

# viaSarfatti 25

BOCCONI UNIVERSITY, KNOWLEDGE THAT MATTERS

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**The economy, digital transformation, population, climate change and European integration: 5 masterclasses on the megatrends accelerated by the pandemic that are shaping the...**

# FUTURE WORLD

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## Bocconi takes the gold

**W**ho would have thought that the new academic year in 2021-2022, coming after eighteen long months of pandemic, would be a record year for Bocconi? The outlook was poor after being isolated in our homes, in front of a computer to meet our needs for socializing, studying, shopping and entertainment. And yet [25 new professors](#) have joined us from all over the world, the most since we started recruiting internationally. In addition, we have seen a boom in applications, with an increase of 30% for the Undergraduate and Law Schools. A boost of more than 13% for international applications to the Graduate School brings the total number of international students enrolled to 21%, and they represent 42% of students in classes delivered in English.

In this Olympic year, we might say we have earned several gold medals.

It all testifies to the desire for recovery, the demand for education, and the search for a stimulating and innovative work environment. And to the desire to choose a university that will continue to grow in all its dimensions, thanks to its community. In these excellent numbers, we can recognize the desire for mobility, for a mixture of cultures and knowledge, and for inclusion.

Mobility, as we know, is among the most effective vectors of knowledge transfer. All the more so when it is aimed at implementing innovation, as we found with colleagues **Christian Stadler** from Warwick and **Constance E. Helfat** from Dartmouth in a recently published work, [\*Transferring Knowledge by Transferring Individuals: Innovative Technology Use and Organizational Performance in Multiunit Firms\*](#) in [\*Organization Science\*](#).

Teaching innovation, which has accelerated during the Covid pandemic, remains one of the prime objectives of our University. In this academic year, which marks a (hopefully permanent) return to physical presence on campus and in the classroom, Bocconi's faculty continues to experiment with new teaching methods under the direction of [\*\*BUILT, Bocconi University Innovation in Learning and Technology\*\*](#). This year, 83% of courses will be delivered face-to-face, with the possibility of following online. The remaining 17% will be blended or entirely digital lessons with a strong dose of experimentation and innovation. All this will give rise to the signature methods of a new Bocconi.

**Gianmario Verona,  
Rector**

*Played on the field and studied in the classroom: Bocconi's sports tradition is long and established, as demonstrated by the many champions of yesterday and today who were born on the benches of the university and who now have a new home, the Bocconi Sport Center. With an Olympic-size swimming pool, a gym, a running track and a sports arena with basketball, volleyball and five-a-side soccer courts, the new sports hall, which completes the urban campus, is inclusive and sustainable and open to the entire city*

We have S



port inside

BOCCONI

WE HAVE  
SPORT  
INSIDE.



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**BOCCONI SPORT CENTER**

On our campus, open to everyone.

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# HAPPY BIRTHDAY

# The history of SDA Bocconi

Founded 50 years ago by Claudio Demattè, SDA Bocconi School of Management is today one of the most important business schools in Europe and the world. The deans and presidents who have directed it over the years tell us how this success was built up over the years. With a few anecdotes, such as when....

by Davide Ripamonti @



SEVERINO SALVEMINI  
PRESIDENT FROM  
2003 TO 2005

GIUSEPPE SODA  
DEAN SINCE 2016

BRUNO BUSACCA  
DEAN FROM  
2012 TO 2016

ALBERTO GRANDO  
DEAN FROM  
2006 TO 2012

MAURIZIO  
DALLOCCHIO  
DEAN FROM  
2003 TO 2005

# i told by those who wrote it



ELIO BORGONOV  
DEAN FROM  
1997 TO 2002

FRANCO AMIGONI  
DEAN FROM  
1991 TO 1996

VITTORIO CODA  
PRESIDENT FROM  
1984 TO 1996. UNTIL  
1990 CLAUDIO  
DEMATTÉ WAS THE  
SCHOOL'S DEAN



## VITTORIO CODA

# The mission in that billboard in via Sarfatti

*Who was at the heart of SDA Bocconi in the first half of its life, tells how the School and its most prestigious product, the MBA, were born*

