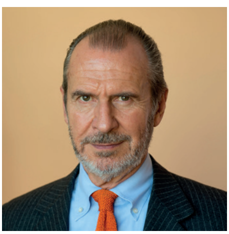
MANAGER
LEADER
THE INVISIBLE BOUNDARY

Massimo Milletti

The book gathers together 17 articles published by the Harvard Business Review since 2012. The author, who has been a professional head hunter for 30 years, analyses the impact of various economic events on the managerial class over the last few decades. He explores the transformation of career pathways, the changing rules of the game dictated by crises, the development of new leadership profiles, and the evolution of corporate culture. The articles first reconstruct the phenomena underlying these changes, offering an interpretation of how they have been experienced by management, before outlining how different styles of company management might evolve. A recurring theme is the importance of values and the social role played by a business, as well as the sensitivity of management to this trend.



MASSIMO MILLETTI holds a degree in Construction Engineering and an MBA from Insead (1979).
He began his career in CMC (Cooperativa Muratori Cementisti) before joining Ciba-Geigy (now Novartis) with responsibility for the Group's strategic planning in Italy. Subsequently, he joined Saint-Gobain as Sales and Marketing Director, before becoming General Manager of the Flat Glass Division in Italy.
In 1992 he moved to Eric Salmon & Partners as Managing Director of the Italian branch. From 2007 to 2016 he was Chairman of the Group at international level. He is currently Chairman of the Italian branch.

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INTRODUCTION

by Massimo Milletti

Those who are active in the executive search profession find themselves in the position of privileged observer of economic phenomena. This is thanks to their continuous interaction with those who play a leading role in the life of a business: the managers. The unusual relationship that is established between consultant and manager makes it possible to acquire an understanding in real time of major economic events as well as an unfiltered reading of the impact of these events on management. It is when an interview moves beyond the traditional format and transforms itself into an open dialogue that a state of mind then emerges through which the various market phases are experienced, offering a unique view of how things are often not what they seem to be. Thirty years in this profession with Eric Salmon & Partners has given me the opportunity to interact with numerous decision makers in the Italian industrial sector, and to develop a broad overview of how the managerial class and the various leadership models have evolved. Various reflections have stemmed from this, and I have set these down in a series of articles in the *Harvard Business Review*, an honour for which I am particularly grateful to the Editor-in-Chief, Enrico Sassoon. The articles touch on various subjects through a reconstruction of the history of management over the last forty years. They deal with the issue of generational change, analysing the evolution of values in the various styles of leadership, seeking a narrative which could help the managerial class to interpret the transformations and develop ideas that could be useful pointers to future behaviour.

The purpose of this slim volume is to gather together the seventeen articles published since 2012, organising them in four sections. The extensive feedback I have received from regular readers has helped me to identify subject matter – I offer my gratitude to these readers. In particular, thanks go to Marco Alverà, a brilliant CEO with lucid strategic vision and great innovative energy, who kindly accepted my invitation to write the preface. I am also grateful to Delia Duccoli and Laura Fabbro for their precious advice and suggestions with regard to the contents.

PREFACE

by Marco Alverà

I was fortunate enough to meet Massimo Milletti in 2006, and from that time I have read his articles and followed his thinking, often debating with him over certain important choices. So I thought I was very familiar with the richness of his reflections – his ability to grasp market trends and draw practical conclusions useful for both businesses and managers, as well as the speed with which he makes links between the past and the present, always offering a deep and original interpretation.

There are, however, certain aspects of his thinking that only became clear to me when I re-read, all at once, the collection of articles gathered together in this book. It seems to me these aspects are of great significance, today more than ever before.

For Massimo, today's company is no longer a transactional organisation, i.e. a group of people who operate solely with the objective of maximising profit and receiving remuneration. On the contrary, it is a place which is deeply human and values-based.

Speaking to managers after the 2012 financial crisis, he advised them to emphasise, instead of career and remuneration, the values of liberty, autonomy and responsibility: "The key thing is to do a job you like". This is advice that I too was lucky enough to receive from another mentor, and which I fully agree with. Not simply because, as Massimo noted, our working lives are long but success is ephemeral (so true). But also because it is difficult to make an impact without passion and authenticity – without not only bringing to bear one's managerial expertise and ambition, but also committing oneself heart and soul.

I really love the concept of "respect", cited numerous times in these pages, in the widest sense of the word. This includes, in fact, listening and participating, paying attention to sensitivity, a willingness to esteem and accommodate opinions and personalities that are different from our own. Massimo's concept of *respect* is very similar to what I term "fairness", and what I believe is a powerful weapon in the management of a business. We are, after all, social animals, and a lack of respect (or fairness) in the workplace wounds us profoundly. It is only in a respectful (or fair) environment – when we feel we are appreciated, valued, accepted by the group, when we do not fear being cast out – that we can generate enthusiasm, intuition, creativity and collaboration, adding that touch of magic which distinguishes teams that function well.

What would I say of the senior management profile outlined in these pages?

First, the boss is not (any longer) alone. In a world in which the speed and complexity of change makes it impossible for just one manager to avail themself of all the required competences, the concept of "team" becomes key. I agree with Massimo that the value of leaders is associated with the calibre of the people they are able to attract, and with the team they are able to build. Another concept I find interesting is "teaming", i.e. the ability of a leader not only to build a relationship with team members, but also to take responsibility for the quality of relationships between those who report directly to him/her. The latter are people who did not choose each other, but who have to learn to work together. In this sense teaming is a concept linked to respect; both concepts help to create an environment in which people feel secure and can deal with each other transparently and smoothly.

The texts that follow place great emphasis on courage, understood here as the courage to imagine, the courage to make decisions and take responsibility, as well as a bit of true grit. Seneca's dictum as quoted by Massimo: "*It is not because things are difficult that we dare not do them, it is because we dare not do them that they are difficult*", should be engraved on the walls of companies, where people often limit themselves both in terms of operations and in terms of vision. Today, all of a sudden, even though we are surrounded by technology and connections, we find ourselves having to rediscover the spirit of the great managers who rebuilt Italy after the war. The pioneer spirit, at once extremely fast yet also practical, of those who can, must, want to and are able to imagine the future. Of those who are able to set themselves a target, even one that is far off, towards which they can lead the company ("the future of those who are able to imagine").

How to identify this target? The answers lies in the reason for which the company exists, i.e. Its "purpose". According to Aristotle, *purpose* is found at the intersection of the distinctive capacity (of an individual or organisation) and the needs of the world. For a company, identifying its aim means finding a deep-seated raison d'être that goes beyond a pure search for profit. For a long time, the purpose had more or less been an exercise in presenting a facade, which took shape in sustainability or philanthropic projects which were rolled out in the community after the annual financial statements had been finalised. However, as Massimo observes, with the pandemic all this has changed abruptly. "Purpose has overtaken profit", and companies have revealed themselves to be places of solidarity, support, and attention to people, driven by values that perhaps had been lost but which have now come back into the limelight.

According to Massimo's thinking, then, there emerges the figure of the boss as condottiero, focused on the aim, the purpose, the strategies and the team, while the general manager deals with managing operations and reacting to whatever happens day by day. The ideal scenario, even though it is difficult to bring about, would be one in which there is a leader who manages to combine the two qualities, since if it is true that vision and strategic decisions require one to remain calm and to take one's time, it is equally true that ideas should be deepened through debate and by rolling up one's sleeves in the engine room.

On reflection, I suggest the Emperor Augustus' motto, "festina lente – make haste slowly", which Augustus represented by a dolphin wrapped round an anchor. Applied to leadership, it suggest the idea of the manager-dolphin, able to leap high to show the way, but also the manager-anchor, able to go into depth. A figure that responds in this way to both necessities, as shown by Massimo, for leadership in a time of Covid.

Enjoy the read!

MARCO ALVERÀ, Managing Director SNAM

SECTION 1

THE MANAGERIAL PROFESSION

Commanding, earning, wielding power, appearing, deciding, counting. There are many reasons why numerous recent graduates wish to undertake a management career, which they often live more as a profession than a vocation. The attraction of reaching a management position has always been great, even though the road to achieving this goal has revealed itself, for many years now, to be bumpy and complicated. In fact, the discontinuity represented by interruptions in employment or, in the best-case scenario, horizontal transitions, have become a constant of any career path. Success is therefore less certain than it was during the 1980s and 1990s. This, however, does not diminish the seduction that comes, to a great extent, from the challenge of betting on oneself. It is a bet which becomes less risky the more it is based on a lucid personal awareness – of one's abilities and one's limits. And in this way making sure you do not find yourself, having reached a position of power, having to act a part, rather than just being yourself.

The articles in this section deal generally with the evolution of the managerial profession over the last few decades and, specifically, the roles of company bosses and human resources chiefs. Another topic that needs to be addressed is the relationship between managers and entrepreneurs which, in reality, has not changed over the years. Finally, the delicate topic of dismissal is dealt with.

THE PROFESSION OF MANAGER: THE SUN SETS ON A MYTH

The dream of many, whether "Bocconi-ites", graduate engineers, post-graduates: to become a manager. This is a profession that has developed hugely over the last 30 years but that has, since 2001, begun a slow decline that has accelerated in the last three years. Let us now try to understand what the causes of this might be.

THE REORGANISATION OF THE MULTINATIONALS

For years the great multinationals have been adjusting – time and again – their organisational structures, flaking off, as if from an onion, local powers and roles. Since the flag of globalisation has been hoisted, with the relocation of production and outsourcing of non-core activities, splendid local "war machines", replete with marketing expertise, production technologies and product innovation have been progressively dismantled. Local structures have thus been transformed into large shops focusing solely on selling products whose procurement is usually managed elsewhere. So, at a stroke, marketing managers have been transformed into trade marketing managers, general managers are now also commercial managers, CFOs have become financial controllers and country managers are now just masters of ceremonies.

Of course, this does not happen in every company: some business still maintain important local heads.

To build their careers, Italian managers must swim, like leaping salmon, in the business lines into which the market has been chopped up, moving rapidly from one regional headquarters to another, and with the goal of arriving, at the end of the race, at the global head office whose location strikes terror in the heart of their "Gondrand" family.

And this is the point at which our "salmon" begins to wonder about the future. Returning to Italy with the same company is out of the question. Gaining the support of an internal sponsor is almost impossible given that continuous tinkering with organisational structures makes it is impossible to consolidate relations with a strong sponsor. So, the only thing to do is to navigate, to try to perhaps decelerate the speed of growth that inevitably takes the manager higher and higher in a particular business line. Perhaps in geographical locations that are not particularly pleasant, with responsibilities that increase in line with the number of countries to oversee, fattening up an already fat stock of air miles, and transforming the word "manager" into a high flown, even global, title.

What a pity that the functions for which our manager has real responsibility are three or four at most. The rest consist of a spider's web of dotted and solid lines that imprison and mortify, with the sole consolation of being evaluated on *profit & loss*, following a mechanism of singularly de-motivating complexity.

This is our multinational manager who, having reached the peak of an international career looks down at the world below and asks: but when will I have a position that allows me to take decisions with total autonomy? And our manager turns, hopefully, to the world of private equity and the entrepreneurial businesses that are seeking the complete MD and that are maybe listed on the stock market. But to be branded an international manager can be a hindrance, especially after the age of 45.

FLAT ORGANISATIONS

A marvellous invention, but only for the boss. Let's look at these organisations. They include both multinationals and the Italian reality, and are created basically to reduce structural costs, to simplify decision-making processes and to keep control of the company.

To begin with everyone is happy: The head of the company who enjoys the taste of widened command with at least 20 people reporting to him or her, and the people themselves feeling proud that they report directly to the CEO. The surrounding figures disappear: the commercial directors, the industrial directors, technical directors and, in some cases, even finance directors are packed off.

Procurement and logistics also have their moment of glory with direct reporting to the CEO, while the eternal question remains: where to hang quality and IT?

Then it becomes apparent that there is a problem: no one can take an autonomous decision and everything is referred back to the boss, who has insufficient time to take care of every spoke in the organisational wheel.

There is an inevitable tendency for CEOs to become more authoritarian since they are loaded with an excessive number of (also operational) decisions that have to be taken rapidly and without hesitation. And so the CEO is always busy and justifiably on edge: answering emails, even though face-to-face decisions are better, it takes longer and longer to get an appointment, meetings are cancelled, maybe people are left in the waiting room and the secretary is driven insane.

The flat structure, by definition, creates no back-up structure to the role of the CEO. For this reason first-line managers know that if the CEO leaves then a new boss will arrive from outside, a fact that is neither reassuring nor motivating. The sharpest, in order to build their careers, need to look outside the organisation. This is not easy at the moment, given that those companies that are hiring want to "buy" expertise and are somewhat resistant to taking risks. For this reason one often speaks of "horizontal pathways", perhaps with a widening of the business area. But is it worth leaving one's current company for a lateral pathway that might even include a period of probation? Only if the desire to leave is very strong otherwise, staying silent and keeping in line, it is better to wait for better times.

THE EARTHQUAKE OF 2008

An en masse manager exodus – we're talking about thousands of executives here. The process begins quietly, slowly, with HR managers sweetening exits with generous pay-offs made possible by the still-acceptable results of 2008. Managers are fairly compliant in their departure given that they're sure they'll be back in the game within a few months. But the situation worsens, dramatically: those who haven't yet started firing seek to make savings quickly by spending less, since their finances have worsened, and so the cuts are now even deeper. And so everyone is hit – the good and the not so good. All that counts is the number of scalps.

Very quickly some extremely able managers are to be found on the street, punch drunk like boxers who never really thought this could happen to them.

Those most threatened are the highly paid (once with pride and prestige) that can be replaced by drawing from the deep tank of the unemployed, who are ready to get back into work at cut-price conditions.

Fear grows and touches everyone, high-fliers or otherwise, strong or weak. Managers rapidly lose contractual power. During the good times it would have been enough for them simply to threaten to walk out to get what they wanted. A company, and above all its boss, could not afford the luxury of losing its talent. Nowadays, if a manager ponders resignation, the HR Director flings open the door, offering an exit package that cannot be refused.

In this changing balance of power within the company the CEO, who has been assigned the tricky mission of restructuring and re-launching the business, becomes more the boss and less the manager, in the sense that the gulf is widening between the CEO and those reporting to the boss. All this can lead to the souring of the last inviolable taboo: respect for the status of a manager.

Managers, feeling more and more like numbers and less like individuals, start to adopt organisational behaviour whose target is to keep their jobs safe. The priority is now to keep happy, and pander to, the boss: to complete the internal discussion, managers do “what the boss wants”. And “the boss” falls complacently into an authoritarian management style that exalts his talents as a *condottiero*.

This “doormatting” contaminates the organisation.

Fragments of pride are to be found only in the forty-somethings who still believe they have an external market. Those in their fifties navigate towards the yearned-for island of retirement that slips further away day by day. Respect for the rules of “correct” management is waning: and the sun sets on a myth.

So, to sum up:

- the number of interesting positions, both in terms of content and autonomy (at least in Italy) has fallen in the last 10 years: within the company, power is increasingly concentrated in the hands of the CEO;
- the intellectual/cultural role of the manager is now thinner. Execution is now the main aim of the manager, who contributes only marginally to decisions;
- fears of job loss, with the consequent prospective of ending up in the ranks of the unemployed, have altered relations within companies, often placing a manager in a position of psychological servitude, that can lead to a loss of dignity.

Is it all negative then? Is it time to abandon this profession?

I definitely think not. We will always need managers. We just need to get through this phase suffering the least possible damage. Let us see how.

Advice for the aspiring manager:

CULTURE

The choice made by the company, and if appropriate, the shareholders, becomes critical. Beyond business sector, products and markets it is important to fully understand the management culture of the company and to assess whether the values expressed by the shareholders are in line with your own. Far too little attention is paid to this aspect when a job opportunity is evaluated. Companies with a long history and tradition should be favoured, those with less top management rotation and with infrequent, and well thought-out changes to organisational structure.

POSITION AND ROLE

It is essential to do a job you like. Better to forget about chasing money and career if this goes against your taste in work. Money and careers are, these days, objectives that are much more ephemeral and less to be taken for granted: so why give up on the idea of a job you like? Choose, therefore, within a company, a role that provides professional satisfaction and concentrate all your energy on being successful in that specific role. Success cannot be completely decoupled from a career and in any case lasts longer. Success should be seen not through a lens of seductive stardom, but rather as the recognition of professional competence. Today, with the raising of the retirement age and the consequent lengthening of working life, it has become vital to do a job that generates passion.

SELF ENTREPRENEURS

There no longer exists the idea of a company as “mamma”, hiring new graduates, training, growing, transferring, taking them back and finally, happily, delivering them to the pension system. Nowadays companies are just trying to survive, thinking only of how to create value for their shareholders, devouring other companies so as not to be devoured themselves. The "children"? Well, they can look after themselves! And the "godfathers"? Whatever happened to the godfathers to run to for protection, to gain favours from and in whose slipstream careers could be made? They are fighting for survival themselves, they have no time for anyone else, they have become selfish. Great, maybe they will disappear from one day to the next without saying a thing. So this is why young aspiring managers have to look after themselves and learn to manage their careers in an entrepreneurial fashion, asking for, and listening to, advice from experts in order to make autonomous choices, navigating with ability and skill and maybe even with a healthy dose of cynicism. The important thing is to be able to measure your abilities, set oneself realistic objectives and pursue these with determination, never swim against the current, and remain full of initiative.

In summary: be more professional than career-orientated, and the sun will never set on *you*.

A HIGHLY EVOLVED ROLE

PROLOGUE

It's now official. The shareholders have decided to make a change. A new CEO will come in from outside to run the group. Rumours about this have been circulating for a while, with the usual list of candidates, followed by the usual denials. Within the company, managers have been divided between those hoping for continuity and those pushing for change. Now we have the assumptions concerning possible victors and vanquished.

The CFO is relaxed. Having been kept up to date for some time by his banker friends close to the shareholders, he closed off the last annual financial statements reporting orders conservatively and writing down old warehouse stocks. The Sales Director, showing foresight, has spent the last few months visiting major clients and consolidating personal relations. Even the Industrial Director has no worries over his position: he has a strong grip on all the major technological development projects in the group.

He is alone in his office, reflecting on these matters. He prefers not to wander the corridors. He has the impression that colleagues are looking at him differently, as if to say: if there are going to be changes, it's your turn this time. Yet he has always tried to maintain a stable relationship between the boss and the rest of the company, creating an image of himself as an able navigator. He calls his headhunter friend:

"How is the market at the moment?"

"A bit weak for big players such as yourself".

"And my reputation?"

"Good, solidly professional". Perhaps a little bit too much the boss's man. But that's the risk of your profession. Call me if you need me, you know I respect you".

THE HEAD OF PERSONNEL

A critical role, one of increasing complexity. The job title itself is already that. Personnel Director or HR Director or whatever you want to call it, this is basically still, for everybody, the head of personnel. When in fact, in the company, the boss was the only number one. One might say, a legacy of the past. When the role was less counterbalanced, as it came to be over time, by other divisions.

It is from the 1960s that, for a good 20 years, heads of personnel play a leading role. Actors and directors in the great union bargaining. After that there are huge demonstrations, followed by intermittent strikes on the production lines. The autumns are hot, and that is nothing to do with climate change. Meeting rooms filled with smoke, ashtrays never emptied, cups of coffee everywhere, no agreements made before dawn, with the bitter taste of bartering social policy, jobs and government aid. Turin, where industrial relations are learned, are forged, at the highest level. Confindustria makes them indestructible. They are like incredible firemen battling constantly against arsonists armed with burning tridents to stir up organised swathes of professionals strikers. They are powerful managers working behind the scenes, with a strong and acknowledged corporate role. They always operate in a manner that respects corporate values and safeguards ethical principles.

But then along come the 80s that bring a fresh wind of change. We're talking about training initiatives, MBOs, assessment of competences, career plans, feedback. A light, carefree breeze blowing through the big multinationals that supports the emergence of management development professionals. The latter speak in elaborate phrases, they have taken specialist courses in the USA, they read articles written by Harvard professors. They know about psychology, they do not disdain philosophy and they don't smoke. These seducers enchant and support a new generation of young company bosses who ride the wave of the trend, where career and job rotation are intertwined in a carefree waltz. Progressively they steal the limelight away from their industrial relations colleagues, who are still considered key to the health of the company, but who are now starting to seem a bit boring. They are energetic, they implement innovative systems and processes, they dedicate themselves to developing external networks, they go into business topics in depth, they gyrate around the axes of organisational matrices. They favour consumer companies, if possible multinationals. The paradigms change, and just as to become CFO it is best to have been a controller, so to become the head of personnel the best way is now to have had experience in the area of management development. The role is less one of power, and more one of leadership. In any case, it is still strong and acknowledged, given that it respects the corporate culture and is based on ethical principles. This is a golden age for the HR universe with generous training budgets, large resources for hiring, and a high degree of freedom with regard to remuneration policies.

But then, towards the middle of the 1990s, this backdrop begins to change, with direct consequences for the function. The exponential growth of matrix structures dissects the role, sucking local responsibilities back out to global centres of competences. The battle to attract talent diverts attention from the original mission to develop internal resources. The proliferation of stock option plans disempowers remuneration policies and transforms the meritocracy into a game of stock market speculation. The compulsive trend of dot-com start ups is based on direct processes of co-optation that do not require any specific HR competences. Private equity funds focus their attention mainly on the CEO and CFO figures.

What is to be done? Some HR managers jump on the roller coaster of a career in a multinational abroad, others place themselves at the service of entrepreneurial Italian companies that, as exporters, are seeking to become international. Most remove the priestly robes of the purists of the function and convert to direct supporting roles in the business. The rest surf the new wave of change management processes, promoted with a great clamour by consultancy companies.

