Current Situation of Corporate Governance (Rational Management) In Jordan

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Abstract: This article aims to describe the situation of corporate governance act in Jordan within the international principles of corporate governance. The subject of governance received limited attention, especially at the local level, while most attempts have focused in the past on the private sector, in order to encourage governance act policies and procedures must be developed to stimulate positive behavior consistent with the ethics and values of integrity of the institution of government that are drawn policies and procedures. This should lead to encourage the staff and public sector officials to exercise behavior commensurate with the ethics and values of the public sector. Moreover it is important and necessary to achieve access to behavior consistent with the values of morality and integrity. The results reveal that there is a lack of governance practice due to social and culture of governance. The study recommended developing and enforcing clear lines of accountability and the responsibility of people to upload their work and motivate them to perform properly. This is considered as a code of rules and behavior which is an important tool in career that promotes the values of integrity

Keywords: governance, transparency, anti-corruption, accountability, rational management

INTRODUCTION

There are several definitions of governance provided by the competent international institutions as follows: Organization Economic Cooperation and development "OECD": Is a system whereby are directing business organizations and monitoring them, To determine the structure and framework of the distribution of duties and responsibilities among the participants in the company such as the board of directors and managers and other "stakeholders", And put rules and judgments to make decisions concerning the affairs of the company. International Finance Corporation "IFCs the system through which the corporate management and control in their work. World Bank: It defines the concept of governance, rule based on the traditions and institutions by which the exercise of power in the state in order to serve the public good, This definition includes: The selection process for those in authority and the being spotted and replaced them, The government's ability to manage resources and implement sound policies effectively, And respect for all of the citizens and the state for the institutions that govern the economic and the social interactions among them.

Problem of study

The need to apply the rules and procedures of corporate governance assist in building confidence and facing the crises of ethics that have emerged as a result of giving priority to the control of private benefit upon the public interest. And lack of practice of rational management and corporate governance

Literature Review

The following are the most important published studies and that the court addressed the subject of good governance:
Many study and researcher were conducted on the topics of corporate governance with various aspects, especially after the global financial crises.

1. Elections also, we studied the effectiveness and efficiency of the civil service and the introduction of various provinces were transferred theme of the paragraph below.

2. World Bank Study in 2008 titled (reform of the governance system in public sector

Mythology of the study

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The important of the study come from the important of governance act and practice in Jordan and many countries to prevent corruption and mismanagement

Objective and hypotheses

The objectives of study was to focusing on the issue of corporate governance by the use of availability of material requirements on many different reports and descriptive studies .and I have focused on studies the interested for corporate governance use of many different index as OECD.

.Limitation of the study

Lack of previous studies in the local field, lack of awareness among community cultural background and Limited attention.

OBJECTIVES of the governance

Governance seeks to: Raise the efficiency of the performance of institutions, and the development of regulations to reduce conflicts of interest and unacceptable behaviors, And preparation systems for the control of its performance, And design of the structure determines the distribution of all the rights and responsibilities, and Determine the rules and procedures relating to the conduct of work at each institution of the public sector.

Result of practice corporate governance

Achieving transparency and justice and granting the right to accountability. Achieve the necessary protection for public ownership, taking into account the interests of dealers with the various situations, and reduce the abuse of public power for private purposes. Achieve the opportunity to review the performance of public sector services such as the Audit Bureau and Anti-Corruption Commission, which has missions and the terms of reference and a clear mandate.

- Increase confidence in the management of the economy, including contributing to the higher rates of investment and achieve high growth rates in GDP. Acts of harmony and social justice by providing minimum requirements and the essential needs of the citizen and that provides them with an acceptable level of decent living. Achieve a level of efficiency and cooperation among individuals and institutions to create a supportive social environment for security and safety, and motivating the evolution, growth and creativity. Raising the level of competitiveness and thus obtain financing sources contribute to the growth and expansion efforts in terms of creating jobs and on the other hand. Help improve the ability to adapt to the external environment variables.

The principles of corporate governance in the public sector

Governance principles stems from the unique nature of the public sector, which lies in the importance of political forces, and the nature of the non-profit, And the ultimate goal of many of the activities of the public sector and the goal of serving the people. the proposed principles for the application of corporate governance in the public sector services: Setting direction 2. Positive ethics 3. Over seeing result 4.Accountability reporting 5.Correction course. Operate good governance beginning to develop policies and strategies needed to guide the activities and performance of the enterprise. Auditors and observers are considered important inputs for the new governance; they help the government administration to take quick corrective action and appropriate to address the weaknesses and shortcomings in the performance.

Current situation of governance in Jordan:

There are many initiatives that came to support the efforts of governance in Jordan, so cut the private sector of financial and insurance companies and banks had made considerable progress in governance have been issued so that the number of manuals and mandatory for some sectors. Securities Commission: A Guide to the rules of corporate governance for listed companies in the Amman Stock Exchange. Central Bank of Jordan: A Guide to Corporate Governance (institutional control) to banks in Jordan, Companies Control Department: A Guide to the rules of corporate governance Jordan.

