



Business **S**tudies

Andrea Notarnicola

GLOBAL INCLUSION

Changing companies:
strategies to innovate and compete

Introduction by Ivan Scalfarotto

FrancoAngeli

Informazioni per il lettore

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*Introduction by **Ivan Scalfarotto***

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Preface

If it is true that talent is the key to the success of a country and its businesses, then talent should be sought out wherever it is found, should be protected and developed in any form, should be connected and valued so that it can help predict and manage the changes that continually arise in a fast-paced, complex period like the one in which we are living.

The challenge is to acknowledge that the top seats at companies or corporate entities are not always going to be occupied by white, heterosexual males in their 40's, Christian and perfectly abled. In the final analysis, those who exhibit all these traits together are but a minority, even if overrepresented in the places where the decisions are made.

If we want to secure talent wherever it is found, we must necessarily expand our hunting ground to include a much wider, richer area than the small reserve in which we have been operating up to now. This means focusing on a series of parameters that are not only numeric but also qualitative. It is not enough to ask ourselves how many women (or blacks or gays or people with disabilities, etc.) have attained the rank of manager or sit on the Board of Directors. We have, more importantly, to ask ourselves what we should do to create conditions favorable for the development of all individuals within the supply chain of talent (regardless of their personal traits) and for the development of a national and corporate culture capable of understanding and metabolizing the rapid changes of contemporary society.

Research has occasionally stressed the social and economic contribution – even in terms of competitiveness – of work on civil rights and on ancillary policies aimed at categories of people who, for cultural and political reasons, do not succeed in fully participating in the decision-making process. The best companies have come to see the profundity of this line of reasoning, even before those in the political sphere, and have decided to work on inclusion for reasons that are essentially business related. It isn't only a matter of a politically correct proposal.

The idea at the core of this philosophy in human resources is based on a certain strategic vision, which is aimed at the success of businesses in markets where, if it is true (and it is true), the best companies in the world are those that can count on better prepared, motivated and capable collaborators.

The observation at the heart of this is exceedingly clear: for some reason, our companies have proven more fertile terrain for some people than for others, as is evident even in the candidate-selection phase. There are many sectors in which certain groups are traditionally underrepresented or, conversely, overrepresented. In such environments, the dominant culture falls into self-perpetuating actions that range from hiring and promoting people who resemble those already wielding corporate power to implementing behaviors and language that tend to exclude other categories of people.

So companies inevitably find themselves in the irrational situation of reducing the very talent pool in which they are fishing for entry-level positions and of losing quality and motivation in the performance of individuals who find themselves having to paddle upstream at work – a situation that may lead to stress and frustration, which may lead in turn to disengagement, poor quality work and desertion.

Global inclusion is a vision that places people at the center of the corporate organization. It actually recognizes the crucial value of human talent as an irreplaceable factor in the success – including the economic success – of companies.

My first encounter, or rather collision, with the concept of inclusion and diversity happened a little less than ten years ago when I was transferred from Italy abroad by a large American bank. When the personnel office asked me what I and my family required to transfer to London, I told myself (I actually knew this but it's different when it affects you personally) that, for the purposes of transfers abroad, the company made no distinction between spouses and common-law spouses, whether of the “same or opposite sex.” So I found myself working in a country where a difference – a deviation from the statistical norm – whether visible or invisible, didn't result in unfavorable treatment. And then, of course, there were the standards in labor law: in the day-to-day exercise of my role as HR Director, I found myself facing a reality that appeared to be poles apart from that of Italy. And yet, I was still in Europe, only a plane-ride of a couple of hours away. Here, for example, was a place where workplace discrimination suits – unlike in Italy where the notion of “without just cause” places every kind of violation by the employer into one ill-defined category – are quite common and strictly penalized by regulations.

For this very reason, I had to become an expert in “diversity management” to carry out my responsibilities. This competence was initially developed in HR departments for the purposes of limiting damage deriving from litigation, but soon became a key to success in the business world: one of providing people with the conditions under which to experience their differences (all differences) not as an obstacle for the company, but as ingredients in the promotion of creativity, the ability to anticipate and manage change and the knowledge to tap into various customer segments.

The goal, then, is to grow and prosper in a win-win situation (for both the company and its collaborators). This goal can be achieved by experiencing, on a daily basis, a constant, positive drive to include workers in the company’s culture. A precondition for this to happen is the promotion of an environment in which we feel secure in every circumstance, even if we bear certain differences.

Competitiveness depends in ever greater measure upon our ability to obtain the most from our employees as is evident from the trend towards globalization, the need for businesses to compete in rapidly changing markets, the social changes in our demographic make-up and the arrival of so-called “Generation Y” in the workplace.

