A method to improve CSR in public institutions

September 1, 2010

Public institutions, like any other, must provide an excellent service to the general population, who are, after all, their customers.

Consumers in the 21st century consider various criteria when choosing a product or service, including reputation, social image, and ethical and socially responsible policies. As such, we can say that organizations gain credibility, trust and loyalty by honoring their commitments to corporate social responsibility (CSR).

Public institutions are not exempt from this reality. A public body must strive to satisfy all of the groups it interrelates with, whether internal or external. Its success will be measured against the results obtained, the way that success was achieved and what can be accomplished. For this reason, it is necessary to train policy makers and help them to understand the crucial role of CSR when it comes to honoring their duties.

Nevertheless, at the operational level, agencies are largely remiss in that aspect. Only some public authorities working in cooperation with certain associations have been bold enough to publish CSR policies.

One example is Madrid City Council, which has teamed up with "El Club de la Excelencia en Sostenibilidad" to publish a guide modeled after a subway map. The guide outlines the chain of accountability for each area, including customers, employees, public authorities, suppliers and outside collaborators.

Andalusia's Department of Employment, meanwhile, is working on a number of measures for

©IESE Business School

promoting CSR in the Spanish region's business sector. These measures, consisting of aid for companies adopting CSR policies and research grants, aim to foster business competitiveness and the employability of workers, as well as promoting equal opportunities.

A large number of local institutions already operate with CSR criteria in mind, but are unfamiliar with how to evaluate or report on them. Therefore, for a local body to achieve excellence, it must start by performing a self-diagnosis, which allows for the design of strategies for reaching its long-term policy or public-service objectives.

A specific assessment model

The Spanish assessment model, UNE 66182, is an effective, comprehensive assessment tool for local governments, based on indicators that enable local practices in all areas of municipal management to be studied.

It is a methodology that adapts the international standards document, IWA 4, to the circumstances of local governments, and is promoted by the Spanish Association for Standardization and Certification (AENOR) and the Spanish Federation of Municipalities and Provinces (FEMP).

The UNE 66182 standard covers four major areas of development: institutional, representing 35 percent of the assessment; economically sustainable, 16 percent; socially inclusive, 30 percent; and environmentally sustainable, 19 percent. The questionnaire consists of 33 minimum management indicators classified into 135 sub-indicators among the four areas. The model calls for evaluation at management as well as operational levels.

The conclusions of this diagnosis are to be incorporated into an improvement plan, which includes corrective actions for any indicators that denote inappropriate behavior. This enables those directly responsible to:

- respond to the organization's needs and weaknesses;
- prioritize according to the detected degree of importance and available resources;
- set time frames and assign leaders;
- periodically monitor the municipal management as a whole and how it is reflected in public opinion;
- evolve toward a modus operandi of constant organizational adaptation.

The City Council of Villanueva de la Cañada (Madrid), a pioneer in Spain in the use of this tool, was able to draw up an improvement plan from the conclusions obtained.

©IESE Business School

According to the authors, the successful outcome of the study represents an important step forward for the implementation of a quality management system that is oriented toward both citizens and competitive results — two crucial aspects at the start of this millennium.

www.iese.edu/insight

©IESE Business School