health\ Plan\ Beneficiary_{year\ i}}$$

Equation 4 – Market share

Source: Developed by authors

It can be observed, from this graphic's analysis, that Unimed-BH grew more than the supplementary health system in the period in question. This characterizes its performance well against the sector, which makes it intriguing to verify which reasons induced this performance, evaluating consolidated results, in the interviewee's perception, about the factors that facilitated its superior performance against the competitors.



Graphic 3Market Share - Unimed-BH (2000 a 2012)

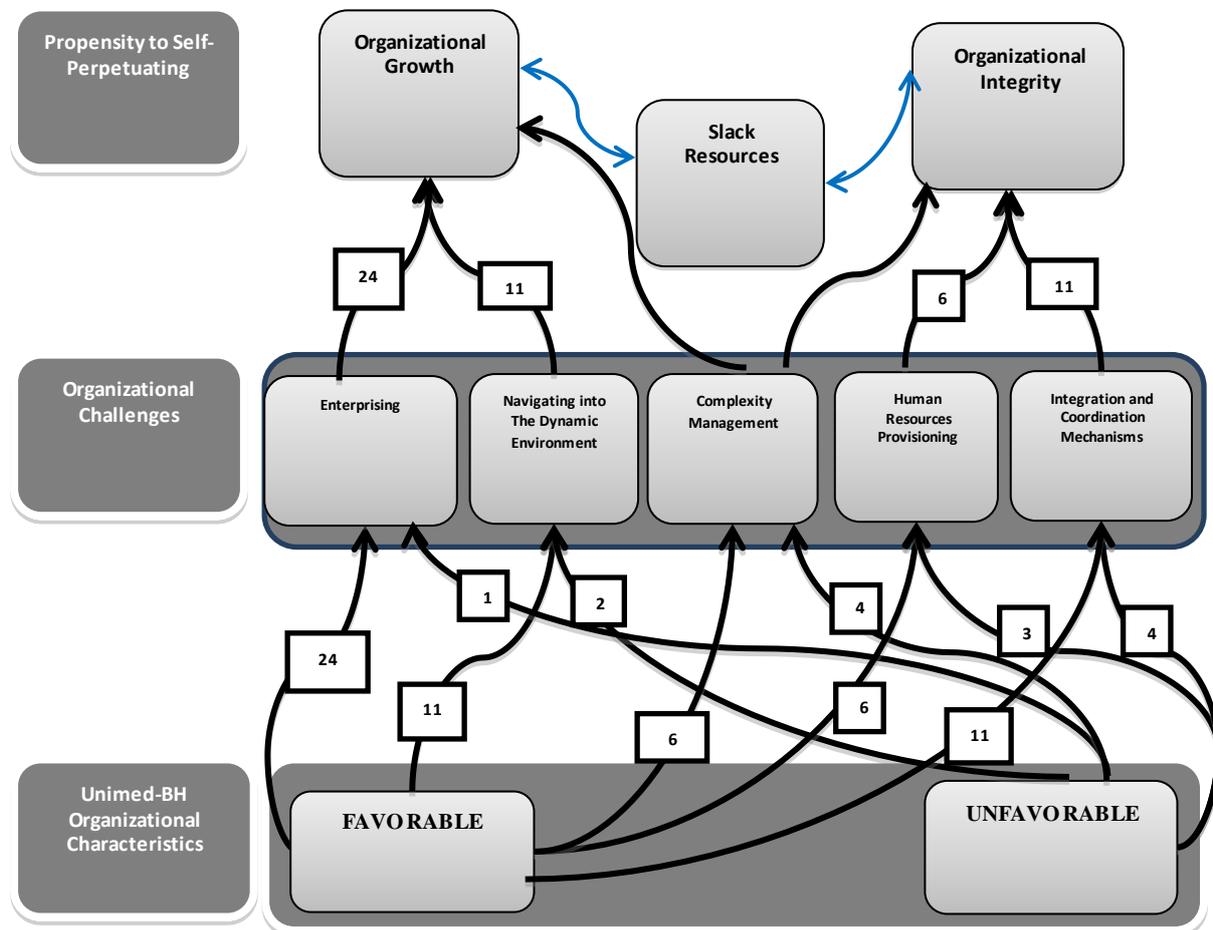
Source: Source: Developed by authors based on Management Reports Data of Unimed-BH/ Beneficiários - Caderno de Informações da Saúde Suplementar – ANS (Agência Nacional de Saúde Suplementar) - Mar/2013

5 – GROWTH ORGANIZATIONAL TRAITS

The result analysis from the organizational traits viewpoint of Fleck (2009) apud Caldeira (2012) demonstrates which are the main organizational challenges and the respective responses to them, evaluating if there is an organizational tendency to one of the poles, in other words, if Unimed-BH responds to the challenge in a favorable or unfavorable way, which can lead it to self-perpetuating or self-destructing.

