



INSTITUTIONALIZATION PROCESS: A STUDY OF THE GENERAL MICRO AND SMALL BUSINESS LAW

PROCESSO DE INSTITUCIONALIZAÇÃO: UM ESTUDO DA LEI GERAL DA MICRO E PEQUENA EMPRESA

PROCESO DE INSTITUCIONALIZACIÓN: UN ESTUDIO DE LA LEY GENERAL DE LA MICRO Y PEQUEÑA EMPRESA



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ABSTRACT

This article uses a sociological-based institutional theory to reveal all the steps taken by the authorities of a municipality in the interior of Paraná to implement the Law of Micro and Small Enterprises. The methodology chosen was non-participant observation and it was chosen semi-structured with municipal leaders. The political, economic and social concern, our work and the position we take is that institutional theory is not unrelated to culture and behavior, be it individual or organizational. It is intended to understand how the Micro and Small Business Law was implemented in this municipality, from its inception to its final operation. We emphasize that the research took up enough time to answer the relevant questions and one of the main findings of the research shows the detachment from institutionalized political issues such as bureaucracy and the slowness towards the culture and behavior of the agents involved in the process. or, despite institutionalizing individual and organizational behavior in this context, it does not adhere to the institutes built, thus altering the social order. As the process is constant, the time span of the research is presented as a limiting factor, supporting what we can measure so far and this detachment between institution and behavior.

Keywords: Institutional Theory. Social Order. Law.

RESUMO

Este artigo utiliza a Teoria Institucional de Base Sociológica para revelar os passos percorridos pelas autoridades de um município do interior do estado do Paraná na implementação da Lei das Micro e Pequenas Empresas. A metodologia escolhida foi a

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observação não participante e entrevistas semiestruturadas junto às lideranças do município. A preocupação político-econômica e social norteia o estudo, enquanto a posição tomada é a de que a Teoria Institucional não é descolada da cultura e do comportamento, quer seja individual ou organizacional. Busca-se entender como a Lei das Micro e Pequenas Empresas foi implementada nesse município, partindo das discussões iniciais até a definitiva operacionalização. Ressalta-se que a pesquisa ocupou um lapso temporal suficiente para responder às questões pertinentes, e que um dos principais achados da pesquisa mostra o descolamento das questões políticas institucionalizadas, tais como burocracia e morosidade perante a cultura e comportamento dos agentes envolvidos no processo. Ou seja, apesar de institucionalizado, o comportamento individual e organizacional, nesse contexto, não adere aos institutos construídos, alterando, assim, a ordem social. Como o processo é constante, o lapso de tempo da pesquisa se apresenta como limitador, portanto, o que se pode aferir até o momento é o descolamento entre instituição e comportamento pessoal.

Palavras-chave: Teoria Institucional. Ordem Social. Lei.

RESUMEN

Este artículo utiliza la Teoría Institucional con Base Sociológica para revelar las medidas adoptadas por las autoridades de un municipio del interior del estado de Paraná para implementar la Ley de la Micro y Pequeña Empresa. La metodología elegida fue la observación no participante y entrevistas semiestructuradas con líderes municipales. El estudio se basa en preocupaciones políticas, económicas y sociales, y se sostiene que la Teoría Institucional no es independiente de la cultura ni del comportamiento, ya sea individual u organizacional. El objetivo es comprender cómo se implementó la Ley de la Micro y Pequeña Empresa en este municipio, desde las discusiones iniciales hasta su implementación final. Cabe destacar que la investigación abarcó un período suficiente para responder a las preguntas relevantes, y que uno de los principales hallazgos muestra la indiferencia entre los problemas políticos institucionalizados, como la burocracia y las demoras, y la cultura y el comportamiento de los agentes involucrados en el proceso. En otras palabras, a pesar de estar institucionalizado, el comportamiento individual y organizacional, en este contexto, no se ajusta a las instituciones establecidas, alterando así el orden social. Dado que el proceso es continuo, el marco temporal de la investigación constituye un factor limitante. Por lo tanto, lo que se puede medir hasta ahora es la desconexión entre las instituciones y el comportamiento personal.

Palabras clave: Teoría Institucional. Orden Social. Derecho.



1 INTRODUCTION

The current moment is being marked by abrupt changes, especially in the economy, which directly affects social and business structures. It is evident, when observing the increase in competitiveness, the search for new commercial means and the growing competition that has gone from local or regional to global. Financial capital plays a fundamental role in the growth and development of companies, as well as the support and regulation of the State are linked to their development.

