

CSR, Innovation and Human Resource Management: The Renaissance of Olivetti's Humanistic Management in Loccioni Group, Italy

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1 Introduction

The chapter addresses the theme of Corporate Social Responsibility (CSR) policies concerning labor and employees by proposing an analysis—developed from both the theoretical and empirical perspectives—of business and leadership models that are geared toward a multidimensional development (economic, social, environmental, ethical) (Sorci 2007; Ketola 2008) which is first and foremost tied to an anthropological and ethical-based perspective (Melé 2009a, b).

CSR refers to the notion of responsibility for the impact of corporate activity on the wider frame of stakeholders, both internal and external stakeholders (employees, customers, banks, suppliers, competitors and social stakeholders, family members, the physical environment, the government, trade and business association, etc.), and it is this attribution of responsibility that underpins the willingness of society to legitimate business (Gray et al. 1996, 2014).

Employees are among the key stakeholders for the development of any CSR strategy or program. The actions addressed to employees are placed among the key internal dimensions of CSR (EU 2002). Their commitment and motivation is fundamental in for companies implementing CSR programs and policies—particularly when companies operate globally in multicultural contexts—as they impact the organizational context, shape employee perceptions, affect employee commitment and consequently motivation. The organizational culture, or “how work gets done around here”, is a key dimension of any effective CSR agenda (European Alliance for CSR 2008: 11).

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With specific reference to the European system—which is oriented toward the objective of making Europe a center of excellence in the realm of CSR-, among the internal and external dimensions of CSR, two recommendations in particular address the issue of the firm's employees. Along with ensuring workers' safety and security of employment, emphasis is placed on human resources management policies, which must be oriented toward: ensuring continual formation and instruction throughout the entire lifetime of the employees; pursuing the best equilibrium between work, family, and free time; including employees in the company's management and benefits; informing them of the company's activities, which stimulate their sense of belonging by fostering a shared set of values; enhancing personnel's responsibility; applying the principles of equality in salaries and in the perspective of careers for women; attracting and retaining qualified workers; hiring the disabled, women, and people who are otherwise unemployed. The positive direct and indirect results of these practices are emphasized since they increase the effectiveness of human resource management. Sustainable growth and larger and more effective employment are two challenges to confront when safeguarding the European model of society (EU Commission 2001, 2002, 2006, 2010), which is based on equal opportunities, a high quality of life, social inclusion, social cohesion and a healthy environment. Enterprises, the engine for economic growth, job creation and innovation, are key actors in delivering these objectives, and specific emphasis is put toward the role of SMEs (particularly of family SMEs) in the entrepreneurial fabric and in the socio-economic framework of Europe (IFERA 2003).

As CSR becomes an acknowledged component in employee engagement and therefore the driver of business value, is it expected that CSR alignment will continue to become a critical tool for fostering company success over time (Melcrum 2006). Human Resource Management drives policy development and program implementation in HR areas that can support CSR values (CBSR 2003; CIPD 2002; Koos 2012) and contribute to the establishment of effective CSR policies by delivering on the responsibilities that companies have to their employees as stakeholders (Collier and Esteban 2000; Mees and Bonham 2004; Valentine and Fleishman 2008).

Notwithstanding the growth in the use of codes as a benchmark for employee behavior, there appears to be a widening gap between a company's stated values (mission statements and codes of ethics) and principles and their relevance to organizational practice (Webley and LeJeune 2005; Painter-Morland 2008). Too often in most cases, ethics programs seem to be 'decoupled' from, as opposed to integrated into, every day practices and procedures (Weaver et al. 1999). Existing research emphasize two levels at which effectiveness is determined: firstly the range of organizational practices and procedures designed to create 'an ethical culture' across the organization; secondly the enthusiasm with which employees espouse the organization's attempts to counter the effects of 'negative externalities' by ensuring that their activities create social, environmental and economic capital (Collier and Esteban 2000). High commitment human resource practices and trust in management have a major impact on building employee commitment (McElroy 2001; Whitener 2001). Employee perceptions of justice and fairness are strictly concerned with the ways in

which organizations treat employees (Buckley et al. 2001; Weaver 2004). On one hand, if culture is integrative, shared meanings are held in common and there is consensus, consistency and clarity. On the other hand, organizational climate depend, to a large extent, on the quality and stance of management/entrepreneurial team and on the values to which it subscribes (Denison 1996; Treviño et al. 1998).

In the last years there has been a strong re-evaluation on the role of ethically connected values inspired by the managers/entrepreneurs and spread in the company moving toward forms of “humanistic management” (Zamagni 1995; Argandoña 1998, 2003, 2008; Melé 2002, 2009a, 2012) and “humanistic governance” (Pirson and Turnbull 2011), which render businesses as agents of civilization (Röpke 1960; Novak 1996). The frontier of responsible competitiveness is marked by values-driven businesses (Cohen and Pruzak 2001; Cohen and Warwick 2006) in which entrepreneurial success is strictly tied to the capacity to create shared value with stakeholders. “Companies will fail to convince stakeholders that they are serious (“authentic”) about CSR unless they can demonstrate that their policies consistently achieve the desired social, environmental and ethical outcomes” (Collier and Esteban 2000: 19). An integrated CSR culture is possible and effective where external-led policies and actions used to support reputation and stakeholder engagement are matched by internal business strategies and decisions driven by social and environmental principles (Hancock 2005).

