JOURNAL OF SUSTAINABLE INSTITUTIONAL MANAGEMENT

DOI: https://doi.org/10.37497/jsim.v12.id161.2025

RESEARCH ARTICLE

The Role of Corporate Governance Institutes in The Development of Good Practices: Analysis Between Brazil and Portugal

O Papel dos Institutos de GC no Desenvolvimento das Boas Práticas: Análise Entre Brasil e Portugal

Hernani Vidigal
University of São Paulo (USP), São Paulo (Brazil).

Claudio Felisoni
University of São Paulo (USP), São Paulo (Brazil).

ABSTRACT | **Objective:** This study investigates the role of corporate governance (CG) institutes in Brazil and Portugal in developing and promoting good governance practices. Specifically, it seeks to understand how the institutional configurations of the Brazilian Institute of Corporate Governance (IBGC) and the Portuguese Institute of Corporate Governance (IPCG) differ, and how these differences influence the adoption of governance practices.**Methodology:** A qualitative, descriptive case study approach was employed, combining in-depth interviews, document analysis, and direct observation. Key actors, including founders and board members, were interviewed, and official documents were analyzed using content analysis with NVivo software, focusing on institutional and educational categories.**Results:** Findings reveal that the IBGC emphasizes educational activities, offering extensive training and publications to enhance the governance capacities of diverse companies, from small family-owned businesses to large listed corporations. In contrast, the IPCG plays a more institutional role, developing the national governance code and overseeing its implementation among listed companies under a "comply or explain" framework. While both institutes contribute to enhancing corporate governance, their approaches are shaped by country-specific institutional, economic, and cultural factors.**Theoretical Contribution:** This study reinforces the relevance of institutional theory by demonstrating how governance practices are shaped by local contexts. It also enriches the understanding of how governance institutes influence corporate behavior beyond merely drafting codes, by acting as educators or institutional enforcers.**Practical Implications:** Managers, investors, and policymakers can use these insights to better align governance practices with local realities and to design strategies for improving governance effectiveness and trust in different markets.

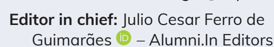
Keywords | Corporate Governance, Governance Institutes, IBGC, IPCG, Institutional Theory.

Received: 13 October 2024
Revised: 01 May. 2025
Accepted: 23 May. 2025
e-ISSN: 3085-8526

Corresponding Author: Hernani Vidigal – E-mail: hernanividigal@usp.br

Editor in chief: Julio Cesar Ferro de Guimarães – Alumni.In Editors

How to cite this article: Vidigal, H., & Felisoni, C. (2025). The Role of Corporate Governance Institutes in the Development of Good Practices: Analysis Between Brazil and Portugal. *Journal of Sustainable Institutional Management, 12*(JSIM), e0161. https://doi.org/10.37497/jsim.v12.id161.2025



RESUMO | Objetivo: Este estudo investiga o papel dos institutos de governança corporativa (GC) no Brasil e em Portugal no desenvolvimento e promoção das boas práticas de governança. Especificamente, busca compreender como as configurações institucionais do Instituto Brasileiro de Governança Corporativa (IBGC) e do Instituto Português de Corporate Governance (IPCG) diferem e como essas diferenças influenciam a adoção das práticas de governança. **Metodologia:** Adotou-se uma abordagem qualitativa e descritiva, utilizando estudo de caso, com entrevistas em profundidade, análise documental e observação direta. Foram entrevistados atores-chave, incluindo fundadores e membros dos conselhos, e documentos oficiais foram analisados por meio de análise de conteúdo com apoio do software NVivo, focando nas categorias institucional e educacional. **Resultados:** Os resultados mostram que o IBGC prioriza atividades educacionais, oferecendo ampla formação e publicações para fortalecer a capacidade de governança de empresas diversas, desde negócios familiares até grandes corporações listadas. Por outro lado, o IPCG desempenha um papel mais institucional, elaborando o código nacional de governança e supervisionando sua aplicação entre empresas listadas no modelo "pratique ou explique". Embora ambos contribuam para o fortalecimento da governança corporativa, suas abordagens são moldadas por fatores institucionais, econômicos e culturais específicos de cada país. **Contribuição Teórica:** O estudo reforça a relevância da teoria institucional ao demonstrar como práticas de governança são influenciadas por contextos locais. Além disso, amplia a compreensão sobre como os institutos influenciam o comportamento corporativo não apenas elaborando códigos, mas também atuando como educadores ou agentes institucionais. **Implicações Práticas:** Gestores, investidores e formuladores de políticas podem usar esses insights para alinhar melhor as práticas de governança às realidades locais e projetar estratégias que aprimorem a efetividade e a confiança nos diferentes mercados.

Palavras-chave | Governança corporativa, Boas práticas, Teoria da Agência, IBGC, IPCG, Teoria Institucional.

1 INTRODUCTION

The topic of Corporate Governance is closely linked to governance bodies, codes of good governance practices, and boards of directors, which aim to create mechanisms and conditions for development and thus demonstrate their objective of maintaining an effective program that enables companies to be managed efficiently in decision-making (de Araujo; da Silva Sant'anna, 2022). Understanding this dynamic requires prior knowledge of the main topic and of important events that have shaped and continue to shape the relationships between companies and their various stakeholders (IBGC, 2023).

Through the creation of guidelines and codes of conduct, the provision of training and development programs, as well as the monitoring and evaluation of corporate performance, corporate governance institutes have contributed to the improvement of governance across the entire corporate sector. Good practices translate basic principles into objective recommendations, aligning interests with the aim of preserving and optimizing the organization's long-term economic value, facilitating access to resources, and contributing to management quality, organizational longevity, and the common good (IBGC, 2023).

Research shows that institutes play a fundamental role in the development of corporate governance, being capable of restoring investors' trust in the honesty and accountability of listed companies (Cadbury, 1992). However, corporate governance models and practices vary by country, as the State, through its definition of financial and legal systems, shapes the development of the local capital market and the level of investment protection, thereby influencing corporate governance models (Silveira, 2010). In this line of research, Silva (2012) identifies that there is no full convergence regarding the proper application of governance practices in the markets. Nonetheless, it can be affirmed that all are based on the principles of transparency, independence, and accountability as a means of attracting investments to the country's businesses.

