

# **Enterprise, sustainability and work**

**Towards new ways of creating  
value for the community**



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# Introduction

What will work mean in 15 years' time? Will the work of tomorrow resemble the work of today? What does being a socially responsible business mean in terms of the work of today and tomorrow? What will be the role and impact of innovation, and not just technology, on work and thus on the ways in which sustainable enterprise can create value? To what extent and in what way must relations between enterprise, the world of politics and trade union organisations evolve in order to overcome the current situation?

These are just some of the questions that have led the members of Impronta Etica to embark on a period of reflection, considering these issues in the light of the major economic and social changes affecting the context in which today's enterprises are operating.

The association and our member companies hope that this document will make it possible to **share our thoughts with other actors in the business and social world**, on the ways in which sustainable enterprise can create value, with a particular focus on the subject of work. The aim is to make a contribution to the debate without claiming to provide definitive solutions but rather with the intention of opening the way to **possible plans of action which the members of Impronta Etica can try out for themselves in the years to come**.

We are fully aware that the relationship between sustainability and work is a multi-faceted subject, taking in factors ranging from welfare to the competitiveness of the national system, from training to management styles. We are naturally convinced of the vital importance of those issues that businesses have to tackle with the greatest urgency, such as a responsible approach to corporate restructuring or the impact of global markets on companies' ability to compete in fair environments and therefore to make CSR an aspect of their own competitiveness. However, we have made the decision to limit our reflections to the **relationship between sustainable enterprise and work** in order to be more incisive, while leaving the door open to a wider field of discourse for future reflection. Indeed, bearing in mind that the subject of work will inevitably touch on other themes, these will also be covered but in a more superficial way than they would normally merit.

## *The scenario for our reflections.*

The current scenario in Italy and in Europe in general presents **the issue of work with numerous challenges and obstacles**. These are not based on the most recent phenomena linked to the global economic crisis underway since 2008, rather they are structural problems that for decades have been penalising European competitiveness

in relation to its main competitors, the US, Canada, Japan and the BRICS nations, and that have been further aggravated by the current crisis.

These problems include

- The continuing **increase in unemployment**, with a trend for higher rates in Europe than in its competitors. This hits young people particularly hard as, with the exception of a few rare exceptions in Europe, the barriers to entry to the world of work continue to be raised ever higher. This phenomenon, exacerbated by the swelling ranks of young people classified as NEET (neither in nor seeking employment, education or training), risks creating a lost generation with major repercussions for the prospects for economic growth and social wellbeing.
- The persistent gap between the supply and demand for work, the skills gap<sup>1</sup>.
- **Demographic changes** characterised by a consistent and rapid growth in the age of the population. This makes it necessary for businesses to tackle the advancing age of their workforce by keeping them on at work for longer, something that does little to enhance the exchange or regeneration of cognitive capital. Society as a whole is faced with a similar problem, with welfare models becoming increasingly unsustainable. At the same time, changing demographics tend to stimulate an emerging need for new products and services.
- The **growing social divide**, resulting from a profound process of reduction in welfare services and lack of social protection for those more precarious categories of worker, calls into question one of the basic tenets of the European social model, social cohesion.
- Ever more rapid and radical changes to the economic and social context, creating ever deeper uncertainty for businesses.
- The collapse of representation in all its forms, manifesting itself in a drop in voting figures and a reduction in membership of political parties and trade union organisations.
- The **structural weakness of the political and economic system**, also generated by ever more troubled relations between businesses and their stakeholders, primarily in the world of politics and of organisations representing workers, accompanied by notable difference in action times, tends to generate inactivity and constrain innovation.

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<sup>1</sup> In Europe, over half the number of unemployed young people state that they are unable to find a job, while many businesses are unable to find people with the skills they require.