“Corporate culture flows from and is the consequence of corporate identity (. . .) the fundamental style, quality, character and personality of an organization, those forces which define, motivate, and embody it, its unique history, business mix, management style, communication policies and practices, nomenclature, competences, and market and competitive distinction” (Downey 1986: 7). The promotion of an ethical culture—which encompasses both culture and climate—depends on how ethics are embedded in the organization (Clarke 2004). “Salient behaviors—awareness of ethical issues, commitment to the organization, integrity, willingness to communicate openly about problems, to seek advice and reduced unethical conduct, improved decision-taking generate employee behaviors” (Collier and Esteban 2000: 26).

Leadership has a crucial role in shaping ethical organizational culture through leaders’ moral behavior, corporate mission, vision and values, ethical criteria for recruiting/selection/promotions, evaluation processes and monitoring, ethical training programs, applying ethical values to decision making and in intra-organization procedures and structures. Particularly, personnel policies and practices are a way to bring ethical values into every day routine (Melé 2006). A fundamental element for the effectiveness of ethical commitments and the development of internal and external trust lies in a strong ‘steer’ from the top (Collier and Esteban 2000: 29–30). Ethical leadership requires personal attributes (honesty, ability to listen, allowing others autonomy of choice, openness, willingness to consult and to learn) and manifests itself in a series of executive behaviors (i.e. gaining a real understanding of the culture; building ethics and values into ‘hearts and minds’ by means of ethics training programs; building ethical achievement into performance evaluation, creating channels of communication between the company and stakeholder groups,

starting with employees) (Schein 1983; Treviño and Brown 2004; Malloch 2009; Gröschl 2013; Capaldi 2013).

Departing from this theoretical background, the following work addresses the attention to humanistic management models of business and leadership, which put specific emphasis on the “flourishing” of employees. The first part synthesizes the theoretical context on which the empirical analysis is found by proposing a brief literature review on the moral-based management and leadership, while the second one analyses the specific business model and policies of CSR geared toward employees that have been successfully implemented by a medium-sized Italian firm—Loccioni Group—which is included among the “great place to work” on the national and international scale. For years, this company has been distinguished for its best CSR-oriented practices regarding HRM, innovation, environment and for its capability to “thread networks” with internal and external stakeholders characterized by a genuine commitment (Zsolnai 2002), which are the result of an authentic and solid value-based system and of a model of exemplary governance aimed at linking economic well-being, social cohesion and environmental protection. A discussion and concluding reflections follow.

2 The Ethical Anchoring of a Good and Virtuous Leader

“When one thinks of a good managerial leader, one thinks about a person who can get the most out of others. An excellent leader is a person who can help others become aware of what they can achieve” (Bertland 2009: 145). Such a leader is able to motivate others to excel and to provide the resources allowing people to develop their capabilities in a way that coheres with communities near and far.

A virtuous manager will need to recognize instances when she/he could help another develop a capability (Nussbaum 2000; Sen 1999). Virtue ethics represents a developing approach within business, resulting from the “recovery” of the idea of virtue in mainstream philosophical ethics in the second half of the twentieth century (Anscombe 1958; MacIntyre 1985; Battaly 2010; Alford and Signori 2014: 5). Among the virtue ethics is a Neo-Aristotelian approach applied to business ethics (Solomon 1992a, b; Hartman 1998, 2011; Melé 2006; Melé 2009a, b). Virtue ethics interprets business to be a practice and attempts to ground ethics on the basis of character rather than rules (Bertland 2009), while emphasizing integrity by suggesting that a person’s character needs to be ordered and whole, bringing together home life and work because community is important for fostering virtue (Solomon 1992a, b).

Recently, scholars have begun to stress the relevance of cardinal virtues (fortitude, prudence, temperance, justice; St. Thomas Aquinas) in the business context both at the individual and organizational level (Malloch 2009; Melé 2009a, b; Ruisi et al. 2009; Ruisi 2010; Del Baldo 2013a, b). Fortitude (Courage) means persevering or pursuing what is good in spite of obstacles. Prudence (practical wisdom) aids practical rationality in identifying the right thing to do in each situation and supports the suitable means for the attainment of purposes, ultimately self-realization. Temperance (Moderation) is the

ability to control one's emotions by accepting her/his deficiencies. Justice (Friendship) is a virtue that regulates relationships with others (commutative/reciprocal, regulative and legal justice). In a broad sense, justice refers to benevolence and care for the good of others and thus is close to *caritas*, communion and friendship. It comprises all of the virtues regarding human relations including: honesty, loyalty, gratitude, generosity and solidarity.

In a business context, fortitude can be seen as the capacity of adjusting acts to true capabilities and is central for operating decisions, since it determines the coherence of doing with being, thus improving the quality of operating decisions (Bastons 2008). Prudence is the moral competence in predicting, and forms the cognitive structure from which all of the results from decisions are foreseen. It provides the conformity of an action to a real situation (Pieper 1966: 10). Temperance (intended as balance between intemperance and insensitivity) is a quality that enables people to adapt intention according to rational knowledge, trying to impel the action in another direction and is fundamental in decision-making. Other similar moral virtues are generosity—balance between avarice and prodigality, magnanimity—balance between vanity and humility, mildness—balance between quick temperedness and idleness.

