Ethical Business Culture in Brazil: Advantages and Obstacles of National *Jeitinho*

Edgard Cornacchione and Liliane Klaus

ABSTRACT

Doing business in Brazil requires a thorough understanding of what ethical business culture means in the country and how this culture is related to the inherent threats and opportunities in the Brazilian business environment, stressing the private and public connection, as many economic crises have had their origins in corruption scandals and ethical deviations. Historical and cultural factors such as *jeitinho* (a specific Brazilian approach to circumventing bureaucratic barriers and solving problems using informal networks of relationships and favors) still permeate social and business behavior, hindering the development of a more professional and ethical business culture for both private and public enterprises and impairing a more consistent national growth. Despite progress, made recently, changing a traditionally paternalist, personalist, and impunity-based business culture is neither easy nor automatic. Merely adopting codes of conduct has proven to be insufficient to transform Brazilian business culture, which is typically characterized by power concentration, paternalism, personal loyalty, and conflict avoidance. We explore this context behind the Brazilian model of ethical business culture and invite investors to cautiously enter the market, consciously preparing to both face it and help with the required change.
INTRODUCTION

Brazil is a federal, presidential, constitutional republic based on representative democracy organized into one federal government, the states, the federal district, and the municipalities. The supreme law governing the country is the Federal Constitution, based on a multi-party system and on fundamental principles such as morality, publicity, legality, neutrality, and efficiency. A young democracy, Brazil is still learning to listen to multiple and diverse opinions within its society and adapt to the challenges of a new global community.

A key player in Latin America and globally, Brazil has advanced through a myriad of challenges throughout its history. With its colonization background, largely connected to Portuguese culture and values, Brazil has also been influenced by other European countries (especially Germany, Italy, Spain, France, and the Netherlands), Japan, and African countries. During the initial stages of the country's development, the economy relied mostly on natural resources and agricultural products (e.g., gold, coffee, and sugarcane). More recently, industrial, political, and social developments led to the emergence of a nation that is more powerful and willing to become a global player, both politically and economically. A young democracy that emerged in 1986 with the end of the military dictatorship, Brazil has seen two decades of the reorganization of the political system and macroeconomic environment (e.g., political system and inflation). Brazilian society has had to cope with a number of major challenges as the result of government-led restructuring.

A wide gap in wealth distribution is still present within Brazil. Government-led assistance programs were successful in enabling the direct transfer of wealth to families and individuals in deep need. For example, the government programs *Bolsa Familia* and *Bolsa Escola* have helped keep millions of K–12 kids in school and provided financial resources to their families at the same time. Other government initiatives that have helped increase the level of well-being of the poorest parts of the population were the introduction of the universal
health care system and the general public pension system. However, at the same time, a complex and massive taxation system was introduced, which imposes a heavy tax burden on businesses and individuals. A myriad of political, social, and fiscal elements—such as government interference and inefficiency, bureaucracy, tax burden, demographics, urbanization, to mention a few—has a direct impact on the size of Brazil's informal economy, which already encompasses 16.1 percent of the country's gross domestic product (GDP), according to the Shadow Economy Index (HEI) (Forte, 2014).

With about one-third (204 million people in 2015, according to the CIA World Factbook) of Latin America's population and about 40 percent (US$ 2.4 trillion in 2014, according to the International Monetary Fund [IMF]) of its GDP, Brazil could soon overtake the United Kingdom and France in GDP to become the fifth largest economy in the world. Brazil's demographics are very different from the developed countries of Europe, North America, and Japan, with their aging populations and declining share of working-age population. Over two-thirds of Brazilians are in the age range between 15 and 64, and a total of 7.3 million students are enrolled in the Brazilian post-secondary education system.¹

Doing business in Brazil requires a thorough understanding of what ethical business culture means in Brazil and how this culture is related to the inherent threats and opportunities in the Brazilian business environment, as many economic crises have had their origins in corruption scandals. Macroeconomic elements, such as fiscal and monetary policies, along with tariffs and exchange rates, are other factors that affect business decisions and catalyze business operations. The Brazilian economy spans a wide continuum, from producing fruit juices to building jets. Natural resources and agriculture continue to feature heavily in Brazilian trade. Engines, cars,

¹ Information as of 2013, according to Instituto Brasileiro de Geografia e Estatística [IBGE] and Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira [INEP]. It is noteworthy that as of 2013, 40 percent of post-secondary enrollment was in the social sciences, business, and law [IBGE, 2013].
trucks, houses, and jets are examples of manufactured goods exported by Brazil. The influential role of family business in Brazil also needs to be taken into account. Of the ten largest conglomerates in Brazil, six are family controlled (as of 2013, according to *Exame Magazine*). Another important component in the global expansion of Brazilian multinational corporations is the role of external mergers and acquisitions. Mergers involving the companies Inbev (with the world’s second-largest global beer conglomerate SABMiller) and América Latina Logística (with rival Rumo Logistica) are notable examples.