[http://www.mckinsey.com/insights/social\\_sector/converting\\_education\\_to\\_employment\\_in\\_europe](http://www.mckinsey.com/insights/social_sector/converting_education_to_employment_in_europe)

- Italy's economic performance, below the European average, in terms of its capacity for innovation, positioning Italy as one of Europe's "moderate innovators".
- The growing **segmentation of the labour market**, leading to a proliferation of micro-enterprises or self-employment, with specific, vertical skills that, on the one hand, tend to be weaker and less stable because they are not capitalised and, on the other, constitute a massive reservoir of knowledge and innovation.
- The technological revolution underway since the end of the 20<sup>th</sup> Century has brought new opportunities while creating further challenges. There have been rapid changes to the range of existing professions, with some disappearing along with the arrival of newcomers particularly in the field of information and communications. This has also created the need for new skills along with the risk of a growing generational split, mainly caused by what is known as the digital divide.

**In such a scenario, we believe that sustainable enterprise must of necessity take such problems on board. Businesses cannot possibly ignore the crucial impact of their choices on employment opportunities and the quality of work, so they must seize the levers available to them for creating value for the local community. Businesses will only be sustainable if they face up to these workplace challenges, seeing them as opportunities to grow their own competitiveness, calling into question their organisational models and their relationship with the environment that surrounds them, in order to be able to anticipate change rather than merely react to it.**

Finally, it must be emphasised that the current context is characterised by **diversification of the ways in which workers and the production of products and services relate to one another**, leading to the emergence of new actors bridging the gap between both small and large scale traditional enterprises and self-employed workers. This brings to mind, in particular, such models of sharing and pooling material and intellectual resources as co-working or fab labs.

These production systems and organisational models are more open, not always with well-defined, distinctive boundaries. As they evolve, they cannot fail to have an impact on the way on which a traditional enterprise functions and interacts with the surrounding environment.

## ***The role of sustainable enterprise in creating value for the community***

The model guiding our reflections is the creation of shared value, a concept developed by Michael Porter and Mark Kramer<sup>2</sup>. Impronta Etica and its members see ourselves reflected in Porter's notion in which **the competitiveness of an enterprise and the wellbeing of the surrounding community are closely linked**. A company has need of a thriving community in order to call upon a pool of potential talent, an environment capable of investing and innovating and effective demand for its products. Similarly, the community needs capable, successful businesses in order to have available jobs and opportunities for the creation of wealth and wellbeing.

Businesses make a contribution to furthering social progress and therefore, to **creating shared value**, in both economic and social terms, by building infrastructure or increasing knowledge and skills within the community in which they operate, thus improving their productivity, innovation and competitiveness.

**In order to do this, businesses must create or strengthen their bond with the environment and communities that surround them, including by encouraging new, closer forms of partnership with the other actors in the locality, so as to enable social progress to increase<sup>3</sup>.**

A sustainable business knows how to seize the opportunities arising from its **guarantee that the resources it uses both in-house and outside are fertile and able to reproduce**, so as to ensure that the social and environmental capital is equally able to grow and reproduce.

With more specific reference to the subject of work, this means that a socially responsible business will interact with the other actors operating in the locality, thus contributing to the growth of **cognitive capital**, among both its employees and the community, **social capital**, in terms of social cohesion, revenue and quality of life, and **infrastructure**, in terms of urban renewal, developing new facilities, creating new networks, etc.

It is therefore necessary to move away from a merely business-centred vision to a vision in which value is created by means of a **constellation of actors**, such as other businesses, local and national institutions, civil society and all the components of the supply chain, all operating in a genuine eco-system within a specific territory.

The operating context for such enterprises is marked by strong segmentation and territorial diversity and therefore it is essential to work on constructing or strengthening networks between the various local interlocutors, necessarily affording them a central position.

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<sup>2</sup> Porter, Michael E., and Kramer Mark R. "Creating Shared Value." Harvard Business Review 89, n. 1-2 (January – February 2011)

<sup>3</sup>Impronta Etica e SCS Consulting, *Il contributo dell'impresa responsabile nella creazione di valore per il territorio*, March 2012

With specific regard to the subject of work, as demonstrated in the previous paragraph, the ecosystem in which the business operates consists of a **wide variety of forms of production and an ever greater number and more diverse categories of actors**. These organisations, from the large company to self-employed workers, interact in multiple configurations. The interactions created between the business and these actors come in forms that go far beyond the usual supply-chain contractual relations.

