

Chapter 28

Analysis of IT Governance on Spanish Organizations

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ABSTRACT

Corporate governance is a key element today in organizations and companies. IT Governance, as a part of corporate governance, plays its role in aligning IT with the business and obtaining the maximum value, minimizing the risks. Several frameworks and guidelines have been published in order to set the basis for this discipline. The recent release of the ISO 38500 (ISO 2008) ads an effort to standardize the different elements of IT governance. Despite these efforts, none of the different frameworks or guidelines is focused on the specific characteristics of small and medium companies (SMOs), although the authors consider that their conclusions are universal. Furthermore, there is no research so far that analyzed the status of IT governance in Spanish organizations. The aim of this work is to do a research to identify the state of the art of IT governance in the Spanish small and medium organizations.

INTRODUCTION

Corporate governance is not an old issue that has already been solved. The recent credit crunch has its origins in a failure of corporate governance in the companies (Moxey 2008). Thus, corporate governance is now, more than ever, on top of the agenda of executives and governs all over the world. Just as an example, regarding the banking industry in the UK, the Chancellor of the Exche-

quer said, “it is clear that corporate governance should have been far more effective in holding bank executives to account” (Treasury 2009).

Corporate governance is based on the called “agenda issue”. The agenda issue handles the different interests of shareholders and managers. While the first can focus on increasing the value of the company, the second can be more concentrated on different things, such as increasing the size of the company through mergers and acquisitions, or in an international expansion effort. This is can be

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Figure 1. Traditional model of corporate governance

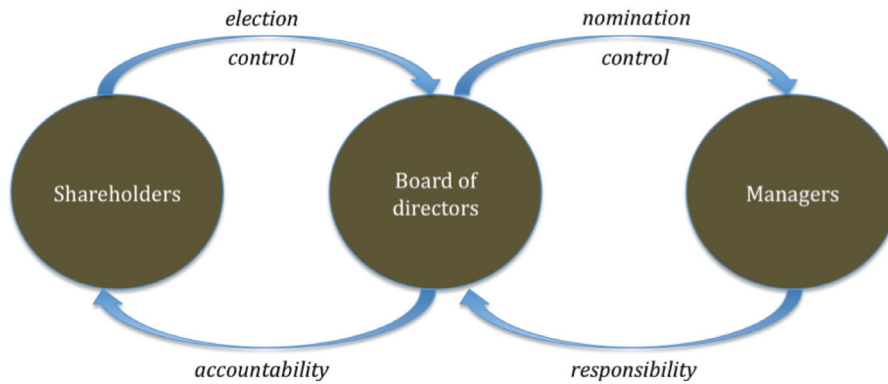
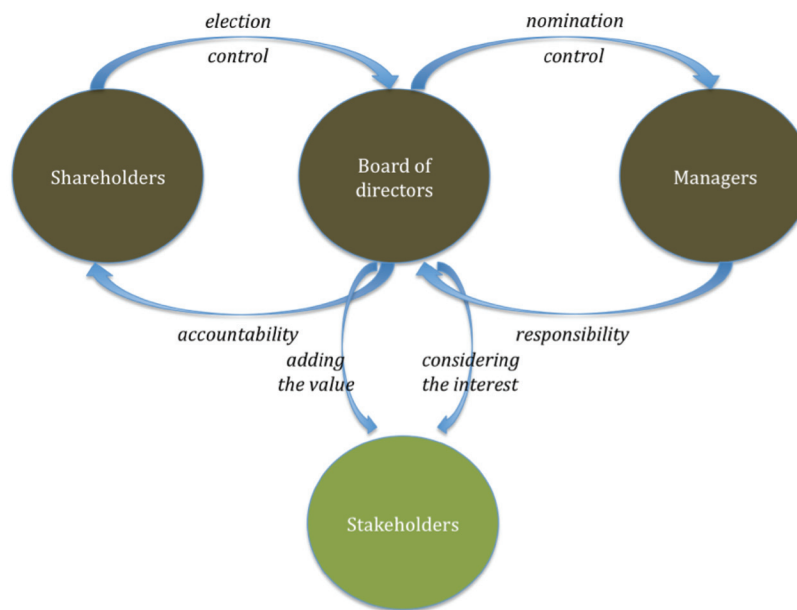


Figure 2. Stakeholder model of corporate governance



depicted on Figure 1. This is the called *traditional scheme of corporate governance* (AECA 2007).

The evolution of this agenda issue is clear, when the concern about the relationship with the stakeholders has increased on the last years, and then is not only for the board and executive management to handle the relationship with shareholders, but also with providers, clients, and even the society itself

Corporate governance (Figure 2) has gone through different stages, from defining a framework to implement specific controls (COSO 1992; COSO 2004), to the definition of code of conducts such as the Cadbury Report (Cadbury 1992) and the Turnbull Report (Turnbull 1998). Moreover, in some countries, and taking into account scandals such as Enron and Worldcom, a specific legislation has been developed to identify and establish legal responsibilities for those managers and directors

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