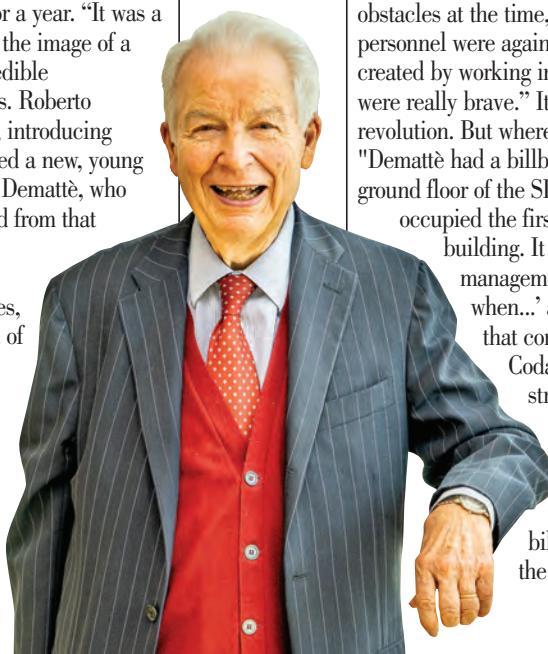
It was decided to try to promote the MBA also abroad and so Claudio Demattè sent Enrico Valdani around Europe, to Brussels and Frankfurt, to look for graduate students. There was a problem: the Master was in Italian." And the unexpected thing was that Valdani succeeded. **Vittorio Coda**, Italy's eminent business scholar who was one of the founders of the SDA Bocconi School of Management and led it as President until 1996, reveals how.

"This was in 1974, a rocky year for the country. Faced with the objections from foreigners who considered Italy a poorly organized country, unable even to govern itself, Demattè had invented a very convincing answer, which Valdani made his own: Imagine then how good Italian entrepreneurs and managers are, since they manage to excel in such a situation."

Coda's anecdote illustrates what SDA was like in those early years. A group of young professors animated by great courage and spirit of initiative. SDA had been born in 1971 on the ashes of a two-year evening course in Economics and Business Management that had existed since the 1950s and which Giordano Dell'Amore and Mario Masini had decided to suspend for a year. "It was a very traditional course, which conveyed the image of a Bocconi unable to renew itself, not a credible interlocutor for managers and companies. Roberto Ruozzi and I," says Coda, "redesigned it, introducing modern, interactive lessons. And we hired a new, young faculty. Then Ruozzi talked about it with Demattè, who had returned from the United States, and from that course SDA was born".

It was a flourishing of highly successful initiatives: "We created executive courses, an evening program on the management of credit firms, and I remember the buses chartered by banks that brought their executives to attend class after work". This climate of enthusiasm at SDA spread to the whole of Bocconi, helping to renew its image. But there was no time to rest on early successes. The next step, as with any self-respecting

VITTORIO CODA  
President from 1984  
to 1996. Until 1990  
Claudio Demattè was the  
school's dean



business school, was the creation of a full-fledged MBA. "Our reference was Harvard Business School, where Demattè had worked," says Coda, "and our faculty members began to attend international courses, such as the International Teachers Program, that came out of Harvard. What emerged were professors capable of introducing interactive and effective teaching, with recourse to case histories and discussions. But above all," underscores Vittorio Coda, "they were people who devoted time not only to the contents of courses, but also to the planning of the entire teaching process".

