INFORMATION GOVERNANCE: A STUDY IN THE BANKING INDUSTRY

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Propósito Central do Trabalho:
The rapid evolution of information technology (IT) and its application to business is causing major changes in organizations. Information is being created and is multiplying with an amazing speed, due to the facilities offered by IT tools. At the same time, Internet and other technological innovations have increased the speed with which business operations are conducted. The business world is moving at a much faster pace. The technology has been the focus of information management initiatives for some time, but companies are starting to realize that the full value of information depends in large part on the policies and procedures that govern and control their use, access, analysis, retention and protection. This research focuses on an emerging concept in the field of governance, Information Governance (IG). This emergence of information governance is a response to the inadequacy of IT governance with respect to the increasing importance of information in modern organizations (Kooper, Maes & Lindgreen, 2009). This paper presents the preliminary results of a research conducted in a highly dynamic and information intensive industry, that is, banking. To make the study broader and applicable to a global set of banking practices, banks in Brazil, Hong Kong and the United States was studied. Besides showing the relevance of information governance for banks, our research also proposes and validates an information governance framework (IGF). An IGF constitutes a set of factors, all of them directly or indirectly linked to information. The main research’s purpose is to identify what factors should be considered by banks in an information governance framework.

Marco Teórico:
Information governance is a new concept in the governance field as recognized by Van Grembergen and Haes (2009). More recently, Soares (2011) stated that IG is the broader term for data governance. The reason to use “information” instead of “data” is because the former is wider and involves structured and unstructured data which means the use of files and databases, but also emails, video, all kinds of electronic documents and paper documents. The theoretical foundations of the research are based on three theories: Agency, the Resource-Based View of the Firm (RBV) and Dynamic Capabilities. To build the IGF the first step was to identify in each theory some key theoretical elements related to the keywords information and governance. The aspects related to governance are based on elements of Agency theory and regarding to information (a firm resource) was used the RBV and Dynamic Capabilities. Therefore, from Agency theory the following elements were selected: control, monitoring, risk, rules, alignment and structure. The theory of RBV provided other set of elements: heterogeneous resources, information as an asset, performance, quality, information systems and value. And finally from Dynamic Capabilities the elements: rapid change, skills, context, learning, knowledge and capabilities. The proposed information governance framework (IGF) consists of dimensions and factors. Dimensions are the first level of the framework and they are a grouping of a set of interconnected factors. Factors are the second level of the framework and they identify the issues that should be addressed by a company to implement an IG strategy. After a literature search including the recent definitions of IG, the choice was for a framework with three dimensions: people, policies and technology. The second step in developing the IGF involved the use of theoretical elements (concepts) extracted from the three theories presented earlier. Using those elements a new search was done in the literature trying to identify the IG factors in the banking industry that could be related to theoretical elements selected, and linking them with dimensions proposed in the framework. All
identified factors were associated by researchers to one of the three dimensions, and proceeding this way the IGF was formatted. The research model proposed represents an information governance framework (IGF) and consists of three dimensions and twenty factors. The first dimension, People, includes factors such as context, culture and ethics. The second dimension, policies, represents the central part of the model, and has the following factors: accessibility, accountability, communication, compliance, formal structure, monitoring, privacy, quality, retention, security, sharing, standardization, transparency and value. The third and final dimension is technology that is composed of three factors: consumerization, mobility and systems. Based upon these dimensions and factors, three researchable hypotheses were formulated: Hypothesis 1: Information Governance (IG) is nowadays a great value subject for banks; Hypothesis 2: IG may be implemented in banks through an Information Governance Framework (IGF); and Hypothesis 3: An IGF to be implemented in banks should consider multiple dimensions and factors in order to deal with the dynamic banking industry.

