

Responsible Management Education

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

TELEFÓNICA S.A

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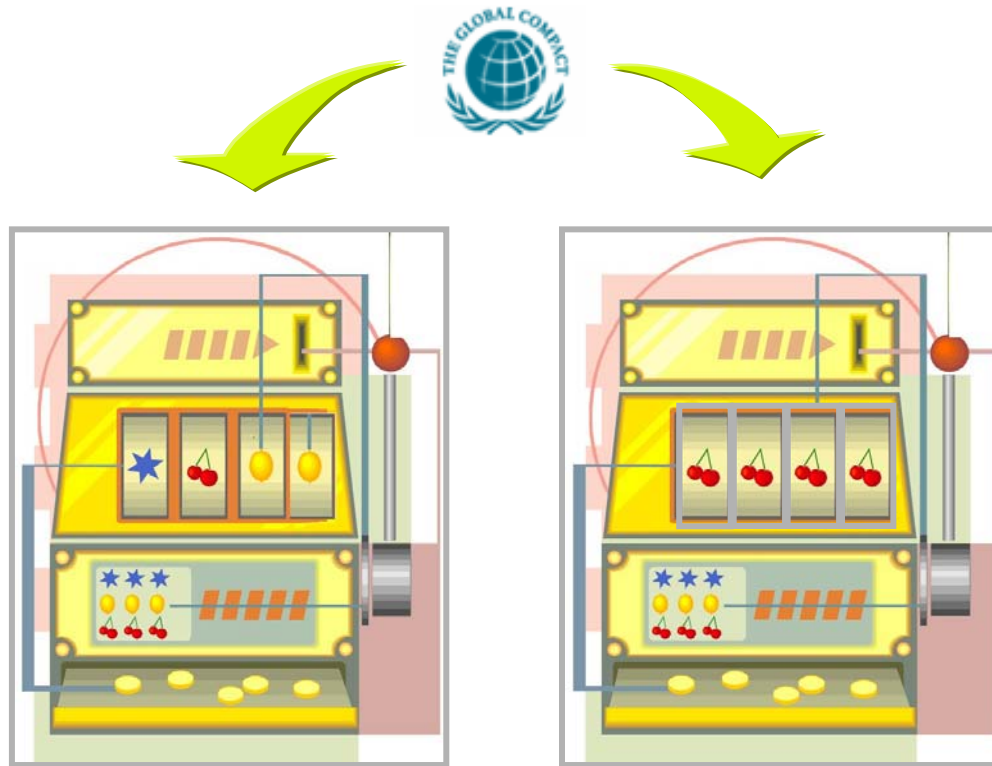
Managing Director on Corporate Reputation & Corporate Identity

New York, UN Headquarters

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00 ¿Why things happens in the organizations?

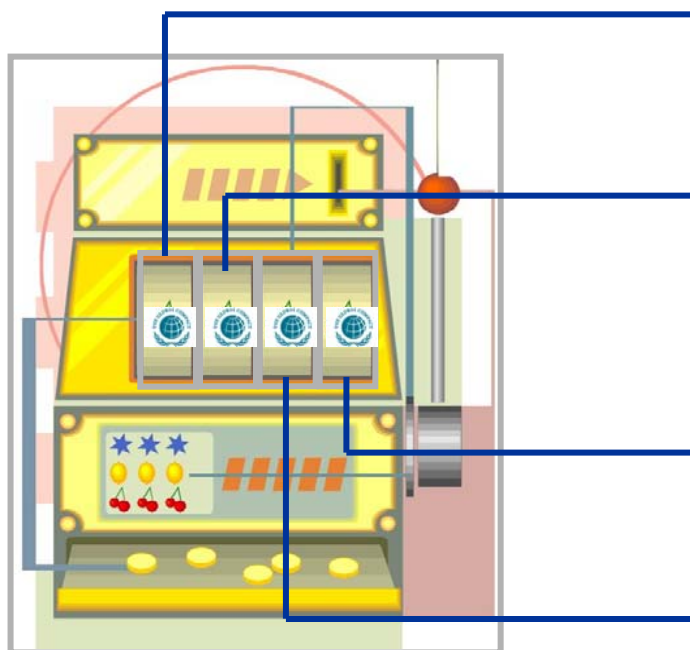


This shouldn't be a question of **luck**.

So... ¿which are the **drivers that we must use** in the organizations to make things happened? ... ¿and to implement the Global Compact Principles?