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Insurance Commission: Instructions mandatory nature.

Efforts support principle of governance in public sector

As for the public sector, there are many efforts and initiatives undertaken and flowing all to support the principle and objectives of governance desired in the public sector and that contribute to promote the achievement of fairness and transparency, justice and accountability in government procedures and services provided by public sector.

1. Government Financial Management Information System "GFMIS"
2. Public sector ministry
3. Ethics code
4. Complain system (CRM)
5. Audit bureau
6. Citizen code
7. Anti-corruption commotion

Is one of ERP Systems business, which is a specialized software ready consist of Applications and Systems sub-adaptable and adapt to serve multiple functions, including all areas of work, and Receivable, and purchases, and the preparation of annual budgets.

Criteria of good governance:

(We can measure the governance by the following criteria)

1. Voting and accountability: Measures the ability of citizens to participate in choosing the government, as well as the freedom of opinion, expression and assembly.

2. Political stability and absence of violence: Measures the expectations of violence and change is not peaceful transfer of power.

3. Government efficiency: Measures the quality of public services, the civil service and the degree of its independence from political pressures and the quality of the formulation and implementation of policies and the government's commitment to implement.

4. The rule of law: Measures the confidence of individuals in the legal rules governing society

5. Control of corruption: Measure the extent of the overlap between the institutions of the public and private sectors and influence-peddling and other forms of corruption.

6. Public sector management

7. Decentralization: In terms of the separation of powers, granting local authorities the authorities make decisions.

8. Transparency: In terms of the clarity of the rules of make decisions, the availability of rules governing the field of decision-making easily understandable and being subject to censorship.

9. Accountability: In terms of availability and application, and the extent of independence of the judiciary and the legislative authority in control of the executive.

Objectives of the governance in Jordan:

Improve the quality of government services and the simplification of procedure and Restructuring of institutions and organization. Administration and Human Resource Development. Management of the public sector Programme for the Development._ Contact and qualitative. Prepare a policy for the management and development of human resources in the public sector and the development of plans and programs necessary to implement them. Work on the development of the organizational structure of Government. Providing advice to ministries and government departments to develop their organizational structures Contribute to the preparation of policies and strategies for training and institutional capacity building in the public sector. lay the foundations for the optimal use of human resources and the development of plans and programs to implement them and follow-up application description and job classification. Reparation of public policies related to streamlining measures to improve government services.

Suggested for ideal governance criteria:

1. The rule of law: the ratification of international human rights treaties, the laws of property rights, judicial independence, the efficiency of the courts .The efficiency of public institutions in the implementation of the contracts to reduce corruption in public work.
2. Strategic vision and effectiveness: in terms of owning the government to see what

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needs to be achieved and how to achieve and enable them to achieve.

3. Legitimacy : promoting the rule of force and power of legislation and be legitimate in terms of the legislative framework and institutional and decision-specific standards observed in the processes and procedures
4. Transparency : clarity of decision rules, the availability of rules governing the field of decision-making and easy to understand and subject to censorship.
5. Sustainability: provides the ability to sustain the activities of the government and the perpetuation of the overall development .
6. Effectiveness : the best use of resources and meet the rights of beneficiaries
7. Equality and justice in terms of the extent of participation of community members in the outputs of the development process and hold them to their burden and the fairness of the distribution of resources in the community as well as the extent of equity during the exercise of public sector officials to the authorities entrusted to them and the public sector to grant agents who are " public officials " money and power to implement responsibilities
8. Continuous Improvement : To improve the elements of human development and economic development
9. The accounting issue : the public sector organizations and individuals, employees responsible for their decisions and their activities, including the management of public funds and all aspects of performance and subjected to appropriate external investigation
10. Supervision of the results : the government requires continuous monitoring to ensure the implementation of policies to achieve the objective and strategies.

Suggestion and recommendation to apply corporate governance in Jordan:

1- Publish ethical culture in the workplace and activated through the commitment of senior management and the adoption of periodic training programs and promote awareness of the value system among public sector employees.

2. Periodic survey to measure the performance of the trust of the citizens of the public sector. And the degree of satisfaction with the services provided by government.
3. Approval of the government in the course of daily business for institutions and procedures such as the complaints system and codes of conduct and ethics.
4. Hold training courses for leaders and politicians, administrators, staff and the public about the principles and standards of corporate governance, diffusion and dissemination.
5. Create a system and instructions included and lead to documented procedures and determine the responsibilities, rights and powers and relations in the framework of a working methodology and clear.
6. Statement and documenting procedures for issuing legislation or modified as appropriate.
7. Review the efficiency and effectiveness of the policies, processes and procedures that support governance and private institutions concerned with the administrative and financial control and the fight against corruption , such as the Audit Bureau , the Department of General Budget ... etc.
8. Support for legislative reforms and enhances the efficiency of the legislative branch and the judicial and supervisory and bridge the gap between the texts of the laws and its actual application.
9. Activation Code guarantee the right of access to information for 2007.
10. Promote a culture of tax compliance, transparency and fairness of the implementation of the tax legislation and raising the efficiency of the tax system and collection operations.

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