Given this, it is to be expected that each country, although premised on addressing potential agency conflicts (Jensen & Meckling, 1976), develops governance models and practices that impact corporate governance differently and thus outline a path of trust for new investments.

In light of this, the research question of this article is: how are the best governance practices of corporate governance institutes structured? The secondary objective is to highlight the distinct configuration of the codes of good governance practices in Brazil and Portugal.

To this end, a qualitative descriptive study was conducted through case studies involving governance institutes from two countries, based on interviews, document analysis, and direct observation. Using a multiple case study approach, the research examined and compared the role and contribution of the Brazilian Institute of Corporate Governance (IBGC) and the Portuguese Institute of Corporate Governance (IPCG) in the development of good corporate governance practices in their respective countries. Interviews were conducted with the individuals who founded the institutes, in addition to analyzing published documentation, financial performance, the evolution of membership bases, and the relationship with the regulatory bodies of each country, specifically, the Brazilian Securities and Exchange Commission (CVM) and the Portuguese Securities Market Commission (CMVM).

The contribution to the literature is evidenced by the adoption of good corporate governance practices by companies aiming to optimize their long-term economic value. However, the results of such practices are influenced by specific characteristics of each country (Crisóstomo & Girão, 2019).

The literature on corporate governance widely acknowledges the importance of codes of good practices in reducing agency conflicts and strengthening shareholder and stakeholder trust (Jensen & Meckling, 1976; Cadbury, 1992; Andrade & Rossetti, 2014).

In turn, as a practical contribution, the study aims to understand whether governance institutes play an important role in raising awareness among shareholders and stakeholders about the benefits of corporate governance.

In Brazil, the IBGC has stood out for its educational approach, whereas in Portugal, the IPCG assumes a more institutional role. However, there remains a theoretical gap regarding how these different approaches adopted by governance institutes effectively influence the adoption and internalization of good practices within business organizations, especially when compared across institutional contexts as distinct as those of Brazil and Portugal.

Current literature lacks in-depth comparative analyses that articulate the role of these institutes not only as code developers but also as direct influencers of organizational structures and behaviors regarding corporate governance.

Studying this gap is relevant because it allows for a better understanding of the limitations of international models when applied to different markets. It also highlights the role that institutes play in consolidating organizational cultures oriented toward transparency, fairness, and accountability, key elements for attracting investment and ensuring long-term corporate sustainability.

2 THEORETICAL BACKGROUND

The theoretical discussion in this study is based on the investigation and interpretation of the work carried out by institutes in countries that adopt and apply good governance practices, aiming to demonstrate the mitigation of agency risks as described by Jensen and Meckling (1976).

The origins of studies related to the dispersed ownership of corporate assets and its implications for society were established by Berle and Means (1932), who laid the foundations of what would later be known as Agency Theory. This theory describes the agency relationship problem between a principal and one or more agents, who are granted authority to represent interests and make decisions on behalf of the

principals. These studies led to the creation, in 1934, of the U.S. Securities and Exchange Commission (SEC), which aimed to restore investor confidence following the stock market crash of 1929. The SEC initiated regulations to control companies and monitor their executives (Chen, 2019).

Jensen and Meckling (1976) addressed the principal-agent issue through the concept of a nexus of contracts. The authors highlighted the contractual issues underlying the conflicts of interest between company owners and their agents, based on the assumptions of utility maximization by agents and the separation between ownership and control in corporations. While managers are expected to make decisions on behalf of the owners, the premise of utility maximization suggests that they may instead act in their own interest. These situations are referred to as agency conflicts or problems. Thus, the agency problem originates from the separation of ownership and control. The principal-agent theory explains how the misalignment of interests within companies arises from this separation.

The so-called Agency Theory began to be discussed across various fields of knowledge, as noted by Eisenhardt (1989), including accounting (Demski & Feltham, 1978), economics (Zeckhauser, 1971), finance (Fama, 1980), marketing (Basu, Lai, Srinivasan, & Staelin, 1985), political science (Mitnick, 1986), and organizational behavior (Kosnik, 1987). In this context, these studies support managers in making better decisions and mitigating problems within an educational and informative framework.

Braga, Alves, and Shastri (2011) highlight the need for good governance practices in countries with weak investor protection and point to the positive effects of corporate governance on firm value in emerging markets.

2.1 Aspects of good practice

Aguilera and Cuervo-Cazurra (2009) emphasize that, at the time of their publication, the practice of disseminating codes of good conduct was expanding as a way to help build market trust, although its progress remained rather modest. These codes are regulations that emerge from political negotiations among various stakeholders, such as the State and investors.

The need to provide security to investors in companies that share the inherent risks borne by shareholder, yet lack the power to make decisions regarding corporate Investments, has led to new governmental guidelines and measures aimed at ensuring corporate oversight and control (Cuomo, Mallin, and Zattoni, 2016).

2.1.1 Cadbury Report

Now using the term “corporate governance,” the Cadbury Report (1992) proposed principles by which companies should be directed. Its development became necessary due to concerns about the acceptable functioning of corporate boards in the United Kingdom up until the early 1990s.

In 1991, the Bank of England created a committee to draft a Code of Best Practices in Corporate Governance. This committee was composed of representatives from the London Stock Exchange and the Institute of Chartered Accountants, and was chaired by Adrian Cadbury, who had retired as Chairman of the Cadbury Schweppes group. The Cadbury Report was published in December 1992 and is considered a pioneering document due to its innovative proposals at the time (Andrade & Rossetti, 2014).

The Cadbury Report was inspired by practices from the U.S. capital market, considered the strongest and most advanced in the world, and is based on five terms of reference centered on two core principles—

responsible accountability and transparency: a) the broad use of independent, non-executive directors on boards of directors; b) the establishment of an audit committee composed of independent members; c) the separation of responsibilities between the chairman of the board and the chief executive officer (CEO); d) the creation of a remuneration committee to oversee executive compensation; and e) public disclosure that the governance code is being followed—or, if not, an explanation as to why (comply or explain) (Andrade & Rossetti, 2014).