And so another decade passes and along comes that fateful year 2008, marking a change in human resource management policies. Restructuring is carried out compulsively, investment in training is cancelled, the word "hire" is banned, incentives are eliminated. For many heads of personnel the job is no longer very pleasant, and it is even less gratifying to exercise power against which there is, in fact, no resistance. One wonders about the role. And, in the dissolution of established points of reference and shared codes of behaviour, everyone ends up interpreting it their own manner. Recklessly, some company bosses take advantage of the confusion and undermine the role, with the risk of impoverishing a key professional class, in the interests not just of the company, but of themselves.

And meanwhile it happens that companies that had been viewed as healthy are suddenly revealed as sick, resulting in surprised amazement and cries of pain from the banks that had always supported them. Stronger treatment is urged and from change management we move onto transformation management. The family doctor is no longer enough, a specialist is now required. The tendency spreads among shareholders to create an interruption in the leadership of the company. And the arrival of the new CEO often heralds a change in the area of personnel.

THE CHANGE

Traditionally, a career in the personnel function involved few changes in the company. This was either because one had chosen to work for a large group that offered internal job rotation, or because one had become a figure of trust for the entrepreneur, or simply because the satisfaction deriving from the professional contents of one's role outweighed any need to develop a career. This continuity generated an emotional relationship of loyalty, of the embodiment of values, of a bond with the company, lived in a spirit of belonging that was often total. This often led, particularly in large groups, to the creation of a self-sufficient function with consolidated power, with its own life and only marginally affected by changes at the top. With a strong role of safeguarding the company's culture and values. Giving rise to real schools of personnel management, which produced precious professionals. When changes were made, this was generally to accelerate a career, seeking, however, other companies that were aligned in terms of values.

This backdrop changes rapidly a decade ago, when the impetus for change does not spare the HR function. Even the rules of engagement change. It becomes common for CEOs to behave by choosing someone they can feels is “theirs”. For HR directors, the attractive element is now the value of the project and the power of the boss. Together they design the position along with the rules of behaviour. Everything is tailored. And so it is discovered that profiles are not so easy to standardise. A systems analysts who places more importance on processes than on people. A loyalist, whose standard reply to the boss is “It can be done”. An interventionist, who can be trusted with a production outsourcing project. A humanist, to throw into the guts of the company to manage the mood in the event of an unfortunate case of helicobacter pylori. A cardinalist, the boss's shadow, who leaves meetings saying: “He's calling me”. Coloured brush-strokes, suitably mixed, that paint a portrait in which a great number of personnel directors could recognise themselves.

Sucked back down from senior management, HR directors struggle more than in the past to behave in a way that allows them to be seen as “for the company”. This requires magisterial qualities of balance, good sense and vision. Knowing how to balance the numerous requests that the boss wants to see actioned in real time, against the need to ensure that the operational machinery is functioning smoothly. It is a question of mediating the velocity of senior management pressured by the need to achieve short-term results quickly, and the inertia of an organisation that is traditionally resistant to change. Not to mention transformation. And this is a game in which you measure your “nobilitade” (nobility).

THE EVOLUTION

Looking at the various company divisions it is, in fact, HR that has, over time, put itself on the line the most, evolving in terms of its role and showing itself able to change. A capacity which has been interpreted by trenchant traditionalists as a loss of identity. Once it’s ascertained that certain classic liturgies of the position have remained unchanged, such as blessing new hires on a Monday and giving the last rights on a Friday to those on the way out, how to fill the remaining days has become extremely subjective, given the wide latitude with which the mission can be interpreted. More than ever before, this mission must support the company’s plans and must act in accordance with the relationship with the boss of the company. The value of this bond, when it is based on mutual trust and respect, is that it can create virtuous circles that are to the benefit of the whole organisation. If it is the CEO’s job to take decisions, it is even more the head of personnel’s job to comprehend the collateral impact these decisions will have on staff. To take a broad view of all possible effects on the company, provide essential behaviour mapping to the decision maker, who may at this point speed up his actions, saving time spent “mending fences” and, even worse, performing U-turns. Correctly forecasting the implications requires great sensitivity, business knowledge, strategic vision, mental lucidity and balance. All talents that could make even a young HD director become great. It cannot be ignored how much easier it is to understand the consequences of a decision in a financial, sales or production area than it is for human resources. Listening to the head of personnel requires the CEO to nourish respect and trust in the relationship. In addition, the need to decide and act quickly inevitably involves an increased frequency of errors. Which is why it is something precious, for a company boss, to be able to ponder decisions upstream. When this virtuous circle is generated between CEO and HRD, old prejudices are immediately dissolved that had occasionally clouded relations between line managers and the personnel function.

We could say that this activity supporting senior management decision making is so fascinating that it could, by itself, fill all the HRD’s days. Apart from that, there are evolving issues that merit attention in the area of personnel. We are talking, for example, of the company’s social role. That needs to be interpreted broadly. Anyone working in the personnel area is involved in the issue of employment. This is an activity that already confers privilege in the act of employing a person, inserting them into a virtuous circle of fixed salary, training, pension and medical care. To which may be added the numerous benefits associated with corporate welfare policies. It is an area in which groups battle amongst each other in terms of the range and creativity they offer. In reality, this widens the social gap between those on the fully equipped corporate ship and those swimming in the high seas, trying to survive. To prevent possible and dangerous boardings, it would appear wise for the company to invest in providing lifeboats with survival kits, considering, amongst other things, the reticence of the ship of state to do so. If the growing gap in the distribution of wealth is cause for concern, even more so is the gap in terms of social protection, given its explosive potential. Long-term investors such as pension funds, especially those in northern Europe, cannot avoid addressing these issues seriously. Therefore, sensitising shareholders, involving top management, mobilising the workforce of the entire company with regard to social responsibility issues, can only ennoble the role of the HRD. This is particularly fertile ground for young people.

At this point the week would already appear to be full, but there is another topic that the HRD cannot neglect without running the risk of being relegated to a marginal role in the great binge of digital transformation. A rich dish with many hungry fellow diners. There are the digital natives, the semi-natives, the adopters. Don't get infected, it's seen as a illness. A bit like a blood test, assessments are carried out to evaluate the level of a manger's digitalisation. Launched into the corporate pinball machine, the digital ball bounces at crazy speed around the various divisions, switching on interesting lights and earning enthusiastic points. But if we start to talk about transformation and organisational impact, we should move on from pinball to the game of billiards. Where, once the cue ball is launched, the HRD has a privileged view in understanding how the other balls move and what the best support play is. Next comes the issue of carrying out and affirming the role of ordering and structuring the process of change, critical in order to organically channel the various initiatives that impact the organisation.

EPILOGUE

Maybe his headhunter friend is right. The profession of head of personnel is riskier than it was in the past. Although it is freer, less linked to pre-established schema and every change could be an opportunity for professional growth. These are the reflections he makes as he picks up his briefcase, closes the door of the office and gets into his car to go home. By now it's Friday night, he has no more meetings with the new CEO. He glances at his face in the rear-view mirror and thinks: "I'll call him on Monday".

DIZZYING HEIGHTS

THE HEAD OF THE COMPANY

Managing director, executive director, CEO, executive president. The job title doesn't count. What counts is power – the power and scope to take decisions. That's what everyone wants to know. The employees, the suppliers, the banks, the unions, the consultants. And the courtiers. To know what powers have been conferred on the BoD and to understand how it intends to apply these powers.

The appeal of a role lies in the opportunity it provides to take decisions. A delicate exercise. "Whatever has exceeded its due bounds is in a state of instability", Seneca. But one also needs to know how to decide. And alone.

Once in post, their first decisions normally relate to a desire to show that they represent discontinuity with the past.

And they start with the organisation. A great opportunity to settle old scores or to bring in one's own team. Depending on whether they are coming from inside or outside the organisation. Actions that are almost obligatory in order to speed up change, although also potential signs of weakness. Actions that are usually well-received by the shareholders, even more so if they take place rapidly: almost a confirmation that the right person has been chosen.

A choice that is, in any case, difficult for the BoD, and requires great lucidity in order to avoid the temptation of leaning towards a manager who satisfies, first and foremost, the shareholders. Only to then realise that he was not, after all, the "right man" for the company. Leading to a parting of the ways.

A risk that is commonly included in the "rules of engagement", where a whole chapter is dedicated to separation agreements. It would appear to be a simple paragraph, ironically called a "golden parachute" or, more contractually, "severance pay", or a non-competition agreement. But it isn't that. Not at all. Determining the amount often runs the risk of rigid positions being taken by the two parties who, before they spoke of it, had loved each other so dearly. So much so that the topic, as if by chance, always comes up at the end of the negotiation. Experts walk a legal tightrope in order to find a contractual compromise. These are precious peacemakers, especially when the employer is an entrepreneur, who is repelled by the very thought of having to award a prize to a colleague he wants to chase away rather than hunt down.

Byzantine disquisitions into the concept of "just cause". No matter how protected and armoured they are, the end always shocks those who hold power. And so they seek to exorcise their fear of falling by the use of voluminous parachutes. As if leaving with a ton of money is to their credit.

Every mandate, by definition, comes to an end. But accepting this runs contrary to human nature. It isn't easy to give up the thrill of command and to lose power suddenly. And everything that goes with it. And to find oneself on one's own. "I don't measure a man's success by how high he climbs but how high he bounces when he hits bottom", George Smith Patton.

A three-year mandate is so short that there is the risk of living it as a countdown. Certainly as far as the inevitable internal enemies are concerned. They are excellent at undermining the last months of a mandate, without, however, leaving any trace of their actions. Being appointed is just the first step. What counts is staying and, even more importantly, leaving well. This is a where the question of style comes in. It lies in the ability to play out the 36 months by juggling short and long-term needs. Managing to do this requires strength and the support of the BoD. Which must overcome the temptation to find it easier to exercise a safe supervisory role instead of supporting their CEO. Whose mission is clearly and simply to make the company stronger.

Growing, acquiring, diversifying, divesting are the various ways this objective can be achieved. It is a question of choices. And when one is strong one tends to make the right decisions. It is therefore in the interests of the shareholders and the company in general to support the CEO. An act of trust, as ruthless as it is generous in that it asks to be repaid.

A complicated role, that of the number one. Comprising many aspects and facets, of which no one in the company is fully aware. Maybe this is why there are so many aspiring CEOs. It could be enough to spend a few years in the confessional of the head hunter to realise just how many are convinced they would make a better CEO than their boss. Only the imperceptible raising of an eyebrow by the interviewer gives a hint that this presumption is probably without foundation. Most of the time it is based on the erroneous assumption that the role of CEO is an occupation rather than a mission. Here we are talking not of doing things, but of being the boss. This is a gap they seek to close by deriving inspiration from a high-profile manager they have been lucky enough to work with. Or by taking part in a leadership seminar. Or, why not, seeking the help of a coach or mentor. All useful adjustments to their approach. Which could, however, turn out to be dangerous to the extent that they could force a manager to behave in the way he thinks others expect him to. Acting becomes tiring, and weaknesses emerge. “We only become what we are through the radical and deep-seated refusal of that which others have made of us”, Jean-Paul Sartre.

Seminars, conferences, articles, studies, books, debates, testimony. Which one is the model for real, pure leadership? Continual assertions: *"He's a good manager, but he lacks charisma"*, *"The company needs a real leader"*, *"He's more a visionary showman than a solid manager"*. The discussion has been going on for at least 50 years.

1968 TO 2018

Putting it simply, in the 1960s the industrial groups were controlled either by the great families of capitalism or the state. In one case managed, with rare exceptions, directly by the owner, in the other by functionaries whose professional competences were mixed with political interests. The management model was hierarchical and authoritarian. The solid figures in the shape of general managers made sure that the plans created by the owners were carried out. Meanwhile intricate central management structures dealt with safeguarding positions of power in public entities.

Non-ostentatious managers, homemade, of few words, whose photographs appeared in the newspapers only when they opened a new factory. Investing and hiring were the two levers of power. Safe in its way, before the disease of debt had struck.

A management model which was anything but participative. Being called in to see the boss was not normally seen as good news. One was happy to be feared. Just as one sought to do the right thing. They liked to be called "boss" or "director' – they were still too provincial to speak of "managers".

While the term "leader" referred mainly to the heads of political parties or unions. Elected, heavyweight figures. The battles were significant: investment, government contributions, recruitment, contract renewal. These were arenas where one could square up to the "masters", who did not disdain from taking the field themselves.

The uprising of 1968 not only undermined the authoritarian model, it also gave rise to a common form of leadership, in which various students figures, workers and lecturers suddenly found themselves leaders of movements, groups and public opinion. There were those who protested and those who studied. And many of them went on to become the heads of companies in the decades that followed. Widespread and entrenched, the grass of authoritarianism is pulled up and chewed up in the 1970s, and green hills rise up before the young bucks who, with the mark of talent, scale the peaks in a search for something more challenging. Maybe it's because they represent the new, because now the mantra is change, because one feels guilty about the excessive rigidity of the past, but we trust in them.

And so we reach the 1980s, when previous experience counts for less than potential. We bet on the future. And anyone who makes a mistake changes horse. Because it's easy to find new pastures. Competition breaks out among the heads of HR to find the most brilliant youngster. The talented manager is the new model. Every new position is seen as useful experience to put on the CV. Ideally not for longer than three years. A short arc of time in which to become a "company man". Enough to do a good job and improve one's reputation. They carry out their duties in a professional manner. They rely on the most competent. They delegate, give responsibility, and create an intellectual elite. Not to be confused with teamwork. They are not jealous, they help their colleagues to grow. They calibrate themselves against the external market. They measure their own value based on the offers they receive. They only envy those who have climbed higher than they have.

The scene shifts with the Amato budget of 1992 which heralds the beginning of a long cycle of progressive and inexorable disinvestment in the industrial sector. Privatisation, the single market, the end of state subsidies and devaluation contribute to the difficulties faced by various business sectors. Better to seek new adventures: the fatal attraction of dot-com, the limitless growth of mobile telephony, the seductive propositions of private equity funds. The parameters of interest change for the positions. It's no longer about being the head of a company with numerous factories and ruling over thousands of employees or being projected towards pyrotechnic career growth. Now it's about getting rich. Very rich.

A change takes place which has a significant influence on the cultural and ideological approach to business of a large swathe of the managerial class. It's enough to remember that at the time one billion lire was considered a high salary for the CEO of a company employing 20,000 people. More or less a quarter of the current market rate. So, a highly remunerative profession, notwithstanding the "decapitations" of the past decade. Creating shareholder value is the new magic word. The trick: to take a stake. It's a simple system which aligns the "agendas" of company bosses and shareholders.

The masters of this are the managers of private equity funds. Their rules for success are simple: buy well, manage well, sell well. They conduct the purchase and sale phase in person. So exciting. They delegate the management of the company to external managers who they hire, as and when they have specific needs, through a rigorous selection process. A deep knowledge of the specific market, a consolidated track record, perfect references. Empathy is not essential: this is a relationship for a certain period of time in which both parties are working towards a happy ending. It's a CEO role that managers like, given its clear objectives and decision-making autonomy. Which does not, however, disregard clear financial constraints watched over by the CFO who, chosen by the fund, "buddies" the head of the company. News spreading rapidly of deals, the rumours of rich booty, and the chance of experiencing the thrill of feeling somewhat entrepreneurial attract numerous managers who forever leave the ports of major industries to begin careers as freebooters. The ship may be smaller, but there is no admiral to report to. This is when one really feels the euphoria of having one's hand on the tiller and taking stock of one's own courage. Life on board is harsh, savings are implemented everywhere and a small crew is required, which is very close-knit, believes in the boss and responds quickly to orders. For some it's not easy to leave the ship at the end of the voyage. These are the romantics who during the journey wanted to leave a cultural footprint on the shipowner's orphaned crew.

But if the rules of the game for dividing the final booty are clear in the world of private equity, this is not always so in the case of mechanisms for participating in the creation of value linked to the complex stock option systems used by major industrial groups, and others. The goal is to involve the leadership team and align them with the same targets.

And while the new millennium is being celebrated with a rush towards rampant globalisation, everyone agrees that increasing complexity means the leader of the company needs a high-quality team. The leader model is that of an international manager who knows how to select the right people, even those more competent than himself (a principle more talked about than actually practised), for whom significant empowerment mechanisms are implemented. The team structure is long and flat and in order to keep it united it is necessary to work full time on remuneration systems of mutual benefit. Everyone makes their contribution using the levers at their disposal. Even a significant one – such as a reduction in the size of the workforce – is well known to have a positive effect on share price performance.

But then along comes that fateful year, 2008, which sets off a ruthless selection process in the world of the manager. As always, starting at the bottom. That's where the decimation is worst. But after that not even the number one is spared. Replacement is now the order of the day. The veterans of restructuring are back in the limelight, those who know how to take in hand even the hottest situations, without ever getting even their fingertips burned.

After yet another debt renegotiation, even the most resistant entrepreneurs cede to belated pressure from the banks and hand over the keys of family businesses to seasoned generals. Within these financial limits command is absolute, and although the pay is not high there is the interesting prospect of participating in the creation of value at the end of the business plan. Normally, through the application of good rules of management, result are forthcoming and with these come the rewards. Staggering figures for those with a good head on their shoulders and who, at that point, cannot wait to get rid of their "saviour". The situation is worthy of Pirandello for a manager who, the better he is, the shorter his life in the company. Which makes the family happy as they take back control.

But there are also, fortunately, companies that despite facing difficulties grow and expand into foreign markets. And here you need managers who know how to masterfully cover a role which is increasingly complex and which requires the ability to interpret change from the perspective of the total transformation and adaptation of the business culture to parameters that are constantly changing. Digital, agile, transformative, adaptive, communicative, seductive, motivational, participative. "A wise man who has adapted to necessity knows it is better to share with others than take everything for himself", Epicurus. Everyone is looking for them. Entrepreneurs, funds, public companies, multinationals. Is a new leadership model being born?

FINAL CONSIDERATIONS

It's difficult to say, in that it's difficult to define. By its very own nature, the model is in a state of permanent flux. Certainly more now than in previous years. In the last 50 years of management history there have been various profiles for company leaders.

Authoritarian bosses of steelworks, enlightened marketeers, courageous mercenaries, reliable managers of family businesses, strategists for large firms, able navigators of public companies. Different personalities, individual managements styles. Flattered, yet sceptical of representing a reference managerial profile, being unique in their way. And this, in that a manager is valid to the extent that he managers to be himself. And as such is accepted by the shareholders and the organisation. Who, in essence and whatever the context, have shown over the years that they expect the same qualities of a manager: the ability to take decisions, courage, strategic vision and a balanced judgement of others. A difficult role, that of leader, often characterised by loneliness and a lack of acknowledgement. “Gratitude, like certain flowers, does not grow at high altitude, but becomes green once again in the good ground of humility”, José Marti.

Command and success tend to generate an unwitting arrogance, the antidote to which is a strong dose of humility. Such as recognising that to carry out a mission the support of certain key figures in the organisation is indispensable. Foremost among these are the two managers whose role is to manage finance and personnel. They should be chosen carefully given the weight they have in influencing the leader’s success. And here not only professional competences are in play, but also personal relationships, key to establishing a relationship of “intimacy”, which will allow the boss to really be himself with them. And in a way that he can accept advice and criticism. These are privileged relationships, based on mutual respect and trust. “Believe in your loyalty: it will make you loyal”, Seneca.

OUT OF THE GAME

PROLOGUE

Sunday afternoon, the foyer of the Scala. The Milan that matters is at the traditional concert sponsored by one of the most prestigious international banks. Everyone is queueing, elegantly and silently, to collect the envelope with their name on it, containing their pre-booked tickets. “Let’s go, my dear”. He takes her by the arm and they head purposefully towards the corridor of the stalls, where they always have front-row seats. A polite hostess moves towards them: “Which seats do you have?” He hands over the envelope. “I’m sorry, you’ll have to go back, you’re in Row R”. She looks at her husband with questioning eyes. He forces a smile, raises his eyebrows and takes her arm. They quickly walk back up the corridor. It’s just a few steps, but to her it’s an eternity. She has the uncomfortable sensation that the eyes of all the other guests are upon her. Company bosses, bankers, consultants, all number ones, just like her husband was until a year ago. As he walks past, he greets them, feigning indifference. They respond with fake cordiality. She is glad her outfit is not too ostentatious, but she’d like to disappear inside it. A humiliation, small, surmountable, but one that reminds her how her life has changed since her husband has been *out of the game*.

THE DISMISSAL

“The destiny of a person rises so high and then falls” Seneca.

And, during that fall, out of the pockets drop his car keys, credit cards and mobile phone, while the iPad falls silently from his grip. All company possessions, for personal use. Looking up, the faces peering out at him disappear – a last goodbye from the secretary and the driver, who had become part of the family. Invitations to inaugurations, gala dinners, round tables, conferences, interviews – all disappear into thin air. Having landed, he picks himself up, a little crazed, hails a taxi and starts working on the speech he'll make to his wife.

Unexpected, unimaginable, sudden, incomprehensible, being dismissed often finds people unprepared. It's something quite normal that happens to others. But never to themselves. Maybe there were signs, but they didn't want to see them. A cooling from the entrepreneur, tension with head office, a new boss, a change of government. Colleagues and partners notice it first. Their expressions change, they become more elusive. Little alerting phrases that go unheeded, generic warnings, sharper emails. It's difficult to accept being a victim. Also because no one is prepared for the discontinuity.

Masters' programmes, leadership courses, management articles, professors from the top business schools, all show people how to be successful, to grow, to become stronger. But how to manage defeat, the loss of a job or, even better, how to prevent it or prepare for it: a taboo. Yet it is impossible for a management career lasting almost 40 years not to experience a discontinuity. A phenomenon that has now become more common.