In this context, the current environment is characterized as worrying at the economic, political and social levels. In the economic sphere, the speed of the global displacement of capital stands out; in politics, through pressure from society, it seeks to develop mechanisms to encourage and give fluidity to the business process; And in the social environment there is the possibility of buying products from all over the world. On the other hand, however, there is a reduction in jobs due to technological advances and changes in labor relations.

This scenario implies an accelerated environment of change with the objective of protecting life, the economy and the way organizations act and relate, which makes the environment relevant to the development of the field of research,

Currently, small businesses represent 99% of the companies opened in Brazil, and are responsible for generating almost 52% of formal jobs and 27% of the national GDP (DIEESE, 2013; SEBRAE, 2014), which demonstrates its importance for the country's development.

There are, however, several difficulties encountered in this context, in which bureaucracy, the difficulties of the entrepreneur in search of efficient solutions, and the financing of businesses stand out. From the mobilization of organized civil society, aiming to support and foster these enterprises, the various governmental spheres developed public policies through laws and decrees in order to foster the entrepreneurial process.

Based on these assumptions, this study focuses on Complementary Law No. 123, of December 14, 2006, which "establishes the National Statute of Microenterprise and Small Business", as well as Complementary Law No. 128, of December 19, 2008, which amends parts of Complementary Law No. 123/2006 and creates the figure of the Individual Microentrepreneur – MEI (ENTREPRENEUR PORTAL, 2019).

The socioeconomic environment of this study is the main city in the Central Region of the state of Paraná, which has about 180 thousand inhabitants, according to estimates by the Brazilian Institute of Geography and Statistics (IBGE, 2019) and with a small business density. The city is part of the "Entrepreneurial City" Program, offered by the Brazilian Micro and Small Business Support Service (SEBRAE), which helps municipalities to regulate and put into practice the General Law of Micro and Small Business and its updates.



According to a previous survey carried out, until 2019 there was no effective implementation in order to favor the development of small businesses. From that date on, it was observed, in a preliminary way, the effective need for the institutionalization of the procedures in order to benefit and simplify the life of small companies.

This study is focused on the Public Administration of this city, and aims to seek the development of a more equitable and uncomplicated environment for the micro and small entrepreneur of the city, facilitating the development of the sector through the process of institutionalization of the so-called "General Law of Micro and Small Enterprises".

From the guiding question: **At what stage is the process of institutionalization of the General Law of Micro and Small Enterprises?** – it is intended to present each of the stages of the institutionalization of the Entrepreneur's Room. The environment in which organizations are inserted in organizational relations is dynamic and, in this sense, it is possible to judge the environment as technical and institutional: the first, from the perspective of resources and results; and the second, representing social factors, which include norms with the aim of defining parameters of relationships and experience (BULGACOV *et al.*, 2007).

The search for understanding the aspects that guide society as it is known is part of the studies published by Dimaggio (1986), Oliver (1997), Tolbert and Zucker (1998), which have demonstrated the development focused on the complexity of actions and decisions from an economic and sociological perspective that seeks, in addition to the rationality of survival under aspects of results, a focus on processes pertaining to the environment in which the company operates, whether environmental or human.

For Carrieri (2006), the practices have become legitimate before all actors in the organizational field. This process is explained through the Institutional Theory of Sociological Basis, when the interested parties begin to act according to the changes implemented.

2 THEORETICAL FRAMEWORK

2.1 INSTITUTIONAL THEORY OF SOCIOLOGICAL BASIS

The Sociologically-Based Institutional Theory, also called Neo-Institutionalism, has the interorganizational field as the level of analysis, and the institutions as the unit of analysis.

According to Hall and Taylor (2003), institutions provide moral and cognitive models that allow interpretation and action. The individual is conceived as an entity deeply involved in a world of institutions composed of symbols, scenarios and protocols that provide filters of interpretation, applicable to the situation or to oneself, from which a line of action is defined. Institutions not only provide useful information from a strategic point of view, but also affect



identity, self-image and preferences that guide action. Such institutions, according to Carvalho and Vieira, have a political, social or economic nature and, gradually, have been undergoing transformations and acquiring power, becoming complex and effective.

This approach observes the influence of social and cultural factors on organizations, and considers institutions as values, symbols, principles, (in)formal rules, standards and myths. Thus, they are formed and behave as mechanisms of monitoring and inspection, defining the way of acting, thinking, speaking and behaving, characterizing themselves as "the foundations of social life" (CAMPBELL, 2004, p. 1).

The sociological aspect in the institutional perspective received a special contribution from the Sociology of Knowledge, developed by Berger and Luckmann (1985), whose main concern is centered on the investigation of the nature and origin of the social order. The basis of his argument is based on the fact that the social order is based on the "social construction of reality", generated by interaction with nature.