00 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 believes

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

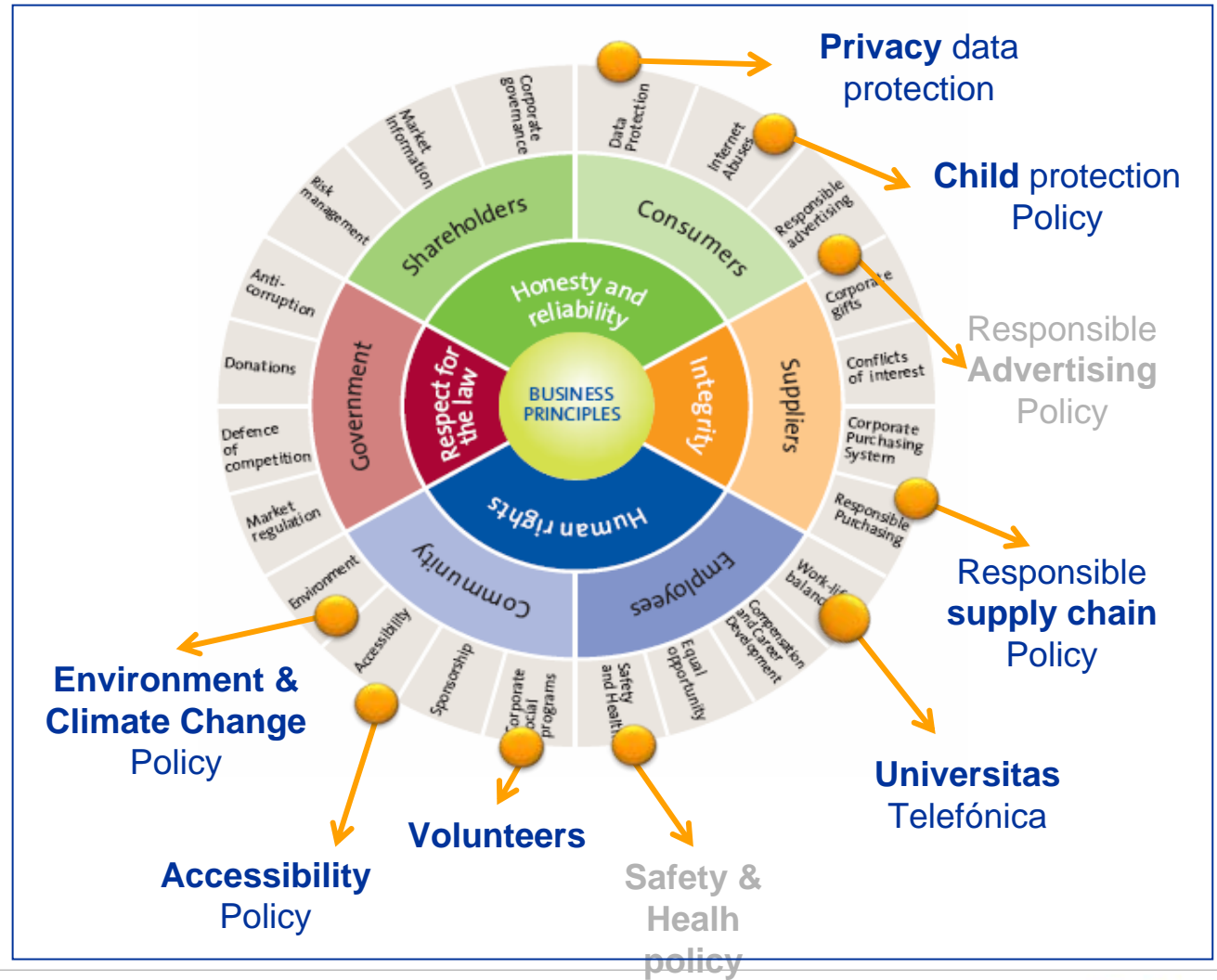
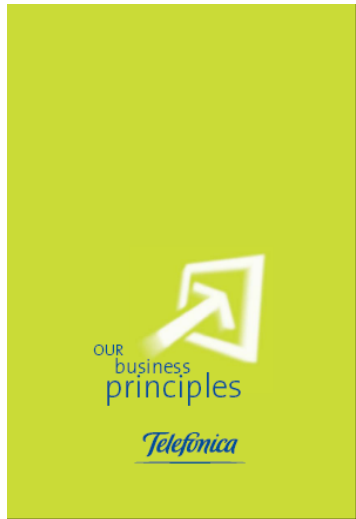
01 The formal structure... in Telefónica