Undoubtedly the relationship with suppliers is a major priority in which the ways in which the processes used to externalise specialist tasks are managed can make a significant contribution to generating shared value rather than representing a depletion of the company's capital.

Starting from these considerations and an awareness of the role played by sustainable enterprise in creating value for the community, Impronta Etica and our members wished to delve more deeply into **how sustainable enterprise can (must) grow value quantitatively, in terms of employment, and/or qualitatively, in terms of quality of work both in-house and in the locality**, thus contributing to the creation of territorial capital.

## **A suggested analytical model: elements of exchange between enterprise and its stakeholders in creating value**

As previously demonstrated, the multiplicity of ways in which workers and the production of goods and services are grouped together shifts attention from businesses in isolation, now focussing on the ecosystems in which these organisations operate. This means analysing the interaction between the components of these ecosystems.

Considering the impact on the creation of value through work a business may have, both internally and externally, it is necessary to investigate the **elements of exchange between the business and its workers** (internally); **and the business and the community** (externally) meant in its widest sense: from the education/training system to research centres, from the businesses making up the entrepreneurial fabric to groupings and networks of free-lance professionals, including current welfare provisions.

There are five principal exchange elements

- Revenue
- Knowledge and skills
- Enhancing potential
- Empowerment

- Flexibility

## **Revenue**

### **For workers this means revenue over and above basic pay**

**Pay** has always been a basic element of exchange between the business and its workforce, according to the contractual conditions linking both parties and setting out the remuneration for the services rendered.

Over and above that, the relationship between a business and its employees provides the latter with a series of **additional revenues** intended to cover basic aspects of social protection for employees and their family.

The diversification of working relationships between the business and its employees, which translates into an ever greater variety of employment contracts, must lead the socially responsible business to identify **innovative methods for guaranteeing equality of access to social protection**, regardless of the type of contract.

### **For the community this means redistribution and social cohesion**

The business, through its workers, and by extension their families, and through its business activities, **generates and redistributes revenue in the local community** in which it operates, thus contributing to **greater social cohesion**.

Over and above these “trickle-down” ways of redistributing revenue, socially responsible businesses, particular large-scale ones, can make available a **number of different resources**, such as spaces, vehicles and logistics support, in-house expertise, etc., in order to support newly emerging local enterprises, thus proving, through these resources, indirect forms of revenue. Such businesses can also act as guarantor for small businesses to enable them to access funding to facilitate their development.

## **Knowledge and skills**

### **For workers this means increasing their technical and soft skills**

**Developing knowledge and skills** is a basic exchange element between businesses and their workforce. Clearly, investing in training provides the business with workers whose knowledge and skills are improved and kept updated, also favouring retention. In addition, having the ability to appreciate and enhance the skills of its working partners, including those skills acquired outside the workplace, can provide excellent opportunities for increasing competitiveness.

It must however be emphasised that the **technological revolution** that hit the end of the 20<sup>th</sup> Century caused some manufacturing jobs, particularly those requiring fewer skills, to become increasingly automated. This was accompanied by a decline in the need for routine cognitive and artisan skills and a considerable increase in the

demand for skills in the field of processing information, high level cognitive and interpersonal skills.

In addition to mastering the specific skill-set for their job, 21<sup>st</sup> Century workers must also have a stock of information processing skills and various generic or soft skills such as interpersonal communication, self-management and the ability to learn. These skills will help them, among other things, to maintain their employability in a rapidly changing job market characterised by a great many uncertainties<sup>4</sup>.

It will therefore be essential for businesses to **grow their working partners' specific technical skills and their soft skills**, to enable them to deploy a workforce capable of adapting to the steady evolution of the skill-set necessary to guarantee their employability for their entire working lifespan, both within the company, for greater mobility and a wider choice of career paths, and outside the company.

