Responsible Management Education

The drivers for implementing the Global Compact Principles from an Organizational Behavior perspective

TELEFÓNICA S.A
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¿Why things happens in the organizations?

This shouldn’t be a question of luck.

So… ¿which are the **drivers that we must use** in the organizations to make things happened? … ¿and to implement the Global Compact Principles?
Let’s understand how an organization works
The four drivers of the organizational behavior

1. Formal Structure: The hierarchy, the written rules & procedures
2. Informal Structure: The facts, the intangible rules, the beliefs
3. People: Their needs, motivations & expectations
4. Technology: The systems, the operations

All this four drivers should be activated altogether, and not always at the same time nor with the logical sequence (1,2,3,4).

The key is to understand when to introduce one or another… and have in mind that all of them should be activated at its right time.
The formal structure… in Telefónica
The hierarchy, the written rules & procedures

Board of Directors. Telefónica

Human Resources and Corporate Reputation Commission of the Board

Business Principles Office

4 Corporate Units

Human Resources
Corporate Responsibility
Legal
Internal Audit

3 Business Units

Spain
Europe
Latin America

24 Countries

Spain, UK, Ireland, Germany, Man, Cesk Republic, Slovakia, Italy, México,
Panama, Ecuador, Guatelmala, Colombia, Perú, Brasil, Argentina, Chile, Uruguay,
Venezuela, Puerto Rico, Morrocco, China, USA

Communication

Corporate Policies

Processes and Controls

Advice and helpline for employees
The formal structure… in Telefónica
The corporate policies based on Business Principles
The informal structure
Looking for partners within the organization beyond the formal structure

Things begin to happened!!
Not matter how
02 The informal structure
Sorry, let me repeat the play

- **You don’t live alone. Your company is a part of the world...**

- **Your company looks like a Bar Code:** Each division / department used to behaved as a isolated island. Working as a transversal (CSR is mainly transversal) is like the mother of all the battles.

- **Don’t fight again the beast: make friends & partners thinking like them.** Show then how you both have common interest and help them... Make the papers, write a lot... let them to sing the papers... Give them the power.

- **Introduce your friends to the others.** Create a “social network” inside your company... ¡¡your own “intangible Facebook”!! Make them to feel that they are changing the things.

- **Work with your external stakeholders.** Work is much more than dialogue. Work is to help each other. You will defense their points of view into the organization. So the probable defend you and your company outside.

- **Don’t make visible your strategy; on the other wise it will fail because you are increasing your power.** One day things will happened. The job will start to be done... by luck. You must disappear as soon as possible.
The People commitment
Their needs, motivations & expectations

Recruiting
Training
Development
Promoting

Going beyond outstanding CVs... NGOs work, responsible research, other civil organizations. You can train the technical’s, not the spirit, don’t forget.

Use all the training chances you have... introduce CSR into management courses, but also in technical or functional ones. CSR is transversal.

Try to push internal rotation of CSR team... to implement a Responsible culture. Put (or shared) your best people in key areas. They are your ambassadors.

Include CSR indicators in the performance evaluation... just like other hard ones (sales, revenues, cost...). The financials did it... and see the consequences.

Turning our employees into fans through our CR standards

Telefónica
People Promise

Universitas
Telefónica
To attend the external requirements of global watchers, the 80% of data collected from existing systems. Filon: suppliers department / ESIF: controlling department.

Do not invent any specific system for you. Use the systems of the company to capture the data, to introduce new metrics, to demand new requirements and to verify the data. If so, even use the same auditor used for the public statements of the company.
Some conclusions
The requirements for the Business Schools

- **It is not a lucky question.** Things happens if we really understand that we have to manage the four drivers altogether, not one by one.

- **How many times does the Business Schools devoted to the informal structure?** The MBA programs are focus on technical knowledge (strategy, finance, marketing, operations… but doesn’t understand how a organization lives

- **Introducing CSR is not a question of allocating 15 or 20 sessions about that.** CSR is transversal, so is important to spread the CRS principles among the hole programs.

- **Don’t use only big words (values, ethics) make a business approach:** more revenues, less cost and more customer loyalty. Be practical: how to do, how much it cost, how much may I earn…

- **Helps the companies, not only making money with us.** Helps us to share ideas, like today, create some networks to share good a bad practices. Use us a business cases… but please, not always as a fund raising activity.