“It is incontrovertible that ethics plays an important role in the creation of a business environment in which virtues and values are brought into a relationship for the good of all. In this regard, character and, in particular, the character of leaders is paramount” (Flynn 2008: 360). The same author suggests that a new concern for the integral needs of a person (psychological, social, cultural and spiritual) with the aid of the owners and managers of the business, would help to reduce some of the most deleterious trends in modern society. Personal responsibility in business requires imagination, creativity, and financial resources). The ethical-bases and virtue construct supplies a conceptual (and managerial) framework for a CSR authentic strategy (Del Baldo 2013a, 2017). In this sense, the virtue matrix proposed by Martin (2002) addresses questions about corporate responsibility and *is* aimed to help executives understand what generates socially responsible corporate conduct.

3 The Moral-Based Leadership and Management

There are leaders who freely admit that they are driven by a more intrinsic and contagious commitment to values (Bouckaert 2011). Hoivik clearly underlines how and why leadership is not possible without ethics and how one cannot separate them, as “being a moral leader and doing, acting with moral leadership are one” (Hoivik 2014: 4) as shown in Table 1.

Morals and leadership can be studied on an individual level and on a group and organizational level (Bass and Bass 2008). Moral behavior¹ and leadership are

¹Moral behavior is defined as the ability to implement justice requirements derived from a fair distribution of rights and duties in a demanding operational context (Greenberg and Colquitt 2005).

Table 1 The moral leader: being and doing

<p>Being informed by values, emotional and reasoning capability, caring, visionary, proactive and innovative</p>	<p>Doing informed by relationship with all stakeholders, wanting to achieve the best for all and the common good</p>
<ul style="list-style-type: none"> • Balanced/in harmony with yourself • Reason & emotions • Integer (integrity) • Vision • Passionate • Responsible (ethical) • Trustworthy 	<ul style="list-style-type: none"> • Relational • Affective • Being there (crisis) • Caring • Communicating • Involving others • Responsive

Source: our adaptation of Hoivik (2014)

interrelated: on one hand, moral behavior is influenced by situational factors such as role modeling, diffusion of responsibility, conformity, etc. (Zimbardo 2007); on the other hand individual differences (i.e. personality and values) act as antecedent of moral behavior (Brown and Treviño 2006; Rest and Narvaez 1994).

The organizational culture imbued with moral leadership enjoys several benefits: understanding of the interdependence with stakeholders; learning environment; respect and trust; cooperation; responsibility and accountability. As one can see in the following sections, this is not an idealistic approach, being that it is possible to find examples (i.e., the Norwegian clothing company Stormberg A/S; see Hoivik and Melé 2009) of organizations that apply it, including where moral leadership is inspired by constitutive moral elements: innovation, intuition and imagination (Hoivik 2014). Moral imagination entails perceiving norms, social roles, and relationships entwined in managerial decision making; moreover it involves the ability to envision and evaluate new models that create new possibilities to reframe problems and create new solutions in ways that are economically viable and morally justifiable (Werhane 1999: 93). Moral leadership and moral creativity have become more important than ever for businesses that have to face a global environment because neither philanthropy nor risk management are sufficient any longer. Creative value management depends on the attention paid to all values that are at stake.

Moral leadership is considered a key driver to implementing authentically CSR and sustainability-driven strategies. CSR requires moral creativity to foster a greater normative and creative approach toward CSR and sustainability strategies and tools, which should be dynamic and innovative. The development of CSR and sustainability-oriented leadership are considered as an ongoing process, requiring both creativity and moral conviction (Visser 2011). Sustainability leadership entails a focus on all management actions and activities of the economic, environmental and social objectives of a company, as well as on the interdependencies between them. Running a company that is genuinely oriented toward sustainability involves more than merely implementing a separate program “in addition” to existing conventional processes (Von Ahsen 2015; Oreg and Berson 2011). It requires exercising a leadership based on values (such as caring, people-centredness and

integrity) that direct the corporation so as to ensure its prosperity based on transparency, accountability and responsibility.

It is also critical that leaders set responsible examples, so that followers imitate them in the process of carrying out their duties. The ability to “walk the talk of morals” is emphasized (Bass and Steidlmeier 1999; Simons 1999) when maintaining trustworthiness and model attractiveness (Choi and Mai-Dalton 1998) and is positively related to charismatic and transformational leadership (Choi 2006; Liu 2007; Olsen 2010; Brown 2011; Palshikar 2007).

Charismatic leaders have turned problems into opportunities and resources thanks to their different ability “to see the world” (Bruni and Sena 2013), and are able to create and maintain a work environment where people are emotionally and intellectually committed to the organization’s goals. They build an energetic and positive attitude in others and inspire them to do their very best by creating a common sense of purpose (Jacobsen 2001; Palshikar 2007; Opdebeeck 2013). Personal responsibility, vision, moral virtues, integrity, faith in personal commitment, shared social responsibility, and solidarity are typical charismatic leaders’ attributes (Becker 1998) that leverage a virtuous corporate culture in an organization. The research Globe (global leadership and organizational behavior effectiveness) (2008)—aimed at understanding the cultural characteristics that positively or negatively influence the leader effectiveness—identified several leadership dimensions among which are ranked: charisma and ability to motivate members of the organization by leveraging the transmission of corporate values; the ability to create and manage working groups and orient them toward common goals; the level of members involvement in the decision-making process; the level of compassion generosity and the ability to provide human support to the members of the organization.

The transformation of followers’ moral values are appreciated as an important approach in order to bolster commitment toward the common good, even if it is noted that this can be a somewhat idealistic approach that should be supplemented by mutually binding agreements related to the distribution of duties and rights (Bass and Steidlmeier 1999), as emphasized by Brown and Treviño (2006), who sees the establishment and maintenance of (moral) rules and agreements as a necessary aspect of ethical leadership and cooperation.