"Our greatest glory is not in never falling, but in always raising ourselves up after a fall" – Confucius.

A QUARTER OF A CENTURY AGO

Limited for decades to the most serious "just cause" cases, the practice of interrupting an employment relationship takes hold in the 1980s, with the huge industrial restructuring plans which offer advantageous early retirement packages, offered as a part of a special cassa intergrazione (temporary lay-off fund).

And so, with only a little help from the company, managers just into their 50s leave their positions. Actions managed without leaving a trace, with great fairness known as "*exit incentives*". The term *all'esodo* (exodus) becomes more common in the years that follow, when the phenomenon takes on biblical dimensions. Politely, the companies start to allocate lavish provisions in their budgets for such interventions which, when they change from special to recurring, are allowed to drop to a lower line in the income statement. One wouldn't want the cash flow to gather dust when it's supposed to glitter, whatever the mistakes made in previous years.

The dike protecting the pension is engulfed by the full flood of mani pulite (the "clean hands" corruption investigation) which, at the start of the 1990s, hits various companies, wiping out the top management in many cases. The concept becomes accepted that by definition a manager can, always and forever, be fired. Whatever the "just cause".

A significant cultural change that is a cross weighing on the members of the first exodus, quite apart from the inquests, over which hangs the mocking suspicion that they have run off with the cash. And this is how they often behaved. In the sense that these pioneers of the jobless manager phenomenon found themselves quite embarrassed by their new *status* which, generally, left them sitting at home, waiting hopefully for a telephone call about a new job. Cynically, and with an infantile desire to exorcise the new direction, they are called *quelli alla canna del gas* (those who are attached to the gas pipe, broke). Meanwhile, investment grows to develop the methane distribution network.

Being out of the game produces a particularly unpleasant sensation, aggravated both by the economic slowdown and the contrast with previous years, when the carousel of management opportunities spun euphorically, and from which no one ever got off. If the little car was too small you tried to get on the mini-aeroplane which, on the way up, let you see when the little white horse was let loose. The most desirable position. Now, from the ground, you stare a little disconsolately at the carousel that turns, slowly, creaking. No one dares leave the position they've conquered.

The situation for those without work is critical in that the market finds itself facing a new phenomenon. The head hunters don't put them on their lists, private equity is in its early stages and there are not yet many opportunities, the strategic consultants look at them with a certain suspicion and don't find good reason to hire them. There's nothing else for it but for them to entrust themselves to their connections with former colleagues who are looking to give a hand to the most deserving.

In the meantime, the big Italian-controlled industrial groups, which do not have a culture of firing, and which did not take advantage of the special early retirement conditions, relegate their surplus managers to non-operational vice-president positions in unknown subsidiaries. They park them in out-of-the-way offices in grand palazzi, with the tacit agreement that they won't let themselves be seen in the corridors. As a trace of their existence, their pay slips.

FIFTEEN YEARS LATER

And here we are in the fateful year 2008, the year acknowledged as having marked the passage from *before* to *after*. And we're not speaking of an ice age, but a managerial era. It has become a mass exodus. A managerial Black Friday arrives, the companies empty their offices, it's everyone out, whatever their age or performance. Now that it's been transformed into a collective phenomenon, being out of work doesn't seem so bad. The head hunters fill their lists with managers who are out of work. They sing their candidates' praises, they rattle off numerous references, they stress a candidate's immediate availability to the client. And financial flexibility. The private equity funds senses an opportunity bring home overqualified managers who they would have struggled to attract in the boom times. On their conditions. Recruitment companies hire them for special projects which require real business competence. Which they lack.

In any case, getting back into the game is still a complex affair. Which requires a different mindset from the past. When it's not there, a job has to be searched for and, without false modesty, asked for. It's easier when you're already known. Typically by suppliers, competitors, clients, consultants.

Even if supported by a severance pay-out, managing it is hard work on a professional, reputational, social, family level. And most of all personal. Because after years of a continuous career, of battles in the field, a life marked by commitments, objectives to reach, troops to command, it's not easy returning home carrying supermarket bags. Emotional stability is needed to face the periods of re-integration that can last for several months. And to undergo job interviews which could be demanding and at which you need to arrive with the clarity of mind of one who has worked through the bereavement of dismissal. Otherwise, it would be better to prepare with a professional coach.

"You can't measure a man on the basis of his failures. You have to know what use he's made of them. What they have meant to him. What he has learned from them" – Orison Swett Marden.

And even if they have been in part rehabilitated, they are still under special observation, in terms of requests for extra references, the reasons behind their working discontinuity, how they have been filling their time since their full-time job ended. Transparency and honesty are essential to corroborate this.

SUGGESTIONS

Being out of work, today, disagreeable as it may be, forms part of the rules of the game. Good results, sound management ability and solid relationships are not enough to avoid being asked to find yourself another job, to reach a voluntary termination agreement and to agree that the conditions to continue no longer persist, to recognise that there is a disagreement with the shareholders over strategy, that the relationship of trust no longer exists. There are varied and numerous formulations to disinfect the burn of separation. However, even the most dignified cases of terminations are communicated with 48 hours' notice.

It is therefore up to the manager, especially if he or she covers a senior management position, to have a back-up plan, given that there are no insurance policies that cover you if you fall from the top. Basically, we are talking about creating, lucidly and methodically, a personal agenda which runs in parallel to its professional counterpart. Let's try to clarify this aspect.

Generally, managers dedicate energy to building relationships within their group or with their shareholders. Equally, this must be done externally. Apart from any personal inclination, it's a good idea to take care not only of your stakeholders, but also of your real reputationholders. Regularly meeting strategic consultants, head hunters, corporate lawyers, bankers – even those who don't deal with the company. Maintaining contact with serious economics journalists, not only to appear in public and to cultivate excessive visibility. Build relationships with private equity companies which operate in your business sector. Take part in conferences, seeking appreciation, most of all, for your personal ideas. These are relationships to be managed with careful simplicity and congeniality, whatever the position of power involved.

This is a demanding programme that requires perseverance over time. But this is why there is breakfast, lunch and dinner. It might seem to be an activity within the reach of few. But if you start from a young age to cultivate relationships developed at university or during a master's programme and you expand these over time, you can build a solid network by the time you are 40. Useful, but combined with a perfect managerial record. It is easier, indeed, to help the brave.

For this reason, the job is to build a network that allows you to make yourself known to those who, one day, will let you know in advance of new opportunities, will refer to your name with respect, will offer you a temporary job while you're waiting for a new position.

It is, in fact, a net that allows you to climb more easily onto the trapeze wire and not fall to earth when, launching yourself into the air, you don't grasp the hands of the person who is supposed to hold you. Perhaps the hands of someone who, in the arrogance of power, you ended up neglecting.

Building relationships helps to protect your career within the proven strategy of exchanging favours with those in important roles or those who hope to recover those they have lost. It is a situation which changes radically when a career comes to its natural end. That's when you're in danger of being permanently out of the game. Forgotten. This is a prospect that holds no fear for those who have not limited themselves to covering roles, carrying out duties, taking responsibility. But who have filled their role with a variety of contents, have sought to innovate, have helped their colleagues to grow, have employed a management style that can be emulated. There are few that know how to leave a trace.

However, given the ineluctable fragility of any management position, having managed power with care is the best way to count on help from others in critical moments.

"Arrogance, presumption, self-centredness, jealousy: these are the things we have to watch out for" – Plutarch.

EPILOGUE

Now that the first act is over, the audience rises and heads for the foyer, using the interval to shake hands, meet and greet, introduce wives, exchange jokes, make new acquaintances. Given the high position once held by the husband, they are still at the centre of these pleasantries. A tacit exchange and it's time to head back to their seats for the second act. He is thinking about the final interview he will have tomorrow with the chairman of a large bank. He is almost certain to get the job and it matters little that the position is less prestigious than his previous role.

In the silence of the empty theatre, his mind runs over the difficulties of the last year. The unusual mobile phone silence, the mortifying effort to organise fact-finding meetings, the subtle doubts over being overly active or remaining too discreet, the palpable ingratitude of those who had benefited from his favours, the stress of the interviews, the nervous waiting for feedback, the delicate search for reliable references. The unspeakable fear of having been forgotten. A lesson in life for anyone who thinks that they are untouchable, fortified by results, by the appreciation of the financial markets and the expertise accumulated in the course of a brilliant career. He feels that this hiccup has enriched him on a personal level. He has gained awareness of a reality that he had imagined, but that he had never known directly. Soon he will be back in the usual routine. He will get back his status, his salary, his bonus, his long-term incentive, his various fringe benefits and he will benefit from the generous corporate welfare programme. He has not, then, been *out of the game* for long. It's a very different situation from that of someone who has not yet entered the world of work and who perhaps never will. And who knows little of the *game* but a lot about the *out*. Now the thing that is clearest to him is that those who run companies have a duty to make a contribution to social equilibrium. He turns to his wife: "Tomorrow we start in a different way".

ENTREPRENEURS AND MANAGERS: TEST OF COMPATIBILITY

Silicon Valley 1957. Eight brilliant engineers, dubbed the "traitorous eight", leave Shockley Semiconductor and set up Fairchild Semiconductor. The best known, Gordon Moore (who went on to co-found Intel in 1968) recalls a key moment in this journey: "*The first thing we had to do was find someone to run our company. We had to hire ourselves a boss*".

Fairchild had thirty thousand employees by the end of the 1960s. It was a hugely successful entrepreneurial venture, based on the initial separation of roles between entrepreneurs and managers: an unavoidable, although often unachievable, prerequisite.

For decades, in Italy, entrepreneurs and managers have been trying to get in close contact with one another, studying each other, marrying, loving, hating each other, separating. Misunderstandings, fears, roles encroached upon, trust abused. Innumerable development opportunities missed. An unjustifiable and intolerable waste, especially when the country's hopes for recovery reside to a large extent in the ability of medium/large-scale companies to develop internationally.

As in the current period, there has never been a strong convergence of interests between companies, which need to strengthen themselves in order to face the challenges of global markets, and managers. In a context of limited financial resources, with mutual responsibilities between banks and businesses, it is a great shame not to make use of management resources that are currently much more widely available than they were in the past.

Gone are the days when a strong, talented man was enough to lead the company – today a solid, cohesive and competent management team is needed. This is easier to put together if the owner does not manage the company directly.

It is well known that there are many examples of failure to integrate an external manager into a privately held business, but it is equally true that when it works out, the results are truly excellent.

Given that the critical factors are behavioral in nature, let us now seek to analyze the most frequent of these, having first made the required introduction.

When we speak of managers, we refer to a professional category with certain codes, predictable styles of behavior, similar educational backgrounds, precise dress codes and homogeneous objectives.

However, a definition of entrepreneur groups together categories that are somewhat heterogeneous: founders, second/third/fourth generations, pure shareholders, real owners, entrepreneurial owners etc. It is therefore clear that, if we speak about entrepreneurs generically, we expose ourselves to potential criticism (William Blake: "To generalize is to be an idiot").

THE COURTSHIP

The tide of private equity has trickled away, having been ridden for more than a decade by managers seeking higher and higher waves. Many surfers now find themselves on the beach, scrutinizing the horizon in search of adventure. In the meantime, unabashed, the multinational groups continue with their reorganizations and consequent management purges, reinforcing the pillars of verticalization and neglecting the beams that provide horizontal support. There are few opportunities at the large currently or formerly state-controlled groups, these having been characterized for years by a reassuring management stability. Meadows full therefore, of management thoroughbreds, easy prey for eagle-eyed entrepreneurs.

The horse is captured and tamed by seduction, and the entrepreneurs are true masters in this process. To observe an interview between a manager and an entrepreneur is almost always to witness a real performance. The former, on the stage, occupying a confined space: recommended, referenced, selected, X-rayed by a detailed CV that has just been browsed by someone who has never written one in their life. Good companies, a consistent career path, goals always reached, international exposure, dynamism, flexibility, strong leadership. Not much to add, apart from a few colorful brush strokes. And then the entrepreneur speaks. And we begin with history. Past perfect, simple past, present perfect – depending when the company was founded. Absorbing stories: the grandfather's chocolate shop, the mechanics' workshop set up by the father, the design table and the first prototype created in the garage. And there's more: the factory that continued production for the army even during air raids, recipes and herbs cajoled from monks and handed down through generations, the mother's corsetry that was then industrialized. Evening study, holidays never taken, work experience in the factory. And then the courage, the sacrifice, the vocation, the drive, the banks that keep the faith and that help. Toughness, tenacity, and so much romance in this industrial fable that fascinates the interlocutor as it would a child. And then we come to the present, that is generally, and often voluntarily, glossed over, moving on to the future, to dreams, to expansion, to markets to be conquered, to challenges to be faced together. Everybody on board the roller coaster! Enraptured, won over, the manager emerges from the interview exclaiming: "What an incredible character! But what will he have found out about me, given that he spoke the whole time?" He does not need to ask too many questions: the entrepreneur chooses on the basis of his cat-like instincts, to which he always awards a Triple A.

And so the courtship begins. Other meetings follow where both do their best to solidify reciprocal certainties and to dispel any legitimate doubts. The desire to please is dominant.

THE MARRIAGE

In this case, as in all unions of mutual respect, a contract is necessary. This is simple for the clauses of union, complex for those of separation. You unite, but you prepare yourself almost immediately for separation, as if it were given for granted by both parties. An executive contract, very clear in a management context, has to be revisited in an entrepreneurial scenario. After a hard-fought agreement has been reached, cohabitation begins, preceded by the inevitable honeymoon. And already there is the danger of making the first mistakes. Either because the entrepreneur over-exposes the new manager, taking him around subsidiaries, customers and suppliers, declaiming the manager's quality or, on the contrary, throwing him into the arena of old senators to see how he manages or, right from the start, giving him a much more limited role than that offered. False steps are also taken by the manager: self-congratulatory interviews, declarations that the entrepreneur is taking a step back, the premature hiring of former loyal colleagues.

Once the aim has been corrected, so begins cohabitation in all its complexity, often leading to misunderstandings, to thinking on different wavelengths, problems in communication. To avoid misunderstandings, it is best that the manager is clear from the start that his mission is to ensure the happiness of the majority shareholder. This means being able to interpret his dreams, whether expressed or not, to respect the boundaries of the areas that he wants to keep for himself as well as his strongest values, to help him create a climate of trust, identifying with his interpretations. And understanding, for example, that there are some long-term suppliers from whom it would not be appropriate to strip certain privileged conditions, that some senior managers should not be immediately removed, that personnel policy should take the social sensibilities of the owner into account and so forth.

It is not sufficient to be the best manager and to do everything for the benefit of the company: it is essential to constantly monitor the level of satisfaction of the owner, keeping him regularly updated regarding planned actions.

At the same time it would be advisable for the entrepreneur to realize that he needs to delegate and not bypass the head of the company he has just installed. That a manager will not accept losing face in public. And that he should be rewarded for results achieved, and with no stifled recriminations. The entrepreneur has to force himself to place his confidence in the person who is running the company, without feeling that he is his personal property.

At the same time it is right for the manager to progressively distance himself from the myth of career, for him to immerse himself in the spirit of entrepreneurship and to understand that his development is directly linked to adding value to the company. This is an objective that is fairly easy to agree on. More complicated is the alignment on methods and time frames, in that for the entrepreneur it is essential to guarantee the future of the company, with objectives and perspectives that would be limiting to define in the long term. Complicated but doable, if the manager is able to climb to the top of the hill from which the entrepreneur gazes out at the infinite horizon, and breathe in the same air.

THE SEPARATION

Almost always inevitable, almost never predicted, often badly prepared. For each case history, the number of reasons is almost infinite. As far as the entrepreneur is concerned, various types of fears may prevail. Fear that the participation of a fund in the capital to finance a major acquisition could put his control of the company at risk. Fear that changes introduced by the manager and "his" people could lead to the entrepreneur gradually losing contact with the company. Fear that the growing reputation of the head of the company could eclipse his image. Fear that strategic decisions are focused on obtaining short-term results.

And so on, mixing the rational and the irrational, the irrevocable decision is taken that separation is unavoidable, which often takes everyone by surprise. However: the judgement made, sentence not appealable.

The reasons for which a manager leaves an entrepreneur are multi-faceted. The most certain: the offer of a better position, that has re-awoken his repressed ambition. The most obvious: the arrival of children/grandchildren in positions of increasing importance in the company, which reminds him that whilst the company may be entrepreneurial, it is first and foremost a family business. The most frequent: not being able to operate with all the authority invested in the role of CEO, causing him to learn the lesson that some things should be clarified in advance.

Bitterness and disappointment. Both parties had been convinced. Needing to resist the temptation to absolve themselves from blame so they can learn from their mistakes. Remixing the cocktail adding common sense: more rationality and less impulsiveness on the part of the entrepreneur, more passion and less rationality for the manager. And to find the courage to start again and to try again. The prudent entrepreneur knows that he has to guarantee the best management for the company if he wants to secure its long-term future for the generations to come.

Likewise, the manager is well aware that many family-run groups control exciting brands, are innovative, facing challenges with a swagger, exploring new markets. And that, if the owners are real shareholders, the role of CEO is complete. And therefore very attractive.

Entrepreneur and manager: we are, however, talking about two completely different worlds. One owns the company, the other manages it, one thinks about succession, the other about career; one, if he makes a mistake, pays for it out of his own pocket, the other, if he makes a mistake changes card table. Even so, there are examples of proven compatibility and great success, inspiring belief that the right recipe can be found.

A PROPOSAL

A basic pre-requisite is that the entrepreneur, whether or not he is the founder or from a subsequent generation, focuses fully on performing the role that cannot be delegated: that of shareholder. This can have different facets: financial, industrial, entrepreneurial. He is the soul of the firm, transmitting its culture, nurturing its style and defending its values. His is an important mission that requires commitment: to understand the markets, get to know the customers, study the competitors, evaluate investments, guarantee financial sustainability, set up the BoD and, last but not least, choose the CEO. Who does not necessarily have to come from the sector, but who must have a winning spirit: strategic vision, decision-making and management skills, a balanced approach to assessing people, the ability to attract and select high-quality managers. And, most of all, a natural predisposition to work in a team. Self-centered "soloists" should be avoided, no matter how good they are. Whilst having delegated wide-ranging authority to the CEO, the shareholder should "accompany" the manager in setting up the first line, that should consist of four or five key managers whose choice has been agreed in order to create, right from the start, a strong bond between managers and company.

Once the new system has been tested and a relationship of reciprocal trust installed, it is appropriate to invite both the CEO and key managers to become, with different percentages, shareholders in the firm. This through incentive schemes that reward value creation in the medium/long term. A high-quality first line and a strong bond with the company allow the owner to remain safe in the knowledge that he is independent of the CEO. And the latter has more freedom, in that the team would survive in the case of separation while it waits for a replacement.

To complete the picture, the creation of a lean BoD, with members external to the family (Sunday lunch already exists for family board meetings), that assists the owner in monitoring and stimulating the CEO and that supports the latter in taking the most important decisions.

In conclusion, the farsighted entrepreneur knows when the moment is right to hand over the reins to an external manager. But he must do so only if he is totally convinced: it is not enough for this to have been suggested by the bank or by a strategic consultant, or because one of his entrepreneur friends has done it. It is a decision of great love towards the company in that it could mean redefining his own role and, in some cases, recognizing his own limitations. Commendable, when this clear assessment does not spare even his children. This deep and heartfelt conviction pushes him to take the plunge, to try, and, even if things don't work out the first time, to persevere, knowing that he has taken an irrevocable decision and that sooner or later he will find the right manager both for himself and for the company.

It is the same for the manager who leaves his multinational universe where he knows the movements of the planets perfectly, to join the entrepreneurial world. He has to do this with flexibility and mental openness, bearing in mind that entrepreneurs are not all the same. And that therefore, when the opportunity arises, he needs to seek to understand, as deeply as possible, the culture, communication style, mental approach, style of relationship and values of his interlocutor so as understand well if there is a basis of compatibility. And if so, to take the plunge, and to do this with passion.

SECTION 2

THE LONG RECESSION

Crises shock us, recessions frighten us. The well-remembered Amato budget of 1992 was the start of a long era of slow but steady decline in Italy, which was characterised by lower investment in the industrial sector, a push towards delocalisation, a huge exodus of young people abroad, a deterioration in education and a fall in the birth rate. In summary: a steady impoverishment of the country. In the meantime, a number of crises have occurred from which we have in fact never recovered, creating a general sense of unease with regard to the country's reactive capacity, and damaging that innate conviction that, at the end of the day, Italians always work things out. The problem now is that the "last word" lends itself to various interpretations. All of this has had an extremely significant impact on the managerial class, reducing numerous top management positions, and rendering precarious a profession that had considered itself safe from the various downsizing initiatives. Managers have been obliged to extensively revise their career plans and to interpret their professional experience in as entrepreneurial a manner as possible. It is a tortuous road, with less protection and requiring flexibility, creativity and a great spirit of initiative. With fewer opportunities for rapid growth and significant financial recognition, the contents of the role and the satisfaction it could bring become more important.

The articles in this section offer an overview of the evolution of management since the 1980s, comparing certain aspects of the repercussions of the various crises on the managerial class.

THE MEANING OF VALUES: PAST, PRESENT, FUTURE

As a small boy, I remember experiencing fear, and most of all disbelief, when the priest, in the silent church, preached of Ancient Egypt: «…and there will be seven years of plenty followed by seven years of hunger». An epochal, even biblical, crisis. Let's do the maths, and console ourselves in the knowledge that we will exit the crisis in 2015. This is stated, without much macroeconomic research, by the Holy Scriptures.