**Workers** also need to have a **proactive attitude**, meaning not merely seizing the opportunities provided by their employers, but also taking an active part in finding their own ways of developing their skills, both inside and outside the business.

### **For the community this means interaction between businesses and the education and training system**

On the one hand, businesses need to have a local pool of labour with the knowledge and skills to develop their business while, on the other hand, they can make their know-how available to in order to grow the cognitive capital of the community in which they operate.

In order to ensure they have a talent pool to dip into in the future, thus reducing the skill gap between those seeking work and the company's needs, it is necessary to come up with **innovative forms of interaction between businesses and the school and university system** so as to train future talent and ensure young people are equipped with the technical, professional and soft skills they need for entry into labour force<sup>5</sup> and, at the same time, reducing the gap between what the new generation knows and what is expected of them.

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<sup>4</sup> *OECD Skills Outlook 2013 - First Results from the Survey of Adult Skills*, 2013, p.23 ([http://skills.oecd.org/OECD\\_Skills\\_Outlook\\_2013.pdf](http://skills.oecd.org/OECD_Skills_Outlook_2013.pdf)). A study by the Institute for the Future, conducted for Phoenix University lists ten skills required for the workforce of 2020, among them sense-making: ability to determine the deeper meaning or significance of what is being expressed; social and relational intelligence; novel and adaptive thinking: proficiency at thinking and coming up with solutions and responses beyond that which is rote or rule-based; cross-cultural competency: ability to operate in different cultural settings; computational thinking: ability to translate vast amounts of data into abstract concepts; new media literacy: ability to critically assess and develop content that uses new media forms, and to leverage these media for persuasive communication; transdisciplinarity, design mindset: ability to represent and develop tasks and work processes for desired outcomes; virtual collaboration. (Institute for the Future for the University of Phoenix Research Institute, *Future Work Skills 2020*, 2011).

See also:

[http://www.academia.edu/4879376/82\\_Harvard\\_Business\\_Review\\_Luglio\\_Agosto\\_2013](http://www.academia.edu/4879376/82_Harvard_Business_Review_Luglio_Agosto_2013)

<sup>5</sup> A survey conducted by McKinsey in 8 European countries (France, Germany, Greece, Italy, Portugal, Spain, Sweden and the UK), published on January 2014, found that only German and British employers had programmes communicating with the educational world more than once a year ([www.mckinsey.com/insights/social\\_sector/converting\\_education\\_to\\_employment\\_in\\_europe](http://www.mckinsey.com/insights/social_sector/converting_education_to_employment_in_europe))

Intervention on two fronts in particular is required.

- The **educational orientation of young people**, for which businesses can take action in a number of ways.
  - Giving greater space and value to vocational training through courses on which work experience alternates with school study, thus favouring higher employment rates<sup>6</sup>. This will enable businesses to adapt training courses to meet their needs.
  - Making a greater contribution to the information provided to young people when they choosing their study route, with particular emphasis on employment openings, by helping the children of employees and others make their study decisions.
- The **school to work transition**, in which businesses can take the following action.
  - Strengthen relations with the educational system to give young people opportunities for their first work experience, thus easing the transition from school to work. This can be achieved by offering apprenticeships, creating more work experience alternating with school opportunities and providing services supporting recruitment such drawing up CVs and job interview guidance.
  - Improving dialogue with the education system to increase the input from businesses when study courses are being designed, through lessons involving company representatives and offering teachers in-house training courses.

Innovations in technology and the networking of knowledge, ideas and innovation resulting from open-data systems or open-source and data-sharing mechanisms, are increasing the exchange of knowledge and skills between businesses and the local community while also knocking down geographic barriers. Some examples of this are the MOOCs offered free by some universities and the opportunities for collaborative working at distance provided by digital technologies.

This means that businesses are increasingly called upon to **rethink the ways in which they collaborate with other local entities, with the emphasis on innovation**, exploiting all the potential collective intelligence and the sharing of information and knowledge.

Students, academics, professional practitioners and innovative small enterprises are all entities with whom businesses can and must interact, not least in order to externalise parts of their own research and development activities and to create virtuous circles for the cross-pollination of ideas.