After having worked seven years between London and Moscow for the Citi group – an employer in the forefront of this sector – and upon my return to Italy, I decided that the experience I had gained abroad might be usefully shared and inspire progressive attitudes in employers even in my country. This is what led me to found “Parks,” a non-profit association, whose partners are all employers. Its goal is to help its partner companies fully understand and best realize business opportunities involving the development of diversity-related strategies. Parks’ experience shows that concrete actions – even small ones – can be taken to create a more respectful work environment for employees.

The well-being of employees is also achieved through respect for their dignity; and the well-being of workers is an invaluable part of the company’s reliability and potential for success. In a logic consistent with Kennedy’s famous statement, “Ask not what your country can do for you, but what you can do for your country,” companies and management are now acting to improve themselves and the environment in which they operate.

Andrea Notarnicola has been a part of the Parks project, since its founding, serving as manager of training and professional development strategies. In this book, he explains why inclusion is good business practice, helping the reader to understand the competitive rationale for global

inclusion while figuring out which approach to training and communication is the most helpful to a cultural change within companies.

Companies have initiated a pathway towards change. It now falls to us in the political sphere to respond to the need to change society through tangible, concrete action on equality.

Ivan Scalfarotto
Undersecretary of State –
Government of the Republic of Italy
Founder and Honorary President of Parks

Introduction

9:30 A.M. and the managing director calls human resources. He asks them to look for a person of value outside the company to help him manage a strategic international marketing project. There doesn't appear to be anyone in-house with the background required to manage such a project. "It should be a genuine talent" according to the managing director's recommendation.

Any guidelines regarding the desired background? Someone innovative, a leader for change, clearly recognized as a manager. Someone ready, of course, for an international experience.

The first candidate with a background centered on the company's requirements is a woman. "No, better not. There's a lot of travel. A man would be better. We need a leader."

How about a Chinese candidate with a Masters in international business, who's acquired some very interesting experience in Brussels? "No, listen, we need someone in sync with us. In short, we need to understand one another."

There's one candidate who looks very promising, the perfect candidate, but he says that he's been on leave to deal with his wife's serious illness, and hasn't worked much in the last two years.

Another candidate of great interest offered several well-reasoned opinions regarding the project during the interview, but made a lot of demands. That infuriated the managing director: "This guy wants to argue right off the bat."

The next one had two degrees, achieved goals of considerable interest at the company where he worked, but seemed a little introverted: for this position, you need someone charismatic.

Still another has the right résumé, but a degree in philosophy. Go figure.

Finally, we have a candidate who fits the bill, speaks three languages fluently, but who, in the last interview, revealed that he is gay. "I have

nothing against gay people. I even have them over for dinner. But for a position like this one, we need a buddy, we need someone his colleagues can share a laugh with when a real hottie walks by.”

Human resources is exhausted. Then the managing director suddenly remembers that one of his managers has a brother who graduated with top marks in economics. He received a Masters in Milan, his own home town, is a fan of the same soccer team and loves to travel. “We went to dinner once.” In short, someone in the image and likeness of the managing director with whom he could work well, i.e., “comfortably.”

Certainly, it is easier for a manager to find himself next to someone with whom he has a connection. But strong companies thrive on innovation. How could any creative vibe, any organizational intuition arise out of a company composed of similar, coopted employees?

According to scientific research and managerial practice, businesses managed by an overly homogenous group run the risk of groupthink or insularity while surrendering to the rhetoric of teamwork. In a world of continuous change, made more complex by interconnectedness and interdependence, the variety of personal stories makes the difference and gives businesses their strength as a result.

But it’s not enough to replace the board every four years so that the management team is different. The revolving-door policy of company boardrooms has often destroyed value both as a result of the short-sightedness of term-management and as a result of the substantial cultural homogeneity of the people who frequently alternate at the top. Always different, but, in the last analysis, too much alike. Insularity prevents businesses from accepting and valuing feedback outside the closed community of management, from seizing new opportunities, from detecting possible threats. It makes these businesses weak.

Apple, Intel, Procter & Gamble, Walt Disney and many other companies have received the most positive opinions from their own employees, and are among the top companies worldwide in market capitalization: they’ve adopted a strategy of global inclusion, eyeing markets from diverse points-of-view and thus maintaining their competitive advantage. These companies appreciate the strength of work groups that are varied and different from the typical prevailing culture when priorities are geared towards attracting new clients, promoting innovative practices and generating new energy.

That’s how it’s always been. The founders of Ford, General Electric, IKEA, Virgin and Apple were dyslexic, just like Thomas J. Watson, who inaugurated the era of information technology at IBM during the Second

World War. One example? A father in search of relief for his son suffering from rheumatoid arthritis came up with the Jacuzzi. New ideas spring from within our real everyday lives as ways to improve the lives of people in moments of great difficulty.

When we analyze companies and communities that are successful, we can see the extent to which an organization that is open to life's complexities and to differences in experience can get results, acting under the one motive that legitimizes a company's profit in the eyes of the community: changing the lives of people for the better, starting with those that actually work there.