For each factor or organizational challenge was established a favorability condition, or not, depending on the nature of the challenge response presented, in other words, if it is in the pole that contributed to the organization’s continuous growth and continued existence, favorable pole, or if it is in the opposed pole, unfavorable.

The map (Pic. 1) represents the research findings, in other words, the traits identification based on the interviewee’s quotes. The numbers indicated in the links, identify the number of attributes or characteristics of each trait, mentioned on the testimonies. The map (Pic. 1) structure presents 3 hierarchical levels, organized from bottom to top as: Organizational Characteristics of Unimed-BH, Organizational Challenges and Self-Perpetuating Propensity.



Picture 1: Hierarchical Map of Correlation between characteristics, traits or organizational challenges, slacks and tendency to success of Unimed-BH

Source: Developed by authors with support from GAIE (Unimed-BH), based on Qualitative Research Data.

Therefore, seen from bottom to top, the “Organizational Characteristics of Unimed-BH” topic, contemplates both evaluated poles, favorable and unfavorable, which are related to the 5 organizational traits.

The second level of the map relates the 5 “Organizational Challenges” and they are exactly the five organizational traits described by Fleck (2009) in her model.

CHART 1 describes the characteristics pointed out in the interviews, segmented by the 5 Organizational Traits, according the interview’s script. These characteristics were segregated in one of the poles, favorable or unfavorable and the total value of each pole was related to the organizational trait (Pic. 1). The numbers are contemplated in the links and relations indicated by lines and arrows. Thus, there is a representation of the interviewee’s consolidated perception, about the positioning of Unimed-BH.

As an example, for the Enterprising Challenge, 24 favorable and 1 unfavorable characteristics were found, as shown on CHART 1, according to the interviewee’s quotes. Therefore, Unimed-BH, is considered a company that contains a group of entrepreneurship characteristics.

Chart 1 – Gathering of Attributes/Characteristics/Frequency/Challenge Response

| Organizational Trait | Attributes/Characteristics | Response Frequency | Challenge Response / Favorability |
|---|--|--------------------|-----------------------------------|
| (B) Enterprising Innovation | | | |
| | Change on management from 1998 on. | 12,6 | FAVORABLE |
| | Change to a broader health assistance (health promotion) | 9,0 | FAVORABLE |
| | Creation of own services to serve new plans. | 6,0 | FAVORABLE |
| | Products and services innovation starting in 1998 to become distinct on the market. | 5,0 | FAVORABLE |
| | Creation of new plans for the lower class. | 4,0 | FAVORABLE |
| | Focus on corporative clients. | 2,4 | FAVORABLE |
| | Economic system created by medical co-op, credit co-op, pension fund and bound co-ops. | 2,2 | FAVORABLE |
| | Technology Innovation. | 2,0 | FAVORABLE |
| | Innovation on the relationship with providers. | 1,0 | FAVORABLE |
| | Health solutions sales to clients, with optimization in health spending, for more than 10 years. | 1,0 | FAVORABLE |
| | Relationship with co-op members – bigger management participation. | 1,0 | FAVORABLE |
| | Commercialization changes (campaign aiming small and medium companies) | 1,0 | FAVORABLE |
| | Creation of co-participatory products. | 1,0 | FAVORABLE |
| (B) Enterprising 5 Anticipations | | | |
| | Strategic planning is structured and implemented. | 9,6 | FAVORABLE |
| | Goals are challenging. | 5,0 | FAVORABLE |
| | There is a goal achieving. | 5,0 | FAVORABLE |
| | Strength of the number of co-op members. | 3,6 | FAVORABLE |
| | Participation in all levels of deployment and strategy following. | 3,0 | FAVORABLE |
| | Emergent strategies are incorporated to the planning throughout the year. | 3,0 | FAVORABLE |
| | Unimed’s system organization as a system starting in the 80s. | 2,2 | FAVORABLE |
| | Capacity of executing what is defined as strategic | 2,0 | FAVORABLE |

| Organizational Trait | Attributes/Characteristics | Response Frequency | Challenge Response / Favorability |
|----------------------|---|--------------------|-----------------------------------|
| | direction. | | |
| | Continuous improvement on the strategic formulation throughout the years. | 2,0 | FAVORABLE |

(B) Enterprising 6 Risks Propensity

| | | | |
|--|---|-----|-------------|
| | Creation of own services that increase the exposition to risks, though they are measured. | 4,0 | UNFAVORABLE |
| | Bold company, therefore, prone to risks. | 3,0 | FAVORABLE |
| | Prone to risks, in a measured way. | 3,0 | FAVORABLE |

Source: Developed by authors based on interviews and the Fleck Model.