2.1.2 Greenbury Report

In 1995, still in the United Kingdom, the Greenbury Report advanced the discussion on executive remuneration, which is considered one of the structural issues underlying the potential conflict between shareholders and managers. This topic remains highly relevant, and the development of remuneration committees within companies has become an increasingly common practice. Although the report was not as well received, it also represents a milestone in the evolution of the corporate governance (CG) concept.

Since then, several countries have adopted their own codes of good corporate governance practices, including Australia (1992), France (Viénot Report, 1995), Canada (1995), South Africa (1995), the Netherlands (1997), among many others.

2.1.3 OCDE

In addition to the codes of good practices adopted by individual countries, international agencies have also published their own recommendations and principles. A key example is the OECD – Organisation for Economic Co-operation and Development – which first issued its guidelines in 1999, and has since revised them periodically.

Since its first version, the OECD Principles of Corporate Governance have been recognized as an international benchmark and have strongly influenced the codes of good practices in both OECD and non-OECD countries. The principles have also been widely used by governments, regulators, corporations, investors, and other stakeholders (Fianna & Grant, 2005). In its most recent revision, in 2015, the document is divided into six chapters: 1)Ensuring the basis for an effective corporate governance framework; 2)The rights and equitable treatment of shareholders and key ownership functions; 3)Institutional investors, stock markets, and other intermediaries;4)The role of stakeholders in corporate governance; 5)Disclosure and transparency; 6)The responsibilities of the board. Each chapter presents a general principle followed by several sub-principles.

The OECD states that good corporate governance is not an end in itself: it means fostering trust in the markets and integrity in business, which in turn are essential for companies that require access to capital for long-term investments (OECD, 2015).

2.1.4 Sarbanes-Oxley Law

Between the late 20th and early 21st centuries, a series of scandals shook the U.S. economy: Xerox, Arthur Andersen, Adelphia, and the corporate giants Enron and WorldCom. In 2001, Enron Corporation was considered the seventh-largest company in the United States and one of the largest energy companies in the

world. WorldCom was a telecommunications giant, the second-largest long-distance telecommunications operator in the U.S., and the world's leading provider of internet services, regarded in the late 1990s as a symbol of American euphoria.

The collapse of these companies took the market by surprise, as they had previously been considered financially sound. The crisis also involved insider trading, problematic loans to executives, and fraudulent practices involving astronomical sums, especially alarming in a market considered reasonably secure, such as the American market. As a result, the credibility of institutions was undermined, triggering a profound loss of investor confidence (Fiorini, Alonso Junior, & Alonso, 2016).

In response to the scandals that challenged the controls of the American stock market system, the United States government enacted the Sarbanes-Oxley law (SOX) in July 2002. Andrade and Rossetti (2014) highlight the main principles established by the Sarbanes-Oxley law, which today constitute the core values of corporate governance: compliance with legal regulations (compliance), responsible accountability (accountability), increased transparency (disclosure), and a sense of fairness (fairness).

The introduction of this law established, among other things, new standards for information disclosure, new responsibilities for the company's top executives, and stricter criteria for the oversight of accounting practices. The effectiveness of the Sarbanes-Oxley Act extends beyond the territorial boundaries of the United States and applies to any company worldwide that wishes to trade on the U.S. stock exchange. Approximately 40 Brazilian companies listed on U.S. exchanges were affected by the "new legislation," resulting in additional costs of around US$120 million (Fiorini et al., 2016). Regarding Portuguese companies, no sources were found that quantify this impact.

Much has been discussed about the costs and benefits of the Sarbanes-Oxley law. On one hand, the law has contributed to the advancement of control mechanisms and good corporate governance practices, particularly in the United States. On the other hand, this American approach which emphasizes the philosophy of enforcement by law, highlights the challenge of anticipating every possible situation, thus requiring new legislation with the emergence of each new issue.

2.2 Corporate governance in the world

There are basically two predominant models of corporate governance in the world: the Anglo-Saxon and the Nippo-German models (Carlsson, 2001). In both cases, the general principles are maintained, but their foundations, values, and areas of focus differ (Andrade & Rossetti, 2014). In the Anglo-Saxon model, structures are oriented toward shareholders. The dispersion of ownership and the separation between ownership and management are its main pillars. As companies are financed through the capital markets, this model is strongly market-oriented and monitored by it. In contrast, the Nippo-German model is not centered on shareholders but on stakeholders. The public becomes the focus in this model, serving as the true driver of corporate strategy (Carlsson, 2001).

Performance indicators, more than asset valuation, stock profitability, and dividend distribution, which are not disregarded but are given less emphasis are concerned with demonstrating the effectiveness of a company's social policies and its sustainability, including the publication of environmental, social, and corporate citizenship reports (Andrade & Rossetti, 2014; Silva, 2012). A summary of the main aspects of Corporate Governance around the world is presented in Table 1.

Table 1. Corporate Governance Around the World

	Anglo-saxão	Alemão	Japonês	Latino-europeu [1]	Latino-americano [2]
Predominant Financing	*Equity*	*Debt*	*Debt*	Indefinido	*Debt*
Ownership and Control	Dispersion	Concentration	Concentration + Crossings	Concentration	Concentrated Family
Ownership and Management	Separated	Overlapping	Overlapping	Overlapping	Overlapping
Agency Conflicts	Shareholders x Management	Creditors x Shareholders	Creditors x Shareholders	Majority x Minority	Majority x Minority
Legal Protection for Minority	High	Low Emphasis	Low Emphasis	Low	Low
Boards of Directors	Active, Focused on Rights	Active, Focused on Operations	Active, Focused on Strategy	Pressure for Greater Effectiveness	Ties with Management
Shareholding liquidity	Very High	Low Emphasis	Evolving	Low	Speculative and Volatile
Most Active Control Forces	External	Internal	Internal	Internal Shifting to External	Internal
Corporate Governance	Established	Growing Adherence	Growing Emphasis	High Emphasis	Nascent
Scope of Corporate Governance	Low	High	High	Medium	In Transition

[1] Itália, França, Espanha e Portugal
[2] Argentina, Brasil, Chile, Colômbia, México e Peru
Source: adapted from Andrade & Rossetti, 2014.