This is a concept that is dear to Coda's heart, because it was a real revolution, something that no one in Italy did at the time. And this fueled the enthusiasm to complete the MBA project for which, Coda recalls, "chief executive Luigi Guatri hired and funded a group of researchers, coming from various disciplinary areas, who would work full time on the project". It was the first MBA ever established in Italy and, even if one makes the effort, it is difficult to fully understand the significance of that event from today's perspective. "Asking working professionals to leave their jobs for a year and go back to school met many obstacles at the time," explains Coda, "Directors of personnel were against it. For them, managers were created by working in the field. The first MBA students were really brave." It was, in a sense, a cultural revolution. But where else, if not at Bocconi? "Demattè had a billboard permanently hanging on the ground floor of the SDA headquarters, which then occupied the first two floors of the Via Sarfatti building. It had inscribed the sentence 'A

management school serves the community when...' and there followed a list of reasons that completed the concept. Here," says

Coda, "we felt we were on a mission, we strongly wanted Bocconi to have a modern business school that would serve the community, which would render a service to the country.

Almost 50 years since that billboard was posted, I feel like saying the goal has been fully achieved". ■



FRANCO AMIGONI

# The bicycle and that photo in the newspaper

*Dean from 1991 to 1996, he has shared the life of SDA from the very beginning. Among the many memories are those relating to the Christmas holidays*

**F**rancisco Amigoni does not dwell on the years, from 1991 to 1996, in which he was the director. Because, after all, it is as if he had always been leading SDA, being one of the very few who have been part of the School's life since the very beginning, in the years just after its founding by Claudio Dematté in 1971. "The originality of the SDA, that of the early years I mean, does not lie in the contents. We imported those from Harvard," explains Amigoni, who takes a step back.

"Managerial culture is not European, it is American. It was the big American companies that, faced with complex tensions, have found solutions, which someone then codified and began to spread. And which are taught in business schools".

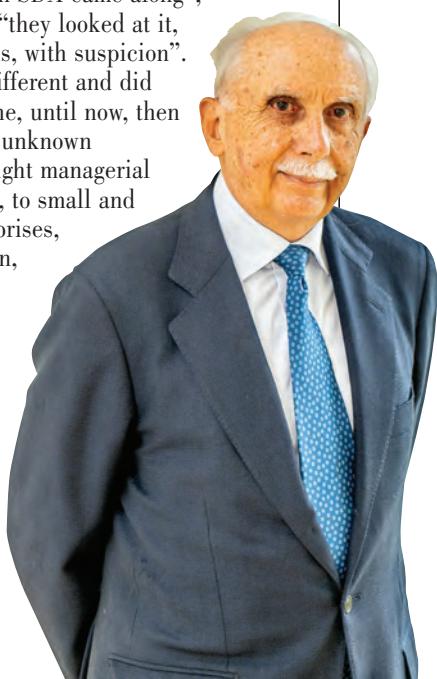
However, in Europe, even after World War II, they did not exist. And so, companies promoted their birth, support them. Also in Italy. "Small institutions were thus formed, linked to large companies, where professionals worked who consider themselves bearers of the managerial culture in Italy and who spread it, but only in restricted areas, the so-called elites. And that when SDA came along", continues Amigoni, "they looked at it, and they looked at us, with suspicion".

Because SDA was different and did something that no one, until now, then had done, exploring unknown territories: "We brought managerial culture to new areas, to small and medium-sized enterprises,

public administration, healthcare, and the Italian branches of multinationals", continues Amigoni, "and this is the first truly original aspect of the School".

But that is not all. Another fundamental issue

FRANCO AMIGONI  
Dean from 1991 to 1996



concerns the teaching staff, which in the other schools came from consultancy, as there was no real market for management professors in Italy. "SDA had the brilliant idea of relying on the university world, taking young graduates who were looking for a career, hiring them at Bocconi University, giving them the opportunity to teach also at SDA", continues Amigoni, who was part of that original group of young people. "A dozen in all, we created the first Master and led SDA for a long time, enjoying great autonomy and basing our action on some key words: flexibility, autonomy, market, generation of ideas from the base. We designed courses all the time, and it was us teachers who proposed them, which differentiated us from other schools". Simple ideas that generated complex products, that was the secret. Products that were truly innovative at the time, "like the multi-seminar project, that is, aggregated seminars to be sold together", Franco Amigoni resumes, "or what was perhaps the first major international product, COPAS, a course done in collaboration with companies that saw the best business strategy teachers of those years were involved, such as Igor Ansoff and Richard Normann. And that allowed the SDA, the only Italian school, to enter the institutions that brought together the European business schools."