On the testimonies, the entrepreneurship of Unimed-BH is highlighted throughout its history, with good anticipation and innovation capacity. This entrepreneurship gained strength from 1998 on, when a new management takes on, and the company professionalizes itself. In this period, a new strategic direction is defined, executing long-range planning, with goals and actions defined, and the achievement following, in a structured form.

The same logic applied on the Enterprising trait, was applied in the other challenges or organizational traits. Thereby, the Navigating into the Dynamic Environment trait shows 11 favorable and 2 unfavorable characteristics.

Chart 1 – Gathering of Attributes/Characteristics/Frequency/Challenge Response- – Continuation

| (C) Capacity of Navigating into the Dynamic Environment | 1 Anticipation | | |
|--|--|-----|-------------|
| | Relationship intensification with co-op members with stimulus for bigger management participation. | 9,6 | FAVORABLE |
| | Permanent market and competitors monitoring and acts with anticipation. | 6,0 | FAVORABLE |
| | Supports and adheres to regulation, using it for its own favor. | 5,0 | UNFAVORABLE |
| | Market health plan demand. | 3,6 | FAVORABLE |
| | Creation of the product <i>Unifácil</i> for lower purchasing power classes in 2001. | 3,0 | FAVORABLE |
| | Predominant anticipation attitude. | 3,0 | FAVORABLE |
| | Usage of regulation benefits. | 2,4 | UNFAVORABLE |
| | Partnerships with providers stimulating network qualification. | 2,0 | FAVORABLE |
| | Technological mechanisms incorporation. | 2,0 | FAVORABLE |
| | Creation of own services was structuring and contributed to co-op growth. | 2,0 | FAVORABLE |
| | Anticipation relative to regulation questions. | 2,0 | FAVORABLE |
| | Technical reserve constitution before the market competitors. | 1,0 | FAVORABLE |
| | Focus on the client. | 1,0 | FAVORABLE |

Source: Developed by authors based on interviews and the Fleck Model.

The Enterprising and Navigating into the Dynamic Environment favorable characteristics led to Organizational Growth, according to Fleck’s (2009) model. On Picture 1 it is shown the correlation between these factors by lines and arrows, which immediately links the Organizational Challenges to a superior level. There are, in total, 24 favorable characteristics derived from Enterprising and 11 derived from Navigating into the Dynamic Environment, which leads to Organizational Growth.

And the Human Resources Provisioning presents 6 favorable and 3 unfavorable characteristics, as shown on CHART 1.

Chart 1 – Gathering of Attributes/Characteristics/Frequency/Challenge Response- – Continuation..

| (D) Human Resources Provisioning | | | |
|---|--|-----|-------------|
| | Professionalization process starting in 1998. | 7,6 | FAVORABLE |
| | Human Resources based in order to grow. | 7,0 | UNFAVORABLE |
| | Search for qualified Professionals. | 5,0 | UNFAVORABLE |
| | Formation and appreciation of internal professional on opportunities. | 3,0 | FAVORABLE |
| | Human capital was fundamental to the growth. | 2,0 | FAVORABLE |
| (D) Human Resources Provisioning 2- Organizational Culture | | | |
| | Employees integration process. | 2,0 | FAVORABLE |
| | Innovation, growth and sustainability culture. | 2,0 | FAVORABLE |
| | Organizational culture on establishment phase. | 2,0 | UNFAVORABLE |
| | Cooperative culture, with open environment and participation tendency. | 1,0 | FAVORABLE |

Source: Developed by authors based on interviews and the Fleck Model.

It was evidenced, in the interviews, fragility regarding human resources supplies, which is a problem to the market, in general, but it can become an obstacle to its continued growth tendency. Integration and Coordination Mechanisms possess 11 favorable and 4 unfavorable characteristics, on the interviewee’s perception.