How will we emerge? Poorer – an uncomfortable truth – but what is worse, confused. What's happening? And what do we tell the youngsters, what direction do we point them in? This is a question that many managers ask themselves, for their own sakes and that of their children. A feeling of emptiness. A lack of values – authentic values. Over the last forty years the managerial class, for better or for worse, has developed and evolved while sharing objectives, and especially values, with companies, adapting to change in a kind of virtuous alignment.

Recently, this symbiotic mechanism has broken down as the objectives of businesses have begun to diverge from those of managers – one group has to fire, the other to work: both in order to survive. The struggle to survive has overridden the codes of behaviour that for years regulated the company-manager relationship on the basis of shared values: it remains the national contract for executives. A transition phase, the destruction of many taboos, a focus on personal interests: so much rubble. Now it is time to think towards reconstruction and to understand what values should inspire managers over the next decade. Let us now try to put the theme in context, starting with the past.

THE ERA OF DEVELOPMENT

The years of real growth. A wonderful period – difficult to pinpoint the start. Ends during the second half of the 1980s, more or less after the referendum on the cost-of-living allowance. These are years in which everything grows: consumption, revenues, salaries, savings, government debt, inflation. The units of measurement are tonnes, numbers of cars and thousands of household appliances.

Managers speak of R.O.S., the more sophisticated of cash flow, but they are in the minority: they are fresh out of business school. Positions are weighed with Hay, as are salaries: what counts is how many thousands of people are managed, the number of zeros in the figure for turnover, the amount of industrial investment and even – a dangerous vice – debt. A private-public mixed management culture, with a fixed salary as the main course and bonuses making up the side dishes. Companies are valued that grow, it is heavyweight managers who count. Alignment on development values is clear and well defined. Five-year plans show a clear soaring line – it is just a matter of agreeing the gradient with the shareholders.

Managers change jobs only for bigger and better positions. CVs are important, but not overly so, referrals help, as always. But above all being considered a “gentleman” opens doors. Companies are like splendid training ships. The young cadets are enrolled and leave on a voyage that often lasts more than thirty years. The main thing is not to make big mistakes, not to tread on the wrong toes, although in any case a career can still be carved out on the back of growth. Life on board is serene, at times austere: as everyone knows, industry is not much fun and can be hard work. In the second half of the 1980s the climate changes: inflation is on a downward trend, growth slows, salary increases are not what they were, manufacturing investment is reduced. Finance is poised to turn the spotlight off industry. Ah, there they are – the illusionists are ready to enter the game. How could we resist – they have always made us dream! The game is simple – just replace the word *growth* by the word *multiply*. Multiply what? Everything! EBITDA, returns, capital invested, bonuses, share prices. Money can perform magic. And how!

Starts silent the metastasis of national debt that, in just ten years, grows from 60% to 120% of GDP. Everyone aboard the rollercoaster!

THE ERA OF MONEY

Chosen at birth, born practically bilingual, educated at the best schools, sent off to training camps abroad (called campuses for the sake of political correctness) to become masters in the art of multiplying money – there they are being herded onto the early-morning Milan-London flight, hawks ready to rip and claw, together with colleagues of various nationalities from their trading desk and platform for intercontinental financial deals. They return on Friday evening, with bags under their eyes yet are, however, still rapacious, because money is exciting, and not only that.

It is these trailblazers, the new idols, who are the role models for young Bocconi graduates – so many mothers' pride and joy.

The race for money is headlong, points of reference are swept aside – creating value for shareholders is now the order of the day. Often, however, these shareholders are far away and dispersed. How is it possible to know whether they are interested in matters such as employment, the return of outsourcing, environmental impact, corporate image, long-term sustainability, the internal organisational climate?

Beyond any doubt, it is best to just grow the value of the business and pay out dividends. On this everyone is in agreement: the companies and the new shareholders, the managers who are the beneficiaries of stock options.

A fixed salary is now a relic of the old economy, bonuses are needed to finance the new wellbeing. Now it is these fabulous stock-option packages that take centre stage, often distributed in an unscrupulous manner, given that they are not entered in the accounts under personnel costs, thus reducing tax charges. From a tax point of view they are manna from heaven. And now who, even solid, traditional industrial managers, could tear themselves away from the permanent video link to the stock exchange that measures, hour by hour, their increasing wealth?

Positions no longer carry weight, managers can be bought in the same way that footballers are signed. The parameters have changed: the old hit parade of corporate leaders that was based on revenues is quickly replaced by total compensation figures published by the major newspapers. It is raining money – undreamt of wealth: yachts get bigger, suits with wider pin-stripes fill the wardrobes, the cars groan with optional extras.

Everyone aligned with the new value: money, preferably personal money. Private equity short-term shareholders steal the show. Hard core top managers from large multinationals hurriedly abandon their luxurious offices, lacquered secretaries, obsequious drivers and platinum credit cards to immerse themselves in the Venetian lowlands, where they discover the joy of managing a hundred workers who, in a Spartan warehouse, forge top-class components. It may be small, but the capital gain is promising and the leverage is breath taking. Frightening, but come on, we're entrepreneurs, aren't we? The main thing is to be guests at the final banquet where the real spoils of war are handed out and which, when invested, guarantee the future of at least the next two generations. The old entrepreneurial dynasties are horrified.

But money is exciting, appetites are multiplied, everything can be bought, nothing is impossible. New raiders attack the bank while the sheriff dozes with his hat pulled down over his eyes.

Then, the inevitable happens as was obvious from the start: the candle runs down, the rollercoaster breaks down. The first, the most quick ones, drift apart halfway in 2007, the others wait watchfully; but this time there is no lawyer with silver sideburns to ring the bell at the end of the party.

31 December 2008, the last toast on board the “Titanic”.

THE CRISIS

It had been thought that this was a bubble like any other: once it burst, the spray would turn our eyes red. But this time it’s different: our eyes really are crying.

A hiring freeze is ordered. This sends a shiver down spines, but it’s just the start. Internal sales campaigns begin involving thousands of managers. Redundancy offers worsen month by month. 36, then 24, then 12. Is it best to accept? To do what? The number of unemployed is shocking. The markets plunge, consumption stops, it becomes impossible to make any predictions: there’s a rush for the lifeboats.

And now, after decades of agreement and alignment between managers and companies on values, first regarding development and then on money, a great fracture occurs: it is now every man for himself. And even the murky compromise on salaries is shattered. In periods of uncertainty companies, and in particular the largest, focus on cost reduction, especially those for personnel: the medicine is old, but this time the dose really stuns. Managerial appointments are blocked: managers for life seek an organisational chart to attach themselves to. Internal recycling begins. Assured that it would be a crime to hire, value is “added” to internal resources which, reading between the lines, basically means trying to get the same job done by a manager who costs less.

Seniority becomes a burden, experience is no longer an advantage: after all, everything is different now. “Replaceability” is now the order of the day and drives all action: it’s a golden era for “machine men”. The late lamented, and now defunct, stock option plans are replaced by long-term incentive programmes, curiously christened "retention plans" by some companies, a strange term during a period in which no one would be prepared to abandon ship unless cholera were to break out. Storms, high seas, the strategy is "I'll hunker down".

If life on board is tough, spare a thought for the former managers who are looking for a job, for a contract, for a paycheque, for a little VAT to pay. The fired, the paid-off, those who retired only to see their pension date delayed, the early-retired, the retired, live attached to their mobile phones as if these were pacemakers. Nowadays they receive all sorts of proposals without the least embarrassment, even jobs in Serbia, Kazakhistan, Montenegro, India (when things are good). «Yes, I might be interested» – they answer whilst trying to muffle the background noise of the supermarket till. «How long is the contract?»: 6, 12, 18 months, little more than cover for maternity leave.

You end the call and a CV arrives instantly. There is their life, a thirty-year career on two sheets of paper where each word is chosen with obsessive care and weighed carefully during the long, empty days. There are versions in many languages. Regrets there are many, most of all not having created a network of important associates during the good times: A network, now, would cushion the fall.

Putrid stagnation, the stench of which cannot be escaped by swapping growth for a zero sandwiched between the sign "+" and a random comma. Sooner or later it will end. When? Seven years of lean times are no joke, but the end should come in 2015. And the economic situation might improve even sooner. It is time to start thinking about the post-crisis period.

2015 ONWARDS

Finally we are through it. GDP finally boasts a proud 1 like an upright soldier. The debt has been partially tamed, a certain optimism returns. Large amounts of goods bought en masse during the good times have been consumed (hoarded, they never fulfilled the primary role of "consumer durables"). Finally spending begins again. Everything as before? Not exactly.

Let's start with the companies. They are slim, lean, toned, dynamic, fast, aggressive, stronger: they have survived extremely difficult years. The command is solid: in medium-sized businesses "all for one" is in force; in multinational groups restructuring reigns supreme, supported by a dense network of matrix reporting and by exhaustive procedures: everything must be authorised.

It becomes immediately clear that companies are no longer able to offer (with rare exceptions) career prospects based on growth, on development, on volumes. And they cannot even allow a glimpse of lavish earnings when the starting salary for a new graduate is little more than a thousand euros.

However, with the old values – growth and money – smashed, managers have to find something they can believe in, that motivates them, that inspires them, that gives them the desire to start again, and that is authentic. And so the values of freedom, autonomy and responsibility gains a foothold. inside companies managers have to find a role, whatever this might be – managerial, functional, operational, strategic – in which they can operate with a high level of autonomy, in which they can decide, carry some weight. It is not important how big, influential or powerful this role is, it is important that it allows them to feel they have been given responsibility, the space to take decisions, and a sense that they count.

During the course of their careers managers have to learn to negotiate with their companies and ask for progressive areas of responsibility that will allow them to build credibility both internally and externally, based on authentic freedom to take decisions. The ratio of shared to individual responsibility that is 80/20 today, and that characterises many job descriptions, should be progressively reversed and this is something that needs to be understood by businesses. It would be appropriate for the dotted line to become simply an indicator of transmission flows for data, reports, information, and that functional reporting is carried out through committees in which the manager exercises the role of influencer, authoritative point of reference and real leader.

Companies have the chance to become, once again, points of reference for managers to the extent in which they help them to grow, to develop and to become aware of their own capabilities, helping them become more self assured. Companies should look again at their command and organisational models so they can offer positions in which managers can be stimulated to realise their objectives: acting, thinking and deciding, which does not necessarily mean commanding. Companies should also revise their internal decision-making systems, loosen the reins and show more confidence in their managers. Careers should not necessarily be aimed at taking command of the most important positions, the largest divisions, the biggest companies, the most remunerative positions; but instead on reality, where the arc of responsibility is now moving to complete the proverbial 360°. The decision maker counts.

More autonomy also means more entrepreneurial spirit, and this is in line with the new generation of internet surfers. Internet culture has had an incredible impact on attitude to networking, spirit of initiative, and ability to search, in a world without hierarchies. This approach could help these generations to launch new businesses, to work online with their friends and peers and to invent, copy and reproduce innumerable types of services. In this new scenario managers are pushed to rediscover confidence in themselves, feeling that they have been given responsibility and are valued according to their contribution and to their achievement of objectives. If these are the base values in the manager/company relationship, equally important are those personal values that should inspire managers in their choices and, to this end, it would be illuminating to reflect on Einstein's dictum: do not try to become a man of success, become a man of value.

A RETURN TO COMMON SENSE

At the start there were just a few drops. Cold, irritating, but bearable. Then they multiplied: a cold shower. A big shudder. One hoped it would finish soon. Resist, bow down, curl up. But then it became a real cascade, one which beat down on the managerial class. Engulfing everything and everyone. Trying to stay afloat, grabbing hold of rocks, clinging to logs, swimming along with the current. An incredible sense of powerlessness. The rules are broken, points of reference disappear. One navigates by sight, survival is the watchword. The excess is reduced. Everything is downsized.

The cursed crisis that hit everyone: privileges that had become so enshrined they had come to be seen as rights, career growth that took your breath away, benefits that had been acquired for no reason, salaries that were impossible to spend.

Thank you crisis, for bringing us back down to earth. We'll come through it bruised, exhausted and upset, but more mature, truer to ourselves, stronger, but having learned a number of important things.

WORK IS A SERIOUS BUSINESS

Smiling, sun-tanned after yet another winter weekend break, with a Hermès tie covered in little animals straight out of Noah's Ark, the managers from those golden years, when asked, affirmed benevolently: "You see, I like to have fun at work!". Easy: markets growing continuously, local competition tamed, salaries permanently rising – bolstered by large bonuses and multiplied by amazing stock options. The only thing missing was getting bored!

Now people laugh less, their faces are tense, a job is a daily battle, the competition is multi-ethnic, ruthless and follows no rules. No sector is spared. Stomachs are empty, and so are the garbage bins. The sting of unemployment has been felt by everyone. There are no households that don't have a relative or a friend who is unemployed. Those who have a job are fortunate.

CHANGE OF PERSPECTIVE

For years, with their noses in the air, always looking around to see who was doing better, who was earning more, whose career had advanced more. Jealous, dissatisfied with their own situation, often frustrated, with an unhealthy feeling that they were not esteemed or valued by their company. Unconscionable careerists. Even more so in their ceaseless searching.

Now it's totally different. And how! People suffer and they console themselves by looking down, at who is worse off they are. There are many – always too many – of these. What seemed, until a few years ago, just a small job, is now a lifeboat, a job which pays a salary, a slice of good fortune. And that's fine – at least in comparison with those who don't have a job.

WORK IS NO LONGER TIRING

Previously it was tiring, stressful, requiring restorative relaxation, indispensable weekends away, invigorating gym sessions and spa visits. To compensate for incurable stress. Nowadays those who have a job no longer complain of excessive fatigue. Even those who are overloaded – because they are now doing the jobs of three colleagues who have been laid off – keep quiet, silent, heads down, never complaining. On the contrary, they are grateful. They have been saved from decimation. And the freelancers, the consultants? If they are tired, it's due to the effort of finding work.

CAREER HAS BECOME A MYTH

Growing, always growing, climbing the stairs of a career, not even stopping on the landings to catch their breath. Being promoted, becoming, hiring, moving, widening, overcoming. Manager, Vice President, Senior Vice President, Executive Vice President. Quickly. With a personal timescale which is very precise, progressing from management, to functional responsibility and, finally, reaching the coveted objective of general management. And if not considered for these roles – out. People moved companies and during that change they always negotiated better conditions. And then a better job with a higher salary was no longer enough. They also wanted a precise career plan: a six-year Faustian pact with outstanding remuneration. This was no process of slowing down – the brakes were suddenly jammed on. Those who had their seatbelts on, survived. The others were thrown out of the car. Promotions drip by drip. Middle management careers stretched out to the point of exploitation. Now what counts is the content of the position, the project it is a part of, its sustainability over time, the value of the job one is learning. Know-how, rather than wanting to be something.

YOU CAN'T ONLY LIVE ON THE TALENTED

And yes, they have also been engulfed by the wave. Cosseted, courted, sought, loved. Even an object of war: the talented. A modern evocation of the Rape of the Sabine Women. The cutters want numbers, heads, mass carnage. The talented are not spared, giving a lie to the myth that they are untouchable. Often too expensive, difficult to manage, in need of continuous care and attention, constantly on the lookout for growth and challenges. A luxury that nowadays few companies can afford. So they depart, often abroad, to developing markets, joining organisations that appreciate their creativity and flexibility. And so companies become accustomed to moving forward through others – those who were not seen as talented – the "normal", those who get things done, those who have a job, those who have known the company and the markets for years, those who achieve results every day, even if on a small scale. These are the reliable middle managers, in the trenches, who help the company to survive. After the storm has passed, maybe the talented will return. Certainly more mature.

NEW RULES OF ENGAGEMENT

Work is an essential necessity. Losing it has become the rule. Finding it – an historic mission. Few jobs available, many – too many – job seekers. The good old days are over, when managers had an embarrassment of riches in terms of deciding which job offer to accept. After that, they could enjoy taking part in a benevolent negotiation which, without fail, always ended to their advantage. Now, when one is seeking work, the order of the day is not just flexibility, but maximum flexibility. Everything is back in play: remuneration, position, reporting level, responsibility, autonomy. Logistics are not even discussed. Unusual contracts are drawn up which, in substance, offer less protection than national management contracts. There is a cascade of contracts by project. Permanent? Maybe later, let's see. One consoles oneself by feeling a bit more Anglo-Saxon.

NOTHING IS TAKEN FOR GRANTED

"Twice in the dust, twice on the altar" – declaimed Manzoni in his Napoleonic Ode. Their view clouded by power, perhaps protected by results, fawned over by courtiers, adulated by consultants, they ended up feeling indispensable. A sad illusion for many managers! Liken drunken knights, they brandished the sword of restructuring, considered to be a "mandatory action", adopting an attitude of heroic courage. Unseated, weighed down by armour that offered misleading protection, they lean on their useless swords and survey the field filled with the fallen, shocked by their sudden and unexpected loss of power. It is then that they understand that when someone has power they must manage it wisely, with sensitivity, treating people with equity and respect, and forming relationships based on fairness with those who might be able to help the unseated knight to raise himself up again. The armour of arrogance reveals itself to be a pitiless burden.

THERE IS NO SHAME IN ASKING FOR WORK

Jobless. Never, not even for one day. Leaping from one company to another. One sniff of anything burning and you changed jobs. If a hoped-for promotion was delayed you were off, without waiting. Impatient surfers waiting for the most exciting wave. Never find yourself unprepared. CV sent out as if taking a pot shot, before sitting back and waiting for the calls before choosing. Always staying in circulation, never getting off the merry-go-round. Those who remained unemployed felt as if they were plague-ridden – even the caretakers of their apartment buildings watched them with suspicion. Asking for work? Unthinkable! Tenaciously waiting for the call of salvation. Things are different now. The order of the day is to search, propose, ask. Without ever losing dignity but to ask, and often. Actually, it is now seen as arrogant for those who, having no work, make no effort to find it. Given that opportunities are rare, the hunting ground must, by necessity, be widened: moving out of one's own savannah. The Bourbon practice of protecting oneself through the influence of the powerful of the day reveals all its limits. Information is more useful – an indication of where the opportunities are to be found. The network of professional, transnational contacts is the engine of this virtuous circle. From recommendation to reference: an ethical metamorphosis.

A PAGE IS TURNED

2015, sunrise on the ruins: the return of PIL +1 (I anticipated this in a previous article, published in October 2012 in this periodical). It was over – the longest crisis management had experienced since the word "manager" had been invented. A real war that has decimated the profession. Reconstruction will be slow, but the first positive signs are that the trend has been reversed. Wars turn everything upside down, but they strengthen the surviving generations. And, even for the managerial class, an epochal change is under way. This has brought the value of work back to the centre of things, scaled down unfounded ambitions and reset inglorious and excessive remuneration. Now that the overwhelming aroma of cheap money has been exhausted, the delta of wellbeing is slowly draining, with few streams as tumultuous and abundant as before, but with surroundings, a vast land of dried out rivulets, that only the perspiration of work will be able to slowly yet tenaciously make sparkle once again. With real riches. More seriousness, more awareness, more respect, more credibility: solid foundations for an upright reconstruction. Welcome back, common sense!

RESTRICTED HORIZONTALITY

Confusion, so much confusion. Would that it ruled. Instead it disorientates, it shocks. Consumption, investment, professional choices. Even the basic prerequisites for getting a job are fracturing: there is a sharp drop in the number of graduates and university enrolments. The end of the "obligatory" degree as a professional passport: children are often less cultured than their parents.

Now that the greasepaint has dissolved away, a relationship of mutual trust with the banks is just a crumbling facade. Even though they do not pay, Post Office deposits are a better bet, because money must be protected and it must be available. On the other hand, no one asked for interest to be paid into their piggy bank.

There is an attempt to resuscitate the economy through the drip of financial stimulation, although it is difficult to find the vein of any virtuous circle of renewal. There is a risk of cholesterol from the accumulation of unproductive money.

Submerged items are fished using nets of tighter and tighter mesh, that only bring darting little fish to the surface. A mixed fry that does not satisfy. Depth charges are needed to hit the big fish, that remain on the seabed of the Caribbean, in paradises prohibited to destroyers.

Everything abounds: raw materials, gold, steel, oil, money. Yet "she" is absent and the hunt is getting desperate. Unable to create her, they try to import her (though not that unhealthy type found in certain countries). But she is nowhere to be found. Battled for years as an economic disease, today she is invoked as a panacea: inflation! But there's confusion…

Dizziness and uncertainty that strongly affect even the managerial classes.

A swampy sludge that envelops, slows, enervates. The rare companies that are looking for managers are doing it in slow motion. They meet, see and interview candidates but in the end they don't select, they don't decide. They wait. For what, no one knows. And so those managers who already have a job keep a tight hold on it, they're hesitant about change, they're worried. Some ask for a trial period, others avoid it like the plague. Those without work are the most flexible. Sometimes *too* flexible. Which can cause their future employers to become suspicious. Interminable selection processes. This is justified by saying that everything has changed, perceiving this discontinuity as a crisis, rather than assessing the potential opportunities.

And it is true most of all for those working in international markets, that the business world has become ruthless, that only those who excel have a chance of surviving and growing.

And this requires great attention to the allocation of resources. There is no longer time for investing in re-launching non-performing activities. All efforts must be concentrated on sectors where one is already strong, with the aim of becoming even stronger. With tenacity and rigour. And this also applies to human resources. With a selective approach that might appear tough, and in fact is, but there is no alternative.

Stubbornly, comparisons continue to be made with 2008, because in reality it would be great to go back there, without understanding that that world no longer exists and that it is now time to see 2009 as the year zero of a new cycle.

Company bosses have such terrible responsibilities! Now, paradoxically, all information needed to do good business is readily available. No one can say any longer: "I didn't know!". What is needed, instead, is the courage to say: "I didn't *understand*". I didn't know how to look ahead, I didn't see things through others' eyes, as mine were out of focus because they had been overly influenced by the past.