This book will help you to understand, from conceptual and practical standpoints, how to grow your business through a strategy of global inclusion aimed at developing services and products for markets.

The world's multifaceted demographic and social perspective is dawning on us ever more clearly; communication is becoming social thanks to new media and is changing organizational landscapes as a consequence. Companies are opting to read the realities before them and to respond to on-going social changes because it's in their best interest. The strongest have come to understand that a company's ability to govern is not synonymous with moderation; rather, it entails a steadfast determination and the selection of radical projects inspired by opening up to the world and moving towards a future of the inclusion of differences.

Prejudices and cultural stereotypes can cause companies to waste talent based on fixed notions of such aspects as the age of the individuals, their personal histories, families of origin, previous jobs or companies, and rankings in the company hierarchy, as well as their current roles, training, languages spoken, personal circumstances, family statuses, appearances, abilities, health, introversion or extraversion, religious beliefs, mindsets, nationalities, ethnicities, genders, affective-sexual orientations, identities, gender expressions and so forth.

Turning a blind eye to differences prevents the organization from seizing market opportunities or, in some cases, may even create a genuine company crisis. If a company's top management is largely composed of men, for example, the problem is not only one of "pink quotas" or company reputation. We know that the competitiveness of the organization is at risk in a world where women are more and more the arbiters of consumption and social trends, and are motivated to change their lives for the better.

The more complex the issues, the greater the need to muster the energies of many. Of everyone.

This book summarizes the successful reasons why many companies and organizations have decided to change, and uses concrete examples. In the **first part**, I will help the reader to understand what a strategy of global inclusion means for competitiveness, and what business advantages arise when conformism and the organizational paralysis of homogenous teams are overcome. Real world situations will show that inclusion and so-called “diversity management” are no longer understood only in terms of “equal opportunity” or something nice for the ladies of the PR department in macho companies consigning cultural issues to a female enclave responsible for putting a pretty face on the company.

Strategies of diversity and inclusion have become strong tools – as an obvious and, let’s say, “virile” provocation – that are actually used to support the company’s core and competitiveness in a complex world.

Through research and even experimentation in these years of crisis and as a veteran in the frontline of various business sectors and markets, I have come to understand to what extent a genuine policy of merit, aimed at freeing up and mobilizing talent, can do: help companies to better read contemporary society and, in so doing, compete in periods of crisis. Merit, as they say in management courses, is expressed only if the company is honest and open in its assessments. Even if they have not focused on management theory, many readers of this book who are managers will have felt the negative impact of the typical cooptation of narrow-minded groups on the competitiveness and sustainability of a business.

A chapter devoted to self-assessment will use a check-list to help the readers explore the strengths and weaknesses of their own companies and find concrete ways for the organizations to open up their corporate cultures.

A strategy of inclusion is not an exercise in political correctness, as will be made abundantly clear by this book. It is a path for in-depth analysis, discussion and dialogue touching on certain limiting stereotypes and paradigms – sometimes unconscious – that prevent organizations from dealing with the complex issues presented by contemporary society.

In the **second part**, those readers most interested in training and in-house communication will find several starting points for implementing cultural change within their own businesses on issues of global inclusion.

In the **third part**, I describe, for the first time in any publication, the courageous path taken in partnership with the Parks organization by a collection of prestigious companies in Italy for the creation of a culture of global inclusion: the toughest subject matter in the Italian social context, in my opinion. These companies chose to work on a platform of innovation for the country: i.e., the inclusion of GLBT – gay, lesbian, bisexual

and transgender people. Through their personnel management practices, these businesses decided to push the legislature and national policy forward on the matter by recognizing such treatment and rights as were already recognized in most democratic countries. The most important part of the process took place in 2014; they initiated an effort to alter conscious and unconscious biases in their own corporate cultures precisely because they were convinced that a generic prescription of respect “for those who are different” that is imposed from on high is of relatively little value. It’s a matter of understanding needs, experiences and opportunities, even in terms of business.

This third part, then, becomes a laboratory for reflection and action that can be used for a true understanding of the case for collaborative inclusion in strengthening company culture.

In each chapter, a double-column table will help the reader to understand the main point of a story, research item or my assessment. The intended simplification is meant to return the reader’s attention to the core of this book, which is, even in its very structure, a summary for reflection and managerial practice.

References made to strategies laid out by companies in their public documents will enable the readers to draw freely upon ideas and considerations that can be used to define a strategy for their own companies.

I want to say thanks, in particular, to Ivan Scalfarotto, founder of Parks, to Igor Suran, Simona Massei and to all member companies of the association for their essential contributions to the editing of this book. I also thank Starleen Meyer for her editorial assistance during the production of the international edition of “Global Inclusion”.

Part I

Inclusion and innovation