

## EXPANDED ABSTRACT

### **Characteristics and management of ethical codes. An exploratory study in Andalusia**

The development of a more fair global economy is driven by management instruments such as the ethical code to regulate the behavior of relations with stakeholders. Therefore, it is necessary to know the characteristics of existing codes and how they are incorporated into the business management system.

In recent years there have been changes, both internally and externally, which have increased interest in the analysis of ethical codes.

On the one hand, internally, the codes have changed from being an action guide for employees to being the document that regulates behavior or relationships with different stakeholders, hence the previous assertion of their role in the creation of a more fair global society.

Externally, in some sectors there are regulations that have promoted their development. In the case of Spain, ethical codes received a specific boost when they were included in the seventh recommendation of the Parliamentary Subcommittee created by the Congress of Deputies to promote social responsibility practices of Spanish companies. Likewise, the modification of the Criminal Code and, more recently, the appearance of the UNE 19601 standard on criminal compliance management systems, highlight the need for revision and updating of the codes (when already existing), and their incorporation into the management systems of companies. The codes are beginning to be understood as an expression of a company's compliance policy.

The bibliographic review carried out in this paper shows that, despite its development, there are still few studies that have analyzed the quality of ethical codes. In addition, the literature indicates that there continues to be a significant gap between business policy and ethical practice in organizations. The latter is due to the inadequate design of the codes, the lack of commitment of managers and the pressure to meet short-term objectives. In the case of Spain, several investigations have addressed the degree of penetration or the scope of codes in Spanish companies. However, there are few studies that have analyzed their content, and even less that have gone further in depth on aspects related to their management.

In this context, the following research objectives are proposed: a) analyze the formal aspects of the incorporation of the ethical code as a management tool, as well as the type of code in terms of the type of relationship that aims to regulate its development; b) analyze its contents, with special

emphasis on the values it focuses on, rather than on the analysis of the crime that it could regulate, given that the study is carried out from the conception of the code as a guiding and motivating instrument, rather than a punitive one; and c) analyze the critical aspects of code management, crucial for its effectiveness as instruments at the service of corporate social responsibility.

In order to respond to the objectives of this research, the methodology applied involved obtaining information through a questionnaire, unlike previous studies in which the codes were analyzed from a content analysis. The design of the questionnaire is based on the aspects that the specialized literature has identified as relevant content of the codes and their management. The sample consists of 116 Andalusian companies, which are classified according to their size.

The presentation of the results is organized in two blocks, on the one hand, the contents of the codes and, on the other, the aspects related to their management.

In the first part of the study, we analyze the usefulness of the codes, the values collected and the attention given to employees and other stakeholders in the codes. We identified a different attention to the stakeholders according to the size of the company. Thus, medium and large companies prioritize employees versus customers and consumers, as the main stakeholder to take into account. For small and micro-enterprises, users or consumers are the main focus of attention.

Regarding aspects of code management, critical aspects were identified, highlighting as the main one the commitment of managers and/or owners to the values included in the code. Other key issues were: the management of prizes and sanctions, the communication of the code, the control of compliance with the code, the level of integration of codes as a management tool and the degree of overall satisfaction with the ethical code.

Throughout the study, differences were observed according to the size of the companies in many of the aspects analyzed. This led us to contrast whether these differences were statistically significant. Given that these differences were confirmed, one of the conclusions made is the need for different public or private organizations to support the development and integration of ethical codes in the management of SMEs.

The results of the study show the predominance of codes oriented to communicate the values that should guide the development of the activity, although they are more concerned with the prevention of bad behaviors than with the reward of good ones. They highlight the need to improve their management and to keep them updated, either due to intrinsic motivations of the organizations or legal implications derived from the modification of the Penal Code.

Other areas of improvement identified were the importance of adapting the content to the specific needs of the companies, the diffusion through the web pages and the communication to

other stakeholders, as well as the need to incorporate indicators for their evaluation and the improvement of management.

The results of the research lead us to conclude that, although certain management practices of ethical codes are observed, what is actually managed are not the codes but the specific cases of non-compliance and bad practices. In general, the codes pay more attention to the prevention of bad behaviors than to the recognition of good ones. From our point of view, an issue that will make the difference between organizations, in the coming years, is the development of incentive policies of best practices and behaviors within the organization. These policies could mark future revisions of the content of the codes, making them more effective instruments for their contribution to a more fair global economy.

**KEYWORDS:** Ethic codes, values, social responsibility, management, Andalusia, SMEs.