It will therefore, be essential for businesses to be capable of **being aware of, and sourcing, the skills they can offer the local community**.

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<sup>6</sup> According to the EU Commission, it is predicted that in 2020 about 50% of all jobs will continue to require an average qualification level obtained through education and vocational training ([http://ec.europa.eu/education/yom/com\\_it.pdf](http://ec.europa.eu/education/yom/com_it.pdf), page 5).

## ***Enhancing potential***

**For workers this means moving from a “how”-based management system to management based on “why”.**

**Enhancing potential** makes it possible to **increase workers’ autonomy and sense of being centre-stage**. It is also a **factor in retention**, in that it gives the job meaning, encouraging workers’ self-esteem and feeling of self-fulfilment.

In order to enhance potential, it becomes necessary to set aside the model of personnel management based on command and frequently focussed on automation and the standardisation of tasks in order to obtain greater efficiency. This should be replaced by more **participatory models** that identify the goals to be achieved while leaving workers free to choose the ways in which to achieve them, taking notice of workers’ own suggestions for improvement, thus **strengthening the company’s competitiveness** through the full use of the skills and abilities of its own workforce.

Enhancing potential means that businesses have to develop the ability to appreciate the skills of their own working partners and identify those with talent but without limiting the possibilities of enhancement to those talented ones alone, but aiming for enhancement of the workforce potential as a whole.

Just as in the notion of skills development, **workers** must not be mere passive recipients, they must **know how to re-invent themselves** and participate, along with the business and the surrounding ecosystem, in developing a two-way exchange channel in order to enhance their own potential for exchange and the overall potential of the enterprise.

**For the community this means bringing forth new ideas and projects**

Enhancing potential is an essential component of the exchange between business and the community, since it enables a business to find, within its own networks of freelance professionals or SMEs, a certain flexibility and the capacity for innovation that cannot always be found within its own organisation.

It allows businesses to **engage in processes of “excubation”**, which favour the out-sourcing of projects without exercising strict control over them but remaining in contact with the actors developing them.

The business may also play the **role of intermediary with external entities** in order to exploit the potential of local collective intelligence using the social media to mobilise the network to bring forth ideas, new products and services, sharing thoughts to find innovative solutions, ideas for projects, etc.

## Empowerment

In order to trigger processes of innovation, to grow cognitive capital and to facilitate permeability between the business and the ecosystem in which it operates, empowerment needs to be encouraged among the workforce and other entities in the locality, by **renewing processes of responsabilisation**.

The EU Commission is quite convinced that the **development of entrepreneurship**, also by way of intrapreneurship<sup>7</sup>, will be a crucial factor in re-launching growth and dealing with the problem of unemployment in Europe, in particular for those groups that currently tend to be excluded from the labour market, such as young people, senior citizens and foreigners<sup>8</sup>.

### For workers this means moving from workers to worker-actors

To be capable of continuing growth within a context that seems to be changing ever more rapidly, socially responsible businesses must take action to ensure that **innovation** is no longer the prerogative of the company's R&D division, but rather than it **becomes widespread and inter-departmental**, thus encouraging a climate in which every employee can be in on the start of the development of new products and services.

From this point of view the **new communications technologies** favour networking and contact between different workers, giving rise to new skills, in order to stimulate the emergence of new ideas.

By encouraging the **development of intrapreneurship**, meaning entrepreneurial initiative within a single organisation, a socially responsible business will render itself in a position to grow its own competitive advantage, leveraging the potential of its workers and favouring the retention of talent. This will also increase the potential of the surrounding community, enabling workers also to put their talent to good use outside the organisation. However, this requires the business to take real steps to place their workers in a position to transform their ideas into projects by creating a favourable internal environment that guarantees adequate entrepreneurial skills and the information channels necessary for making the best use of the ideas that come to the fore. Google is a case in point in that it allows its workers to devote 20% of their time at work to doing their own research.