The talk is of the need to change, and change management projects proliferate in companies; these influence organisational culture and require enormous energy to implement. This bears witness to the fact that very little had been done in this area for too long. What should have been a continuous process of evolution of organisational structures has now become a project for a new CEO, who has to make up for lost time.

Going back to the past, the knowledge that "it's always been done like this" no longer makes sense, removing not just points of reference, but also energy. And a lot of managers are out of breath. The younger ones ask for advice, receiving the laconic response "follow your own path". What a pity there's no destination to program into the sat nav. The more experienced managers go to head hunters who, like experienced hairdressers, advise a CV makeover: cutting, trimming, adding a touch of colour, strengthening, paying attention to nuances. Yes, even that old, much-loved CV is updated. It is no longer a listing of career stages connected by a hypotenuse. Now it must be a story, an account that also explains the reasons for any horizontal movement, any career pause, any unexpected break. CVs are greatly appreciated if they demonstrate tenacity, strength in difficult moments, and the will to start again and to commit oneself. In other words: resilience. And it's all there, set out on that piece of paper that is clicked on many times, a past that can no longer be re-written, made up of choices whether willed or not. An indelible tattoo. They say that beyond the CV it's the person that counts. The opposite holds equally.

The market today is tough: companies want to acquire clear and solid competences. By sector, by function, by role. Real ability to get things done. Hiring is seen as an investment whose risk must be minimised. Everything is targeted, leaving less room for unusual, creative profiles.

A CV as a pass for exiting a role, and accessing as many new opportunities as possible. That, however, is what managers want. They are ready, thanks to their self-assessed managerial and leadership abilities, to cover the most disparate roles. Encouraged, in that sense, by the examples of ex-McKinsey consultants, who are highly valued in a development context. "Procter" managers, sought-after in that they come from one of the few companies that train. GE, noble brand with a noble pedigree. Not to mention the CFOs who, in the darkest years of the recession, were entrusted with major top-level roles in order to soothe the dreams of bankers. But with transversal, horizontal aspects limited by Italy's culture. And that will be even more, given the trends under way.

It all started, however, with a tremor, small settling shocks, little cracks, long, jagged, initially worrying. Then the fault opened, deeper and deeper, wider, impassable. It literally divided the managerial classes in two; those who worked for companies only present in the domestic market and those who worked in international markets. We speak of reality with totally different trends, speeds, rules of the game, cultures, approaches, competitors, growth rates, reactivity, mental openness, criticality and complexity. Two worlds that require and develop managerial competences that are barely comparable. Two worlds that find it harder and harder to speak to one another. This is key for the young: to know what destination to set on the sat nav: Italy, or the rest of the world?

Managers trained in a local reality who finds themselves in great difficulty in international environments, and managers who are used to working abroad and who are no longer prepared to see their scope of action limited to the domestic market. We may talk of blocked horizontality. Severely damaging for Italy which risks suffering, in the years to come, a spectacular managerial impoverishment. In contrast, attracting solid managers in shareholder companies, offering them competitive remuneration packages, or in family-controlled companies, guaranteeing clear corporate governance.

A country that since the crisis of 1992 has abdicated its role as an industrial "power", progressively reducing its investment in that area. And from being in fifth place, it now struggles to stay in the top ten.

A country that in the current environment, is recognised and respected at international level most of all for its transversal brands in sectors like clothing, foodstuffs, furniture: with products sought throughout the world, admired for their quality, style, innovation and taste.

It is from renaissance that our hands create value: the "power" of Made in Italy. And it is here we have a whiff of the podium.

THE ESSENCE OF DIMENSION

In some way even governments, just like companies, have their KPIs. Even though in reality one dominates all the others: GDP. These follow: debt, unemployment rates, poverty indices, public spending, inflation, etc. There is, therefore, a wholly understandable satisfaction when there is an increase in GDP. Or, in fact, genuine surprise when the increase is greater than expected. However, to describe the current level of Italian growth as a recovery would not only be far-fetched, but could also be interpreted as a lack of ambition. Which is even worse, in that it generates a palpable sensation that the country is positioning itself at a level of mediocrity that is far removed from some kind of Horatian "golden" mediocrity and is not attractive to the young. With whom a deadly game is being played, both for them and for the country. Having been enthusiastically advised to go off abroad, publicly labelled in a way that is hardly flattering, discouraged from graduating, terrified over their chances of receiving a pension in the future, they are now answering in a unanimous yet silent protest. The population of Italy is expected to fall by seven million people by 2055. A statistic used to make pension calculations. In reality, it helps to measure a collective drama. The truth is we are limiting ourselves, we have become used to "thinking small", we have no projects on a grand scale. Our objectives are short term, we're just looking to survive, everyone's looking after their own interests, there is disdain for the "country system": a concept that has been evoked for too long and without success, and never really pursued. The very mention of it generates a feeling of suffocation: it's hard to breathe. And it's true that in order to breathe we have to leave our country, although even Europe might not be enough, since it is only slightly less static than we are. We need to look at those countries that have ambitious global objectives, that are able to mobilise fresh energy, to motivate their ranks of young people and create a confident future.

China. Only one KPI: to overtake the USA, "whatever it takes". And the Chinese dragon is determined and is thinking big. They have built the longest bridge in the world, 50km connecting Hong Kong, Zhuhai and Macao. They have built the biggest radio telescope, 500m in diameter. They have built the highest suspension bridge, 565m high. They have launched a project to transform Beijing into a megalopolis with 130 million people and an area of 100,000 sq. m., and they have launched the Silk Road initiative. Those who built the Great Wall thousands of years ago have more than that on their minds today. But it is thinking big, not just the size of projects, that leads to greatness. Singapore, with just five million people, is currently the best example of this with its vitality and expanding influence.

"Sometimes life hits you in the head with a brick. Don't lose faith." said Steve Jobs. Even if one might cynically say that the bricks thrown at young people in recent years would be enough to build them their first homes, there still remains the theme of faith. They say we're coming out of the tunnel of the longest economic crisis since the war, in the knowledge, however, that many young people, now that the resources generated by previous generations have been used up, will struggle to exit that tunnel. We're talking about those millennials we've heard so much about, who run the bitter risk of being remembered as aspiring to earn a thousand euros a month. Also because a dim light won't be enough to guide them out – a great supply of energy is required. This is the essence of dimension that should not be forgotten and must be transmitted to them. Wider vision, great initiatives, audacious challenges, ambitious objectives. It's enough to travel back a few decades to find examples of this. When globalisation was an unknown word and the internet did not exist, the world seemed bigger because it was less well known, and no one could view on their handheld computer the smoke from burning Indonesian forests brushing Singapore. Then there were entrepreneurs who were daring and who extended themselves beyond the boundaries of their countries, driven by a yearning to create something international.

"I am chemistry!" was the epic phrase uttered by Raoul Gardini in 1988 when he launched his takeover of Enimont, with its 50,000 people and a turnover of 8 billion euros. And that was when he had taken control of Montedison in 1985 after it had become a world leader in sugar, starches and soybeans through repeated acquisitions in France and both North and South America. Also in 1988, Carlo De Benedetti launched his attack on Société Generale de Belgique, a listed holding company with stakes in around 1,300 companies, representing 25-30% of the Belgian economy. This was a fearless assault on one of the strongholds of the Franco-Belgian establishment. It was also in these years that the Orlando family, Florentine producers of copper through SMI, decided to aim at the European leadership of the sector. They went on a wild ride during which they doubled in size, taking out the main players in Spain, France and Germany. In 1990 Leopoldo Pirelli, after the failed takeover of the American company Firestone, tried to seize control of the German operation Continental, with the goal of becoming the fourth-largest producer of tyres in the world. A brave attack at the heart of German industry. In 1992 Italcementi took over Ciment Français, a French cement producer twice its size, that brought with it a strong presence in international markets and allowed the Bergamo-based company to make a big leap in size. At the end of the 1990s, the Novicelli brothers, manufacturers from Brescia of household goods under the Ocean brand, acquired Brandt, the number one producer of white goods in France, from GE. Brandt was followed by Moulinex, an historic brand that the French had considered to be untouchable. The result was the third-largest European operator in the sector, with 22,000 employees. Just five years before, its workforce had numbered 1,600.

We know that these operations faced various barriers: politics, finance, nationalist obstruction. However, they are testimony to the history of Italian entrepreneurs who dared, sometimes even too much, but who thought big and had ambitious goals: to double, triple in size, and to be big players on the international stage. This culture, this desire to excel, this impulse to test oneself, to try and, after making a mistake, to try again, should not be forgotten and should be imparted to young people. Large industrial groups have broken up over the last 20 years, and we are sliding towards a form of dwarfism that seems even more significant in light of multinational groups' global rush towards concentration. But if this contraction appears to be a phenomenon that is by now ineluctable, it should not condition our capacity to maintain an open-mindedness and our ability to dream. Brilliant managers focusing on their teams, gifted entrepreneurs who understand their own managerial limits, private equity funds that take a long-term view and an industrial perspective, start-ups not created in a spirit of being sold off as soon as possible, state-controlled companies managed properly, shareholders who don't only care about the value of their investments, companies that can compete at international level thanks to their excellent technology and product quality. These are the sources of energy that young people need in order to exit the tunnel. And not lose faith. Faith that, thinking on a big scale, helps one give value to the things that one does and make them important, whatever their actual size.

SECTION 3

THE GENERATIONAL ASPECT

In order to understand the evolution of Italian managerial culture, it is unthinkable not to take into consideration generational change and the impact this has had on organisational choices. For almost fifty years baby boomers have dominated the management scene, occupying top management positions in major Italian companies, establishing a strongly masculine domain and slowing down managerial growth in subsequent generations. Undisputed players, particularly in corporate restructuring, they have implemented a management style based on the concept of a strong man wielding power. This model steadily descended into crisis with globalisation, technological evolution, an increasing demand for decisional autonomy by young people, and the need to attract the best resources. This has led to the development of new leadership models, the goal being to adapt them to the changed market conditions and the expectations of the new generations. As far as generations are concerned, politicians, economists and sociologists tend to concentrate mainly on future needs, often leaving current problems in second place and, therefore, too many issues unresolved.

The articles in this section underline the importance of paying due consideration to the various generational trends when deciding on new management styles.

YOUTH: THE REDEMPTION OF A GENERATION

It seems incurable. A raging fever shows that the terrible epidemic continues to spread. It bites the tender flesh of the young, with their low levels of immunity. Having long since exceeded the limits of decency, and denounced publicly as unacceptable, the level of youth unemployment is allowed to fluctuate freely, and is often used as an indicator of the malaise afflicting a certain category of young people. In reality, it measures the failure of the generations who created the conditions that allowed the disease to spread and who now seems unable to find a cure.

These generations, on the altar of the gods of business and in a frenzied orgy of money, have unscrupulously sacrificed all sense of guilt and responsibility. The repeated calls to do more for young people bring only echoes, lost in the mortifying resignation of one party and the growing indifference of the other. Only when the generation that have managed businesses in recent decades through the creed of value creation for shareholders understands that employing young people in their organisations is critical to keeping their companies afloat, will the epidemic be fought with determination and the fever reduce rapidly.

> "This life's dim windows of the soul
> Distorts the heavens from pole to pole
> And leads you to believe a lie
> When you see with, not through, the eye"
> (William Blake)

THE BABY BOOMERS AND POST '68

Given the enthusiasm with which they are brought into the world, they are destined for a mission to build and develop. They grow up with the goal of becoming better educated and, at the same time, better off than their parents. Not happy with the way of life surrounding them, and rebelling against all forms of authority, in 1968 they launch their movement – the first global phenomenon.

There is no internet, but messages spread through multimedia channels: the music of Joan Baez and Bob Dylan, speeches by Cohn Bendit, Che Guevara posters, Mao's Little Red Book, news reports from Vietnam. Low-cost airlines do not exist. You fly with LSD. Social life is demonstrations, university occupations, concerts. Everything is shared in the community.

Having cut the umbilical cord with the past and sobered up from the binge of student protest, the young put themselves to work, with starting salaries and job security that give them access to mortgage finance. The best, moulded along the lines of Leo XIII, raised in Bocconi or at the Politecnico (University of Milan) and gilded at prestigious American universities, launch themselves into business administration. The preference is for foreign multinationals that can ride the wave of market growth and increased consumption, buying companies hand over fist. The order of the day is diversification rather than industrial strategy. There is no shortage of financial means – all that matters is keeping ROI high. Diversification brings many general manager positions, excellent opportunities for ambitious young managers with an entrepreneurial spirit.

Growth, however, is not always the wisest course. Inflation goes from 4.9% in 1970 to 21.2% in 1980. Instead of trying to tame it, everyone prefers to leap onto the tiger's back while it devours value. And so the 'scala mobile' (salary escalator) is invented – the guardian angel of workers' buying power, and demanded by both the management class and the unions. To grow, you have to consume. But that's not enough. People also want to be better off than they were before. So following the oil shock of 1973, the response is the launch of 'baby pensions' in the same year, at a cost of 0.4% of GDP. The 'female quota' retires to private life after 14 years, six months and one day of service.

But it is in the 1980s that the desire for across-the-board affluence begins to spread. Expenditure is of no consequence: public debt rises from 65% in 1983 to 121% in 1996. Meanwhile the Baby Boomers have become parents who accompany their children to international schools, loading their shoulders with backpacks filled with books. The smiling Generation X does not yet know that these will all too soon be replaced by public debt.

Meanwhile, once the intoxication of diversification has worn off, companies organise themselves into business units, grouping activities together and eliminating many general management positions. This is the response to the need to concentrate efforts, to improve market segmentation, to be more incisive in creating new needs.

Commercial television spreads rapidly, spending on advertising grows: consumption creates pleasure. Especially if it is a lot. The myth of Saturday afternoon at the supermarket is all the rage, where shopping trolleys jammed together like trucks attest to a wage packet's spending power. While unloading their shopping into their station wagons, families ask themselves why there is no freezer for frozen products, in place of the spare wheel. Everything is stored in fridges as large as walk-in closets, the management of which divides families into supporters of LIFO and supporters of FIFO. Consumer fever has no bounds. Top marketing experts point towards the bloated bellies of consumers. In cinemas huge tankards of soft drinks of Oktoberfest dimensions appear, along with tubs of popcorn the size of basketball hoops, real feeding troughs for families of rodents, whose noise not even the soundtrack of Apocalypse Now can drown out. And so much greed, of which even Milan wants a taste.

The 1980s go down as the era of appearance, the 1990s herald the years of individualism. In 1992 the lira is devalued by over 20%. False illusions of a growing competitiveness, that is destined to decline due to a lack of industrial investment to support it. The carefree bonanza of the 1980s, that has something for everyone, gives way to a more selective market in which there is something only for a few. Everyone is looking out for themselves. And trying to do it to the maximum.

Once again businesses adapt and change their structures. They abandon the phalanx structure of the business units and organise themselves into testudo structures according to business function.

There is a need to be more incisive, to reduce costs and centralise command. Having consolidated their position, the Baby Boomers adapt perfectly to the new rules and they do so even more voluntarily, as long as the reins of management remain safely in their hands.

These are also years that ooze technical innovation. In 1990 Sir Timothy Berners-Lee from Cern invents the World Wide Web. In 1990 mobile phones begin to spread and in 1994 Omnitel is born. In 1995 the first Play Station is launched and Windows 95 is released. And the internet trumpet sounds! The cavalcade of young Generation X'ers heads towards the promised rland, all of them with their own dot.com flag to plant on the back of the bull market, counting on an imaginary resistance. The desire for payback predominates, to show that they also know how to make money – a lot and even more quickly. An attempt to affirm a social identity that is not yet clearly outlined.

The millennium arrives in hope, but around the corner lies the abyss, into which many fall at full gallop. The Nasdaq crashes, the twin towers fall, consumption collapses, as do the markets. It is the point of no return.

Companies run for shelter. After the ill-founded share prices of recent years, now the excess is sold off at knock-down prices, the focus is on core business and decentralisation, activities are outsources, general spending is cut, companies become leaner. The markets reward the cuts. The order of the day is to do your job well. An amusing discovery. Those who made money from stock options during the good times now change the rules and find new ways to incentivise, ensuring they never miss out. It is the final assault on diligence. More selective wealth, too often unjustified.

Power is firmly in the hands of the most experienced managers who, to steer the ship through the storm, centralise all decision making levers. Organisations become inexorably verticalised in the search for augmented specialisations. The already-stretched tangle of consolidated business/function matrices are progressively torn apart by geographical expansion. Globalisation explodes. Repairs are quickly attempted and a plethora of processes are launched. Horizontal, vertical, transversal, in whatever direction, creating as a consequence multidimensional nodes that inevitably become blocks to decision flows. The response to external complexity is to create internal complexity, in order to maintain control.

And so, out of breath, we reach the tsunami of 2008, that marks an unforeseen generational defeat.

Undeniable protagonists of forty years of economic and management life, the Baby Boomers risk leaving a charming legacy: 40% youth unemployment.

DIGITAL NATIVES AND POST 2008

Facebook is launched in Italy in 2008, and the phenomenon attracts around 30 million users. This is also the year when the young begin to realise that they no longer see adults as role models. This is either because the adults have been successful and have earned more than the young will ever manage to, or because they find themselves in the distressing situation of being excluded from the job market. This time the breakdown is not expressed by protest demonstrations as it was 40 years ago. Much more simply, the young go online, where they socialise, exchange ideas and share values, some of which echo those of 1968. The youth of today also shy away from the concept of established authority, preferring leadership instead. They appreciate all the advantages of globalisation, without suffering its complexities. They have a natural tendency towards sharing and cooperation, based on transparency and mutual trust. They are fast, reactive. They think unconventionally, communicate without limits of space or time. They appreciate spontaneity and creativity, generating through this an interesting parallel with the thinking of Marcuse who inflamed the passions of the movement of 1968, speaking of “power to the imagination”.

It is redundant to ask ourselves whether businesses today have a need for people with these characteristics. People who also have the great virtue of being excellent and widespread market terminals, able to understand in real time the changes, which have been to say the least radical, in many sectors.

These days, someone who was once called a consumer has now become an expert buyer who compares prices, explores the internet before purchasing, sometimes has a deeper knowledge of the product than a salesman, and chooses the best channel to make a purchase. It is no longer the company that launches a product and creates demand, now it is the customers who demand that companies satisfy their needs. And this has to happen rapidly, extremely rapidly. The ability to innovate continually has become the only real competitive advantage: the concept of durability has vanished. Online information is available to everyone. The winners are those who can unearth it, read it, interpret it and develop product and service solutions more rapidly than the competition. A doubt immediately arises as to what extent companies are currently structured so as to satisfy the market's requirements as these appear. These needs force companies to put into practice, within their structures, maximum flexibility, decentralisation of decision making, rapid response, continuous experimentation and the pragmatic management of errors.

A DESIRABLE SCENARIO

One often speaks of challenges. In this case, however, the term seems reductive. Companies are required to make superhuman changes, bearing in mind traditional resistance and the scale of the transformation needed. Only the large-scale hiring of young people, who have lived with digital since they were born, will allow companies to evolve and to create the organisational structures of the future. This means hiring young people not because it is seen as a way of reducing the average cost of staff, but rather as an essential investment in the company's success. Employment supported by Generation X managers who can guide, give advice and facilitate an environment within the company that allows young employees to fully express their potential. Not an easy mission, given that there is no clear alignment of values. It is, however, essential to give young people a sense of having a central role in the process of change, rather than make them feel they are a convenient replacement for an existing job, but at a lower cost. And then to discriminate, in the management of personnel, between human capital and human resources (to borrow financial terminology: fixed assets and current assets). Capital is consolidated, competent, traditional and reliable. Its main needs are constant maintenance, updating and fine tuning. It represents the past and the present: it merits respect. Resources represent freshness, innovation, experimentation. They need to be supported, guided, motivated and monitored. They are the future: they merit attention. Investing decisively in these two areas is a courageous choice and is within the reach of many Baby Boomers who still occupy senior positions in organisational structures. A hope for the young, an opportunity for businesses and for management, and the possible redemption of that generation.

CAREER: A GENERATIONAL QUESTION

They are undisputed leaders. They choose their colleagues on the basis of their personal assessments, they make decisions without worrying about the surrounding conditions, they forge directly ahead. It doesn't matter to them whether they are successful or not. Hated or loved by enemies or admirers, they move forward, paying attention to neither criticism nor praise. They have-larger-than-life personalities, and physically dominate the arena. They have a very clear idea of what it means to command. Whether they are admired or feared is of no interest to them: it's all about power. They don't need to listen: they already know what needs to be done. An unusual leadership model, yet four powerful figures dominate the world. Donald, Vladimir and Xi for earthly matters. And Francesco, for the spiritual dimension.

They represent a leadership style that contrasts with that professed by the business world with its focus on consensus, the sharing of responsibilities, wide participation, pervasive collectivism, and all-encompassing globalisation, in which leadership initiatives spread like an oil stain. Courses, defining models, training, team. Objective: a great handing out of leadership medals to an army of managers lined up like cadets. The ideas are not always clear, but action anaesthetises any sense of blame for not knowing the right direction to take. This is unsettling most of all for the young, as they seek to disentangle themselves in a jungle by hoping to grab hold of the right liana vines. The jungle is the world of work, surrounded by the desert of unemployment where, rather than a liana vine, they seek a cobbled-together job that will allow them to survive until the next oasis.

But what should one grab hold of to move from one job to another, to move fast, to fly higher? To know how to fall, without hitting the ground, and then start again? In short, to launch a career. And (why not?) to be a leader.