Selznick (1996) characterizes the process of institutionalization as the action that becomes continuous, strengthened and repeated, thus assuming the expectation of institutionalization based on practice. Scott (2008), however, highlights the process, truly institutionalization as a process, in which repetition and activities become habitual.

The sociological strand is an alternative model to rational theories of technical contingency or strategic choice. In organizational studies, she argues that the rationalist order is an "iron cage" that imprisons humanity (DIMAGGIO; POWELL, 2007). The authors propose, as a consequence, that reality is socially constructed and, therefore, is not concrete, objective, but that organizations and individuals have the power of agency, influencing action.

The Sociologically-Based Institutional Theory encompasses organizations, their individuals, norms of conduct and their interrelationships with a view to structuring and functioning modern society. The importance of studies that address institutional change is highlighted in order to understand the deinstitutionalization of existing forms and their replacement by new arrangements that gradually become institutionalized (SCOTT, 2008).

According to the approach of the Sociologically-Based Institutional Theory, the influence of social and cultural factors on organizations was taken as a basis, considering the processes inherent to institutionalization to explain the operationalization of the General Law of Micro and Small Enterprises (CAMPBELL, 2004).

Understanding the context in which organizations are located is essential to understand their structures and processes. The context shapes the decisions that are made and, in this way, facilitates the predictability of organizational action. Organizations, however, are not passive collective social elements and, in turn, model the context itself, which leads



to the drawing of a picture of complex interaction between organizations and contexts in permanent dynamic movement, far from configuring a deterministic and unequivocal relationship (PETTIGREW, 1985).

The institutional perspective, therefore, abandons the conception of an environment formed exclusively by human, material, and economic resources to highlight the presence of cultural elements—values, symbols, myths, belief systems, and professional programs.

2.2 CONCEPT OF ORGANIZATION

Scott (2008) argues that there are two different approaches to the concept of organization, characterized as a technical and institutional environment. The technical environment, basically, portrays the economic and commercialization aspect in the sense of exchange, while the institutional environment is seen as norms, cultural/social aspects that occur to generate legitimacy or acceptance by those involved in the process.

Institutional theory assumes that "organizations are influenced by normative pressures, sometimes from external sources, such as the state, other times from the organization itself." (ZUCKER, 1987, p. 443). Thus, organizations are no longer seen as closed systems, but rather as open systems that relate to the environment to which they belong, both in their cultural and social aspects. They are, therefore, the materialization/materialization of institutions, especially those companies that practice norms, cultural and social aspects to be accepted by those involved in the process (SCOTT, 2008).

Campbell (2004) states that in the face of environmental pressures and/or values, organizations need to adapt and, generally, make changes in response.

Selznick (1996) characterizes the process of institutionalization as the action that becomes continuous, strengthened and repeated, thus assuming the expectation of institutionalization based on practice. However, the process stands out, that is, institutionalization as a process, in which repetition and activities become habitual (SCOTT, 2008).

For Berger and Luckmann (1987), institutionalization comes from three phases: externalization, objectification and internalization. Outsourcing represents the conditions experienced by all those who are part of the environment in which the institutions are inserted, above all, the way things happen. All those involved have their representativeness and influence (objectification), so each one abstracts what suits them for the formation of their structure (internalization) (SCOTT, 2008; ROSSETTO; ROSSETTO, 2005).

The core of the interpretation of institutionalization is legitimacy, succeeding isomorphism as a vital factor for survival. Legitimacy, in Scott's (2008) view, is acceptability



and social credibility, as material resources and technical information are not enough for organizations to survive and thrive in their environments. From the institutional perspective, therefore, it is a condition in which the actors of a social environment visualize, in a generalized way, that the actions carried out are desirable. Institutional isomorphism is evident for institutions that seek legitimacy (MACHADO-DA-SILVA; FONSECA, 1993; DIMAGGIO; POWELL, 2007).

Selznick (1996) considers legitimacy as the "imperative" for neo-institutionalism, the importance of symbol and myth in the construction of interorganizational reality, the dynamics of the functioning of institutions in the public and private segments and in their direct influence on society. Once social norms and standards are legitimized, continuous reproduction by organizations occurs. The confrontation between the need to maintain competitiveness and to have institutional legitimacy is the point of conflict, where internal and external needs duel to find the ideal bending point for each organization, often yielding to institutional pressure.