### For the community this means cross-pollination for innovation

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<sup>7</sup> The term intrapreneurship is a neologism that appeared for the first time in an article published in 1978 by Gifford Pinchot III and Elizabeth S. Pinchot defining the intrapreneur as a new class of entrepreneur within organisations: intra-corporate entrepreneurs:

<http://www.intrapreneur.com/MainPages/History/IntraCorp.html>

<sup>8</sup> A Communication from the EU Commission to the EU Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions COM(2012) 795 final, *Entrepreneurship 2020 Action Plan – Reigniting the entrepreneurial spirit in Europe*, January 2013

Developing intrapreneurship makes it necessary for businesses to **operate in an innovation-friendly context**. This often happens when relations are strengthened with the local community in terms of its academics, innovative small enterprises and freelance professionals.

For a business this entails, in a certain sense, externalising parts of its potential research and development activities, drawing on the advantage of its ties with the local community and thus overcoming some of its internal organisational rigidity in order to create and encourage **open innovation routes**, leading to the emergence of new entrepreneurial enterprises suggesting products and/or services that provide a response to social needs not yet satisfied.

Moreover, to guarantee that its future workers, and future generations in the broader sense, develop entrepreneurial skills, a socially responsible business must also launch **new partnerships and encourage cross-pollination with the education system**, finding new ways to involve employees in the education and training route being followed by students, for example, with entrepreneurship training courses.

## **Flexibility**

Flexibility must be understood in its widest sense, taking in elasticity, adaptability and fluidity, at both an organisational and cultural level.<sup>9</sup>

As previously stated, in a context of ever more rapid and dramatic changes that are not always predictable, the **ability of a business and its surrounding ecosystem to adapt smoothly to the changes in progress** will be a guarantee of its survival and its competitiveness.

### **For workers this means the fluidity of the internal organisation and working times and spaces**

The business is ever more called upon to become a hub, a **business with a wider spread and flexible working times and places** that adapts to the needs of its employees, including in terms of the work-life balance.

An ever increasing number of workers, even in large companies are **digital nomads**, harnessing such new technologies as cloud-computing to facilitate distance working. This trend, which is likely to continue, is not in conflict with the needs of workers to maintain meeting places, spaces in which to discuss and socialise, all it means is that these meeting places are destined to change.

New forms of entrepreneurship and of grouping workers are evolving and already impacting on organisational models, with more flexible, horizontal features, in terms of both working space and method. For example, even if the economic model has not yet been clearly defined, some companies are looking into the possibility of offering

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<sup>9</sup>The word flexibility can have some negative connotations, implying something of a rather precarious nature. In this context however, as can be seen from the text, the connotations are entirely positive.

their workers nomad working spaces, with a combination of distance working, co-working, internet access centres, etc.<sup>10</sup>. There is also a rapid increase in websites offering businesses and their employees information about alternative working spaces when they are on the move or just nearer the workers' home, such as cafés, libraries, co-working places, etc.

In addition to the environmental benefits resulting from the reduction in commuting traffic, these **flexible space and time arrangements** are also destined to favour a more **fluid internal organisation**, creating new opportunities and ways for workers to collaborate, based on smaller units such as co-working arrangements, stimulating **creativity within the working group** and thus leading to **innovation**. Once the rigidity of the hierarchical organisation has been done away with, a results-based culture can take hold, replacing the old model of fixed work stations.

This rethinking of the organisational model must also lead to a reflection on **worker assessment**, models that currently take into account workers' professional growth, given that this growth will not necessarily be vertical and that the assessment criteria will not necessarily include a person's physical presence on the premises. This raises a number of questions such as how the assessment will be carried out when there is no longer a single hierarchical figure presiding over the activities of a group of workers. Similarly, there is the question of assessment criteria when the object is to measure adaptation and creativity. These issues will undoubtedly be the subject of a great deal more academic study and research.