Among the many memories linked to the birth, growth and definitive affirmation of SDA among the best international business schools, one in particular is dear to Amigoni, mixing professional aspects and human relationships: "There were the great meetings we held on the occasion of Christmas greetings, one of the few occasions when we could get together in full force. The central element of these meetings was the gift that the School gave to everyone. Important art and design objects. But the most expensive is when they gave us a beautiful Rossignoli bicycle, which I still have, and the photo that we all saw, riding our two-wheelers, which even appeared in the *Gazzetta dello Sport*". ■



## ELIO BORGONOV

# The future? Valuing relationships for a new humanism

*Dean between 1997 and 2002, he talks about the complex entry into international rankings and outlines his idea of the future. Without forgetting the Inzaghi brothers*

**S**DA was then recovering brilliantly from the heavy economic crisis that had hit Italy in the early 1990s, as the economy was heading towards a process, that of globalization, which would become more and more accentuated in subsequent years. "In 1998-99, SDA Bocconi was given the Equis accreditation for higher education by the EFMD, an event in which I played a role on two fronts", recalls **Elio Borgonovi**, Dean of SDA Bocconi School of Management in the period 1997-2002, under the Presidency of Claudio Demattè, "since I was also president of ASFOR, the Italian association for management training".

It was an important period, which saw the School establish itself for the first time in the main international rankings and, in fact, anticipated the internationalization of the University. "The newly acquired status gave us the impetus for a more rigorous selection of the faculty and to increase the administrative autonomy of the School. This was necessary", continues Borgonovi, "because autonomy was a mandatory requirement to obtain international accreditation, and it

ELIO BORGONOV  
Dean from 1997 to 2002

was not easy to explain that our legal system was different, for example, from the British one. We did a great job in this sense with the Rectors of the time, Roberto Ruozzi and Carlo Secchi."

During the years of his mandate, Elio Borgonovi saw many high-profile personalities, entrepreneurs, managers, representatives of national and international institutions pass through the classrooms of SDA. One memory in particular he gladly recalls, because it is linked to one of his passions, football: "During my tenure, the FIFA Master - International Master in Management, Law and Humanities of Sport was established, and during an event linked to the course the then FIFA president Joseph Blatter intervened and was very impressed when I told him that I had founded a football team, had been a coach and, above all, that I was born in the same town as the Inzaghi brothers".

SDA is a reality that is constantly updating itself and looking out to the future. What are, for Elio Borgonovi, the roads that must be taken to maintain the position of absolute prestige achieved over the years and, if possible, improve it further? "Obviously, we need to insist on the use of technologies to make the lessons more and more interactive, but in-presence classes must never be lacking because our MBA, for example, has a strong point in the relationships that are made; it is less standardized than the American equivalents".

It will also be essential to strengthen the network of alumni, keeping them united through content delivery, from where they can take part in the debate and create synergies to contribute to what is now called collective intelligence but which I prefer to define as community intelligence, a sort of relational humanism. "Finally", continues Borgonovi, "the research-training connection will have to be made faster and faster, something which is a workhorse in the Bocconi world. It's the kind of research which I call action research, and which immediately gets translated into change". ■





MAURIZIO DALLOCCHIO and SEVERINO SALVEMINI

# Finance? A starting point, not an end in itself

*Respectively dean and president from 2003 to 2005, they recount those years starting from a phrase by Roberto Colaninno*