Chart 1 – Gathering of Attributes/Characteristics/Frequency/Challenge Response- – Continuation...

| (E) Integration and Coordination Mechanisms | | | |
|--|--|-----|-------------|
| | Well Succeeded Cooperative Model | 5,6 | FAVORABLE |
| | Many relationship channels with clients. | 4,0 | FAVORABLE |
| | Definition of many participation forums of the co-op members. | 4,0 | FAVORABLE |
| | There is a good conflict management when they occur, but there is no system to deal with them. | 4,0 | UNFAVORABLE |
| | Good Governance System. | 3,0 | FAVORABLE |
| | Big Decisions taken to the Assembly. | 2,0 | FAVORABLE |
| | Establishment of a more balance relationship with hospital providers. | 2,0 | UNFAVORABLE |
| | One man, one vote, which brings risk to the succession process, minimized by the management professionalization. | 1,0 | UNFAVORABLE |

| (E) Integration and Coordination Mechanisms | | | |
|---|---|-----|-------------|
| 3 Chain Integration through vertical structuring | | | |
| | Creation of own services was structuring and contributed to co-op growth. | 3,0 | FAVORABLE |
| | Creation of own services increased the business risk and fragmentation possibility. | 2,0 | UNFAVORABLE |
| | Own services contribute to integration through strategic definition supplying the company's needs. | 2,0 | FAVORABLE |
| (E) Integration and Coordination Mechanisms | | | |
| | Relationship intensification with co-op members with stimulus for bigger management participation. | 9,6 | FAVORABLE |
| | Differentiation according to the corporate model – the cooperative. | 1,0 | FAVORABLE |
| | Presence of Unimed in the community, on both assistance and social actions. | 2,0 | FAVORABLE |
| | Relationship establishment with many publics: co-op members, providers, corporate and individual clients. | 1,0 | FAVORABLE |

Source: Developed by authors based on interviews and the Fleck Model.

The company has been dealing well with diversity on the interactions and with the integration with public diversity in its surroundings, even against the environment complexity in which it operates. It has been seeking to intensify the relationship and stimulates the participation of the cooperated doctors, especially due to its corporate form, the cooperativeness. There are also reports about its participation in cultural and social-environmental projects.

The Integration and Coordination Mechanisms as well as the Human Resources Provisioning, when favorable, lead to Organizational Integrity, also according to the model. On the same way, we can verify the 6 Human Resources Provisioning characteristics and the 11 Integration and Coordination Mechanisms, that lead to Organizational Integrity.

As for Complexity Management, the organization shows 6 favorable and 4 unfavorable, according to the interviewee's viewpoint.

Chart 1 – Gathering of Attributes/Characteristics/Frequency/Challenge Response-- Continuation...

| (F) Complexity and Systematic Problem Resolution | | | |
|---|---|-----|-------------|
| 2 Systematic Problem Resolution | | | |
| | Health sector complexity by vocation. | 7,0 | UNFAVORABLE |
| | Co-op members need to deal with individual interests X Co-op interests. | 4,0 | UNFAVORABLE |
| | Regulation brought complexity to the sector. | 3,0 | UNFAVORABLE |
| (F) Complexity and Systematic Problem Resolution | | | |
| | Decisions based on well-defined processes. | 2,0 | FAVORABLE |

| | | | |
|---|---|-----|-------------|
| | Casuistic problem resolution, to each case one solution. | 2,0 | UNFAVORABLE |
| (F) Complexity and Systematic Problem Resolution | | | |
| 3 Work processes relatively defined | | | |
| | Data existence and Structured information for decision making, goal definition and following. | 3,0 | FAVORABLE |
| | Clear role and responsibility definition, from the Assembly to the Board of Directors, Superintendence and Employees, yet with some difficulties and in change. | 2,0 | FAVORABLE |
| | Existence of many discussion and deliberation forums. | 2,0 | FAVORABLE |
| | Technological change to support management alterations. | 1,2 | FAVORABLE |
| | The management process facilitated role and responsibility definition and also reports. | 1,0 | FAVORABLE |

Source: Developed by authors based on interviews and the Fleck Model.

Unimed-BH deals with a high complexity environment because it has a structure set in its surrounding, according to the interviews. It is part of a co-op system, Unimed's system, but also inter-relates with other systems and co-ops, Credit Co-ops, other medical co-ops, *Federação Nacional de Cooperativas Médicas – FENCOM*, and other entities of the medical sector, the Doctors Union and the *Associação Médica de Minas Gerais (AMMG)*. The supplementary health sector dynamism and requirement corroborate to its market of action complexity.