THE GOLDEN ERA

For at least thirty years the rules are clear. The huge batch of children produced after the war enter a world of work that was organised on the basis of the only model known at the time: the army. Strong respect for hierarchy, solid initial training, guaranteed career advancement to match seniority, a growing number of people to manage. A phenomenal system for the world of industry. In business the word "boss" evokes the idea of power regardless of the size of the area controlled: attacks by the unions spare no one, even those only responsible for a production department. The process of management is simple and linear: just one boss who decides and commands. The other bosses execute, issuing orders. The firing of a manager who does not fall into line is, basically, an exemplary execution. An Italian model of authoritarianism used to run huge companies, whether public or private. You climb by holding on to the vines of power and command. But you climb.

Those who do not want to serve a master or a politician find ample space in the myriad multinationals that have landed in Italy to cultivate and harvest the local consumers. A golden era dawns for young managers. Well educated, with masters' degrees, they enter the international arena in the vanguard at management level. Agencies recruit them, train them through carefully timed job rotation, before launching them into a rapid career climb. Experience in the marketing area is a priority, where strategy is really forged, followed by the standard move into sales. Soon, many supermarket shelves are sucked dry by hordes of thirsty consumers. Rapid experience abroad before returning to Italy in top management positions. The meritocratic environment rewards personal abilities and talents. There is internal competition, but this is healthy, there are opportunities for everyone. Managers learn to work in teams with shared responsibilities. The concept of hierarchy is watered down, we now speak of leadership. And in the meantime a real managerial class is created that has a taste for the substance of a role and for professional development. Management positions rain down on thirty-somethings. Capable and ambitious young people leap from agency to agency looking for increasing responsibility, gripping the vines of professional diversification – their route to a brilliant career. The rules of the game are clear, as are the steps. Markets are growing – it is almost impossible to fall and hurt yourself.

THE MIDDLE ERA

There is a change of scene in the 1990s: the state begins a privatisation programme, industrial entrepreneurs reduce their holdings in their own companies, and the multinationals centralise decision-making – draining responsibilities from local management roles. In addition to these structural elements that change the background scenario, other factors have an additional impact on the world of management: the growth of private equity, the rise of the mobile phone, the dot-com revolution.

Seemingly different from one another, they have one common objective: to make managers rich. And we are talking of business realities that have nothing in common with traditional salary dynamics. They break the bank: it's enormously attractive, staying out wouldn't be sensible. Companies that risk missing out on the best talent launch aggressive retention plans that help inflate the salary bubble. A sense of reality is lost. Making money seems more important than making a career. And everyone's involved: seasoned managers, particularly in demand for LBO operations and younger managers hoping to make the deal of their lives by going with the flow.

Meanwhile the markets are not growing as they were before, companies are restructuring, the phenomenon of emigration has begun. The prevailing individualism finds a valid justification in the accumulation of wealth. Finance is pervasive, the managerial culture is watered down, the "return" becomes the mantra. Managers' objectives are now short term, there is less time to support colleagues' growth, the team is chosen on the basis of the business plan, the future of the business is summed up by just one financial indicator to be launched on the market in a search for the maximum multiplier. Holding onto the right vine becomes the key to climbing the tree to Cockaigne.

And meanwhile the threshold is crossed into a new century. The rosy promises of dot-com fade after a few years, excellent entrepreneurial dynasties monetise industrial assets, financial markets crash, a flurry of sackings begins. It's every man for himself. The jungle is shrinking. The trees are thinning out. Everyone is holding onto the trunks of those trees. Competition is fierce, the number of vines is decreasing. Changing jobs and developing a career requires more effort and takes longer. There is an increased fear of grabbing the wrong vine that, breaking, hurtles you to the ground, where you then risk ending up in the desert of unemployment. Carving out a career becomes complicated: companies delay top management appointments, cut investment in training, and focus on the short term. Having a job and therefore an occupation already seems like a privilege. The greatest care must be taken when asking the company for a development plan. Expectations are lowered as are remuneration packages.

It would be understandable and acceptable, if there was at least some clarity over what direction to take. There's always the same answer to questions from aspiring managers: find a job abroad. Behind this common sense statement is a poverty of ideas and a lack of confidence in the country. And it is this, much more than the prospects for employment and career development abroad, that gives rise to the phenomenon of collective flight. Those who remain are told they need to show the greatest possible flexibility, healthy opportunism and experience in horizontal functions. Discontinuity in the career path becomes customary, passing almost unobserved, and another vine is soon found, so that there is no risk of being lost deep in the foliage of the jungle. Compromises are acceptable.

As for the companies, there's a huge bustle to prepare for 2020. An effort that in reality implies an unconscious desire to end thirty years of unexpected instability, characterised by growth phenomena mostly linked to re-inflating speculative bubbles than to the real economy, reset by sudden falls and with disruptive consequences for the world of management.

THE ERA OF THE FUTURE

Reasoning in thirty-year cycles carries the inevitable risk of oversimplification, which can be mitigated if generational phenomena and their impact on management culture are taken into consideration. From this perspective it is impossible to ignore the key role played for over half a century by the baby boomers (1946-1965), who had the never-to-be-repeated good fortune to grow and develop in a period of maximum economic expansion, enjoying solid careers on a linear track. In addition, accompanied, protected and shown the way by the prior silent generation (1925/1945), who had been heavily influenced by wartime events. The baby boomers, then, were the first managerial class and the real backbone of companies, and later proved to be a key factor in the cycle of economic downturns. However, as the years went by, their excessive opportunism and urge to take centre stage, supported and encouraged by the shareholders, enabled them to progressively entrench themselves in key positions, at the inevitable expense of the following generations. These generations found themselves developing their careers in an economic environment characterised by great uncertainty, with the world of business contracting with a consequent reduction in the number of management positions. And efficiently overseen by the ranks of baby boomers who, propelled by economic crises and the need to restructure, redefined the rules of corporate governance, centralising power, reducing delegation, and draining many peripheral positions of their responsibilities. Also supported, in doing this, by the need to offer a coherent organisational response to the process of globalisation.

So it has not, therefore, been easy for these generations to find space in a management environment that rewards seniority, the development of professional competences and experience in the field. Most of all by investors and shareholders, orientated towards a management model focused more on limiting business risks than on meeting the challenge posed by ambitious targets. A few, however, have managed to emerge, thanks to their gifts of adaptability and flexibility, their own intuition, and their ability to manage their own development in a way that is more entrepreneurial than traditional. All of this with a certain amount of aggression and initiative. Progressively distancing themselves from the baby boomers' management models, which are rightly seen as never-to-be-repeated and therefore unviable. And showing, as well, a certain critical attitude towards a generation that lived through an economic period of great privilege, capitalising on this decisively to their advantage without worrying too much about the sustainability, in the long run, of the economic and financial model, and not, therefore, facilitating any process to change or transform it.

The pervasive sense of a loss of points of reference, of enduring instability and insecurity, leads to forecasting in the short term, with the inevitable repercussions of a perception that solid foundations are not being laid for the future. Seen like this, it is not a particularly satisfactory analysis for generation X (1965/1979) and the millennials (1980/1995). This perspective changes significantly if it is realised that these middle generations can play a bridging role, guaranteeing crucial support to succeeding generations to help them create a new managerial culture, with career paths and leadership models that are significantly different from those in place today. This renewal is not only facilitated by their progressive emancipation from the conditions that are the legacy of the previous generations, that enjoy limited credibility from successes that are by now out of date, but also because they have developed resilience, openness of mind, international experience, the humility to learn and solid professional qualities developed in an extremely open and competitive market context. It is therefore quite possible to imagine a revision of fundamental values inspired by greater sensitivity concerning topics such as respect for the environment, a social dimension to companies, the disparity in remuneration within companies, the work-life balance, the development of corporate welfare provisions, a reduction in waste, a reasonable level of consumption, awareness of the value of money, and a predilection for being over having. With a heightened search for the real substance of work and for independence, to the detriment of status and power. The hierarchical scaffolding is dismantled in favour of a more inclusive management model. And at this point even the concept of career needs to be rethought, by viewing it as a normal development for those considered most deserving in professional and personal terms, rather than a competitive tender. Thirty years during which the jungle has progressively transformed into a forest, with trees that take more time to climb, moving from branch to branch. And the deserts are replaced by savannah, where there are no barriers and where everyone is able to organise themselves in a way that fits their own culture, rather than adapting slavishly to structural models focusing mainly on profit maximisation, developed elsewhere.

And leaders will be more providers of inspiration than managers, more condottieri than commanders, more aggregators than conquerors. Less hierarchical and more persuasive.

A utopia? A dream? Perhaps. But there is a need to generate hope, as the most respected and enlightened of the four powerful figures proclaims.

"Only those who are able to embody utopia will be ready for the decisive battle – the battle to recover the part of our humanity that we have lost". Ernesto Sabato

OVER AND ABOVE TALENT

PROLOGUE

Platform 20. The platform is packed. They're young, with open faces, smiling, many beards, casual clothes. While they're waiting some get to know one another, there is joking, laughter. They glance at the track – they're in no hurry. They know that the train will come and that it will be all for them. This is a trip they can't miss, the destination is unclear, but that's not important. What matters is being there, on that train.

The train arrives. The doors open. The passengers slowly get off. Greying hair, lots of receding hairlines, baldness. Proud expressions, lots of wrinkles bearing testimony to the many battles won and lost. They get off one by one so they aren't obliged to give way. They have descended from the peaks of their companies, exited from the reserve forces of the BoDs, glided down from their presidential paradises. One last moment of hesitation on the running board before taking a definitive step onto the platform.

The youngsters let them get off, watching them distractedly. They don't recognise the many faces that, for better or worse, have, for half a century, conditioned the way companies are run. They board the train. There are no classes, and there aren't enough seats for everybody. It doesn't matter, they take turns. The train departs, the journey will be long, no one knows what the destination is. All they know is that they're going in the right direction.

And this is how a generational change takes place. With the final exit of the baby boomers and the arrival of vast numbers of digital natives, the 2020s of this new millennium will see a big change in business organisations.

THE GENERATIONAL STRATIFICATIONS

The specific nature of the digital, for businesses, lies not in the fact that it represents a technological evolution which impacts ways of working and requires a reinterpretation of organisations, but rather in the fact that it brings with it a vast number of "young digitals" who have unconventional values, expectations and lifestyles. This is a crashing generational wave which is destined to beat against the lazy, flabby body of many companies that in recent decades have chewed on and digested various generational changes, seeking to soften their impact rather than absorbing their developmental impulses.

Using a method of interpretation that takes generational mutations into account can help to contextualise some of the previous transformational phenomena in the world of management and to reflect on those to come.

And, speaking about generations, we start with the generation that has been at the centre of the managerial stage for a number of decades: those well-known baby boomers (born between 1945 and 1960). They start to expand in the 1980s. Fluent English, double degrees, they think in terms of cash flow. They are aggressive enough to rapidly replace a provincial managerial class that had grown on the back of the "Italian miracle" of the 1960s, following a pattern of bureaucratic career development. Very young, they initiate their own growth, starting by occupying the most important positions in the top management of the subsidiaries of multinationals. Organisations that hold out include the state-controlled fortresses dominated by political logic and entrepreneurial businesses for which a management-centric approach is still alien.

Drunk on television advertising consumers spend, hooked on devaluation exports grow, financed by public debt the politicians subsidise investment, funded by social spending the trade unions placate their workers. More and more companies convince themselves that riding this favourable wave requires young managers with multi-company experience, some of which should ideally have been abroad. It is a unique and significant opportunity for managerial growth, and one which will stand out for the whole of a manager's professional life given that, in those years, being the boss of a company really means controlling and managing all its functions. Power and command are seen as a form of leadership.

Finding oneself young, in a management position, in an economy that is going strong, could make one think about luck. "There's no such thing as luck: there is the moment talent meets opportunity" (Seneca).

And even in a market context that saw, in the 1990s, a significant slowdown in industrial investment, there is no shortage of opportunities, for different reasons. Franco Bernabè (born 1948), appointed CEO of ENI in 1992, Francesco Caio (born 1957), appointed CEO of Omnitel in 1993, Corrado Passera (born 1954), appointed CEO of the Post Office in 1998. Just to mention a few examples. Meanwhile – especially in the multinational groups – we see the widespread implementation of the matrix organisation and the verticalisation of functions. If, on the one hand, this runs the risk of watering down the flavour of global power, on the other hand it represents an excellent opportunity to channel, by means of a specialist career, the young members of Generation X (born between 1961 and 1980) who, looking out on the world of work, are eager to gain a foothold, under the illusion that they can retrace the successful journeys of their own bosses. With shiny opportunism, they throw themselves into the "talent war", eager to have their own greyhounds ready to launch in the race towards the development of the internet.

The bursting of this bubble stuns, most of all, those youngsters who had seen the new economy as a rare opportunity for emancipation. Disappointed, and having grazed their knees in the fall, many seek refuge in the old economy, back in vogue as companies retreat back towards their core businesses. This does not easily gain credence in the strongholds of more mature managers, who have observed, perplexedly, those who were seeking the fastest possible route to affluence. "Toil to make yourself a person worthy of one talent or another" (Seneca).

In a stagnating market in which diversification has been eliminated, with organisations that are flat-lining, with globalisation exacerbating process verticalisation, with managers strongly entrenched in their command positions and who have their own job security as their number one objective, there's no alternative but to look for opportunities abroad. Those who stay or, actually, resist, look to develop in functional areas, seeking top-management jobs with direct contact with the number one, jockeying for position in the line of succession. And, to recompense for services and honours due, titles are awarded, including VP, SVP, EVP. Management and control: these are seen as managerial attributes.

One does, however, have a sensation of being suspended, waiting for better times that, however, are not on the way. The 2008 crisis, indeed, sweeps away many illusions. The markets fall, frighteningly and globally. And this is why we need experienced, strong, self-confident commanders, cynical enough to understand that the markets are thirsty for cuts. A lot, immediately. Indiscriminately. A bolt of energy for experienced bosses, a cold shower for aspiring new players. Who have no option but to adapt, patiently entering corporate talent management programmes and waiting for the years to roll by, in an environment that is evermore barren of opportunity.

Meanwhile the Millennials are graduating (those born between 1981 and 1995). This is the first generation to face, immediately, the multiple forms of precarious working arrangements that companies offer as an alternative to unemployment. Their initial search for work pushes brilliant new graduates into accepting whatever is available, even if it goes against their inclinations and aspirations. Pragmatism trumps dreams. Even though they have a large supply of employment contracts that can easily be cancelled, companies, proud of the in-house talent acquisition organisations they have built up, become increasingly selective in the young people they employ and develop, placing significant weight on competences – predominantly technical – as well as on notable operational ability. A model is perpetuated that privileges scientific and economics degrees from prestigious universities, rather than the humanities. And CV experience in renowned management-centric companies, instead of in entrepreneurial firms. This is the channel in which the talented are viewed as those who know their jobs well. ”No painter is worthy of praise who cannot do at least one thing well, be it a nude, a head, clothing, animals, the countryside, or similar details, for it shows no great talent if, turning to one thing, the thing he always creates, he does not do it well” (Leonardo Da Vinci).

The new arrivals are important to businesses in digital transformation processes, where their technological expertise stands out, together with the fact that they are not influenced by traditions. If they find the right environment, they are willing to dare. Encouraging them, not punishing mistakes immediately, can support their growth, both in and out of their comfort zones. On the other hand, a stagnating economy requires bold decisions to be taken in order to escape from this reeking quagmire.

And so it is that three generations find themselves cohabiting in structures that are often characterised by top management with strong individual power over the various businesses and by functions that through consolidated processes and systems guarantee the functioning and control of the company.

We are talking about a collection of rites, liturgies and balances worthy of the buttresses of a Gothic cathedral, which risk being somewhat indigestible for the new generation as it looks upon the world of work: digital natives, Generation Z (those born after 1995).

THE NEW GENERATION

Seeking space to express themselves, contained in what they do, business values, opportunities to make themselves count, the possibility to set their own professional path, the freedom to express themselves, consistency between actions and words, transparency in systems of evaluation. Remaining in the background, for now still fuzzy, are motivational drivers such as a career and its associated remuneration.

Attracting them, hiring them, motivating them, keeping them happy, keeping them in the company. This is not easy for companies that over the last forty years have in fact shown significant immobility, oscillating cyclically between centralisation and decentralisation, between functional organisations and those based on business units. And which continue to use people-management methods that are rooted in category parameters: executives, middle managers, white-collar works, blue-collar workers. Broken down vertically on the basis of the logic of business units or functions. Losing, in that way, a horizontal view of the generational stratification present in the company and which would necessitate, however, specific approaches and dedicated HR figures. Professionals attentive to listening, who are able to read unexpressed states of mind, to accompany people and orient them by seeking to match their ambitions to their actual potential. Stitching together rips to protect corporate culture and values.

An important role, above all because a new wave of youngsters is arriving whose relationship with the company is articulated on a daily basis by logins and logouts. In fact, work is lived more as a relationship with the company than as a contractual obligation. It must, however, generate satisfaction and feed expectations for development if it is to be productive and long-lasting. If a relationship ceases to be stimulating, another is sought. In this context, once again in the search for talent, companies have developed job offers with attractive packages. Basic remuneration is accessorised with a wide range of welfare options. The new environments, which have in fact replaced the compartmentalisation of offices, are open, fluid and organised in work islands – a bit like nursery schools. Smart working helps in the management of family life and is ideal for avoiding weekend traffic jams for those escaping the city. Nice, pragmatic initiatives, but perhaps not enough to create a real link with people who are clearer about what they do not want to be than what they actually want to be. They are looking for companies that have a real mission, consistent with their declared values and actions, a desire to renew themselves, strategic courage, and that demonstrate equity and respect.

OVER AND ABOVE TALENT

Companies have always tried to hire those who in the past were simply referred to as "smart youngsters". Subsequently becoming more sophisticated, they were then called "high potentials". Then, after the famous McKinsey study of 1997, the term "talent" spread rapidly. A bold definition, if one thinks of the respect historically accorded to this term. "The talented hit a target like no one else can hit it; a genius hits a target that no one else can see" (Schopenhauer).

Given the profuse and great efforts made by the more structured groups in the areas of talent acquisition and talent management, it is surprising that there is a declared and acknowledged lack of leaders within these groups. The product being so difficult to cultivate at home, it is necessary to resort to importing it. No search is ever awarded to headhunters that does not contain a request for "notable leadership" on the part of the candidate.

A long checklist used to see where any mistakes are being made in the process of hiring and development. Right at the top are the parameters of selection and evaluation. Which too often are conditioned by previous tradition and experience, and are therefore poor predictors of future needs. Known models tend to be perpetuated, almost as if to confirm the value of those in existence and the implicit validity of the management in place. Breaking up this structure means having the courage to bring in people who are "atypical" of the corporate canons, looking more at the contents than at the packaging. And so not necessarily being conditioned by the "curriculum studiorum", but taking into consideration generalists and not only specialists, placing emphasis on personal interests and the mental openness of people. This means finding out who is able to communicate with the different generational strata in the company, who is ambitious enough to make a contribution beyond that required by their specific role, who is showing a horizontal interest in activities outside their area of specialisation, and who is humble enough to admit their errors and to quickly correct mistakes. Understanding who is curious. "I don't have any particular talent, I'm just passionately curious" (Einstein).

Looking back over the last 50 years of management history, the top positions were filled by managers who had interpreted their roles differently. We saw managers focusing on power. Managers focusing on management. Leaders enticing us with their personalities. Now, in order to face the challenges of the 2020s, which will require an ability to manage companies in which different generational strata cohabit, to redesign organisations in an unconventional manner, to implement discontinuities in management systems, to review the mechanisms of engagement and reward, it is worth asking whether in future people will be more useful if they have a management style that is different from that of the "muscular" boss, the "ascetic" boss, the self-referential leader. Perhaps people will be needed who see their role as that of a guide who pays attention to listening, and who is able to understand and to lead. A guide who has a very clear idea about the destination towards which the whole organisational train must be oriented, in that they must be able to perforate the various generational strata, understanding the specifics of each layer and the fact that the hierarchy, the power, the hyper-structure, the far-reaching processes, the enthusiastic procedures could be baggage that is too heavy for young people who want to move fast and feel free. A guide who should not lack a good dose of charisma if they are to be recognised as a leader.

Maybe this is the moment to look beyond talent and to look for those who are atypically charismatic.

SECTION 4

THE IMPORTANCE OF VALUES

The theme of shared values has always been important in the relationship between employee and company, and between manager and boss. Slowly but surely, motivational levers such as salary increases and career development have weakened over the last ten years, given the severity of the economic situation. The importance of values has, therefore, taken on increasing significance, which has been confirmed by numerous recent proclamations made by companies on the topic of "purpose". Long-term sustainability, paying attention to environmental matters, containing social imbalances, focusing on employee well-being and reducing salary differences have, increasingly, become matters of strategic importance for companies, both because of their external aspect and because of the way they bring together and motivate employees. Awareness of the importance of a company's social role has emerged, in all its glory, during the pandemic. Some companies have shown that they are better prepared, others less so, but in general it may safely be said that a new approach has arrived, based on the concept of "people centricity".

The articles in this section deal with the topic of the significance of a corporate culture based on unifying values which are extended to wider society, keeping generational trends and changes in mind.

TEAMING AND RESPECT: THE FOUNDATIONS OF BUSINESS MANAGEMENT

The hangover has worn off, the companies have been restructured, industry can once again regain its role as an agent of growth. A great opportunity for a country that is just behind Germany in the ranking of European industrial nations. Will we take it? That depends on resources. Let's focus on the management variety, taking a quick look at how the industrial management profile has evolved over the years, to reach a better understanding of what level we are at today in terms of resources, and reflect on any possible changes to the traditional management model used by companies.