4 The Loccioni Group: The Business and Leadership Model

4.1 Methodology

The empirical study was developed according to a qualitative approach and a case study methodology (Eisenhardt 1989; Yin 1994). Recently scholars have called for a return to in-depth methods, such as narrative and case studies (Gartner 2007), which are valuable when generating theoretical propositions (Eisenhardt and Graebner 2007).

Following this approach, the study focuses on the Loccioni Group (single case study), an Italian enterprise that is authentically CSR and sustainability-oriented (Del Baldo 2013a, b; Del Baldo 2017). The Loccioni Group is medium-sized, not listed on the stock market and is family run. It is therefore a typical example of the “family businesses” which is extremely widespread in the Marche Region. This region is emblematic of the “Third Italy” model in which the development of SMEs is established in small towns, without disrupting the pre-existent agricultural and craftsman vocations and also preserving the socio-economic fabric of relationships anchored in the territory. Since Italy has the largest presence of artisan companies and districts, the provinces within the Marche regions come out on top in the national list for balancing economic development with social cohesion, and also for the diffusion of “best practices” companies for their CSR and sustainability-oriented development projects listed by ISVI (the Institute for Business Values), that have also been recognized at the national and international levels (i.e. the Sodalitas Social Award). (Unioncamere 2010, Marchegian excellent companies—Istao 2014).

The analysis was based on information collected from 2013 and is still in progress through in-depth semi-structured interviews, informal conversation with the founder (Loccioni Enrico), his entrepreneurial family and with other collaborators at various levels and firm-wide functions, as well as local partners. Moreover data have been collected through direct and participant observation during companies’ visits, conferences and focus groups, in which entrepreneurs’ experiences were exchanged with researchers, other entrepreneurs, and local institutions—and through documentary analysis (Bartocci 2011; Varvelli and Varvelli 2014). In total, there were more than 20 meetings during which interviews, workshops and focus groups were carried out, transcribed and validated with the interlocutors. Some summaries of interviews will be included in the presentation of data and the discussion of results.

4.2 *Company Profile*

The Loccioni Group was created in 1968 in a small town near Ancona (Italy) by Enrico Loccioni (the current president), who founded six businesses in the next 40 years. The Group, which is formed by six businesses counts more than 350 employees and a total sales (mainly international) of over 50,000,000 Euros (2014).

Ownership is primarily familial. Loccioni Group’s activities are based on distinctive “core competencies” aimed at custom-design innovative technological solutions for its clients and applied to diverse markets: environment, home, automotive, industrial, community, health: integrated technologies for environmental monitoring; measurement and quality control; biomedicine and medical equipments; telecommunication and environmental control; green energy; training and consultancy for technical, managerial education and for business development.

The Loccioni Group adopts processes of social and environmental certification, regularly publishes social and environmental reports, and has obtained recognitions

for its robust activities of social responsibility and sustainability both on the national and international level. Among the tools for implementing and communicating CSR and sustainability we can mention: the list of company values (since 1969); the Code of ethics (since 1996); the social report (since 1997); intangibles impact (since 1997); cause related marketing (since 1999).

There are four distinctive traits of the group: (1) a solid ethical base of the entrepreneur—which is nurtured by religious principles and values inherited from his agricultural forefathers—that is transmitted by the founder to the entire organization; (2) an outstanding capacity to nurture relationships and communication which leads to an organizational model founded on CSR-oriented networks and partnerships and on an intense activity of a stakeholders dialogue; (3) a strong sense of belonging to the local community and a sincere love for its own Marchegian “land”, perceived as a stakeholder and an authentic willingness to ameliorate the environment, beginning with the local level and (4) an authentic “faith” in human beings and the qualities (talents) that every person may improve on throughout his/her work and private life.

Numerous awards have been attributed to Loccioni Group for its CSR and sustainability-oriented projects including for its excellent level of innovation. One can cite for instance the Sodalitas Social Awards: finalist in 2005 for the Internal Processes of CSR and network enterprise model “Metalmezzadro” in the knowledge-based business; in 2008 for its “Sustainability Projects” and in 2009 for the Project LOV (The Land Of Values). Moreover the group obtained the “Business and Culture” Award (2003) for the project “Bluzone”; recognition from Legambiente (2005) for being a partner of the European Commission in the “Sustainable Energy Europe Campaign” with the “Leaf Community Project Leaf Energy and Future”, the Best Workplaces Italia (awarded from 2002 to 2007) and the “Great Place to Work” (awarded in 2014).

At the same time, numerous are the projects which are distinctive features of the organizational model of the group, whose mission is “with curiosity and openness we integrate ideas, people and technologies to animate and give value to the business”—based on internal and external networks: U-net, a multidisciplinary network of universities and research centers for the development of scientific competence and applied research; Crossworlds, a network of international groups aimed to stimulate automotive-based knowledge and know-how among other sectors; “Bluzone”, an educational laboratory (accredited since 2002 by the Marches Region) that partners with more than 28 schools, 20 universities and 5 Master programs (every year more than 1000 students are hosted); Nexus, a multi-sector network of local businesses—which group more than 30 entrepreneurs and over 550 collaborators—created in 1994 by Enrico Loccioni’s idea to facilitate local SMEs’ inter-firm collaboration and to increase territorial growth through sharing knowledge and experiences. The initiatives promoted by Nexus include monthly meetings, virtual board meetings, training courses, partnerships with schools, scholarships, providing data for students’ thesis, polytechnic visits, and European projects.