In the search for legitimacy, what Dimaggio and Powell (2007) explain as "isomorphism" can occur, based on what is proposed by Meyer (1979) and Fennell (1980). The authors question why organizations have homogeneity of forms and practices, and conclude that this is due to the search for good performance. They explain that there is "competitive isomorphism", in which companies recognize market pressures and deliberately make decisions to adapt, aiming at competitive advantage. The Sociologically-Based Institutional focus, however, is institutional isomorphism, which argues that organizations, through non-deliberate actions, become similar in the search for legitimacy to face internal and external pressures.

Institutions have three pillars that support their processes and are interdependent. They are: regulatory, normative and cultural-cognitive (SCOTT, 2008). The regulatory pillar has a coercive aspect and uses laws and rules to condition the environment and processes, revealing aspects of domination from the figure of power. In the normative pillar, values and norms resulting from normative adequacy or isomorphism, also considered as professionalization, are related. Finally, the cultural-cognitive emphasizes the function of institutions with their social aspect, as well as representations and symbolisms as mechanisms arising from the institutionalization process (DIMAGGIO; POWELL, 2007; SCOTT, 2008; MACHADO-DASILVA; FOSTER; CRUBELLATE, 2005).



Figure 1

The three pillars of organizations

	Regulatory	Normative	Cultural-Cognitive
Compliance Bases	Utility	Social obligation	Acceptance of assumptions and shared understanding
Basis of order	Regulatory rules	Expectation of adhesion	Constitutive schemes
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumental	Adequate	Orthodoxy
Indicators	Rules, laws and sanctions	Certification and acceptance	Common belief and shared logic of action
Bases of legitimation	Legally sanctioned	Morally Governed	Conceptually correct and culturally sustained

Source: Scott (2008, p. 51).

2.3 MECHANISMS OF ISOMORPHIC CHANGES

For DiMaggio and Powell (2007), there are three mechanisms of institutional isomorphic change, namely:

- **Coercive** – the (in)formal pressures exerted by other organizations influence actions through norms and rules, whether imposed through persuasion or conspiracy;
- **Mimetic** – standard response to uncertainty in which organizations mirror themselves in models of their field, perceived as legitimate or successful;
- **Normative** - occurs due to the professionalization of the members of an occupation, either through formal university education or sharing information/models in relationship networks.

2.4 PROCESSES INHERENT TO INSTITUTIONALIZATION

The institutionalization model developed by Berger and Luckmann (1985) incorporates three distinct phases: exteriorization, objectification and internalization. In a logical sequence, it is noted that exteriorization is influenced by the social world, it is external, coercive and sedimented, therefore, it is understood and objectified to be internalized, that is, the objectification and exteriority of an action lead to institutionalization. From this, the authors judge man as a product resulting from society, however, their analyses focus on the individual and not on organizations.

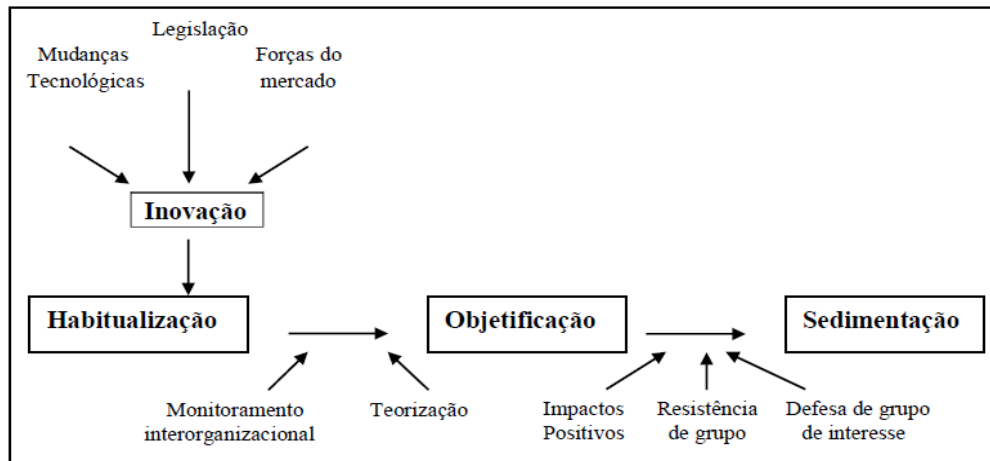
Meyer and Rowan (1977) and Zucker (1987) also discuss the process of institutionalization based on social evidence, while Tolbert and Zucker (1998) developed a new model based on the findings of Berger and Luckmann (1985).

In order for institutionalization to occur, Tolbert and Zucker (1998) propose stages, that is, a sequence of actions and behaviors of individuals or groups in order to face recurrent problems.

As a result of innovation, the stages that make up this process are habituation, objectification and sedimentation to have a new institutionalized structure, as shown in Figure 2.