THE HISTORY

In the beginning they were called factories. An evocative word. Settlements close to natural resources such as mines, rivers, ports. To mark out the territory, tall chimneys were erected to compete with the nearby bell towers. The factory produced bread, the church blessed it. It was also a form of stability. Manpower was not a problem: attracted, the ants migrated. Yet natural resources were not enough to sustain industrial growth. Finance came next: the cassa del mezzogiorno (national investment support) was opened and resources erupted. Some were nonrepayable – an ominous word.

Capital and manual labour lived happily together. Wage negotiations were tough. Usually these ended to the advantage of the workers; it was not an option to mistreat potential purchasers of motor cars and household appliances. And then the engine of production had to be supported: we were setting unimaginable records as we climbed the rankings of industrial powers. Second in Europe, fifth, for a long time, in the world.

Affluence grew, productivity fell. The antidote was always at hand: devaluation. When foreign competition pushed a sector into crisis, excess manpower was moved onto the current account of cassa integrazione (unemployment insurance). And if this was not enough, for our intrepid 50 year-olds, pension slides were created that would have been the envy of any aquatic park, and from which they could dive into deep waters where "baby pensioners" were frolicking, while clinging to life buoys signed "INPS" (social security). The state also treated its own clients well: the BOT people (holders of government bonds).

A flood of affluence, public debt to the moon, murky instability. A thorny dilemma: Who will pay? The answer was there, under the eyes of everyone: future generations.

The bell goes – technical knockout – along comes the Euro. The rules of the game change for industry. The air became unpleasant, the stench of stagnation: better change beach. Globalisation is now the wave to surf. Come on everyone: let's relocate!

Once the euthanasia of the factory concept has been declared, along comes investment in plants, production platforms, mobile units to locate in countries with low labour costs and with a strong desire to improve standards of living. The order of the day is *low cost*. Everything changes: producing, flying, buying, eating, furnishing (it is significant that the list of the top ten richest people in the world in 2012 includes the two entrepreneurs who run Zara and H&M).

From an industrial point of view there has been a significant turnaround: before people followed production, now production follows people. The world map of manpower for sale has been turned on its head. Industrial management has also changed over the years. In the beginning engineers were the bosses. On the production side, they led and they invested. The banks provided the finance: the accountants serving the engineers. Then, in the 70s and 80s, their profile changes, becoming more complete, more political: the focus is on union negotiations and public financing. There are more and more graduates in economics and finance – they know about marketing and they can sell. The 90s bring a desire for change, even in the most traditional industries: heavyweight consultants are all the rage, diversified CVs are privileged, talent is nurtured and internet people are in vogue. From 2000 the music changes: first slowly, then louder and louder, becoming deafening: a Bolero. Diversification is ended, the focus is core business, then restructuring. But it's not enough. There is re-engineering, then further restructuring. Make way for the head hunters! Veterans from the trade union campaigns of the 80s are back in vogue, their game bags full of scalps. But now conflict is not what it used to be: the union looks to save what can be saved. The order of the day is a careful retreat.

And then in 2008 a new enemy appears. It has been lying in wait for years, but somehow has been tamed. But now it is hungry and is ready to bite: debt is unleashed – the banks lose control. It has no pity, it attacks indiscriminately. In the ring it's banks against companies, financiers versus industrialists. The game is on. Each tries to predict the other's moves: bankers suddenly pride themselves on their knowledge of business while industrial managers spend their nights studying the occult secrets of specialist financing. Avoiding a knockout, they go round after round, hoping to remain all square at the end.

Even the CFOs climb into the ring. They are not real referees, although they know about finance and they understand business. They defend the companies, but they are reluctant to antagonise the banks. Their role grows. They acquire strength, they brandish severity. As guarantors, they often reach the top of companies. Managers on two fronts – one industrial and one financial – these company bosses seek solace in shared pain, which they find in companies that serve the national market.

THE PRESENT

By now GDP is two-speed: One much slower for local companies and one much faster for those oriented towards global markets. Tired of hearing the collective complaint about the problems of the "Italian system", a large platoon of companies has staked everything on foreign markets. They are aggressive, fast, innovative, flexible. They are often stronger than their international competitors since they are without support from a valid "country system", and they have had to develop products that are better in terms of innovation, quality and brand. It is reasonable to ask whether they would have been as successful if they had had a "system" that supported them. Our disadvantages motivate us.

However, a worrying consequence of the exhausting cycle of stagnation/recession is the progressive impoverishment of the managerial elite destined to provide the management of industrial companies in the decade to come. This theme emerges every time a change at the top of a large company is considered. At that moment lists of candidates are circulated. Those that ten years ago were long lists sparkling with promise have now become short lists with the same old names. Very little renewal, reduced choices, very few 50 year-olds. The occasional rare pearl, nestling in a golden shell that snaps shut when an expert hunter passes by.

And so the second-ranked industrial power in Europe finds itself without generals – this is no small problem. But how did we get into this situation? There are various reasons, including:

The large industrial groups

A number of large Italian industrial groups – well-known suppliers of effective mangers and reliable training schools – have either disappeared or been downsized. Others have flattened their organisational structures: it is difficult to train and mould effective and complete managers. In addition to the globalisation of companies, many top management positions with real responsibility have disappeared. Recent examples: Ducati, Avio, Marazzi have been swallowed by large multinational groups. In reality, three good managing director positions, where the title itself implies fully directing ordinary and extraordinary management, are now covered by top executives oriented towards implementing decisions taken elsewhere at a higher level.

The attitude of top management

The rotation of positions has slowed. Once a position has been achieved, there is now the temptation to rotate only one's own "chair" until it is screwed tightly to the floor. Entrenchment prevails, due also to fear of change. The training of a potential internal replacement runs the risk of being seen as a conflict of interests. Most managers claim to have a "good" number two within the organisation – a limiting label, and one which in fact condemns them to a career as co-pilots.

Flight abroad

On a Vespa, helmeted, CV in the bag, travelling around the noble Milanese executive search market, negotiating the best positions for themselves. That was the behaviour in the past of managers destined for multinational positions abroad. Their objective was to stay abroad for three or four years before making a glorious return, moulded by new experiences and cultures.

Today they depart, in fact they flee, often saying nothing: they are not interested in coming back. The whole family departs en masse. The objective has changed: it is no longer a question of allowing the head of the family to build a career, but rather a matter of raising children away from a suffering country, even to the possible detriment of their wives' own nascent management careers. The mirage of a better life attracts many. It will not be easy to persuade them to return.

The management offer having been refined, it is necessary to think of alternative solutions to the traditional model that sees the running of a company as trusting its leadership to a "heavyweight boss", an "uncontested leader", a "world-wise manager".

THE PROPOSAL

It is beyond all doubt that today top management positions carry weight no longer in terms of turnover or people to be managed, but rather the complexity of the variables that need to be kept under control. Globalisation has multiplied opportunities, but also risks, forcing companies to excel in a wider range of environments, even just to survive. It has become clear that it is impossible for the individual in command to have the capacity and knowledge to be able to manage the company without solid support: the good old team that, in this context, has acknowledged strategic value for the success of the business. The choice of its components and its effective functioning is of critical importance. As concerns the selection of the team, the fewer limits the company boss faces, the better.

In light of this, before taking on board a new managing director, it is opportune to check in detail not only his track record in terms of business results, but also his past success in hiring and managing high-level colleagues: the strength of a manager is easily measured by weighing the strength of those reporting directly to him. Someone who is effective and self confident experiences intellectual enjoyment and stimulation if surrounded by excellent managers.

Once the top team (whether internal or external) has been selected, its management is a complex task. In his role as team leader, the boss tends to focus mainly on the relationship between himself and his direct associates, and less on the relationship that they have amongst themselves (people who, obviously, did not choose each other).

One might say that today, rather than "leading" there is a great need for "teaming", which means creating the conditions in which the front line, in its entirety, works as a united squad. This raises the need to find the common denominator that unites people who often have different histories and cultures, and who have objectives other than increasing the value of the business – a concept of work that highlights respect could represent a strong integrating factor. It would be limiting to interpret the word "respect" through its most common meaning, relating to codes of ethics and compliance with rules. It should instead be seen as an inspiring principle of positive behaviour. An example:

- Not interrupting someone while they are speaking could be seen as a sign of respect. The same applies to listening.
- A mistake can wound a colleague. It is one thing to admit an error, it is another to apologise.
- Obeying one's boss is a basic form of respect. Seeking to make him understand that his decision is leading to a mistake is certainly more productive.

Three simple examples to explain what it means to work while keeping a focus on respect as a principle value of behaviour. In the context of a multi-ethnic team, no other value is as embraceable and integrating.

Starting with the top management, this principle can be spread throughout the whole organisation and can influence the behaviour of colleagues, associates, clients, suppliers. The list is long of benefits generated. Just one, to give an example: on the manager "market" there is a type of "spread" as regards compensation packages, depending on the employer. Based on the experiences of "trip advisors", some companies have accumulated notoriety over the years for the way in which they treat managers. These companies, to attract effective managers from outside the firm, have to offer compensation packages of up to double the market average. This is a typical cost relating to lack of respect.

"Teaming", finally, is a concept that young management recruits easily relate to, through training and mental attitude. Living currently in a context where it is difficult to reach ambitious personal objectives in terms of career or financial return, they can derive motivation from identifying with the success of the business, the fruit of collective effort. Besides, the revaluation of the concept of respect cannot fail to involve them emotionally, and they see it as the least they deserve, given that they are the unfortunate "future generations" that have for some time been predestined to pick up the bill.

THE IMPALPABLE MAGIC OF THE SOFT

Apart from revolutions of the bloody variety, humanity has lived through others such as agriculture, industry, IT. And now it's the digital revolution that's part of the whirl. Phenomena created by some, wanted by many, suffered by multitudes.

The word 'revolution' shocks, but at the same time excites. Because it leads to change. In objects and in behavior. Hard and soft. While one attracts us, the other can worry us, because it concerns a person and the way that person interacts. In family, school, society, in companies.

The latter seek to protect themselves by creating a cultural shell of shared values and adherence to a common identity. Separate, self-celebratory worlds, marked by pride. Anyone who wants to interact with companies has to understand their specific cultures. Entering these companies requires flexibility and social intelligence to survive their initiation ceremonies. Taking part presupposes being able to adapt to the house style and to ingratiate oneself to the disciples who were born and raised within.

So you carry on working in harmony and seemingly protected, until an event such as the arrival of a new CEO, a change of shareholder, a succession, or a new market scenario provokes a sudden discontinuity that impacts on the culture. It may not be macro, but it most certainly is a micro revolution. That often brings in its wake that process known as "change management". This excites few and shocks many. Different expertise is sought, in line with the new requirements. Some hard, some soft. But the skills, who will teach them? The former: schools, universities, specialist courses, the workplace. And the latter? A teacher, a parent, a tutor, a boss. Random. Yet these are crucial, given that a weakness in this area constitutes, for managers, the main cause for terminating a working relationship.

Inclination, attitude, relationship with others, behavior; the intangible ability to share. A true universe in which everything has its place, down to the slightest detail: a gesture, tone of voice, the raising of an eyebrow, knitting one's brows, a handshake, posture. The 'soft' that often beats the 'hard'.

An example for all. There is rarely a separation of any kind that does not leave a trace of criticism as to how it was communicated and justified.

Behavior: a fascinating topic, strictly linked to human nature, unaltered by time or by revolutions.

Let's take a step back in time to 2,000 years ago and imagine a conversation between a modern manager and a group of philosophers, speaking with a single voice, such as Seneca (Corduba 4 B.C. to Rome 65 A.D.), Plato (Athens 428 B.C. Athens 348 A.D.) and Plutarch (Chaeronea 46 A.D. to Delphi 125 A.D.)

BEING A LEADER

The manager I now have this very important position and I feel lucky.

The philosophers Luck doesn't exist: there is a simply a moment in which talent meets opportunity.

The manager Now that I'm the boss, I have to learn to command.

The philosophers To command is not to dominate, but to carry out a duty.

The manager But power excites.

The philosophers All power is limited by its short duration.

The manager Many tell me that I am feared

The philosophers Those who are feared, fear; no one can be at peace if they are the object of the fear of others.

The manager I don't know if I will be successful in my new role.

The philosophers I do not know of an infallible path to success, but I know of one to failure: trying to please everyone.

The manager I know I am not a good communicator..

The philosophers You can learn something from a great man even when he's silent.

The manager I'm sure that everyone's eyes are now on me.

The philosophers Nothing says more about peoples' characters than the way they behave when they have power and authority over others: these two factors remove every passion and reveal every vice.

The manager Should I really pay great attention to others' opinion of me?

The philosophers What you think of yourself is more important than what others think of you.

The manager It's true I've had an excellent promotion, but I haven't yet got to the top.

The philosophers When you're thinking of who's ahead of you, think also of who's behind you.

MANAGING

The manager They've given me the challenging target of capturing market share from the leader.

The philosophers Nothing is unattainable for those who dare.

The manager But this a tough competitor we're talking about.

The philosophers Valor without competition stagnates.

The manager Anyway, it's a very challenging mission.

The philosophers It's not because things are difficult that we don't dare to do them, it's because we don't dare to do them that things are difficult.

The manager I'm not sure what strategy to follow.

The philosophers There are no favorable winds for sailors who don't know where they're going.

The manager I need to create a harmonious team.

The philosophers Making everyone your friend is a huge endeavor: not having enemies is enough.

The manager How should I behave with my competitors?

The philosophers If you want to make your enemy feel bad, don't offend him by calling him a liar, a sissy, an idiot, a buffoon or a villain, but instead behave as a man, balanced and honest, and treat everybody impartially and fairly.

The manager I see that I still have much to learn.

The philosophers When men teach, they learn.

The manager One of the most difficult situations is choosing between two colleagues with different ideas.

The philosophers Someone who makes a decision without listening to both sides of an argument, even if that decision turns out to be correct, has not behaved in the right way.

The manager In my position I constantly have to face new problems.

The philosophers Every problem has three solutions: my solution, your solution, and the right solution

The manager Now that I have this new responsibility, I will have to be better organized.

The philosophers We have little time, but we waste a lot. Great men do not allow even one minute of their time to be taken away from them.

GIVING FEEDBACK

The manager I am very direct – I am used to telling it as it is.

The philosophers We only need to tell the truth to those who try to understand it.

The manager Yet I struggle to correct some of my colleagues' behavior.

The philosophers That which is deep-seated and innate may be mitigated by education, but not conquered.

The manager How should I communicate with them?

The philosophers The language of truth is simple.

The manager Yet it's difficult for them to admit their weaknesses.

The philosophers Because no one admits their weaknesses? Because they are still submerged: just as dreams are recounted by those who are awake, so weaknesses are admitted by those who are healed.

The manager I'm at risk of becoming intolerant, however.

The philosophers Never discourage anyone who is making progress, no matter how slowly they're improving.

LISTENING

The manager When I meet my team, I always wonder if I'm speaking too much.

The philosophers Nature has given us two ears and one tongue because we are obliged to listen more than we speak..

The manager We are trying to grow our business in Asia and our partners often send a delegation to meet with us. Interacting with them is not easy.

The philosophers Sit upright, neither too relaxed nor too fidgety, your gaze must be directed at the person speaking, paying close attention, the expression on your face should be neutral, not showing arrogance or irritation, or any other thoughts or feelings..

The manager But sometimes the discussion becomes dangerously animated.

The philosophers Avoid becoming agitated and disputing every point, wait patiently for your interlocutor to finishing explaining his thoughts, even if you do not agree, without hitting him immediately with a torrent of objections, but instead give him a little time to add to, clarify and correct what he has said and, if necessary, alter some phrases uttered in haste.

This behavior is universal. It is timeless, it crosses meridians, parallels, cultures. Immutable, almost immortal. A thread that renders current reflections millennial and provides reassurance of man's endurance through mutation, change, revolution. Awareness of this comforts, calms, helps. Adjusting our behavior in the knowledge that certain approaches are valid in every context and at all times, whatever the culture. And it is where the impalpable magic of the soft resides.

THE FEAR OF COURAGE

EXITING THE TUNNEL

We've been talking for ages about the tunnel of recession. The statistics tell us we entered it in 2008. They may be right about the date, but not about entering it, a statement which implies that the action was voluntary. Instead, we were thrown inside by the bursting of a bubble which, although different from that of 2001, was, all the same, sudden and explosive. Just enough time to make a final call to your wealth manager: "Keep your nerve!" advises the master of "eurozen". The only comfort – safe investments, especially the home, while hoping it will not be reduced to ashes by the taxman's flame throwers.

And then everyone inside the tunnel, marching in step, waiting to see the fateful light. Long years during which one learns to ration one's food resources, clothes wear out, non-essentials are eliminated, fewer children are produced. It always seems as if the exit is just round the corner, just like in an unfathomable maze.

Then, in 2015 the statistics tell us we are out. Out, finally out, with only one expectation: growth. Typical, after a long recession. We are ready to climb the luxuriant hill of recovery to reach the tree of serenity. Also boosted by the favourable winds of the low cost of money, by the scent of lower oil prices, by advantageous exchange rates, by the minimal level of unionisation. While we are completely unprepared for a journey that requires care to avoid the slippery descent into deflation and bypass the foul marshland of stagnation.

And so now we hobble along, supported, so the data tells us, by good results from FCA, once again it is the Jeep to lend us a hand, just like seventy years ago.

So once the intoxication of our exit from recession has worn off, an awareness spreads that the journey will be long and will require a totally different marching step from that of the past. And, most of all, solid and decisive leadership. Paradoxically, compared to the tunnel, where room for manoeuvre was limited and excuses were limitless, now managing a strategy for growth in the current situation is a more complicated task.

Therefore, there is a need to think again about ways of running companies, developing management, and the interpretation of business culture. And to align leadership.

“If a man knows not to which port he sails, no wind is favourable.” (Seneca)

TRANSFORMATION

More than change management projects, which normally have a beginning and an end, there is a need for transformation processes that review companies’ operating procedures across the board. These are important and engaging initiatives in that they are permanent, and are today facilitated by the expansion of digitisation, that allows ground-breaking interventions to take place. It has become essential to be flexible and to be able to react quickly to market trends and offer innovative products and services.

Previous decades saw a change from an industrial mindset of *do more* to one that emphasised *do better*. Today the prevailing mentality is *do differently*, both in terms of productivity and in terms of innovation. Respect for the past, respect for the competition. And this in all business functions as well as in the most traditional business sectors. A striking example is the way Amazon has approached the task of delivery, availing itself of advanced technology and a young workforce: those who are able to set up a business from scratch start with an advantage.

Global processes of transformation that clash with the idea of three-year mandates for CEOs. Sufficient in a context of reorganisation. Inadequate when we are talking about putting a structural transformation plan in place. More *building* than *billing*. Where everyone has to make a contribution. With biannual feedback to assess the contribution of everyone to the process of change and innovation. With a constructive, rather than punitive, way of dealing with mistakes. With CEOs supported by BoDs who sees their roles more as *inspiring* than *controlling*. Without this ever compromising their option to fire the number one, if he or she proves incompetent.

And then how can we resist the appeal of the intelligent factory, with its machines that talk to one another in a universal language? Machines that will be able to provide direct training to the technicians who operate them and oversee their own maintenance remotely. A wonderful dream, as long as it doesn't become the nightmare of Mickey Mouse in "Fantasia".

THE MANAGERIAL CLASS

There are no spare parts. A bad sign. And we are speaking about company leaders, not motor cars.

This is a recurring theme whose causes have already been analysed: the exodus abroad with no return, "senators" clinging to their positions of power, unwillingness to take risks on the younger generation, universities providing little practical training, etc. Gaps that are even more noticeable in this economic phase in which finance is widely available to support projects for company growth: it's easier to invest if the management is right.

But instead of ruing this situation, we need to try to circumvent it. Why not turn to state-controlled companies, creating intercompany management development paths? The idea would be to recruit, every year, 50/100 graduates with top degrees in engineering or economics, using assessment criteria that take potential management ability into consideration. They would then be employed by companies taking part in the project, in a variety of roles in which each of them would spend three years. Once that period was completed, if they had achieved their pre-set objectives, graduates would be allocated to a more senior position in another company in the pool, and would follow a structured career path that would involve them gaining three years' intercompany experience in different functions, including roles abroad. Seeking in this way to avoid mono-cultural development which is riskily self-referential and therefore limiting in an economic context requiring high flexibility, and bypassing masters' degrees in favour of hands-on experience. The objective would be to have 35-year-olds who are fully trained and who are ready to take on significant managerial responsibility. The aim would be to create a managerial elite "at home" – a pond that can be tapped by companies involved in the project and their subsidiaries. The timescales seem long, as will be the journey towards a true recovery.

THE SOCIAL DIMENSION

Investing in management is important, but this may not be enough. If we consider the growing importance of having a job, we can see why companies are becoming, more and more, a point of reference in our society. Indeed, a company that grows and that is profitable represents a good example of a functioning structure. For everybody, but most of all for the young. Not being part of that world is today seen as not just a loss of salary, but as being excluded from the world of growth and professional and, even more importantly, personal development.

For a company, all this implies the need to develop greater awareness of the social role that it is required to perform. This is, to a great extent, dependent on company bosses increasing investment in terms of number of hirings and welfare policies. Elements, however, that offer a limited interpretation if the view prevails that the main role of company bosses is to create shareholder value.

Indeed, the contribution that companies can potentially make to the community goes much further than current corporate social responsibility plans, although this means that an understanding is required by shareholders and top management that such a contribution is essential to correct social imbalances that risk, over time, becoming explosive.

This is a new dimension in which a company makes available to the community not only sums of money, but also its own operational capacity and its entrepreneurial expertise. And the areas of application are huge: health, education, aid, rescue etc. With structured, large, long-term projects, to fill the most notable gaps in public services. Initiatives to be communicated and disclosed by the companies, just like financial results. A cultural change in the manner a company performs its role, and of which it can be proud.