Here, we must contrast the American system, in which *enforcement by law* is the guiding principle, meaning that everything must be codified by law and strictly followed by companies; with the *comply or explain* approach, adopted by several European, Asian, and South American countries in this model, principles are established often by non-governmental organizations that companies are expected to follow voluntarily but however, if they choose not to comply, they must explain why. This form of organizing corporate governance has come to prevail in these countries due to the recognition that it is impossible for the law to foresee every possible situation, and the understanding that *one size doesn't fit all*, that is, depending on a company's size or specific characteristics, certain principles may be too burdensome or may not meet the needs of all stakeholders involved.

In the internationalization of corporate governance, various cases of both success and failure in the pursuit of self-regulation have been observed in different countries—for example, in the Netherlands (Dejong, Mertens, & Wasley, 2005), as well as in the United Kingdom and Germany (Lütz, Eberle, & Lauter, 2011). Under these circumstances, and considering the growing relevance of the topic of Corporate Governance, a gap has been identified in the literature concerning governance institutes in both Portugal and Brazil.

Concern with Corporate Governance in Brazil began even before the term itself was coined. In fact, following the stock market crashes of 1971 and 1972, a phase of restoring credibility to the capital markets began, culminating in 1976 with the enactment of the Corporate Law (Lei das Sociedades Anônimas) and the creation of the Brazilian Securities and Exchange Commission (CVM) (Iudícibus, 2003). Boards of directors gained prominence in the management of both private and state-owned companies. In 1995, a group of board members founded the Brazilian Institute of Board Members, the precursor to the Brazilian Institute

of Corporate Governance (IBGC), which officially adopted its current name in 1999. Two individuals stand out among the Institute's founders, Benkt Hallquist and João Bosco Lodi, who are widely regarded by their peers as key drivers of the organization (IBGC, 2015). The Portuguese Institute of Corporate Governance (IPCG) followed, thanks to the efforts of Dr. Pedro Rebelo de Sousa, who, after professional experience in Brazil and the United States, dedicated himself to the creation of the Portuguese institute (Sousa, 2004).

3 METHODOLOGY

Approach and Method

This research adopts a qualitative approach, as qualitative studies are most suitable for investigating phenomena that have not yet been explored in depth (Edmondson & McManus, 2007). It is also a descriptive study. Descriptive research observes and records the characteristics of a phenomenon, aiming to describe it within a context of variables (Triviños, 2008).

The chosen method is the case study. For this study, two corporate governance institutes were selected: IPCG (Portuguese) and IBGC (Brazilian). Thus, in this case study, organizations with specific attributes were selected to meet the study's objectives, since case study sampling is non-probabilistic in nature (Godoi et al., 2006). These organizations do not represent others, meaning the study's results do not allow for statistical generalization (Yin, 2001).

Brazilian Institute of Corporate Governance – IBGC

The Brazilian Institute of Corporate Governance (IBGC) was founded in 1996 as the Brazilian Institute of Board Members (IBCA). In 1999, it released the first version of its Code of Best Practices of Corporate Governance, with a focus on the Board of Directors. In 2001, the second version was published, expanding to include issues related to management, ownership, independent auditing, and ethics. Today, the code is in its fifth edition, released in 2015, which served as the foundation for the launch of the Brazilian Corporate Governance Code – Listed Companies in 2017. This code was developed by a coalition of 11 capital market entities led by the IBGC and was incorporated into market regulations by the Brazilian Securities and Exchange Commission (CVM) through Instruction No. 586 of 2017. In its code, the IBGC defines Corporate Governance as:

> "Corporate governance is a system composed of principles, rules, structures, and processes by which organizations are directed and monitored, with the aim of generating sustainable value for the organization, its shareholders, and society at large. This system guides the actions of governance agents and other individuals within an organization in the pursuit of a balance among the interests of all parties, contributing positively to society and the environment" (IBGC, 2023, p. 17).

Other definitions of corporate governance can be found in the literature and will be discussed later in this project.

Institute Portuguese of Corporate Governance – IPCG

Founded in 2003, the Portuguese Institute of Corporate Governance (IPCG) is a non-profit organization dedicated to promoting the dissemination of good corporate governance practices. At its public launch in May 2004, its primary mission for the initial phase of its existence was defined as the development of a White Paper on corporate governance in Portugal, a goal that was achieved in 2006 (Silva et al., 2006). Since then, the IPCG has pursued the development of a code of good practices that would be accepted by regulatory bodies and listed companies.

This process was without challenges, but ultimately, the Portuguese Securities Market Commission (CMVM), the entity responsible for supervising and regulating the financial markets and their participants in Portugal, approved and mandated the application of the Corporate Governance Code of the Portuguese Institute of Corporate Governance as of January 2018, replacing the CMVM's previous Corporate Governance Code. This decision marked the formal adoption of self-regulation and the "comply or explain" approach in Portugal. The Institute is now responsible for the monitoring model to be implemented to assess the degree of adherence of listed companies to the code's recommendations.

Data Collection and Analysis Technique

The data collection technique involved interviews and document analysis. To meet the research objectives, an analysis of each institute was conducted, examining their histories, the materials they produced, and the methods they chose to disseminate this knowledge.

In-depth interviews were carried out with board members, executives, and the founders who created and developed the institutes. Among the interviewees were: two board members and founders of the IBGC, one board member and founder of the IPCG, and a former director of the CMVM in Portugal, who was also a co-author of the white Paper on Corporate Governance.