**“Innovate, innovate, innovate while maintaining tradition.”** This is how Mario Monti described the objective of **Maurizio Dallocchio**’s term as Dean, following the years when the School had begun to take on an international dimension with Elio Borgonovi at the helm. “Innovating while maintaining tradition meant bringing Bocconi culture into an emerging framework, but at the same time not forgetting Claudio Dematté’s domestic focus when founding SDA. Namely, to serve the community and also train leaders in public administration and healthcare, who were often considered second-class but were actually very important. Just as we could not forget SMEs, which in Italy represent an essential foundation of the economy.”

That period was influenced by a traumatic event, the death of Claudio Dematté who had always been the leader of SDA. **Severino Salvemini**, President of the School from 2003 to 2005, remembers it this way: “At that time, there was a continuity with those who came before us, in part because internationalization had already begun and we continued down that path. They were also years during which the SDA educational offer was rationalized, an entrepreneurial choice that led us to scale down the course catalogue, while increasing the number of students enrolled in each program.”

Among his many memories of that period linked to the well-known and lesser-known personalities who attended SDA classrooms, Dallocchio remembers one particularly fondly: “Roberto Colaninno said something that made a big impression on me, that ‘finance must be the servant of industrial activity and cannot be the end point.’ And it should be remembered that it was an important time for market finance, because a lot of money could be made. But for him it was only a short-term phenomenon.”

As for the future, Dallocchio says that “teaching methods will have to be blended, but direct contact will remain fundamental, it cannot be replaced by distance learning. This will be true for the short-term. In the medium- and long-term, on the other hand, the

MAURIZIO DALLOCCHIO  
Dean from 2003 to 2005

SEVERINO SALVEMINI  
President from 2003  
to 2005



people in charge with leadership roles - and not just their deputies - must be brought back to the classroom. One last aspect is to have a strong international identity, which means having completely international experience, exposure and perceptions.” Regarding the value of creativity as a strength, Severino Salvemini insists: “This aspect is highly valued abroad and it must be emphasized, because we may be lacking in other aspects such as rigor and method. Teaching students to be creative isn’t easy, but it can be done. Indeed, it must be done: thinking outside the box is fundamental and we have a large number of entrepreneurs, more so than executives, who make creativity their strength.”

Since Salvemini was president, the world has changed a lot and continues to do so at an incredible speed. What does executive education need to do to keep up? “Basic skills are now acquired during university studies, and the future of post-graduate training will be closely tied to current events. An important issue will be that of uncertainty, as we are seeing in this phase dominated by the pandemic,” continues Salvemini. “We will have to be very open-minded, focus on multidisciplinary training and understand in real time what is happening in the world, because large companies are increasingly global.” ■



## ALBERTO GRANDO

# That one time Sergio Marchionne...

*Dean from 2006 to 2012, he remembers a speech by the CEO of FIAT that became notorious soon after. But also a Triple Crown, a reorganization of the School and the team's commitment*

**I**t was an important milestone and the crowning of a pursuit that began in the late '90s and culminated in December 2011. Under the leadership of **Alberto Grando**, the Triple Crown was achieved, i.e. accreditation at the three leading world bodies, EQUIS, AMBA and AACSB. "This was an important accomplishment," recalls Grando, Dean of SDA from 2006 to 2012, "that the School achieved in those years; in general, they were wonderful and difficult years, upset by the global crisis triggered by Lehmann Brothers. Companies cut any costs deemed unnecessary, including research and training. And so we began to rethink our offer, to rationalize it. We also imposed stricter criteria for faculty."