4.3 *The Strength of Loccioni Group's Values*

The entrepreneurial vocation that makes the Loccioni Group's excellence derives from a rich set of values (trust, respect, gratitude, humility, communication, willingness to sacrifice, concentration, determination, respect for labor and work ethics) spread from the founder's—Enrico Loccioni—leadership model which is shared by the entire organization.

Values that guide the decision-making process in adherence to an authentic CSR-oriented vision are anchored to virtues which are testified first by the founder—who is distinguished by his charismatic personality and his ability to interpret reality through a different outlook by transforming problems into opportunities for the community and for the business—and then diffused among the entrepreneurial family and the group's employees.

The first chart of shared values was adopted by the Loccioni Group in 1992 and included the following principles (Table 2).

In 2005, the Loccioni Group set its higher principles that integrate the values previously stated (Table 3).

With these values we try to create value for customers, for the company, for the people and the community everyday (E. Loccioni—ID 20).

We look for people who share our values and ideals consistent with our way of imagining the future and the world around us. It will be the daily approach to working that will confirm the people who have the habit of virtues, and to distinguish them from those who simply “wear the dress” (Loccioni Group—I. Terzoni, 27/05/2014).

Loccioni Group's values are not only related to individuals but to the entire organization; they are not abstract concepts but are translated into virtues through implementing good behaviors (Table 4).

4.4 *The Renewed “Olivettiano” Humanistic Management in the Loccioni Group*

The Loccioni Group is conceived and exists as a “play factory,” that is in an enthusiastic, passionate and creative way (Bartocci 2011). It is a knowledge enterprise in which there are not employees but collaborators, and in which projects are developed and not products. The business is experienced as a continuous adventure (from the Latin “ad-venire”), that is a company that creates what will take place “ad-venire” (E. Loccioni. See: Bartocci 2011).

The peculiar business model envisioned by the founder (E. Loccioni) is the result of a model of leadership able to develop a shared culture, which has role models such as Merloni (the Marchegian founder of the Merloni Group), E. Mattei (ENI), W. Von Siemens, and particularly Camillo and Adriano Olivetti.

Table 2 Loccioni Groups’ milestones

Initiative and Intelligence	<p>Initiative and intelligence are associated with prudence, that is to be “entrepreneurs” and be able to choose the opportunity, internalize corporate values, by acting quickly and taking responsibility for one’s own actions</p> <p>Prudence allows them to carefully evaluate each situation, consider the appropriate means to achieve the end result, and therefore consists in having the intelligence to choose the opportunities as a result of a clear and comprehensive analysis of the whole context</p>
Energy and will	<p>“Anything is possible if every daily action is based on commitment, sacrifice, tenacity and perseverance (if one really wants it)”</p> <p>Energy and will are associated respectively to strength and justice: justice is the will of giving to each his right; strength instead results from a constant practice of knowing how to direct energies toward solving problems, understanding the situation, without being discouraged by the possible obstacles in which one faces</p>
Flexibility and adaptability	<p>It is the orientation to change, which does not impose solutions but rather searches for solutions together with those that present a problem</p> <p>Flexibility and adaptability are associated to strength or fortitude, that is the ability to accept one’s own limits, the possible falls and vulnerability. It is derived from a high propensity to change and the capacity to constantly look for new solutions</p> <p>It is the ability to accept changes, to face adversity, and even deal with situations of “failure” perceiving them as an opportunity for change</p>
Innovating one’s self to innovate	<p>To find new solutions needed to change their own beliefs, attitudes and behaviors</p> <p>Innovating one’s self to innovate is associated with the fortitude and temperance: it involves constantly questioning situations and changing their own beliefs, attitudes and behavior. Practicing this value can reach fortitude, because innovation spurs change; consequently the risk (healthy and controlled risk) and drive to grasp more entrepreneurial opportunities over time generates temperance, i.e. ability to stay balanced in times of change, without exceeding enthusiasms, discomforts or insecurities</p>
Transparency in communication	<p>Entering into relationship with frankly everyone, at all levels, devoting time and energy to understand and be understood</p> <p>Transparency in communication is associated to justice: that value implies honesty and openness of collaborators, and cultivates over time, guaranteeing justice in one’s work</p>
Listen to anticipate	<p>Listen especially to the “weak noises” which, if not heard in time, can become destructive discordance</p> <p>Listen to anticipate is associated with the virtues of temperance and prudence. In fact, the temperance and moderation of instincts requires attention, and listening is the practice that takes time and attention to be done well. Listening spurs human beings waiting for their turn to speak, to the analysis of the situation and the interlocutor, thus even generating prudence</p>

Source: our elaboration of Loccioni’s “Dodecalogo” (list of values)

Table 3 The new chart of values

List of Loccioni Group's values	Content
Energy: Much of it is needed to dream and to realize one's dreams	It means putting enthusiasm, passion, courage and motivation in all that we do. It is the smile, kindness, joy, and tenacity
Responsibility: For the air that we breathe, the land that we walk, the resources that we utilize, and the trust that we obtain	It means taking charge of the future, being aware that every action and project has consequences. And it is the answer to the trust offered to us (by customers, suppliers and collaborators). It is the ethical dimension of being a person in a community
Imagination: Being capable to imagine means being capable to create	It is the ability to dream, "to look with open eyes," to see the invisible, to ask useful questions to fulfill the envisioned dream. It is the desire to participate in building the future
Tradition & Innovation ("Tradinnovation"); Learning from the past to give form to the future	It is the link to tradition, listening and using the experience to look to the future and innovate. This means not forgetting where we come from, able to recognize our dreams and achieve them. It is "pulling the arrow further back to go farther"

Source: Loccioni's chart of values

Table 4 Loccioni Group's organizational behaviors

Confidence in the team, proxy and accountability
Fault tolerance, available to the exercise, continuous improvement
Ideas, intangible knowledge
International dimension, travels and trips
Willingness to change
Capability to watch over others ("to look over the 'own garden' ")
Proactivity, initiative
Sobriety (no excessive behaviors)
Enthusiasm and shared passion
Networks
The task of sowing beauty (the 'undertaking to sow beauty')
Projects are always different; there is no mass production
Going beyond pure business, without ever forgetting the territory
Courage, initiative, resourcefulness to be "intra-preneurs"

Source: Our elaboration from Loccioni Group data (May 2014, 27th)

The Olivetti group (the first in Italy to produce typewriters and subsequently computers) became a symbol of the progress after World War II, which is the Italian style and the Italian design in the world. In 1956, the company employed more than 16,000 people in different businesses locations in Italy and abroad (Germany and America), with over 100 patents and 300 models. Olivetti was an example of an entrepreneur who aimed to value people both as employees and men because "what

is important is to build men, forge character without which education and culture are vain education and culture". This moral imperative is summarized in the following words: "This dual struggle in the material and the spiritual sphere, for this factory we love, it is the highest commitment and the very reason for my life. I hope I have never ignored your aspirations, your desires, your needs. Your hopes have always been mine. For years in prayer, every day I always thought about my daily bread and yours, and about my great responsibility to ensure my future, your future and that of your families". (A. Olivetti, Ivrea, Italy, 1955, 24th December)².

These words summarized the sense of a true corporate social responsibility and stakeholder engagement that Olivetti has always implemented through concrete actions, business and social projects (vocational training center for mechanics, canteen, infirmary, houses for employees), based on his own employees and collaborators. This way of "being and doing" business has deeply influenced the Italian social and cultural context and is proof of how it was (and is) possible to think of a business model that is very real, based on the following principles: the close relationship with the university and the entrepreneur scientific culture; the continuous contact with the most innovative foreign companies; the enhancement of the contribution of loyal and tenacious employees; the enhancement of the ability to craft and use creativity, and aversion to repetitive and prolonged work; the factory conceived as a school laboratory, which helps build the knowledge society; an effective leadership, based on the profound knowledge of men and things, and the ability to obtain them without control; the employment relationship based on the principle of equality between men (work made by men who are equal); the commitment to build a true democracy within the community to which they belong; the desire to produce a lot of great products; a governance centered on people of high moral standing, aimed at searching for results in the long term, free from a speculative mentality; the idea of social enterprise as a space capable of recognizing the legitimate aspirations of each person (See: Loccioni Group 2008a: 23).

Loccioni Enrico (the founder) has launched a series of publications dedicated to the commitment of the "true entrepreneur" and the "true value of the firm (factory)" as a place of creation of material and human wealth and as a community of people united by a common mission. Olivetti has often been considered a visionary for having always cultivated the dream of a company that has a social role and is a key player in the socio-economic and cultural context. He was also defined a dangerous example by those who behave in the opposite way and do not intend to change. However, many entrepreneurs like Loccioni Enrico continue to follow and enrich this dream: "There are so many buds and plants in Italy, even if a bit 'hidden and little known'" (Bruno Lamborghini, President of the Association Archivio Storico Olivetti—Olivetti Historical Archive; See Loccioni Group *Cultura d'Impresa*, Vol. 1: 8). Comparing these principles, it is possible to identify the affinity for the Loccioni way of seeing and doing business in the words of the company's leader and collaborators.

²See: Loccioni Group, *Cultura d'Impresa*, 2008, Vol. 1 and 4.

We want to spread a new work culture based on passion, enjoyment and beauty because it is through play that the most intelligence is expressed. Play is at the basis of charisma. Our young people are passionate about doing their job well. Seeing them with a smile in their eyes, seeing their respect and sense of fair play in the work place is something which fills my heart with joy and affection. Everyone of us brings something of our lives to our work and gives something to others just like in a family. We share a simple style of life and agree on the need to invest earnings into the company. There must be a passion for continuous improvement because as a friend of mine, a village priest, said: we are all users of this land and the best thing we can do is leave things in a better way than how we found them, as we have received more than we have given. (E. Loccioni—ID 23).

Since the beginning of this adventure, the objective, the dream at the base of everything, has been to be the actors in a context of continuous change, to be the creators of the future we want rather than just mere spectators. I have had a single objective which has always been clear since the beginning: don't make others do what I would not have liked, that is, a repetitive job in which everything is decided by the others. I have had and have the dream to create a model of a company aware of its social role and of its future in the territory and the world. To nurture that dream, people must understand the future they want for themselves and for their group. They must find their vision and the managers must help them in this process. (E. Loccioni; See: Bartocci 2011).