In the past, stability was much sought after and prized by businesses in their staff selection and recruitment processes, for one thing it was seen in terms of a return on the investment in worker training. In the future however, the emphasis will be on **adaptability and mobility**, and this will be an ongoing process of change. Indeed, faced with the need to anticipate and adapt to constantly changing contexts, internal organisational changes, such as acquisitions and mergers etc. and demographic changes that result in a longer working life within the company, businesses are reviewing their **career management models** in order to be able to make the best of their workers' skills over the long term, in particular by horizontal mobility paths both within the company and between the company and other local entities.

**For the community this means new networks for consistent, coordinated local development.**

Organisations that are more fluid and porous are also more permeable, with stronger relations and points of contact with other relevant local entities. A business will be ever more a part of the locality and community in which it operates, thus contributing to **urban renewal**. Indeed, a sustainable business will contribute to the creation of territorial capital, encouraging the **emergence of new networks, both tangible and intangible, between the actors in the context in question**, in particular to

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<sup>10</sup> IBM and Renault have opened a number of sites in different parts of Paris to allow their workers to have more choice of workplace, bearing in mind their commuting arrangements.

meet the need to provide the community with innovative services such as those supporting a sustainable work-life balance and making alternative workplaces available.

Flexibility can also manifest itself in working partnerships with other entities. Thanks to open-source systems, **reticular systems** surrounding an idea or a project are increasingly the model.

New production methods have been made available by technological innovation, such as 3D printers or the future 4D printer, methods that have brought production sites back into the city centre, for example in the form of fab labs, thus contributing to urban renewal and greater synergy in local development with partnerships springing up between different actors such as businesses, universities, small manufacturing companies and personal service providers.

It is believed that the growing cross-pollination between traditional businesses and other local entities will lead to **greater worker mobility between one entity and another**, thus strengthening the competitiveness of a company and the entire socio-economic fabric that surrounds it and the attitude to change of both current and future workers.

It is also to be hoped that greater synergy will be created between the various actors, in order to promote **consistent and coordinated local development**, leading to greater care for the local environment by, for example, more sustainable town planning from the point of view of energy consumption and urban mobility.

## **The levers available to businesses for increasing the exchange between enterprise and its stakeholders in creating value.**

Four levers are available

- Participation
- Collaboration and sharing
- Integrated continuous training
- Public-private partnerships

As already demonstrated in the analysis of the exchanges between businesses and their local partners, the key word for sustainable businesses is **openness**, both inward and outward-looking. Technological innovation is obviously a facilitating factor and, if correctly managed, it can be relevant to all four levers.

Making use of these levers provides businesses with a unique opportunity to increase their competitiveness, aiming for 360° innovation. Optimum use of these levers is however, dependent on a business's ability to **remove organisational, regulatory and also mental obstacles**, the latter affecting both management and workers, in order to manage to trigger a genuine, widespread culture of change and its management.

The section below will examine these levers in depth.

## ***Participation***

### **Within the business**

This is the way in which socially responsible businesses are able to act to encourage the **responsibilisation of their workers**, increasing their feeling of being centre stage, giving them some guidance on direction and goals but leaving them free to choose the ways of achieving them. See, for example, the case studies Favi, Semco and Ferme de la Gontière. Then there is the business's capacity for developing intrapreneurship, favouring its workers' abilities to propose and find new ideas and solutions.

## ***Collaboration and sharing***

### **Within the business**

This is a socially responsible business's capacity for **activating internal processes for collaboration and for sharing knowledge and skills** between company departments and between generations, in particular by using new, more flexible organisational models that allow ad hoc working groups to form with the necessary skills to develop new solutions, products and services<sup>11</sup>.

It will be essential for the business to **promote sharing and the circulation of knowledge** within the company, wherever possible, exploiting the potential of new technology, such as sharing platforms, social media.

### **Looking outward**

This means the socially responsible company's ability to exploit the **potential of collective intelligence** and the widespread availability of knowledge and expertise, the result of networks set up with external entities, to facilitate the exchange of

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<sup>11</sup> Some academics, such as J. Kotter, recommend the creation of dual but complementary operating systems, one based on hierarchies, on a precise definition of processes and roles, in charge of planning and checking the results, alongside another system dedicated to designing and implementing strategies, that is more agile, reticular in form and, for these reasons, capable of acting more quickly and creatively (John P. Kotter, *Accelerate!*, Harvard Business Review, November 2012)

knowledge. Operating as an open company, meaning open to the ecosystem that surrounds it, means that a socially responsible company will be able to stimulate processes of innovation.