Figure 2

Processes inherent to institutionalization



Source: Tolbert and Zucker (1998, p. 207).

In this context, the need to innovate can happen due to technological changes, legislation, market forces, among other situations. To face this situation, in the **habituation stage**, standardized actions are carried out, adapted to the context in which the process is developed.

It is thus possible to monitor the action and theorize what happens so that there is **objectification**, a moment in which the general meanings of the actions adopted are developed and shared, which can have a positive impact, generate resistance or defense of interest groups (TOLBERT; ZUCKER, 1998).

When actions are carried out in the way they were intended or when they exceed expectations, presenting a reality specific to the context, it can be said that there has been **sedimentation**. The process of institutionalization is complete if the structure is perpetuated by several generations of members of the organization (TOLBERT; ZUCKER, 1998).

It is considered, therefore, that the stages inherent to the institutionalization process can be aligned with the operationalization of the General Law of Micro and Small Enterprises. Complementary Law No. 123, of December 2006, at the federal level, instituted the National Statute of Micro and Small Enterprises, establishing "general rules regarding the differentiated and favored treatment to be given to micro and small enterprises within the scope of the Powers of the Union, the States, the Federal District and the Municipalities."



(BRAZIL, 2006). Its objective is to provide a more favorable environment for the strengthening of the entrepreneurial environment within companies that have smaller formats.

Complementary Law No. 123/2006 defines the parameters for the enterprise to be classified as a microenterprise or small business; establishes the Simples Nacional, a special unified regime for the collection of taxes and contributions for the aforementioned companies; provides for access to the market, through priority in participation in public bids; determines the establishment of measures that encourage the access of these companies to the credit and capital markets, with a reduction in transaction costs, among other issues; encourages innovation through specific programmes; etc. (BRASIL, 2006).

Complementary Law No. 128, of December 2008, in addition to modifying parts of Complementary Law No. 123/2006, created the Individual Microentrepreneur (MEI), and came into force on July 1, 2009, with the objective of taking entrepreneurs out of informality. The Law establishes the criteria regarding gross revenue for the company to fall within the MEI category; it places the option for the MEI to collect taxes and contributions through fixed monthly amounts, according to its area of operation; determines that the MEI may have a single employee, who may receive one (01) minimum wage, as well as must withhold and collect the social security contribution of the same; among other rights and duties (BRASIL, 2008).

Among other various measures, these laws are intended to promote Micro and Small Enterprises and Individual Microentrepreneurs, given their socioeconomic importance and contribution to local development, as well as the need for support for their development and growth. It is worth noting that in the Brazilian scenario, of the 6.4 million existing establishments, a total of 99% are MSEs, generating 52% of formal jobs in the private sector (SEBRAE, 2018).

For the law to be operationalized, however, the Municipal Power needs to regulate it and put it into practice, because only then will entrepreneurs be able to enjoy its benefits more efficiently. It is in this scenario that the present study brings information regarding the performance of the municipality in the interior of the state of Paraná in the search for the institutionalization of the General Law of Micro and Small Enterprises.

3 METHODOLOGICAL PATH

3.1 RESEARCH PARADIGM

The world can be seen from the most different perspectives depending on the different situations in which people find themselves. For Burrell and Morgan (1985) "[...] paradigms define, in an agreed and deeply established sense, a way of seeing the world [...]."



In this study, the Functionalist Social Base paradigm was used, which, according to Morgan (2007), starts from the understanding of the role of the individual in society, in an orderly and regulated way through concrete and tangible social relationships, within a system accepted by a group of researchers.

The analysis is focused on the interorganizational relationship with a view to building the reality of society. The research approach is characterized as qualitative. The choice of the method is justified by providing the researcher with a close approximation with the social context studied, offering a valid explanation to better understand it (MARTINS, 2004). The study is based on the questions "how" and "why" the facts happen in this context (BAUER; GASKELL, 2008).

Methodologically, the research is descriptive, since it seeks to "illustrate the complexity of the situation and the aspects involved in it" (GODOY, 2010, p. 124), exposing its configuration, structure, activities, relationship with other phenomena, etc. It uses as a method, the case study, which allows deepening the theme in a unit of analysis with the use of multiple sources of data collection in order to study the phenomenon in its context.

The decisions made in this type of study are related to "what", "where", "how", "who" and "when" the phenomenon is observed.

Among the benefits of the chosen method, the characteristics of the qualitative character stand out, which is flexibility, for example, in relation to data collection techniques (MARTINS, 2004), defined according to the context under study.

Both primary data collection instruments were constructed, through open interviews with a semi-structured script, field diary with non-participant observation, and secondary data, composed of documents such as reports, websites and records in archives.

