

Ethics and Business Hypocrisy: A Study on the Usage of the Term Ethics and its Related References Forms

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Abstract

This research aimed to analyze the objective of the intensive use of the word ethics and related words in financial reports of listed firms in the Brazilian Stock Exchange – B3, especially those involved in corruption case “Lava Jato”. The Financial reports annually published by firms from 2013 to 2018 were consulted to verify consistencies or inconsistencies regarding the use of the word ethics and related words concerning their actual corporate adopted practices (method!). The main results showed that, since 2013, firms had increased the use of terms related to ethics in their Financial reports. This growth coincides with enacting the Anti-Corruption Act in 2013 and the “Lava Jato” operation in 2014. The study discovered that firms involved in the “Lava Jato” operation have increased the use of terms related to ethics in their Financial reports when compared to other firms not involved in the corruption case from the sample. On the other hand, firms listed in the Brazilian Stock Exchange - B3 special segments (such as Novo Mercado) have used these words much less than the sample's average firms.

Keywords: Emerging market. Corruption. Ethics. Business Hypocrisy. Financial reports