Within the business environment, the financial infrastructure of Brazil is very strong, mainly due to the necessary regulations put into place during and after the period of high inflation (1980–1994). Key variables, such as interest rates and exchange rates, are tied into this infrastructure. The Brazilian financial market had to evolve in order to cope with rapid changes in the purchasing power of the population. Banking systems and government markets became well established in advance of most developed economies. Improvements in telecommunication systems, energy sources, and, more recently, basic infrastructure goods, such as water, became critical to guarantee development.

A country poised for stable growth and with abundant opportunities, Brazil is not the easiest place to do business, according to the World Bank. A recent global study, conducted by the World Bank, illustrates how difficult it is for a local entrepreneur to open and run a small business or medium-size firm while complying with relevant regulations. The World Bank (2015) has comparatively analyzed regulations affecting 11 areas in the life cycle of a business: (1) starting a business, (2) dealing with construction permits, (3) getting electricity, (4) registering property, (5) getting credit, (6) protecting minority investors, (7) paying taxes, (8) trading across borders, (9) enforcing contracts, (10) resolving insolvency, and (11) following labor market regulation. With a possible ranking between 1 and 189, Brazil was placed 120th, suggesting that the country has plenty of room to improve. This challenging situation can also be observed in the Brazilian tax
system, characterized by federal, state, and municipality-regulated taxes. With approximately 90 complex taxes, duties, and contributions, the country has been ranked the most time-consuming nation in the world in which to do business by a study called “Paying taxes,” issued in 2014 by PricewaterhouseCoopers (PwC, 2014). Supported by the World Bank and the International Finance Corporation (IFC), PwC compared tax systems in 189 economies worldwide, analyzing not only overall complexity and tax rates but also the time required to comply with tax codes and the number of payments.

In Brazil, where tax professionals were said to spend 2,600 hours per year in 2014 in order to comply with the Brazilian Tax Code, it’s common for firms to recur to intermediate professionals called “despachantes” (bureaucracy facilitators) to cope with ever-changing tax laws, to record the differences between the accounting and tax bases, to provide reams of complex data, and finally, to handle time-consuming compliance procedures. This artifice may sometimes involve the use of illegal methods, such as the corruption of public officials through the giving of bribes. This kind of flexibility in solving problems has been present in the country since its early years of colonization. The good news is, as PwC (2014) argues, the enactment of Law 12,973 in 2014, which aligned tax legislation with the new Brazilian International Financial Reporting Standards (IFRS)-based accounting standards, should help reduce some of the tax bureaucracy. In general, the adoption of IFRS is meant to target accounting practices, such that the current system of multiple concurrent sets of accounting books and systems will no longer exist. However, this system is currently in transition.

Nonetheless, historical and cultural factors such as jeitinho (meaning the behavioral characteristic to use – often illegal – tricks to bend the rules, discussed in more detail later in this chapter) still

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3 This relates to the difference between corporate accounting standards (formal accounting rules) and tax rules (which are determined by national public policies and do not necessarily match formal accounting rules).
permeate social and business behavior, hindering the development of a more professional and ethical business culture for both private and public enterprises. Exploring the context behind the Brazilian model of ethical business culture will enable investors to not only cautiously enter the market but also appreciate how local business men and women apply local business processes in dealing with changing social attitudes toward corruption. Recent political events (corruption scandals, such as Mensalao in 2005 and Car Wash in 2015–16) at the very top of Brazilian power structures (the executive, legislative, and judiciary) are the latest damning evidence.

**GEOGRAPHICAL, HISTORICAL, AND CULTURAL HERITAGE: THE BAD SIDE OF JEITINHO**

Brazil, with more than 8.5 million sq. km, represents about 45 percent of Latin America’s landmass (World Bank, n.d.⁴). The country emerged as an independent state in 1822 after more than 300 years of colonization by Portugal. The colonization process led to the civil law approach in Latin America, mostly based on the legal systems of Portugal and Spain. As civil law is primarily based on legislation (rules, codes) while common law, used in the United States and United Kingdom, is based on court decisions (essence, jurisprudence), this orientation has important implications for international business transactions between Brazilian companies and their foreign counterparts. With the globalization of business and the harmonization of accounting rules among countries, the impact of legal systems on business conduct, from contracting to commercial disputes, is key to comprehending the expanding Brazilian and Latin American business environment.

Having to adapt to the demands of international markets, often with higher ethical business standards, Brazilian private businesses have reacted quicker than the government, which only reactively issued an anti-corruption law applicable to enterprises and

their leaders following massive protests in 2013. Often under pressure from headquarters or clients located in Europe or the United States, firms started to produce codes of ethics and auditing procedures which could attest to international partners and buyers that Brazilian-based firms were able to provide products of fair origin as required by consumers from more developed countries. Moreover, guaranteeing ethical business procedures became not only a question of legal protection and conscious sustainable development but also an essential tool for marketing and corporate reputation. To this end, Brazilian firms have been investing both time and money into complying with international transparency and ethical standards in order to be competitive in the international business environment (Ardichvili et al., 2012). Although the number of firms that have codes of ethics has been growing since the enactment of the anti-corruption law, there seems to have been little change in the real world, as is shown by a report from the BBC:

“Unfortunately, despite the importance and the recurrence of the subject, ethics is not yet in fact valued by a large number of companies operating in Brazil,” says Douglas Linhares Flinto, founder and president of the Brazilian Institute of Business Ethics. Mr Flinto adds: “Many businesses can talk about ethics, and even highlight it in the list of the company’s values hung on the wall and emphasized on the website. However, corporate actions prove that ethics is not a value to be pursued and used on a daily basis. And this is the biggest problem of the business world – the inconsistency in which many companies preach and act.” (Bowater, 2015)

Changing a traditionally paternalist, personalist, and impunity-based business culture (Gorga, 2003) by injecting ethical values is neither easy nor automatic. Merely adopting codes of conduct has proven to be insufficient to subdue Brazilian business culture, which is typically characterized by paternalism, power concentration, passivity, flexibility, personalism, formalism, impunity, personal loyalty, and conflict avoidance, as described by Barros and Prates (1997) [cited
by Capobiango et al., 2013). The authors argued that clientelism and patrimonialism are products of both Brazilian colonization – based on slavery and exploration – and of Brazilian industrialization processes, which evolved from newly abolished slavery and not from free work, as happened in Europe. Two periods of dictatorship, under President Vargas (1930s) and the military dictatorship (1960s to early 1980s), have permeated the private and public national environment, seeding authoritarianism (submission) and clientelism (exchanging favors) practices, which survived the development strategies that followed in the 1970s. Such elements characterized Brazilian management systems up until the end of World War II, when imported management models started to be used in the country. More rational management models started to be preferred, and work and production flexibility were introduced. But until globalization emerged, with its requirements for standard business practices from international clients and partners, ethical models in management were never a priority.

Based on Martins (2007) and Caldas (2007), Capobiango et al. (2013) concluded that an authoritative and clientelist cultural heritage still exists within Brazilian social and economic culture. Even with the ratification of the new Brazilian Federal Constitution in 1988, which established basic ethical principles to be followed by firms and citizens, clientelist practices were used to guarantee public employment to a particular group without due competition. This is reflective of the national jeitinho, a strategy of flexibility for dealing with bureaucracy derived from Brazilian cultural development and that has been extensively discussed by scholars.

Duarte (2006, pp. 512, 513) studied the historical roots of jeitinho, acknowledging that it “emerged as a response to the excessive legalism and formalism of Brazilian society inherited from its Portuguese colonizers,” which accompanies Brazilian society’s personalism. Citing the work of Rosenn (1971), Duarte explained that jeitinho goes back to the 17th century, when Portuguese kings ruled
within an authoritarian, paternalistic, particularistic, and ad hoc political system, which generated “an unnecessarily complex, confused and rigid legal system” full of different rules, laws, and decrees so numerous and so complex that it made the normal lives of citizens very difficult. This system, characterized by excessive formalism, has survived into the 21st century. *Jeitinho* emerged as a natural solution to getting things done and to avoid time-consuming form-filling, hours of queuing, or months of waiting for the right procedure to work.