Método de investigação se pertinente:
The method used in the study was multiple case studies and the same protocol was replicated in all cases. The unit of analysis was the bank where the executives interviewed work. Besides interviews, data were collected from documents on the websites of the institutions, from documents delivered or showed by the interviewees to the researcher, and also from articles in magazine publications. Triangulation processes were done in all case studies. The research was conducted with the support of computer assisted qualitative data analysis software (CAQDAS), NVivo version 9, from QSR Software. The research considered three sets of banks in three different countries: Brazil, the United States and China, (or more specifically, in Hong Kong, a Special Administrative Region (SAR) of People’s Republic of China). Sixteen interviews with high executives of thirteen different banks in three countries were conducted. All interviewees are male. The languages used were Portuguese and English. The average time for interviews was about forty five minutes. The choice of the three countries was done because their importance in local, regional, or global markets. Brazil, one of the BRICS countries, is an important center in Latin America. Hong Kong is a major financial center in Asia and is also, at the same time is highly integrated with banks in the United Kingdom and Europe. Finally United States is the preeminent global power, and its banking system is included in the study for its presence and influence in the international markets. Three big Europeans banks are included in the selected sample The script for the interviews based on the proposed IGF, was previously tested with the accomplishment of four pilot interviews with bankers in Brazil. The instrument was a semi-structured questionnaire composed by questions about each one of the factors of the proposed IGF and its composition, and also additional questions concerned to topics like dynamism of the banking industry or related to the relevance of information governance subject. The interviews were realized between October 2011 and March 2012 in the cities of Brasília, São Paulo (via Skype), New York, Fort Lauderdale and Hong Kong.

Resultados e contribuições do trabalho para a área:
The results for the first hypothesis (relevance of IG for banks) were very positive. Information governance is nowadays an important issue for banks. It was very common the statement “bank is basically information”. Made by a senior consultant of China the following sentence summarizes the common sense among executives interviewed “Reliable information is the real asset for banks. Help bankers to make good decision. Reliable information comes from governance”. The second hypothesis (implementing IG through an IGF) also received a lot of positive answers. Among them “I think it helps you manage risk, I think it helps you manage
costs, I think it helps you manage the service levels that you provide”, or “It’s important as information is one of our key assets in the firm. Without a proper governance framework, one can use information for improper activities which may damage firm’s reputation, revenue, credibility, and may be subject to regulatory and legal litigation”. And for some executives is clear that implementing an information governance program via IGF is not an easy task. For others information governance subject is directed associated with risk management or is included in IT governance. The answers for the third hypothesis (existence of multiple dimensions and factors in an IGF to deal with the dynamism of the banking industry) showed no doubt about the dynamism of banking industry. The proposed IGF involves a set of dimensions and factors to be comprehensive. To answer the main question of the research that is “What factors should be considered by banks in an information governance framework?” specific questions were addressed to the bank executives in order to validate the dimensions and factors of the framework. Thirteen case studies were built (one per bank). Seeing the sentences extracted from the interviews with high executives of banks from different continents like “Information is one of our key assets in the firm”, or “With better use of information bank can be more efficient, reduce risks and improve services” someone could certainly conclude that information is priority. However the real world is not this way. Cortada (2011) argues that rarely does a corporation have a comprehensive approach to the management of its most used and most important asset: information. The initial findings of the research with banks indicate that he is absolutely right. The results showed that in general banks have some of the factors listed in the proposed IGF model already implemented in some way, but almost always in unstructured forms and not directly addressed to the information issue. That’s a paradox because all of them recognize information as the “asset” of the banks, and the great majority still doesn’t have specific and integrated policies and processes of information governance. The proposed IGF was built with the composition of some theoretical elements from the three basic theories used in the study, Agency theory, RBV and Dynamic Capabilities. Regarding to the last one there was a unanimous opinion of the executives interviewed about the dynamism of the banking industry, which indicates the right choice in adopting the theory. The validation process of the IGF was made with sixteen high executives of thirteen different banks in three different countries, and none of them have questioned or said that the framework is invalid or not applicable. Nowadays IG is an important and emerging subject for banking industry. There are no doubts about it when you talk to high bank executives. Among the reasons listed are reduction of cost, reduction of legal exposure and improvement of performance. The research identified one bank in the United States implementing right now a specific program of IG. The implication of this is that the others are watching and seeing what is happening. Maybe soon they will follow the same track.

Referências bibliográficas: