

Integrity in Business Finance
- Corporate Governance and Ethics
- Exploring Business Culture and Analyzing Institutional Realities
- Case Studies from Enterprises in Jamaica and Brazil 2017

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Definitions/Background



Why this research?

- This Work continues on earlier work begun by us in 2015-2016 which is published research on Enterprises in Jamaica and Brazil
- This current research was to study the CNI (National Confederation of Industry) in Brazil and a well-known company listed on the Jamaican Stock Exchange as the two institutions for targeted study given the time constraints and given the relative sensitivity of the material which was to be accessed.

DEFINITIONS/BACKGROUND



Why this research?

This short presentation will touch on the critical areas of the research and will present some of the preliminary findings - the hope is to refine the sampling scope and design and to include quantitative analysis and also to improve on the information gleaned in data analysis particularly in Brazil.

I will briefly share with you the following:

- 1) Research questions
- 2) Summary of the literature
- 3)Initial findings and challenges in the field
- 4) Contribution to further research and some comments on a way forward

APPROACH TO RESEARCH METHODOLOGY



- This Work continues on earlier work begun in 2015-2016 which is published research on SMEs in Jamaica and Brazil with qualitative interviews focused on looking at how *inter alia* Government policy operated to foster and support SMEs in both countries and giving policy recommendations from those findings.
- This current work was met with several challenges not atypical of research of this kind and will need additional effort to add full value to the policy advice and recommendations given our hypotheses and research objectives.
- Research done over a period of about 5 months.

Ideas to explore



What are the ideas that we explored in the research?

- Notions of corporate governance, ethics and integrity;
- Contributing to primary research;
- Business transformation; and
- Best practices

QUESTIONNAIRE DESIGN AND GENERAL RESEARCH QUESTIONS include:



- Examine the perception from staff about an organization that builds integrity and accountability as major planks in their strategy.
- Examine customers' perception of a company
- Establish a correlation between an organization's ethical fibre and profitability . Do governance issues affect the ability to procure financing?
- Examine the extent to which firms are in compliance with the PSOJ Corporate Governance and the extent to which compliance affects their ability to access financing.
- Examine notions of entrepreneurship between Jamaica and Brazil more generally. How might we do that quantitatively?

Literature Review and Gaps in the Received Wisdom



- Conducted literature review on Corporate Governance and Ethics.
- Integrity in Business finance - How do we pull apart the idea of integrity as it relates to internal goals and objectives at the level of the firm?
- The conceptualization of the term “*corporate governance*” (CG) came about from the comparison between the governance of states and the governance of corporations.
- The guiding principles of the Private Sector Organization of Jamaica (PSOJ) that initiated the Corporate Governance 2016 Code, provide a benchmark for the private sector to improve the overall management structure.

Literature Review and Gaps in the Received Wisdom



- The 2016 Code is founded on six guiding principles which were coined by the Organization of Economic Cooperation and Development (OECD).
- The Brazilian Corporate Governance Institute (IBGC) sees corporate governance as “a system by which companies and other organizations are directed, monitored and encouraged, involving relationships among members, board of directors, board of executive officers, supervisory and control bodies and other stakeholders.”
- The basic related principles that should be adhered to here, involve: 1. Transparency. 2. Equity 3. Accountability 4. Corporate responsibility (The Brazilian Corporate Governance Institute, 2017).

The Brazilian Conundrum



- The 2012 Brazilian crisis which is well known as 'Lava Jato' (Car Wash) evolves from the fact that after fourteen years of being in power, the Workers Party lost the election in part due to evidence of corruption within the party.
- This crisis of corruption was mirrored in areas of the private sector as well.

FACTS AND FINDINGS - INITIAL RESULTS ON DATA ANALYSIS FROM INTERVIEWS IN JAMAICA AND BRAZIL



The data spans the following areas:

- Business models which favour integrity/ethics
- Realities of business finance models without integrity and ethics as a component
- The impact of HR policies which support ethics/integrity at the core of business- e.g. disciplinary measures, recruitment, training, methods of promotion
- Board accountability in respect of corporate governance
- Outcomes for models which see these elements as important

CONTRIBUTION TO THE BODY OF RESEARCH AND ANALYSIS



CONTRIBUTION TO THE BODY OF RESEARCH AND ANALYSIS: Exploring business culture and models of integrity in business- A Case Study

- Profile of Firm
- Business Ethics
- Implications for International Entrepreneurship
- Compliance

IMPLICATIONS FOR FURTHER RESEARCH AND POLICY



- Need more diverse sample of firms both in Brazil and Jamaica in manufacturing and in finance (trade in goods and services).
- Need to more clearly design quantitative and qualitative analysis of data to test hypotheses related to “measuring” corporate governance and ethics.
- Umbrella Agencies of Private Sector should be convinced to administer questionnaire in bid to more readily secure interviews and to gain access to more critical information.
- Best practices in a firm in the Jamaican company which was researched might well be useful to inform practices of firms in large territories like Brazil where business culture is increasingly exposed based on corruption at the political and private level.

IMPLICATIONS FOR FURTHER RESEARCH AND POLICY



- Need to strengthen the research agenda between English speaking Caribbean and Latin America especially MERCOSUR Member states (Argentina, Brazil, Paraguay and Uruguay; Venezuela suspended 2016) to examine business culture, modern management practices and approaches to international business engagement.
- Enterprises in Latin America present several possibilities for the exchange of ideas particularly as we seek to build on business models which better promote social and macro-economic development.
- More collaboration needed between top business schools in Latin America and CARICOM territories with a view to building a focused agenda for review and analysis.



THANK YOU!