COMMAND

Against the general backdrop of growing geopolitical instability and tense socio-economic conditions that generate uncertainty and paralysing fear, the role of company leader becomes more and more complex. And this is even more the case when there are legitimate expectations of growth and a recovery in prosperity. Perhaps even more so than in times of recession, the question arises as to what is the ideal profile of the figure who should champion these expectations, and deliver results that are at once ambitious and realistic.

The idea has been accepted that the journey will be longer than expected, if it follows that solid and reliable leadership will be required. Given the acquisition of professional expertise, on a personal level solidity is directly connected to independence and freedom from salary considerations and the need for recognition from others. Like reliability, this marries well with a management style that leans towards balance and equality, particularly with regard to the company's staff.

However, the critical factor, to be an all-round leader, is to be courageous. Having the courage to take decisions, to admit one's mistakes, to back up one's ideas and to leave the stage should that be necessary.

It is difficult for us to imagine a leader who lacks courage, yet it is by no means certain that this is the quality most sought after by shareholders when they are looking for a CEO. But if we think about leadership in a wider sense, considering areas like politics, religion, entrepreneurship, it becomes immediately clear that those who stand out as leaders do so by virtue of their reserves of courage. Taking them as an example, this is the moment to show that we are not afraid of courage.

THE FOURTH DIMENSION

PROLOGUE

The room has walls of glass. An aquarium in open space. Even the table is glass. There are only four folders sitting on it. He opens them, quickly reading the stapled pages. He seems distracted, lost in his own thoughts. He looks at the photographs, scans the professional experience, glances quickly at the salaries. He does not speak. Even the HR Director remains silent, his gaze passing from his boss to the headhunter, without lingering. They have listened in silence to the profile presentations, without asking any questions. This is the first time the consultant has worked for them. He is not able to read the atmosphere. “See here, Chairman, I’ve been looking for managers that have the characteristics you asked for and these seem to me to be...the best”. “I know. You’ve done a great job and these are the results we expected. But maybe that’s where the problem lies. You should help us to find the type of manager who is beyond our expectations, who is different from what we have in mind. Otherwise we won’t be able to implement this change that we want our group to make – orientating it towards objectives that surpass the logic of a simple search for profit”.

THE DIFFICULTY OF CHOOSING

Recruitment is an area whose strategic value is unanimously agreed. The way this process is managed, however, varies from company to company. It is a product of different histories and cultures, of experiences that have been marked by degrees of success that are difficult to measure, in that these are often a matter of opinion and influenced by points of view that are highly subjective. It is an activity that, over the years, has been strongly influenced by economic trends. And are, as such, managed using varying methods. A carefree ride with a free rein in the huge prairies of the 60s and 70s. An attentive guide when the path becomes narrower and more selective in the 80s and 90s. Before becoming, in the 2000s, a strong grip on the reins when the journey is strewn with obstacles, with sudden accelerations and sudden halts, where the priority is to limit mistakes. And it is often in this frame of mind that one currently approaches the process of hiring managers. The mantra is: "We cannot make mistakes". Which in some cases becomes obsessive: "This time we cannot allow ourselves to make a mistake".

If on the one hand, with the numerous tools available online, the process of identifying potential candidates has indeed been simplified, the decision-making process seems to have become even more complicated. Finding is easy, *choosing* is difficult. This is partly because the profiles of the leaders that will be required are not always clear. And so one takes refuge in more traditional, tried and tested, approaches, navigating by sight.

IT IS A THREE-DIMENSIONAL BALANCING ACT

Competence is the mother of all selection criteria. Know-how, being an expert, and knowledge of the job and the sector are the reassuring elements. That is where one searches and looks to obtain elements that are not present in the company or where internal supplies are starting to run low. It is definitely in that area that private equity funds search, given that they would hardly dare to make an investment without the support of a robust top manager who knows that specific market segment. It is of little importance whether there is a good relationship or not. What counts is track record. In any case everyone knows: this is a temporary marriage.

And it is also in the name of competence that today hundreds of young digital natives are developed in companies of any size and type. They are dragonflies, fast and hungry, allured by the notion that they can reach senior management positions.

Others base their choices on the principle of *belonging*. Originating, then, from approved cultural matrices, generators of intellectually selective languages and codified behaviours, and easily recognisable by those who come from the same production line. This mechanism creates powerful relationship networks, such as those of the French Polytechniciens and Énarques. In Italy this phenomenon has been emulated by ex-McKinsey managers, who for a good ten years have been occupying major CEO positions. This ex-McKinsey attraction is also valid for big groups such as GE, P&G and Vodafone, to name but a few. Often, however, the concept of belonging exceeds its limits, transforming itself into the concept of team. And so, every time a major CEO nomination is made, the inevitable question arises: who will be brought in as well? And this is where the formation varies according to the type of mission that is to be faced. The Wild Geese? The Magnificent Seven? The Dirty Dozen? Or the more flexible Ocean's Eleven?

More random and subjective selection criteria are based principally on *reference*. This is greatly loved by a huge swathe of entrepreneurs, who often trust the advice of their banking friend, their reliable accountant, or a member of the BoD. They meet a person, fall in love with them, and pronounce the fateful phrase: "I like this one!" And this is the basis on which they choose, whether or not the manager meets the needs of the company. In a broader sense, reference does in fact represent a powerful tool during the validation process. This could have an explosive effect, so it is wise, during the "collection" process, to put oneself in the hands of the best bomb disposal engineers – those who know the difference between fireworks and mines.

While the priority is not to make mistakes, positioning the candidate in an ideal three-dimensional matrix, *competence*, *belonging* and *reference*, can facilitate the decision-making process. However, if the objective is instead to seek to make the right choice, it then becomes necessary to take a further step forward.

"The mind that opens to a new idea never returns to its original size", Albert Einstein.

THE WIDENED MATRIX

Squashed between an elder brother who is a reminder of a glorious *past* and a bubbly sister with golden curls who promises a joyful *future*, the *present*, child of a lesser god, is bursting with unexpected power, filling the wide spaces of our existence with a gassy inconsistency. The possibility that the internet offers to navigate all around the world has enabled us to acquire an unusual spatial dimension, accompanied by a staggering eruption of information, which in real time consigns photograph snapshots to rapid obsolescence. And these are therefore captured, commented on and shared 24/7. They annul temporal space, reducing it down to a single, albeit large, yet all-embracing dimension: the *present*. Also generating an unhealthy pride in the achievement of easy and generalised progress, evolving to the detriment of the other dimensions: the *past* and the *future*.

But the effort of remaining firmly in the saddle of a flailing *present* reduces managers to exasperating daily operations, in which speed of action and reaction constitute elements of merit, even at the expense of thinking. And it is easy to slide towards an extreme where the time to respond to an email weighs more than the heart of the message. Which risks relegating to second place the fact that a manager's quality should be measured first and foremost by his or her substance and ability to see the big picture. Enlightened managers know that their work cannot neglect a profound comprehension of the *past* and the corporate culture in which they find themselves operating. To learn its history, its fundamental values, its successes, its moments of crisis. To listen to stories from those who have "lived" the company for many years, understanding the position of the shareholders, understanding the tradition.

One thing that is fundamental, and anything but superfluous, is knowing how to recover the dimension represented by the *past*, even when a manager has been hired to take forward a period of transformation. It is wise to bear in mind that it will not be the manager who transforms the company, but the company which will transform itself under the manager's leadership. If he or she is any good. And so the year a managing director is appointed cannot be "year zero".

Instead, a manger of substance who seeks to make an impact must be able to work in the dimension represented by the *future*. Temporal space that is difficult to measure. Except for CEOs who, without a clear definition of the concept of the future, are conventionally boxed in by a three-year mandate. An arc of time that is quite limited and which has led to defining what should in reality be their strategic plan as their business plan. But the attraction of business, even sectors such as banking and insurance, elicits a pleasing sensation of operability and mobilisation of troops towards concrete objectives, even at the expense of a longer-term vision. Which, however, is making a comeback today mainly in the area of sustainability. And even if one of the duties of the CEO's role is to reflect on the future of the company, all managers should aim to raise their heads above the lava of daily management, if only to achieve full awareness of the consequence of their actions. Even the simplest of these, such as the response to an email.

It is therefore healthy for the mind to move with agility across the three dimensions: *past, present, future*. And for managers to be assessed not only on their ability to resolve passing problems, but also on how curious they are to understand the values and culture of the company, as well as their ambitions in terms of future personal and corporate growth.

But exiting the present and embarking on an adventure in the future can be difficult and, at times, worrying. Especially for young people. Who all too often lack the opportunity to constructively share ideas within their families, as was the case for previous generations. Baby boomers, in fact, grew up listening to the captivating stories of the builders, who had lived through the war and developed deep values. With them they shared a present that consisted of consumption and development, and together they planned a future that was characterised by university education, buying a house, and a professional career.

These days millennials show detachment from their parents' stories which tell of receiving tens of job offers as soon as they graduated and then enjoying a tranquil career, maybe in the same company, before arriving, without incident, at a yearned-for pension. And then when one speaks about the future, the dialogue consists of just a few words, due to breathlessness. In that the question is not so much what you want to be "when you grow up" but, rather, who you want to be. In the absence of a clear response, one takes refuge in the present.

"Time does not exist, it is just a dimension of the soul. The *past* does not exist in that it is no more, the *future* does not exist in that it has not yet come to pass, and the *present* is just a non-existent instant of separation between past and future", Saint Augustine.

THE FOURTH DIMENSION

This is a three-dimensional space in which we find ourselves at ease. And so, during the process of searching, once the axes have been defined, the mind moves easily and smoothly to identify the ideal profile and, while imagining it, almost sees it. Often running the risk of identifying it with what we already know. Losing in this way the ability to look for something different, outside common structures, in order to face the emerging challenges that are increasingly characterised by one word: instability.

We speak a lot about liquid economies, agile managers, flexible processes, fluid organisations. But we should also reflect on the pervasive phenomenon of social instability and the role that companies can play today in containing it. I have already had the opportunity to refer to this issue in a previous article published in this magazine ("The fear of courage", October 2016). The article spoke of the social dimension of a company and the role played by shareholders and senior management in making a "contribution towards correcting social imbalances that over time risk becoming pervasive".

We are talking, therefore, of a social dimension in which the company offers the community not just amounts of money, but also its productive and entrepreneurial capacity. Acting in areas such as health, education, care, recovery, etc. Freeing ourselves from the easy alibi that these aspects are already covered by distinguished philanthropists or traditional foundations. The need to do more should mobilise farsighted groups and more enlightened shareholders who understand the risks associated with instability. And while sustainability, in its various guises, is a noble and unifying project in the long term, social imbalance is an emergency which companies cannot dodge.

There is a great difference between a young person who has a job in a company and one who lives an insecure existence. Which risks crossing over into inequality when a company seeks, in addition to a job, to offer a vast range of extra benefits in the name of employee welfare and, in the meantime, does not consider appropriate forms of support for those who are not employees.

All of this obviously comes at a price, which requires visionary shareholders to be prepared to reduce their profits. But most of all it requires them to put in place company bosses who are no longer managers used to guiding the company with the automatic pilot set only to "profit", but who instead understand that creating value for the company also means contributing to the development of external conditions that are socially, environmentally and economically more stable.

In taking this action they will certainly be able to count on the support of younger managers who are attracted by values such as the reduction of the disparity in remuneration within the company, the elimination of waste, awareness of the value of money, respect for the environment, and the triumph of being over having. We are talking about managers from the *fourth dimension* who are able to view reality with fresh eyes.

"Turn around, leave this world of three dimensions and enter into another world, the fourth dimension, where the low becomes the high and the high becomes the low", St. Thomas More.

THE INESCAPABLE METAMORPHOSIS

Immune, for 75 years, from collective tragedy. The post-war generation could have been remembered for this rare, if not unique, historical characteristic. Although worn down by local natural calamities such as earthquakes and floods and hit by periodic financial crises this was, however, a generation whose only experience of real disaster was in stories told by their parents or what they saw in films and television documentaries. Living it – this drama – as actors in a film without script, with neither a yesterday nor a tomorrow, imprisoned in a stage-set surrounded by four walls at home, has been a tough assignment for everyone. Even more so for those, in positions of command, who have found themselves, on a daily basis, having to take decisions without the support of data, of history, or of intelligent algorithms able to offer guidance in the total darkness of an unfathomable future. In the vain search for similar experiences, in the absence of reliable advice, forced to improvise while trying their best to offer a solid point of reference. Hurled suddenly into a river in full flood, with nothing to hold on to, and with the sole aim of staying afloat and bringing their people to safety. With pressure that increases day by day and that makes it increasingly difficult to think clearly. “Calm – indeed very calm – reflection is better than desperate decisions” Franz Kafka.

Management that is aware that it is unprepared for such an enormous emergency. In which listening, instinct, common sense and courage offer salvation.

Once the pandemic had broken out and war had been universally declared against the invisible enemy, almost all companies began their crusade by implementing – within a few days – epochal change, focusing completely on the principle of people-centricity. The health of employees, of their families, of suppliers and of customers became their number one priority. A sudden and significant change had taken place in corporate culture, shifting from a traditional concept of employee to that of the individual, flattening the hierarchy and putting everyone on the same level. “There is nothing more difficult to manage, more perilous to conduct or more uncertain in outcome than introducing a new order” Machiavelli.

This has produced a degree of solidarity that is hard to imagine in terms of cohesion and mutual support. With no one having had, in fact, any previous experience of managing a similar emergency, and no one being in a position to make predictions about the future, rather than seeking refuge in their managerial and professional expertise, managers found themselves sharing primary values such as respect, trust, humility and courage. Sketching, in this way, the outline of a leadership profile to which may be entrusted the complex relaunching phase.

RESPECT

What may seem an interesting concept but not so easy to implement, a goal to aim at, but at the right time, a principle that is shared, but with some resistance that needs to be overcome, was suddenly transformed by lockdown into a compelling and inescapable reality: purpose trumps profit. Forcing businesses to put the health of their employees at the centre of all their efforts.

Where there was a lack of means, this was made up for by solidarity and creativity. If there was a lack of experience, this was met with common sense and listening. When there was a lack of time, tenacity and flexibility were brought to the fore.

What there was no lack of, in most companies, was respect for people. There was, in fact, a sudden rehabilitation of a value that had been lost over time and whose importance was realised as soon as the company became the guarantor of its employees in the workplace. Where there was a perception of an engaged caring that went beyond welfare practices, employees developed a strong sense of pride in being a part of their company.

It is to be hoped that managers who became aware of the ethical value of respect and decency in interpersonal relationships will cultivate this value with determination as a basic foundation of the long-term relationship between company and employee. This will give employees the dignity they deserve and release them from the reductive association with the purely emergency phases. We also know that this will not hinder the implementation of necessary, albeit painful, efficiency measures aimed at securing the survival of the business. But it is to be hoped that it will at least condition the way these are applied. “With the condemned we must use humanity, discretion and mercy” Machiavelli.

TRUST

If respect for people represents a tangible corporate value, expressed in practice by the shareholders, subdivided into specific operating methods and measurable in terms of actions and the way these are perceived, the same cannot be said for trust. Here the relationship is played out at an individual level, where the aspect of reciprocity as well as the impressions that operate in the emotional sphere become key. In fact managing the emergency suddenly rendered obsolete managerial methods rooted in traditional approaches such as the centralisation of power, a threatening authoritarianism, and playing the leading role alone.

Instead this facilitated the emergence of trust, now a key player in the relationship between managers and their organisations. Finding oneself, from one day to the next, in the hands of someone who had never faced a similar crisis, certainly required a great expression of trust in top management from the base. And, vice versa, having to rely on an organisation that was suddenly working from home in a way that was more similar to freelancers than to workers clocking in, obliged top management to undertake a major revision of their approach to relationships.

Prompt communication, a widening of responsibilities, paying attention to motivation, focusing on results. And a great amount of trust in people's sense of responsibility, which derives its lifeblood from a sense that people are managed by bosses whose fairness is acknowledged. Thereby generating a feeling of rigidity associated with management practices based on taken-for-granted power dynamics, policies that divide up areas of influence, the irritating practice of roping together mutual interests, and opaque communication strategies. "A prince will never fail to legitimise the reasons that break his promises" Machiavelli.

HUMILITY

Notwithstanding the tempting guidance offered by the Gospel according to Luke, few managers have followed the tortuous path of humility when striving for success, preferring to take dangerous shortcuts instead: the search for power does not allow any distractions. "Those who win, no matter how they win, never feel any shame" Machiavelli.

The humble approach is not one of the tools of the classic management stereotype. And even when lack of knowledge on a particular topic is there for all to see, it is often replaced by arrogance. Less disguised in youth, but subtler and more damaging later on. In any case, attached to power as corrosively as rust.

Managers have had to deal with an unknown pandemic with their bare hands in order to understand the importance of listening, of surrounding themselves with those who are really competent, of accepting and recognising their own mistakes without, at the same time, seeing their authority diminish. For many, more than being bathed in humility, this has been a real baptism. “The best ideas belong to everyone” Seneca. Listen, learn, follow examples. To fulfil oneself. And do this with an open mind while understanding that for many managers there could be an opportunity that until now has been little explored, i.e. to draw on the well of the world of women. From which could be gleaned and followed examples of values, ways of behaving, interpersonal approaches, exploring problems in depth, taking an overview. To be added to the toolbox of traditional command. Understanding that many things can be learned from women is a step forward that many men in power find difficult to take. In the direction of acquiring the awareness that top management positions are not inevitably the preserve of men. This could be significant in facing, with renewed spirit, a situation that is complex in itself, and which has become even more critical due to a prevailing and uncommon unpredictability.

COURAGE

“Courage is something you can’t give yourself” Manzoni. Facing events that are exceptional, unknown, unpredictable and surprising in their virulence requires an ability to look fear in the face and to try to do something that one did not believe one was capable of doing. Basically, to be courageous beyond any reasonable expectation. Managing the health crisis has brought out a significant amount of this talent in people who – quite apart from their hierarchical roles – have assumed major responsibilities. Generating a feeling of genuine admiration in those who have seen them at work.

The unconscious awareness of the real value of courage leads inevitably to using a different lens to evaluate the role of company bosses. Who are expected to be able to take decisions that are not limited to the actions required to manage an emergency, but which involve launching initiatives that will guarantee the future of the business in the long term. Which means taking responsibility for what may be elegantly defined as "sustainability", but which for many companies is simply survival. The violent changes that have rained down on traditional organisational structures, rather than on distribution channels or on supply chains, are just some of the trampolines from which we have been thrown into the stormy sea. It is clear that staying afloat is only a short-term strategy. Identifying the right goals and guiding the company is the true challenge – one which requires courage, resilience and determination. "The path cannot be left, even for an instant. If we could leave it, it wouldn't be the path" Confucius.

FINAL CONSIDERATIONS

"Even if there are more and more reasons for fear, choose hope" Seneca. It is useless to take the side of either optimists (who are rare anyway) or pessimists. It is better to try to capitalise on what one has learned over these last few months. And not waste the values which have emerged from this monumental human experience in terms of solidarity, understanding and respect for people. These have generated energy and resilience which is uncommon and, almost, unimaginable. This sentiment of people-centricity should be protected, cared for and shared as the yeast which cements that cohesion and affinity between management and the rest of the company which is essential to plan and implement the recovery phase. "To be truly great you need to stand with the people, not above them" Montesquieu.

The prospect of becoming poorer economically could be compensated for – at least in part – by feeling richer on a human scale.

The challenge and responsibility in the hands of the shareholders and the top management is to ride the growing need for a genuine and engaging purpose, moderating the primordial instinct of an overriding search for profit. This is a path which had already been sketched out before the pandemic struck, but is now engraved in the expectations of those working in the company who feel the need for a major project which feeds their desire to fight on. And which will also help to combat a latent apathy that organisations risk sliding into – unconsciously contaminated by the long lockdown – coming from remote working, from incurable forms of welfarism and, last but not least, from a corrupting lack of trust.

Top management have a complex mission, condemned by the financial markets to deliver short-term results, beaten down by flattened structures, sucked towards the bottom by the frenetic whirlpools of compulsive control, always ready to respond to a stereotype which extols operational and reactive capacity. And proving to be saviours when handling an emergency.

"The gladiator decides what to do in the arena" Seneca. But if the role of gladiator is key to managing in the short term, equally so is that of the visionary condottiero who shows the way and outlines the long-term strategy, bearing in mind those irreversible changes that have revolutionised consumer behaviour on a global scale. So, a strong contrast between the short, which identifies itself more and more as a pragmatic approach in which one reacts immediately to market mutations, and the long, which defines the actions that one needs to take to guarantee the long-term future of the company. The paradox of reconciling the short with the long, without the mediation offered by the medium term, which has been overtaken by events. This is how the highly distinct roles of General Manager and Managing Director take shape – it is very unlikely that these roles could be covered by the same person. Who are always in conflict with themselves. In general over the years companies have, most of all, focused on the gladiators – often moulded at home – which ensures that the operational machinery is correctly managed. The priority for shareholders will, therefore, be to identify those forward-thinking condottieri, overcoming issues such as their previous business background, age constraints and gender bias. Too often companies have professed a desire for change, only to select their top management following traditional, and broadly conservative, methods. Does changing approach represent a courageous or a necessary action? In order to avoid being swept away by events we need an enlightened guide who is able to manage what is no longer a process of transformation, but is revealing itself instead as an inescapable metamorphosis.

“Luck is what happens when talent meets opportunity”

Seneca

“Don’t try to become a man of success, try to become a man of value”

Einstein

“To be truly great you need to stand with the people, not above them”

Montesquieu