The hierarchy, the written rules & procedures



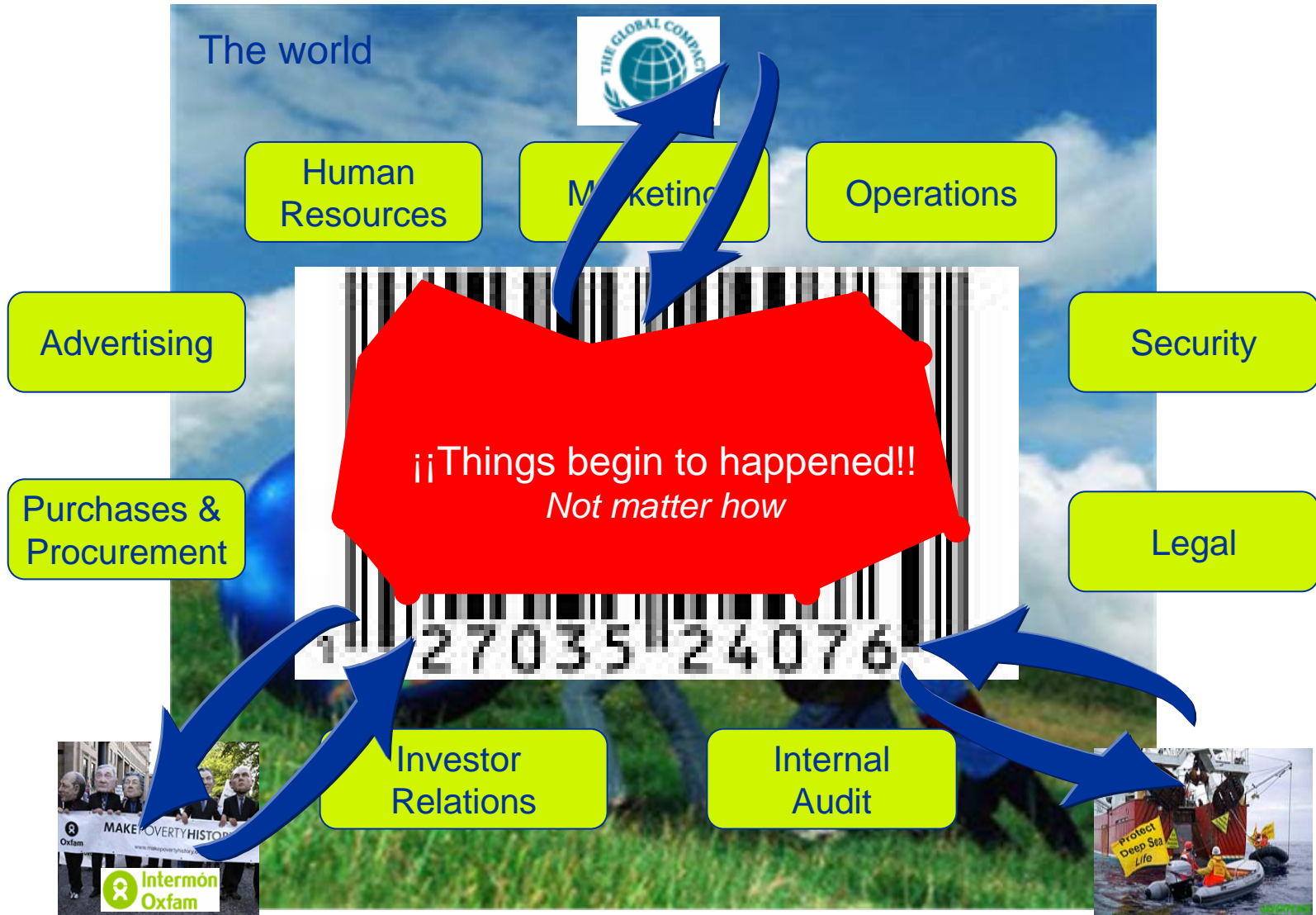
01 The formal structure... in Telefónica

The corporate policies based on Business Principles



02 The informal structure

Looking for partners within the organization beyond the formal structure



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.

03

The People commitment

Their needs, motivations & expectations



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 the 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

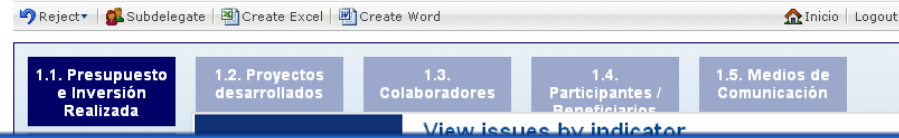
Universitas
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To attend the external requirements of global watchers, the 80% of data collected from existing systems

FILON: suppliers department / ESIF: controlling department

Corporate Responsibility Questionnaire



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



Measures	1	2	3
Purchase volume through tenders			
1 Proveedores Telefónica			
Number of suppliers in catalog	1		1
Suppliers awarded		1	1
SME suppliers awarded			
% SME suppliers			
Local country suppliers awarded	1		
% country suppliers			
Supplier awarded diversification			1
2 Volumen de compras			

05 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.

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