The hierarchical map (Pic 1) portrays, thus, from the most favorable challenges, the main factors that have been bringing self-perpetuating propensity. Therefore, Organizational Growth can be imputed as the biggest impellent to its continued existence.

It can be observed, still, that all traits present more favorable characteristics. To this effect, and more particularly, Enterprising, Capacity of Navigating into the Dynamic Environment are highlighted, whose favorable characteristics have broad superiority if compared to the unfavorable characteristics. The company presents Human Resources Provisioning as its biggest fragility, according to the interviewees.

The interviewees were also questioned if they noticed the existence of slack resources that might have propitiated the company's growth, throughout its existence, based on the theory of Chandler Junior (2002) and Fleck's model (2003).

Chart 1 – Gathering of Attributes/Characteristics/Frequency/Challenge Response – Continuation...

| | | | |
|----------------------------|---|-----|---|
| (H) Slack Resources | | | |
| | Financial slack from 1998, with economic-financial solidity, enabling innovation implementation and appreciation of the co-op members' insurance quote. | 8,0 | - |
| | Care Resources slack with good network of providers and co-ops members in the 80s. | 2,0 | - |

Source: Developed by authors based on interviews and the Fleck Model.

It was portrayed, on the map (PIC. 1), the slack of financial resources mentioned, by unanimity, as being the one that propitiated its sustainable growth from the year 2000, enabling the business reinvestment, scrap return to co-op members, private welfare, legal reserves implementation imposed by ANS and growth of its patrimonial base. It was also mentioned, by some interviewees, human resources slack, from 1998, due to growth of employee number to support organizational restructuring. Observed hypothesis on the productivity graphic, Graphic 2– presents an important result fallback in this period.

6- CONCLUSIONS

This study sought to identify in this Health Plan Operator, Unimed-BH, elements that could show if the company possess continued growth characteristics, in other words, yet, prone to perpetuity. Based on the model proposed by Fleck (2009), it can be concluded that the company has a continuous growth and self-perpetuating tendency. This evaluation is grounded, by both growth indicators analyzed and organizational traits identified on the interviewee’s testimony.

CHART 2 reiterates the analysis and relates, in a synthetic way, the characteristics that respond to each trait or organizational challenged, based on the interviewee’s answers, elucidating the research’s findings.

| Organizational Traits or Challenge Type | Trait Description | Response proposed to the challenge – Organizational Practices. |
|--|--|--|
| Trait 1 Enterprising | To follow reinforcing expansion and value creation, at the same time prevents organization from risk overexposure. | Change on the attention to health model. Introduction of new market strategies. Strategic Plan Structured and daring goal setting with compatible risk level. Investment on company’s own services creation. |
| Trait 2 Capacity of Navigating into the Dynamic Environment | To deal with multiple stakeholders to assure value capture and organizational legitimacy. | Usage of external environment changes to its favor (regulation, market). Investments on the creation of the company’s own services. Investment on the relationship with stakeholders. Organizational change implementation. Facility to adapt to occurred changes. |
| Trait 3 Diversity Management | Company’s integrity maintenance when faced with rivalry and crescent organizational conflicts. | Vertical integration with the creation of its own services. Institutionalization of knowledge management. Management model stimulating participation. Investment on the relationship with stakeholders. |
| Trait 4 Human Resources Provisioning | To promptly equip the company with qualified and needed human resources. | Organizational change implementation. Proper human resources supply. Search for human development. |
| Trait 5 Complexity Management | Crescent complexity problem solving in order to avoid organizational existence risk. | Roles and responsibilities definition. Technology Innovation. Strategy definition agility on problems solving conduction. |

Chart 2: Summary Chart of the main characteristics that respond to organizational challenges.

Source: Developed by authors based on collected data with qualitative interviews.

The testimonies analysis (content and sentence casualty) permit to conclude that Fleck’s (2003) framework contributes to traits identification that promoted growth sustaining. Thus, is it noted if its theoretical adherence explains the phenomenon. It can be observed

on Chart 2. What the evidences show, however, is that the organizational traits theory constitute factors-goals on the behavior explanation that promoted growth at Unimed-BH.

It is worth mentioning that the theoretical framework proposed, was reviewed by the author herself throughout time and it has been consolidated as a possible perspective to understanding which reasons lead to companies' growth.

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