3.2 RESEARCH CATEGORY

The method was defined as the case study which, for Godoy (2010, p. 122), aims to "develop concepts and understand the patterns that emerge from the data".

From the perspective of Triviños (1987), the case study is a category of research whose object is a unit that is deeply analyzed. Its objective is to deepen the description of a certain reality.

According to Yin (2005):

The case study contributes, in an unparalleled way, to the understanding we have of individual, organizational, social and political phenomena. Not surprisingly, the case study has been a common research strategy in psychology, sociology, political science, management, social work, and planning.



The choice of the interviewees was made by selection and judgment. "The key feature of trial sampling is that elements of the population are intentionally selected. This selection is made considering that the sample will be able to offer the requested contributions." (CHURCHILL, 1998, p. 301).

The criterion for choosing the interviewees was focused on their relationship with the implementation of the General Law in the municipality studied, which allowed them to have pertinent information to answer the research problem.

3.3 ANALYSIS TECHNIQUE

The analysis technique employed is the one proposed by Bardin (2016, p. 37) as Content Analysis, which consists of "a set of communication analysis techniques" that, in a systematic and objective way, describes the content of the message.

Content Analysis is more than an analysis technique, it is a methodological approach with its own characteristics that reinterprets documents and texts beyond ordinary reading. It is thus part of the theoretical and practical search in the field of social investigations, helping to reinterpret the content itself.

Considered a technique for reading and interpreting the content of all kinds of documents, Content Analysis opens the door to knowledge of aspects and phenomena of social life that would otherwise be inaccessible (OLABUENAGA; ISPIZÚA, 1989).

The raw material of Content Analysis can be any material from verbal or non-verbal communication, such as posters, reports, interviews, films, photographs, among many others.

It is also worth mentioning that, according to Bardin (2016), Content Analysis should use matrix tables by category, similar to Figure 2, by Tolbert and Zucker (1998), with Innovation, Habituation, Objectification and Sedimentation, which facilitates the visualization, interpretation and differentiation of each category.

We now move on to the analysis of the data obtained with the research, which constitutes the phase of interpretation of the collected data and its inference, presentation and treatment of results.

4 DATA ANALYSIS

4.1 INNOVATION

It refers to technological changes, legislation, market forces, incentives, performance improvement, among other situations. In these categories, two clear stages can be distinguished: preparation and implementation. In the "Preparation" stage, inserted in the



"Innovation" category, the excerpts reveal clear engagement and dedication of the agents regarding the search for the total implementation of the General Law in the municipality. From the first meetings, a suprapolitical action on this issue was perceived.

Excerpt from the statements obtained from the participants of the interviews:

And (1) I was invited to be part of this commission that works on the General Law of [...], so we took the federal law and we are going to study what could be in [...] according to our reality.

And (2) but then you have to create legislation.

And (3) this is how it happened at the beginning of César's administration, in 2013, with the implementation of the General Law and also the creation of the Entrepreneur Agency.

And (3) Coworking space we created in a way to join, unite inspections, it is posture inspection, it is sanitary and environmental inspection in a single space. [...] In which several employees from several different departments, then I will tell you exactly who these employees are and to which secretariats they belonged, met in order to raise the problems that existed in the municipality in relation to the release of permits for micro and small companies.

And (4) for a contract with Sebrae a technical cooperation term, called "Entrepreneurial City", where Sebrae provides and applies the methodologies, assisting the city hall in the implementation of the law.

And (1) public servants work for the entrepreneur, it is not an entrepreneur who works for the municipality, for public servants, to comply with documentation, it is in the interest of the municipality that the largest number of regular companies opened are service providers or not.

And (4) [...] managed only regularly, that is, to create the General Law of Micro and Small Enterprises in the municipality in 2013. Having a gap in the federal law that was created in 2006, providing all the legal mechanism for the implementation of the law, which in fact happened in 2013.

The respondents were part of the preparation process, and in all the speeches the focus to help the business class in all possible ways was evident. The creation of the legislation at the "drop of a hat", with the engagement of the Executive and the Municipal Legislature, developed, proposed and voted on the Law in less than 100 days. Concomitantly with this, the Commission was creating the conditions for the physical implementation of an Entrepreneur's Space (according to appendix "C" of a report at the time). Thus, the quotations of Dimaggio and Powell (2007) are reaffirmed when they propose that reality is socially constructed and, therefore, is not concrete or objective, but that organizations and individuals have the power of agency, influencing action.



4.2 HABITUATION

It is characterized as sedimented, standardized innovations, adapted to the context in which the process is developed.