Duarte compared *jeitinho* with similar reciprocity (relationship-binding) strategies (e.g., rooted in clientelism) in other countries and considers *jeitinho* to have the unique characteristic – as Brazilians view it – of a valid problem-solving strategy with heavy social weight. She argues that for *jeitinho* to succeed, there must be a relationship of sympathy and affinity between the involved parties so that the favor can be offered or requested. While *jeitinho* was originally a necessary, almost naive, strategy to get things done in a timely manner, it has quickly evolved into a way of escaping rules applicable to all and to enable corruption, since it often comes with some kind of bribe or counter-favor.

Rodrigues et al. (2011) confirmed this view through a qualitative research study based on interviews in which the authors identified *jeitinho* as an indigenous psychological construct concerning a problem-solving strategy that involves social and cunning tricks to break formal rules. For example, it may involve contracting with intermediaries who have personal relationships with bureaucracy officials who may accelerate one’s problem resolution through the payment of bribes or favors exchanged. Brazilians view the *jeitinho* term dichotomously, positively or negatively, depending on the context and on the people involved. It is seen more as a rule-breaking trick by younger people than by older ones. For investors and practitioners this can be an interesting element, as older people, as defined by Rodrigues et al., will require a more personal relationship to engage into the *jeitinho* practice. So avoiding a too personal
relationship with business partners may eventually help investors avoid being asked favors.

In identifying the common conceptualizations of *jeitinho* by Brazilians, the authors found seven relevant themes: “sympathy, harm to others, ‘malandragem’ (cunning), disregard for social rules, innovative processes, power relation, and compensation” (Rodrigues et al., 2011, p. 32). In general, interviewees understood *jeitinho* as a problem-solving strategy that “(1) requires skills (sympathy, malandragem, innovation/creativity), (2) has an impact on others and the social order (harm to others, disregard for social rules), (3) works as a tool to challenge hierarchical relations and social hardship (power relation, compensation), and (4) is seen as both positive and negative.” These representative perceptions of *jeitinho* give practitioners and investors another puzzle to solve. It follows that Brazilians will be inclined to apply formal ethical rules according to what they see as a necessary context, and will also be inclined to break them, despite their awareness that such rule-breaking is associated with causing harm to others. As previously discussed, in the worst-case scenario, it can be associated with corruption.

Puffer et al. (2013) seem to confirm these findings. The authors compared academic research on the practice of favors in BRIC (Brazil, Russia, India, and China) countries, including *jeitinho* in Brazil. They concluded that favor practices in the countries analyzed involved bribery and corruption. In Brazilian business culture, favors granted by *jeitinho* were found to be frequently illegal and involved much more than simply giving the parties involved an easy life, but rather enriching them to the detriment of the well-being of the firm and the employees. Even if the favor is legal, because of its informal, non-traceable nature, there is no way of making granthers or grantees accountable for their actions, which makes *jeitinho* incompatible with modern national and international legal requirements for ethics and transparency in doing business. Moreover, as administration is becoming more technically advanced, formalism is being
increasingly eroded, and the argument for placing one person's rights ahead of the rights of another person cannot be sustained in a democratic society. So, a challenge for practitioners will be that while jeitinho is a principle that is deeply rooted within Brazilian society, it does not fit with the desirable notion of Brazilian business culture nor the international ethical requirements (i.e., regulating agencies, citizens, or consumers), which Brazil can no longer afford to ignore.

The good news is that Brazilian society as a whole is starting to change, at least on the surface, despite the historical passivity of its citizens toward politically corrupt behavior. A small glimmer of hope arose following the Vinegar Uprisings involving common people against government, which started in 2013. They focused on the following themes: lack of services, underrepresentation, high taxation, and public sector corruption (expected to destroy circa 10 percent of national GDP). The media drew attention to the inefficiency and incompetence produced as the externalities of corruption hindered innovation, production, and performance. Although journalists asserted that “the giant is awakened” (referring to the traditional passive cordiality of Brazilian nationals) and despite the fact that citizens, to some extent, are becoming more aware of their rights and the lack of governmental transparency, corruption is still a big problem in a country where its citizens in their own small circles often behave outside the moral code (Klaus, 2016), following the jeitinho strategy. The consequences of this approach can be dire for local business culture and business practices. Gorga (2003, p. 76) has explained how Brazilian culture constrains corporate governance and economic performance. According to Gorga, in the Brazilian capital markets, “the Directors considered independent tend to be not so independent in practice,” “society does not strongly condemn self-dealing practices,” “there is little risk of liability,” and “the courts lack sophistication … judges are not prepared to understand complex business transactions.” He explains that despite the many scandals, dishonest executives still seem to behave with impunity.
BRAZILIAN MODERN BUSINESS CULTURE: THE OPPORTUNITIES OF JEITINHO