The semi-structured interviews were conducted following the case protocol. The strategic protocol for this case adopted procedures to ensure reliability and validity. Regarding reliability, the following measures were taken: a) Semi-structured script: the questions were open-ended, allowing interviewees to speak freely, making them more likely to provide data consistent with their real context; b) Validated interview script: the preliminary script was presented to two PhDs in Business Administration to identify inconsistencies between the objectives, propositions, and questions; objectives not addressed by the script; redundant questions; and inappropriate terms; c) Case study protocol; and d) In-person interviews: direct contact with the interviewees allowed for the observation of important factors in qualitative research, such as body language, moments of silence, pauses, etc.

To ensure validity, the following procedures were adopted: a) Recorded interviews: recording provides a more accurate account of the interviews than simple note-taking; b) Full transcription of interviews: the transcription was performed by a qualified professional to ensure no details were lost, and subsequently reviewed by the researcher; c) Triangulation: data obtained from the interviews were confirmed, complemented, or even contrasted with other types of sources, such as documents; d) Categorical analysis: reading the content by categories is considered a thorough and strategic approach (Triviños, 2015); e) Study of two cases: investigating more than one case strengthens the robustness of the study (Yin, 2001); and f) Use of propositions and literature in the analysis: employing the literature to guide case study data

collection enhances the potential for theoretical contribution, as the results follow a clear and logical path (Eisenhardt, 1989; Yin, 2001).

Documents produced and published by the Brazilian and Portuguese institutes on their websites were also analyzed—for example, financial performance, the evolution of membership, and relationships with regulatory bodies in each country, particularly the Securities and Exchange Commission (CVM) in Brazil and the Portuguese Securities Market Commission (CMVM) in Portugal.

The data analysis technique employed was content analysis. Using NVivo 12 Pro software, the contents of the interviews from each institute were analyzed. Initially, word counts and corresponding charts were used to identify the most relevant themes for each institute. Two general categories were investigated a priori: institutional and educational. Within each category, three subcategories were identified, allowing for more accurate coding. The categories and subcategories are described in Table 2.

Table 2. Categories of Analysis

Category	Subcategoria	Description
Institutional	Regulatory departments	Mention of Government Regulatory Bodies in the Interviews
	Securities Market	Mention of the Use of Governance for Accessing the Capital Market
	Laws and Regulations	Mention of Publications by Regulatory Bodies
Educacional	Publications by the Institutes	Menção às publicações dos institutos
	Courses and Events	Mention of the Courses Offered by the Institutes
	Code of Best Practices	Mention of the Codes of Best Practices

Source: Prepared by the authors.

Based on these categories and subcategories, the interviews were then recoded, and using the software's tools, the analysis aimed to determine whether the interviews conducted at each institute revealed a predominance of one category over another. The cases are described below.

4 RESULTS AND DISCUSSION

Brazilian Institute of Corporate Governance

The Brazilian Institute of Corporate Governance (IBGC) was founded in 1996 as the Institute of Board Members and adopted its current name in 1999. It is important to acknowledge two of its founders, who dedicated significant efforts toward the success of the institute. These individuals are Bengt Halqvist, a Swede who settled in Brazil in 1966, and João Bosco Lodi, a professor and author of several publications on corporate governance (Lodi, 2000).

The development of the IBGC has been heavily focused on education, with the publication of guidance materials and the release of the first version of its Code of Best Practices even before the founding of the Portuguese Institute. The IBGC has been experiencing rapid growth, both in terms of the number of members and the volume and relevance of the courses it offers. The number of companies seeking in-company training is also increasing, as are the sponsorships it receives particularly from auditing firms.

It is evident that the Brazilian market is much larger than the Portuguese market, which is one of the reasons for this growth. Nevertheless, the Brazilian Institute also plays an important role in promoting and

strengthening corporate governance among Brazilian companies. Today, the IBGC is also addressing issues related to the composition and diversity of boards of directors, including the increased participation of women at all levels of governance.

Unlike the Portuguese Institute, which currently takes part in overseeing the corporate governance practices of Portuguese companies listed on the stock exchange, the Brazilian Institute does not seek the role of a regulatory body. Its Code of Best Practices is accepted by government entities, but it serves primarily an educational purpose, aiming to disseminate good governance practices and principles.

The IBGC practices what it promotes, its internal governance serves as a model to be followed, with the composition of its board, various committees, and rules that prevent individuals from remaining indefinitely in leadership positions. Even the presentation format it uses, as shown below, reflects the Institute's concern with the clear and effective disclosure of information about itself.

The IBGC encourages companies through publications, lectures, and the organization of its annual congress, which is highly regarded by private and public companies, government agencies, and academia. Through this work, it has gained recognition not only among capital market companies but also by supporting small and medium-sized family businesses in building their governance structures and overcoming agency conflicts.

Portuguese Institute of Corporate Governance

Since its founding in 2003, the Portuguese Institute of Corporate Governance (IPCG) has been striving to establish itself as a relevant institution within the Portuguese capital market. A key figure in the foundation and development of the IPCG is Dr. Pedro Rebelo de Sousa, a lawyer who built his career in both Portuguese and international financial institutions and was one of the interviewees for this research. During his time in Brazil, he found inspiration in the IBGC, which ultimately led to the creation of the IPCG.

Portugal's capital market is much smaller than Brazil's and also smaller than other European markets, largely due to the country's size. With just over 10 million inhabitants, Portugal has approximately 5% of Brazil's population. There are only 42 companies listed on the Portuguese segment of EURONEXT Lisbon, the stock exchange that integrated several European exchanges. The market capitalization of Portuguese companies listed on this exchange reached €59 billion (approximately US$66 billion) in June 2019. In contrast, the Brazilian market had 341 listed companies during the same month, with a market capitalization of R$4 trillion (approximately US$955 billion). These figures give a clear sense of the relative size of the two markets (B3, 2019; Euronext, 2019).

The Portuguese Securities Market Commission (CMVM) is the governmental body (Government Agency) created in April 2001, whose mission is to supervise and regulate the markets of financial instruments, and the agents who operate in them, promoting the protection of investors. As verified in the interviews and documentary research, there was, on the part of the IPCG, the understanding that the institute's code of good practices should prevail over that of the CMVM, which, in turn, due to the limited expression of the IPCG, had its own code as mandatory use.