The statements of the interviewees are described in the following excerpt:

And (4) a proposal where organized civil society constitutes a council, let's say, a committee that discusses ways to implement a general law in the municipality, to get the general law off the ground and to put the general law into practice?

[...] Much more robust and became a reference and awarded in the state for several years afterwards.

And (3) entrepreneur during all these years and they are already expressing interest that we can continue with this work in the next administration.

[...] yes, it was disconnected, dismembered from the Department of Collection and Inspection and the Department of Permits was created, called D'Inicio, removing the overload of the collection and inspection departments and we have autonomy with the secretary.

And (1) winners of the entrepreneurial mayor award in the state in terms of debureaucratization. There, on the day of the award, the mayor came to me, he said; 'we are finalists'! How so? Are there a lot of people who still complain about the process of starting a business?

And (2) maturity within this process of institutionalization of the law, which is in the Constitution of 88, it already said that micro small companies have to have a differentiated treatment, but then later, with Complementary Law No. 123, of December 2006, Complementary Law No. 128, of December 2008, which came into force in 2009, and after Provisional Measure 881/2019, called the Decree of Economic Freedom.

In the "Habituation" category, the entire political movement for the creation of the Law and implementation of the Entrepreneur's Room arises, again. It is noted, as in the previous category, the focus on the market and on the release of sectors of the municipal structure for the creation of a new body aimed at entrepreneurs, microenterprises, Small Businesses (EPP) and Large Enterprises. Tolbert and Zucker (1998) clarify the fact as a consequence of the actions and behaviors of individuals or groups to face recurrent institutional problems.

4.3 OBJECTIFICATION

It is the moment when actions cease to be mere imitation, and the structure adapts to the context.

The interviewees referred to the theme as follows:

And [2] I tried to conduct the entire process of the forum, because I wanted them to feel a little closer to me because I went there to stop by, here it worked, it was enough,



with Felipe's conduction, then at the key hours, then I sat down and it was consolidated definitively.

And [1] so, like this: in the Department of Permits (D' Início) there is a commission that is very interesting, which analyzes the processes that have some kind of bureaucratic pendency, which is irrelevant, will not cause damage, has nothing to do with the activity carried out, sometimes the irregular property, some little thing like that goes to this commission, He analyzes it on the spot and releases it, if necessary.

And [4] now, when we talk about debureaucratization, that's it: it becomes more of a backstage service than at the end with the entrepreneur, so it's a service that requires a lot of updating of legislation and processes.

In this category, it is worth mentioning the creations of the Committee and the Forum: the Committee covers all external bodies that influence and are influenced by the Laws, while the internal Debureaucratization Forum reacts to these needs, shaping more agile and integrated processes to the various departments of the Public Administration.

Both institutions aim to create a *modus operandi* aimed at the customer, in this case, the city's general business community.

Interviewee E[1], in this excerpt, makes it clear that the Commission analyzes in a deep and integrated manner all aspects of a process, adjusting and/or requesting adjustments for the release of the company's authorizations and permits.

For Berger and Luckmann (1985), institutionalization comes from three phases: "externalization, objectification and internalization [...] the way things happen; all those involved have their representativeness and influence (objectification), so each one abstracts what suits him for the formation of his structure (internalization)." This quote elucidates the intention of all participants in the formation of the structure of the Entrepreneur's Room.

4.4 SEDIMENTATION

Sedimentation involves the propagation of the structure throughout the group of theorized actors (TOLBERT; ZUCKER, 1998) "a process that is fundamentally based on the historical continuation of the structure and, especially, on its survival by the various generations of members of the organization."

In this aspect, the interviewees expressed themselves as follows:

And [1] for the actions developed by the position of Development Agent and for the Entrepreneur's Room, the city hall of [...] receives several caravans of secretaries, development agents and coordinators of entrepreneur's rooms.

And [2] one of the objectives as mayor is to leave the legacy of a mayor who promoted the debureaucratization of the processes. When the forum was created, one of the



objectives was to serve as an example for other institutions. Do you know what that is? that if there is space, he can study. This can be reapplied in other spaces, always aiming at the common good of society [...] this law, right, how do I let it become an institutional practice?

And [3] for the inauguration of the Department of Permits (D'Início) a grand opening was scheduled, frustrated due to the pandemic. There is a demand from some city halls indicated by Sebrae that are looking for information on how the department is working after the Debureaucratization Forum.

And [4] the creation of a collaborative space where all the departments that release permits work together, you know, which is what we call a coworking space that, in fact, became a unit called D'Início. D'Início has the focus of being the only city hall in Brazil that has a department focused on opening companies is [...] important in the aspect of debureaucratization, let's emphasize well in parentheses, [...] it has advanced a lot and this has put us on the map. And if this work continues in the same way, which I imagine will continue, in this same guideline, with the same vigor, we will certainly be able to highlight even more [...] in this scenario.