Despite the corruption-enabling, deep-rooted principles of jeitinho, Brazilian business culture can be seen to be moving toward some positive outcomes. Brazil is, after all, a country where informal relationships rule, and verbal communication easily takes place, making negotiations more flexible and creative. Brazilian people are considered to be cordial (Holanda, 1975), exhibiting sincerity, hospitality, and generosity. Véras and Véras (2011) have discussed the differences between the cultures when doing business in China and in Brazil. The authors pointed out the micro-cultural aspects when building more effective business relationships, such as preferring face-to-face meetings to written communication and using informal greetings (handshaking for men and kissing for women), all prioritizing individual empathy (see Duarte 2011 on the concepts of charm and empathy) rather than an institutional approach. These elements showcase the more personal and informal way in which Brazilians do business in order to maximize efficiency and reduce risk.

These interpersonal and communication skills, which are commonly associated with creativity, teamwork, and flexibility, are considered by Oxford Economics (2012) to be valuable skills for enterprising future managers and leaders under pressure from continuous and radical market changes. The study identified a shift from traditional “command-and-control” structures to intercultural and globalized contexts where “a more fluid and collaborative style” fosters networking, consensus, and collaboration. Ardichvili et al. (2012) have pointed out the benefits of the flexible Brazilian business culture, acknowledging that the country has recovered from the 2008–2009 economic crisis more quickly than other more developed countries because of its resiliency features.

Véras and Véras (2011, p. 81) have classified Brazilian cultural characteristics through the lens of Hofstede’s dimensions,5

acknowledging that the country’s “low level of tolerance for uncertainty is the country’s most prominent characteristics” and that “strict rules, laws, policies, and regulations are adopted and implemented in order to minimize or reduce this level of uncertainty.” Also, the low level of individualism that leads people to loyally protect their groups, although not lower than Chinese business culture, reveals that the ultimate goal is to avoid the unexpected and to maximize success. Kuchinke and Cornachione (2010) produced similar results, also based on Hofstede’s cultural dimensions, when researching the meaning of work and performance-focused work attitudes among mid-level managers in Brazil. The authors identified power, masculinity, uncertainty avoidance, and long-term orientation as key Brazilian characteristics. Having also noticed that Brazilian business culture is more prone to group orientation and collective behavior, which can lead to nepotistic practices and to the merging of personal and group interests as well, O’Keefe and O’Keefe (2004) have relativized the masculinity dimension. The authors argued that Brazilian firms may have a more feminine than masculine dimension, being more cooperative and facility oriented, but not at all altruistic. Nepotistic practices, although illegal, are still socially accepted and valued and are considered to bring benefits to both sides: to firms and to working families.

Given that scholars associate Brazil with Hofstede’s dimensions of “collectivism” and “femininity,” the country’s ethical business culture can seem old-fashioned and inappropriate to new global standards. This gap is not due to the different levels of internationalization of the firms (operating in different countries and employing staff from different cultures), but more as a result of an inherited and colonial cultural heritage, which is difficult to neutralize. Gutterman (2010) has tried to describe some elements of Brazil’s current organizational culture as a long-lasting product of the country’s colonial, agricultural, and latifundium past that still remains (according to a study performed by CEBRAP in 2012, almost one-third of all its arable land is owned by 0.8 percent of landowners, while two-thirds of the agricultural areas occupied between 2003
and 2010 were in the hands of large landowners). Citing Vizeu (2011) and Islam (2010), Gutterman argues the protectionism that still characterizes Brazilian business relationships, which is based on political influence and privileges given to the rich, making it difficult for the country to adapt to global competition. Investors will, then, find many firms where a patriarchal, personalistic structure exists: one in which family ties, formal authority, and property rights dictate the functioning of a firm rather than technical competence, such as solid practical experience or educational background. From this paradoxical coexistence between high deference to formal authority, tendency to creative improvisation, and the disjunction between authority and technical expertise, inefficiency will prevail. However, Gutterman points out that there seems to be a growing difference between government and corporate organizational cultures, as corporations are usually more open to external influences and are currently more interested in modernizing work practices than the government.