In 2006, the IPCG sponsored the publication of the White Paper on Corporate Governance in Portugal (2006), which, in its preface, states: "*the publication of this White Paper promotes, stimulates, and facilitates discussion and reflection around the themes and challenges that good corporate governance poses in daily life*" (Silva et al., 2006, p. 4).

Since then, the IPCG has continued to pursue the development and adoption of corporate governance principles (or "Governo de Empresas," as it is called in Portugal). This position of relevance was finally achieved in 2018, when the CMVM formalized an agreement with the IPCG, determining that the Portuguese Institute's code of best governance practices would become the sole code of best practices in Portugal.

This implementation gave more power to the institute, in the sense that it became responsible for a structure to analyze the reports that publicly listed Portuguese companies must make available to the public in order to assess the "comply or explain" of each one.

This leads to the conclusion that the IPCG established itself in Portugal through the recognition by authorities of its relevance regarding listed companies. The institutional bias is very clear here. Since its foundation, the institute has sought to have its code of best practices accepted as the sole reference by the market and by government bodies and regulatory authorities.

Despite the relevance it has achieved by positioning itself as the operational body of the governance process in Portugal, the Institute has limited resources, offers few courses, and does not compare in size or budget to its Brazilian counterpart.

By examining the 2018 annual report, it is clear that the IPCG's major accomplishment was the implementation of the Corporate Governance Code. The focus on educational activities and knowledge dissemination, although explicitly stated as pillars of the institute's activities, is overshadowed by its institutional function.

Comparison of the Approach to Best Practices by IPCG and IBGC

The comparison of the focus on best practices between the IPCG and IBGC was carried out based on the following categories: institutional and educational. The institutional category supports the regulatory body in developing and promoting information on institutional norms and guidelines, and in providing better practices. The educational category promotes capacity-building through courses and events to disseminate knowledge to companies. The institutional category has three subcategories: regulatory bodies, securities market, and laws and regulations. The educational category also has three subcategories: institute publications, courses and events, and code of best practices. The Portuguese and Brazilian governance institutes present themselves differently, with the Portuguese institute placing more emphasis on the institutional category, while the Brazilian institute focuses more on the educational category.

The interviewees reported a set of topics involving corporate governance. The relationship obtained between the interview transcripts (files) and the categories (nodes, according to the software's terminology) is presented in Figure 1.

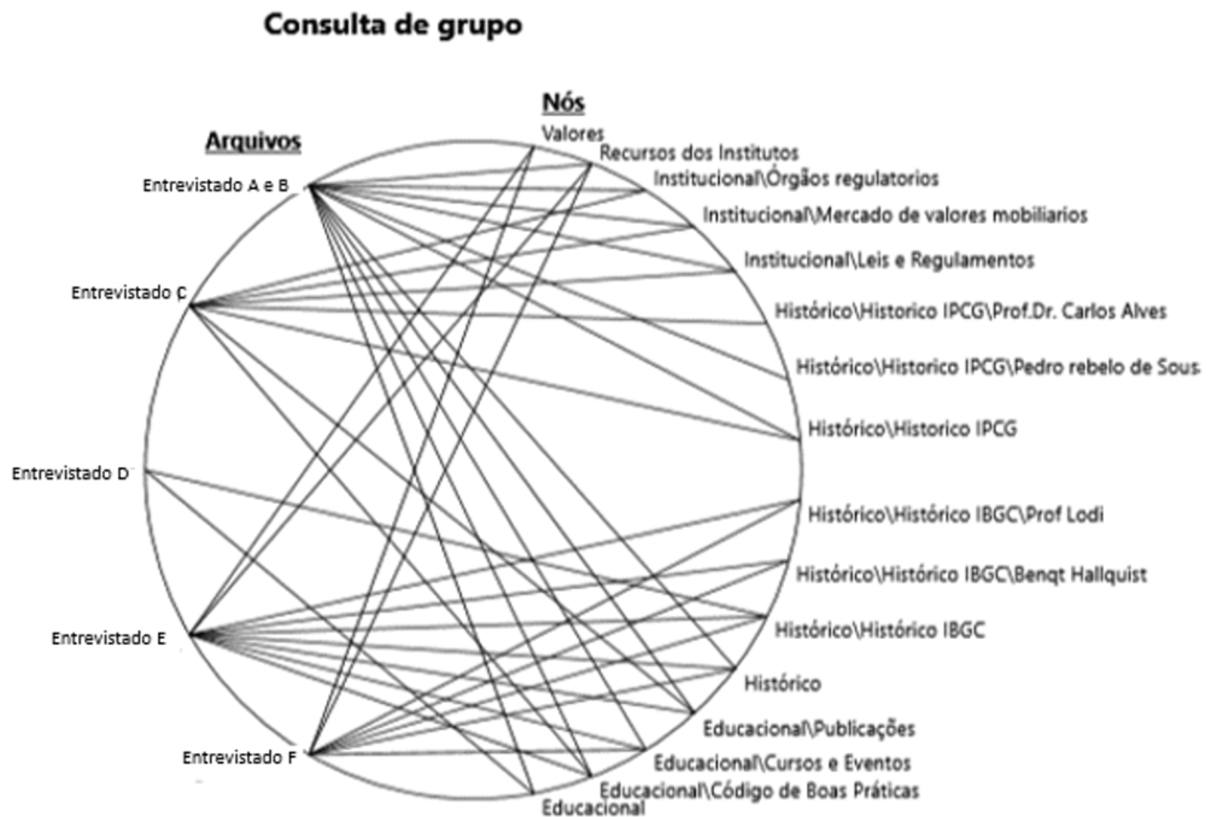


Figure 1. Transcripts (Interviews) vs. Categories (Nodes)

Source: NVivo Analysis

It is observed that the interviewees from Brazil (interviewees A, B, and C) concentrate their connections with the educational nodes, while the interviewees from Portugal (interviewees D, E, and F) are primarily related to the institutional nodes. It is also evident that the histories of each institute are correctly linked to their respective interviewees, which contributes to reinforcing the validity of the research.