From these statements an emerging key concept is a visionary leadership style, like in the mystic religious tradition founded on transcendental values (virtues). Nevertheless, the founder's leadership style cannot be considered idealistic and visionary, because E. Loccioni (as his son who is part of the management group) is a "down-to-earth" man. In particular, like for Olivetti, the enterprise is conceived as a mean to improve the quality of life in that specific territory, where in the past, for a long time, emigration was the scourge of these lands and where there were few (like E. Loccioni) who, instead of leaving the fields, chose to remain in the area creating work and generating better living conditions through the company.

4.5 Loccioni Group: A 'Firm' Based on People

A distinctive aspect of the Loccioni's leadership and business model is the centrality attributed to people. All of Loccioni Group's actions and strategies are not based on employees, but on collaborators, that is those people who work together, sharing knowledge competences and capabilities to improve the company, which is conceived as a common good and as a means for the common good. Relationships are not based on hierarchies (which "imprison" knowledge and intelligence) but on trust, not hierarchical.

I read about the 'centrality of the person' in almost all the ethical business manuals that I've ever held (I haven't read them all: it seems as though there are ten of thousands of them, even Enron, had them, and which was even awarded. . .); I heard them being authoritatively and peremptorily discussed by prominent business leaders. But, to tell the truth, in many cases I had a great deal of difficulty in recognizing, in real life and everyday behaviors of leaders and managers, the solemn statements carved on the manuals. Even in the brochures of this company, they discuss the "centrality of the person." But it is a cliché that

corresponds to reality; for example, the centrality of the training (eight thousand hours per year in a company with less than four hundred employees); the care of the working environment; the respect and cordiality of relations (E. Loccioni. See: Bartocci 2011).

Here there are no leaders and we do not even like the word leader. Here the leaders are called responsible people: they must have the ability to listen, communicate, motivate people and give them a chance to rejoice and give meaning to their every day work. No one—including myself—is the head of anyone. In the Loccioni Group, there are people able to pull the others to face difficult challenges with enthusiasm. There are the teachers, who, through their experience can teach both the young, and vice versa. There are coaches, who are willing to take responsibility to raise a team. There are explorers, who jump with a passion for innovative projects involving the team. There are visionaries, those who have the ability to imagine the Loccioni Group as different and a cut above, committed to transferring, sharing, and helping other to fall in love with this dream (E. Loccioni, ID 24).

In 2011, a talent tutoring was launched, based on the voluntary participation of employees. The project shifted the focus of training from management action to entrepreneurship, aimed at finding new ways to build the future. The founder (E. Loccioni) started the project by sending a personalized letters addressed to “those who think they have an untapped talent, who feel like they need to do more and or something else, and who want to prove themselves and would be willing to change.”

Here talented people are knowledge players and power players of intrapreneurship. The path to intrapreneurship is based on the following steps: know, do you know, to act (to do), to value and communicate. And it is through the growth of others that one can experience a personal growth. Intrapreneurs are people with the ability to develop the business within the enterprise. The intrapreneur-manager is a person who, through his moral-oriented behaviors, disseminates behaviors and is a manager of culture and civilization. In contrast, there is the butler. We believe in people and their desire “to do” because in their hands, the possibility resides to gain a success that is a common heritage for all. In our region, (the Marches, a million and a half inhabitants) 10% are entrepreneurs! (E. Loccioni, ID 23.)

In our group, optimism, passion and enthusiasm are winning qualities. Coherently to this approach, that can be a problem is experienced with obstinacy, humility and the joy that accompanies the act of creation. This approach is a constructive habit for one’s own good and the common good, being and has its strength in its anchorage to virtues. The result is a strong spirit of cooperation from the whole community. The matrix organizational model adopted by the group is dynamic and fluid, and is centered on projects. The project dimension is always inter-functional and gives us a chance to prove ourselves as entrepreneurs and creators of new worlds. (Palermi M.P., External Relationship Manager, ID 32).

The type of work and the level of financial reward does not matter, what really counts is the feeling made by creation, the responsibility to feel useful, the self, the sense of participation that the work returns. No leisure fun than work lived with interest, done in a responsible manner, with improved commitment. (Libenzi R., General Manager—ID 51).

The work ethic is based on the enthusiasm that opens a virtuous circle. The enthusiastic person is strong, positive, and influences those around, impacting them with the qualities of a natural leader. (E. Loccioni, ID 22).

Key concepts that emerge from these statements are the peculiarities of the business model, centered on the people at the base of human capital (Melé 2009a),

Table 5 The organizational climate and well-being in the workplace in Loccioni Group

Code number	Factor	Assessment made by the employees		Gram sample consisting of 183 Italian companies
		Numerical score	Qualitative score	
1	Interest in work	4.6	Excellent	3.1
2	Physical working environment	4.8	Excellent	3.4
3	Flux and fluidity of work	2.3	Scarce	2.9
4	Information about and for the work	3.8	Good	2.5
5	Functional relationships	2.8	Scarce	2.2
6	Interpersonal relationships	4.1	Excellent	4.0
7	Relations with the hierarchy	4.5	Excellent	2.6
8	Company's image	4.9	Excellent	3.7
Total		31.8		24.4

Source: GPTW Loccioni (2013)

the capacity and the will to develop the talents through a transformational leadership (Bass and Riggio 2006; Liu 2007; Oreg and Berson 2011) that is geared toward creating a supportive environment and renders possible the maximization of creativity. The Loccioni Group is distinguished by its innovative high tension, strong entrepreneurial orientation of all employees as well as the ability to recognize and create business opportunities. All of these qualities contribute to flourish the talents of all human beings and, at the same time, the competitive success of the company which, over the years and even in periods of crises, developed on an international scale. Moreover key concepts highlighted by these assumptions and from the analysis are: values related to the virtue of foresight, the spirit of sacrifice, and enthusiasm. These are flanked by the organizational well-being of employees considered as a priority and who can be associated with the virtue of justice strongly testified and developed by the founder.