The impetus to change cultural models has often come from the outside, even if adapted and modified, as Gutterman points out. However, these tendencies have usually been incipient, as group and personal loyalty and the certainty of impunity are more valued than organizational ethics itself. The lack of support for whistleblowing cases and the nonexistence of self-corruption reporting by Brazilian companies seem to support this. Sampaio and Sobral (2013, p. 372) explained that whistle-blowing seems to be a taboo for Brazilian organizations and that “some cultural aspects highlighted by scholars, such as high power distance, high uncertainty avoidance, overreliance on interpersonal relationships, aversion to conflict, a spectator attitude and having an affective nature may hinder whistleblowing and reinforce the perception of disclosure acts as deviant behaviors.”

As regards organizational ethics and related policies, it is not unrealistic to assume that they are simply imposed from outside, from the firm’s headquarters, or just copied from the next best
It is advisable for investors to identify and understand this fact, and to trigger an improved process, by revising documents that are not consistent with ethical standards and will not, therefore, be accepted by business partners. Despite its mostly imported content, the Anti-Corruption Law promulgated in 2012 places the responsibility of unethical behavior with executives and their firms, and the design of effective ethical codes has since gained traction. According to Ardichvili et al. (2012, p. 425), the imported model still seems to prevail as “there is evidence of growing convergence between USA and Brazilian practices on the use of codes of ethics,” due not only to business connections but also to the influence of North American universities on Brazilian managers.

Investors and businesspeople should be aware that in Brazil, relationship management (Davel and Vergara, 2005) and personal ties may make it difficult to adopt formal ethical rules and to report misconduct. Much effort is still needed to change this strong colonial culture. While scholars usually recommend that the content of such codes should be based on transformational styles, there is no consensus. Gutterman argues that there is an emphasis on reward and training practices among private companies, a practice that is consistent with Klaus’ (2015) suggestions to improve ethical behavior in Brazilian governmental organizations, even in environments where authority is more centralized or hierarchically established. According to Klaus (2016), a nation’s unethical moral vision can hinder well-intentioned executives from fighting a national culture where corruption is traditionally taken for granted.

Based on Sanchez et al. (2008), this appears to be the case for Brazil, where the tolerance of bribery can be rationalized through some of the cultural values that characterize Latin American countries, such as collectivism, particularism, subjugation to nature, and high-power distance. They argue that other factors that sustain tolerance of bribery include relationship orientation and historical political and business domination by large families. Other studies (e.g., Fine, 2010) consider such elements as determinants of a greater tolerance...
for misconduct. To help organizational leaders in the difficult task of improving ethical standards in Brazilian governmental organizations, the author suggests the use of punishment-based transactional styles related to authority, rather than to modern charismatic or transformational styles; a strategy that is naturally compatible with the traditional functioning of Brazilian firms. Klaus (2015) adds, however, that authority alone will not oblige subordinates to behave ethically and that duty or legal obligation to obey will not override people’s personal moral standards. Klaus cites Skitka and colleagues’ (2008) research which argued that “authorities’ ability to lead rather than simply coerce compliance is tied closely to subordinates’ perceptions of whether authorities share their moral vision” (Klaus, 2015, p. 87). According to this line of thought, leaders in globalized Brazilian firms seeking to show commitment to business ethics will have to embody their moral identity toward subordinates, rather than just saying they possess adequate ethical values. They will have to operationalize this ethical leadership not only by giving employees the conditions and tools to act on these values but also by rewarding ethical behavior, as well as punishing any counterproductive behavior.

CONCLUSIONS

All generalizations are difficult (try to generalize a trait of an organization and its employees). Even more complex are country-wide generalizations. In this chapter, we built on a series of facts and impressions based on hard evidence, mixed with a critique from our own personal standpoint. Because of the aforementioned deeply rooted Brazilian cultural values and practices, international firms and consultants aiming to work in Brazil, or with Brazilian organizations, are advised to consider the following suggestions:

1. Walk the talk: You will not be able to impose ethical rules if you do not follow them yourself. First, set an example to others, and then require respect for ethical rules. Remember that, as a new trendsetter, you are being observed, and behaviors must follow through into your
private life. Consistency in ethical behavior will smooth the compliance officer’s path.

2. Do not think “imperialistically,” imagining you are going to arrive, give orders, and everything will change. Communication is a very important skill in Brazilian society, and you will be more effective if you blend and convince, instead of isolate and impose.

3. The ethical message conveyed by international compliance officers will only have an impact on Brazilian businesspeople – no matter whether they are located in or outside of Brazil – if punishment systems exist and work effectively. History and scientific research have shown that formal ethical standards and codes of conducts alone will not perform miracles. Request ethical behavior sensitively and kindly, but enforce rules and punishments with transparent fairness and strength.

REFERENCES