The analysis of these results suggests that the institutional category prevails at the IPCG, while the educational category prevails at the IBGC. This analysis is complemented by the themes extracted from the interviews and documents. The interviewees pointed out some corporate governance topics that are important to them and their institutes, as shown in Figure 2. The IPCG prioritizes topics related to regulation, such as company codes, governance, and CMVM. These terms show that the Portuguese institute is concerned with the corporate aspect of regulation and organization—that is, more institutional. On the other hand, the Brazilian Institute of Corporate Governance shows a greater incidence of words such as governance institute, values, people, board member, course, and code, which indicates a preference for more internal aspects that focus on the individual—more specifically, on the individual's preparation to act and deal with governance issues.

Figure 2. Word Cloud of the Interviews – Portugal vs. Brazil

Source: NVivo Analysis

Another analysis sought to compare the content of the codes of best practices from each country, identifying similarities and differences between them through word count. In Figure 3, it is possible to view the comparisons (word cloud of the codes of best practices). The figure displays the words that most characterize the institute. In the case of the IPCG: society, administration, body, code, supervision, government, remuneration, executives, performance, members, recommendations, risks, commissions, principle, information. In the case of the IBGC, the most prominent words are: board, organization, administration, executive board, governance, practices, board members, partners, corporate, code, audit, controls, committee, independence, chairperson. From this observation and the reading of the codes, it is clear that the IPCG aimed its code at companies listed on the stock exchange. This is much more related to the institutional aspect. The IBGC, on the other hand, sought to design its code of best practices to be applicable to all types and sizes of companies, with greater detail regarding the principles that guide it, an approach more focused on the educational aspect.

Figure 3. Code of Best Practices – IPCG vs. IBGC

Source: NVivo Analysis

In addition to the word count and comparison of each code of best practices, a careful reading of both reveals the IPCG's concern with regulatory authorities (supervision, government, remuneration, executives) that is, institutions. In contrast, the Brazilian code makes no mention of authorities but includes several references to the generalization of governance principles, aiming to guide the actions of agentes, this reflects is a focus on the education of the agents.

Table 3. Comparison of the Main Aspects between the IBGC (Brazil) and IPCG (Portugal) Institutes

Characteristics	IBGC	IPCG
Main Focus	Focused on Educational Aspects	Focused on Institutional Aspects
Preference	Internal aspects, emphasizing the individual, particularly their training and preparation to address governance-related matters.	Concern with corporate regulation and organization.
Code of Best Practices	Designed for companies of all types and sizes, outlining the core principles that guide corporate governance.	Targeted at publicly listed companies.
Focus on Authorities	Authorities are not mentioned; however, there is a clear reference to the broad application of governance principles.	Greater concern with regulatory authorities, oversight, government, remuneration, and executives.

Note. Prepared by the author based on the comparative analysis between the IBGC and IPCG institutes.

The table above shows that the educational aspects presented by the IBGC lead to an internal profile in its relationships, aimed at raising awareness and understanding of the rules, while the IPCG focuses on an external aspect, promoting corporate support.

4.1 Contributions

The comparative analysis between the IBGC and the IPCG highlights relevant distinctions regarding the institutional role and normative orientation of each entity, revealing how governance codes reflect the sociopolitical and economic contexts of their respective countries. These findings directly engage with institutional theory, according to which organizational practices are shaped by the pressures of the institutional environment in which they are embedded (DiMaggio & Powell, 1983).

In the Portuguese case, there is a greater influence of state and regulatory structures, which gives the IPCG a more normative character, focused on formal compliance, as highlighted by Aguilera and Cuervo-Cazurra (2009) when discussing governance systems guided by external regulation. The IBGC, on the other hand, by adopting an educational approach focused on the voluntary internalization of principles, reflects the characteristics of a governance system based on self-regulation and organizational learning, in line with the literature on governance in emerging markets (Silveira, 2004; Braga-Alves & Shastri, 2011).

Thus, the research reaffirms that corporate governance is not a one-size-fits-all model, but a dynamic field, shaped by cultural, institutional, and historical variables that determine the degree of adherence to and the manner of implementing its principles.

In practical terms, the study highlights how to enhance corporate governance within companies by considering the different practices and approaches of governance institutes in each country. The research emphasizes the importance of aligning with best practices, avoiding lagging behind competitors in terms of management and governance, both in the domestic and international markets.

5 CONCLUSION

The findings of this article contribute significantly to the literature by demonstrating that corporate governance codes not only reflect universal principles, but are also deeply shaped by the institutional and cultural specificities of each country. By comparing the more educational and formative approach of the IBGC with the institutional and regulatory orientation of the IPCG, the study reinforces the understanding that corporate governance must be analyzed from a contextualized perspective, broadening the comprehension of the diversity of models and strategies adopted globally.

On a practical level, such insights offer value to the market by alerting managers, investors, and policymakers to the different ways governance principles are operationalized, enabling more informed decisions that are better suited to the local institutional environment.

Company owners and managers may take note of this situation and prioritize the process of improving their companies' governance, given that there is competition, and it is not advisable for a company to fall significantly behind others in terms of its set of management and governance practices across different countries (Crisóstomo & Girão, 2019).

However, the study presents limitations, particularly due to its restriction to a comparative documentary analysis between two institutes, which reduces its ability to generalize to other contexts or actors. Future research could enrich this field by including empirical analyses with interviews, case studies within companies, or quantitative approaches that investigate the actual impact of these codes on organizational performance.

Finally, the study also presents limitations regarding the number of actors involved in the interviews and the potential for generalizing the results, as it is a case study. Therefore, it is suggested that future studies involve more actors from the Portuguese and Brazilian markets, such as the inclusion of board members and CEOs, who can contribute to the research with distinct perspectives on the institutes.

6 REFERENCES

Aguilera, R. V., & Desender, K. (2012). Methodological challenges in comparative corporate governance and strategic issues. *Research methodology in strategy and management. Bingley (UK): Emerald Group Publishing Limited.*

Andrade, A., & Rossetti, J. P. (2014). *Governança Corporativa: fundamentos, desenvolvimento e tendências.* São Paulo: Atlas.