The Loccioni Group has in fact for years been one of the few Italian companies included among the “Best Workplaces Italia” and “Great Place to Work” Award, along with companies like Ferrari, Coca-Cola, and Microsoft (“Great Place to Work Award” 2014). The first application of the analysis of the organizational climate, then called welfare organization, dates back to 1987. In the early 2000s, the analysis was carried out by an external body (Great Place to Work Institute) in order to objectively and subjectively evaluate the organizational climate of the company, and to cancel the distance between being and seeming to be (Table 5).

The Loccioni's unusual environment is distant from the stereotype of the dark and noisy factory: “This is a place where the arms of the most lowly operator are always an active extension of the brain, and where each product is a creation rather than a chore” (E. Loccioni: See: Bartocci 2011: 68).

5 Discussion and Conclusion

The case study offers an example of the best stakeholders' and employees' management practices, which co-evolves with the environment, improving, at the same time, the company's competitiveness and the socio-economic conditions of the local context in which it is deeply embedded. In this context, CSR is part of the DNA and widespread in the entire organization (Walker and Schmidpeter 2015; Weidinger et al. 2013).

Loccioni Group is an "extreme case" (but not unique in Italy), helping underline the importance of embracing the cultural and anthropological roots of CSR, which adhere to a model of humanistic management that conceives the business as a tool for promoting social, economic, moral and environmental well-being. leadership model—which is closely connected to the leadership model—the creation of corporate shared value is considered to be a new way of "reinventing capitalism". The Loccioni Group represents a diffused entrepreneurial network, a "value retainer" and "cultural or heritage-driven," whose identity is market by basic principles: imagination, energy, responsibility, tradition & innovation (to learn from the past to give form to the future). The Group had envisioned its own model of holistic development in Adriano and Camillo Olivetti and has "reinvented" and reinterpreted the Olivetti's model of industrial humanism, which involves creating economic value in a way that also creates value for society, by addressing its needs and challenges and becoming an educational laboratory and vector of intangible factors to which in the last several years companies, universities and research centers increasingly have turned their attention (Loccioni Group 2008a,b,c).

"The Loccioni Group, thus represents a "case" not so much as an original business experience but rather as an exceptional story of humanity in which it is quite impossible to separate "the reason of the heart" from those of the mind" (Bartocci 2011: 63). From its very beginning, Loccioni Group has had a clearly formulated value based mission statement: wanting to make the world a better place. The values shared in the company are driven toward virtues such as honesty, courage, and responsibility. The principles of innovation, imagination and responsibility (Hoivik 2014) are key drivers of every choice. Collaborators and leaders in such an environment nurture a culture of seeing the other and listening. Involvement and teamwork are common features, and even learning from your mistakes is encouraged. The resulting organizational energy is creating a further development of individuals together with the respective organization.

Talking with the founder, one arrives at the conclusion that he sincerely believes in people and in their ability to contribute with their own unique resources, if only given the opportunity. The sense of caring, as well as having the courage to do things in a simple, yet different way, is fundamental to his notion of understanding ethical leadership and social responsibility. For Loccioni "social responsibility" in companies is fundamentally simple. It is about "caring about": people, environment and society" (Hoivik and Melé 2009).

Loccioni's view is in line with the Marchegian traditional understanding that business organizations need to engage in the development of the society in which they want to do business (Del Baldo 2014).

Loccioni Groups' moral leadership approach has been developed by its charismatic founder, Mr. Enrico, who has been (and still is) able to pass on his passion and motivation to his collaborators by creating an organizational value based identity. He has been capable to embed his motivation into the company and the employees by caring for employees and adopting a participatory decision making processes, thus sharing responsibility with them. Thus, the company has both a top-down and bottom-up management approach with a focus on a consensus. In addition, the emphasis is on caring for all relevant stakeholders and involving them actively in the direction and policies of the firm, similar to the Judeo-Christian injunction, "To love one another as oneself." The Loccioni Group can be considered a school of virtues (Ruisi 2010), which is a place where one can relate to others and obtain enrichment through virtuous relationships.

The final message that emerges from the testimony of the case is that the company must offer itself as a laboratory where the minds and hearts of those involved have aroused, a good place in which to live a good life (Melé 2002). To this end, it is necessary that companies have "cultured" men, intended as people, who have developed and made their knowledge and know-how, but also values which explain the sunken reasons for action and virtues. In the Loccioni Group, there is a strong hope that the company is engaged in a training experience, in a sort of continuous adventure, and in a challenge. Therefore, this awareness is linked to courage (courage of the decisions and the consequent responsibility), patience (to face events and unexpected behavior, and the capability of awaiting unforeseen events and good results) and fortitude. The ethical and virtues-based entrepreneur is thus related to the repetition of good acts aimed at meeting the expectations of stakeholders and to balance long-term development of the company.

The focus on a renewed entrepreneurial ethos first and foremost nurtures the virtues, rather than information and operational/managerial capabilities, and is fundamental for an authentic entrepreneur or manager, oriented to the true and good, and interested in the beauty, and the ability to respect and value his dignity and that of every human being.

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