This also involves the **business's ability to network with other entities** to encourage sharing and collaboration in devising some parts of the process. For example, businesses working in partnership with fab labs, fabrication laboratories, based on mutualisation concepts for equipment and investment, set up to manufacture or repair items. Then there are knowledge networks for finding solutions to technical problems, for finding different stimuli with smaller-sized local entities and for finding innovative alternative solutions for developing some products or services.

### ***Integrated continuous training***

#### **Within the business**

This refers to the socially responsible company's ability to activate **processes to support and develop the potential of its workers**, in terms of specific technical skills, soft skills and to support intrapreneurship, to guarantee the mobility of workers throughout their entire career path, both in the company, with a number of different job options, and outside the company.

It is also the company's ability to **attract, identify and develop the current and future talent**, and to guarantee continuous training and learning.

#### **Looking outward**

Developing the relationship between **school and work**, in particular by working with educational establishments to design vocational courses alternating work experience with school will be a key factor in encouraging the emergence of future talent and in guaranteeing the business the skills it needs.

**Greater permeability between the education system and the world of work** is a critical factor in supporting young people as they transition from school to work, and also to guarantee their employability by facilitating their move to vocational training.

### ***Public-private partnerships***

#### **Looking outward**

Coming up with innovative forms of **public-private partnership** is essential on two fronts.

- In order to activate innovative mechanisms able to combine flexibility with security, particularly in terms of social protection, in order to meet the needs of new forms of partnership and to encourage worker mobility.

- Working together with the public sector and with stakeholders to build the skill-base of the future and to promote the exchange of knowledge between the business world and the education and training system. Today the transition from school to work is mainly hindered by three factors which will require a close partnership between the public and private sectors to overcome. The first factor is the low profile and lack of professional standards in some fields and sectors. Secondly is the skills gap when workers' skills are not adequate to meet the needs of industry and finally, the inadequacy of job-seekers' support channels<sup>12</sup>.

## Conclusions

The result of the reflections of Impronta Etica's member companies has been the design of a new **model for the relationship between businesses and their local community**, in which value is created from work thanks to an exchange both within and outside the company that can be enhanced by activating the levers available to businesses to promote change, innovation and value.

Faced with today's continually changing context, the challenge for businesses is to **succeed in growing those elements of exchange with both their own workers and with the local community within which they operate.**

In all circumstances it is necessary to get to grips with the **criticism and resistance**, both cultural and ideological, that have always accompanied the processes of change and innovation, and that become even more pronounced and challenging when the change involves the creation of work-related value.

It is, above all, essential to restore the **relationship of trust between businesses and the community**, in all its forms. Trust is needed to give a business back its positive value and to allow it to evolve and no longer have to defend itself. Trust is also necessary to construct a future dimension that currently appears to both companies and workers to have a very fuzzy outline.

Secondly, this change in relationships and in ways of acting will inevitably be based on a **more profound change in culture and ideology**, something that must affect both businesses and their stakeholders, starting from the workforce and extending to trade union organisations and the political world. Constructing two-way relationships, encouraging exchange and dialogue, with each and every person being active and taking responsibility for their actions in that process of construction means creating value for the local community, value that necessarily comes through work.

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<sup>12</sup> McKinsey & Company, *Studio ergo Lavoro*, 2014

**Work is a conquest**, for which one must be properly equipped, an ongoing process of self-questioning, in a spirit of critical thinking and openness to change in every sector and professional setting, regardless of the role played and the amount of experience gained. This means it is everyone's right to be given the tools for entry to the labour market, first and foremost through adequate training, starting at school and continuing at work, achieved by partnerships set up between businesses, institutions and citizens/workers.

**A great challenge for the future: to create value through work in a changing world.**

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