Basu, A. K., Lal, R., Srinivasan, V., & Staelin, R. (1985). Salesforce compensation plans: An agency theoretic perspective. *Marketing science*, *4*(4), 267-291. https://doi.org/10.1287/mksc.4.4.267

Berle, A., & Means, G. (1932). The modern corporation and private property (mac-millan, new york, ny).

Braga-Alves, M. V., & Shastri, K. (2011). Corporate governance, valuation, and performance: evidence from a voluntary market reform in Brazil. *Financial Management*, *40*(1), 139-157. https://doi.org/10.1111/j.1755-053X.2010.01137.x

Code, C. (1992). The financial aspects of corporate governance. *London: The Committee on the Financial Aspects of Corporate Governance and Gee and Co. Ltd*, *1*(3).

Chen, J. (2019). Securities and Exchange Commission (SEC). *Investopedia*. Recuperado de https://www.investopedia.com/terms/s/sec.asp.

Coase, R. H. (1937). The Nature of the Firm. *Economica*, *4*(16), 386-405.

Crisóstomo, V. L., & Girão, A. M. C. (2019). Análise do compliance das empresas brasileiras às boas práticas de governança corporativa. *REVISTA AMBIENTE CONTÁBIL-Universidade Federal do Rio Grande do Norte-ISSN 2176-9036*, *11*(2), 40-64. https://doi.org/10.21680/2176-9036.2019v11n2ID16369

Cuomo, F., Mallin, C., & Zattoni, A. (2016). Corporate governance codes: A review and research agenda. *Corporate governance: an international review*, *24*(3), 222-241.

de Araujo, M. G. G. V., & da Silva Sant'anna, L. (2022). A vinculação do conselho de administração ao acordo de acionistas e a governança corporativa. *Scientia Iuris*, *26*(2), 44-65. https://doi.org/10.5433/2178-8189.2022v26n2p44-65

Demsetz, H., & Lehn, K. (1985). The structure of corporate ownership: Causes and consequences. *Journal of political economy*, *93*(6), 1155-1177.

Edmondson, A. C., & McManus, S. E. (2007). Methodological fit in management field research. *Academy of management review*, *32*(4), 1246-1264. https://doi.org/10.5465/amr.2007.26586086

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of management review*, *14*(1), 57-74. https://doi.org/10.5465/amr.1989.4279003

EURONEXT (2019). EURONEXT Lisbon Markets. Recuperado de https://www.euronext.com/en/markets/lisbon.

Fama, E. F. (1980). Agency problems and the theory of the firm. *Journal of political economy*, *88*(2), 288-307.

Godoy, A. A. (2005). Refletindo sobre critérios de qualidade na pesquisa qualitativa. *Revista Eletrônica de Gestão Organizacional*, *3* (2), 86-94.

Hart, J. M. (1997). *Revolutionary Mexico: the coming and process of the Mexican Revolution*. Univ of California Press.

IBGC Instituto Brasileiro de Governança Coorporativa (2023). *Código das melhores práticas de governança corporativa*. 6.ed. São Paulo: IBGC.

IPCG Instituto Português de Corporate Governance (2017). *Protocolo Comissão do Mercado de Valores Mobiliários e Instituto Português de Corporate Governance*. Recuperado de http://www.cmvm.pt/pt/CMVM/AcordosComOutrasEntidades/Documents/Protocolo%20CMVM%20IPCG.pdf.

IPCG Instituto Português de Corporate Governance (2018). *Código de governo das sociedades*. Recuperado de https://cgov.pt/images/ficheiros/2018/codigo_de_governo_das_sociedades_ipcg_vf.pdf.

IPCG Instituto Português de Corporate Governance (2018). *Relatório de Gestão 2018*. Recuperado de https://cgov.pt/images/ficheiros/2019/relat%C3%B3rio-de-gest%C3%A3o--contas-ipcg-2018.pdf.

Jensen, M. C., & Meckling, W. H. (2019). Theory of the firm: Managerial behavior, agency costs and ownership structure. In *Corporate governance* (pp. 77-132). Gower.

Kosnik, R. D. (1987). Greenmail: A study of board performance in corporate governance. *Administrative science quarterly*, 163-185. https://doi.org/10.2307/2393124

Lodi, J.B. (2000). *Governança Corporativa: Governo da Empresa e o Conselho de Administração*. 7ªed. Rio de Janeiro: Elsevier Editora.

Mitnick, B. M. (1992). The theory of agency and organizational analysis. *The Ruffin Series in Business Ethics*, 75-96.

Silva, E. C. (2012). *Governança corporativa nas empresas*. São Paulo: Atlas.

Silveira, A. D. M. (2004). *Governança corporativa e estrutura de propriedade: determinantes e relação com o desempenho das empresas no Brasil*. Tese de Doutourado, Faculdade de Economia, Administração e Contabilidade, Universidade de São Paulo, São Paulo.

Silveira, A. D. M. (2002). *Governança corporativa, desempenho e valor da empresa no Brasil.* Dissertação de Mestrado, Faculdade de Economia, Administração e Contabilidade, Universidade de São Paulo, São Paulo.

Silveira, A. M. (2010). *Governança corporativa no Brasil e no mundo: teoria e prática.* Rio de Janeiro: Elsevier Editora.

Tricker, R. I. (2015). *Corporate governance: Principles, policies, and practices.* Oxford University Press, USA.

TRIVIÑOS, A. N. S. Introdução á pesquisa em ciências sociais: À pesquisa qualitativa em educação. Reimpr. São Paulo: Atlas, 2008

Yin, R. K. (2001) *Estudo de caso: planejamento e métodos*. 2. ed. Porto Alegre: Bookman.

Vergara, S. C. (2016) *Projetos e relatórios de pesquisa em administração.* 16 ed. São Paulo: Atlas.

Zeckhauser, R. J. (1991). *Principals and agents: The structure of business* (p. 37). J. W. Pratt (Ed.). Boston, MA: Harvard Business School Press.