The Entrepreneur's Agency is not only in a sedimentation phase, but in constant evolution, since it is increasingly agile, connected and preparing for the next steps, with a view to maintaining its vanguard position at the national level.

The narratives of E[1] make clear this need and focus on constant innovation, on the incessant search for new methods, including constant review of legislation. In this way, sedimentation is presented, in the propagation of the structure throughout the group of theorized actors, as "a process that fundamentally rests on the historical continuation of the structure and, especially, on its survival by the various generations of members of the organization." (TOLBERT; ZUCKER, 1998).

In turn, E[2] expresses the issue of serving as an example in reducing bureaucracy for other public institutions in the state and in the country.

In the view of E[4], the city is on the right track, with a great possibility of becoming a reference in business generation, betting on the reduction of bureaucracy and the simplification of processes with the entrepreneur. When actions are carried out in the way they were initially intended, or when they exceed expectations, presenting themselves as a reality proper to the context, it can be said that **sedimentation has occurred**. The process of institutionalization is confirmed if the structure is perpetuated over several generations of members of the organization (TOLBERT; ZUCKER, 1998).

At the same time, the documentary research subsidized the facts observed in the interviews regarding the changes in the municipal legislation.



5 FINAL CONSIDERATIONS

At the end of this study, it is intended, firstly, to respond to the general objective, which deals with the understanding, based on the Institutional Theory of Sociological Basis, of the way in which the process of implementation/institutionalization of the General Law of Micro and Small Enterprises occurs.

To this end, the journey is highlighted, which, with the choice of the Functionalist paradigm based on the Sociological-Based Institutional Theory and qualitative research, provided a learning of great scientific relevance and knowledge of the processes of Public Administration. Thus, the challenges in the views of different public administrators are understood, which makes it a pleasant task to describe the types of changes in daily work practices that have occurred since the implementation and enforcement of municipal laws.

It was essential to understand the process of these changes from the perspective of the actors involved. To this end, the methodological instrumentalization allowed us to extract the maximum from the perceptions of the interviewees with the adaptation of the Figures of Dimaggio and Powell (2007), and of Tolbert and Zucker (1998), which facilitated the identification of the phase of the process of institutionalization of the General Law, providing the theoretical basis to discuss the possible benefits identified from this process.

As for the main objective, it was observed that the City Hall of the researched municipality is in the last stage of institutionalization – Sedimentation – due to the short time of implementation of the General Law in the municipality.

The use of inference allowed us to analyze the interviews and understand the benefits that Complementary Laws No. 123/2006 and 128/2008 brought to users, such as the deadline for opening a new company, which fell from 40 days to only one day, thus answering the research question.

The contributions to the institutional field are centered on the development of instruments capable of improving the structures of the processes and, in an innovative way, being put into practice in the daily lives of the city's public servants. With this, it will be possible to modify the organizational culture and qualitatively improve the relationship of entrepreneurs with the Municipal Administration, demonstrating the effectiveness of organizational relations at an economic, political and social level.

Based on Scott's (2008) concept, the institution was able to "fold" the organization in such a way that the latter became, despite being public, lighter, more agile and more efficient in relation to the business community.



As a mechanism of change, from the narratives a normative isomorphism was perceived (DIMAGGIO; POWELL, 2007) that seeks, through the professionalization of its members, organizational efficiency.

The structure set up made the processes of constitution of the Debureaucratization Forum and its methodological steps to be described in order to contribute to the sedimentation of these important Laws in the development of institutions.

It was found that the Functionalist paradigm, through the Sociological Institutional Theory, is ideal for research within public institutions, and that, in practice, it demonstrates that a law is only effective when it is institutionalized and recognized by individuals as fundamental to those who depend on it.

The limitations to the study refer to the Covid-19 pandemic, which changed the routine of people and institutions, imposing the need for social distancing and changing relationships, making organizations migrate to the *online* system and limiting the field of research. On the other hand, as this is a case study, the City Hall of the municipality was researched, and this universe of research can be expanded. The approach included qualitative research, and another form of approach could also be used.

As a way to encourage future researchers, this study should be replicated from the use of the same categories of analyses, however, over a longer period of time in order to identify the stage of institutionalization of the so-called "General Law" of micro and small enterprises.

In particular, it is inferred that the Law and the Entrepreneur's Room have walked an arduous and beautiful path so far, achieving their goals with praise, serving users with mastery, having all the requirements to continue working for the municipal business community.

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