Another big step concerned the School's flagship product, the MBA: "Between 2007 and 2009 we abandoned programs in Italian once and for all, forming two fully international class groups. It was a decision that looked towards the future, but which made it possible in a difficult moment to have a wider pool of candidates to draw on, so much so that we reached 80% international students." Along with showcasing the most important programs, this choice guaranteed positive results for SDA at a time when many other business schools were floundering. And it was possible, recalls Grando, "because we were able to join forces, playing as a team, with a group of colleagues - faculty and staff - who grew stronger by working together and creating bonds of friendship and respect

ALBERTO GRANDO  
Dean from 2006 to 2012



based on everyone's commitment and generosity." During his years as Dean, many high-profile events took place in the classrooms on Via Bocconi. One was held in the Aula Magna, and was particularly well-known also outside Bocconi due to the speaker and what he said. "Sergio Marchionne's visit in 2012 came after returning from a trip to the United States where he had participated in meetings with prominent figures. In front of an audience of Alumni, he spoke critically against the protectionist Italian labor market, with Fiat practically closed throughout August, which he saw as totally anachronistic."

The Mumbai Asia Center also opened in 2012: "This too took place amidst lots of struggles. But perhaps not everyone knows that we were originally supposed to open in Egypt, not India. We were about to decide on the local partner, then the uprisings of the Arab Spring prompted us to move to another continent." He continues, "For me perhaps the most exciting moment was the celebration of the School's 40th anniversary, honoring its founder Claudio Dematté: a day filled with memories, excitement and pride that engaged the entire SDA community."

Future executive training will be different. The latest trends, accelerated by the pandemic, can already be seen. What will SDA need to do to remain avant-garde? "Understand how to balance the experiential component of the classroom with digital aspects, continue to innovate and offer its own distinctive model. Because even though technologies drive us towards a specific direction, I am convinced that uniformity should be avoided and that the added value of in-class teaching remains irreplaceable." Furthermore, Grando continues, "the School will have to increasingly take a position and influence important debates, addressing the research and business communities with equal focus on rigor and relevance." ■



BRUNO BUSACCA

# Like a great opera. And that time with the Norwegian royals

*Dean from 2012 to 2016, he remembers his tenure. Giuseppe Verdi's masterpiece, Aida, borrowed to illustrate the strengths of the School to evaluators*

“A way to make SDA Bocconi recognizable to the world? Drawing inspiration from Aida”.

Yes, Giuseppe Verdi's operatic masterpiece. And if for **Bruno Busacca** and his team it was above all an acronym aimed at enhancing the strengths of the management school (Ambidexterity, Internationalization, Development, Accountability), the choice of the acronym was inspirational rather than happenstance, as it was based on an excellence of Italian culture. “Indeed, the various accreditors who had to evaluate us really liked it.”

Busacca was Dean of SDA Bocconi School of Management from 2012 to 2016, and like all those who preceded him and followed him, he inherited a mission: “To value the great work done by those who directed the School before me and hand an even better business school to my successor.”

The period in which Busacca was at the reins of the School was not, however, the easiest: “These were the years that followed the great international economic crisis caused by Lehman Bros, with companies reluctant to invest. This forced us, especially at the beginning, to make great imaginative efforts to attract students to our courses. But we got through it well. The secret? Knowing how to provide such a diversified offer of programs that, despite the crisis, we inevitably had the right product for everyone”.

And quality, it is worth adding. Because Bruno Busacca oversaw confirmation of the coveted goal that SDA had reached in previous years, the so-called Triple Crown. “This is the accreditation received by the three main bodies for executive education”, explains Busacca, “Equis, AMBA and AACSB. An honor that is attributed to just over 50 business schools in the world and which was the result of our rapid ascent in the most prestigious international rankings. But it is also a burden because it meant greater responsibility.”



BRUNO BUSACCA  
Dean from 2012 to 2016

There are many prestigious personalities who passed through the classrooms of SDA, along with the events related to them during the years of his tenure as Dean.

Busacca remembers three in particular: “Andrea Illy and our long chats when he was president of Altagamma, but also Jean-

Michel Blanquer, then president of ESSEC but then also Minister of Education in the French government, with whom we launched the Executive Master in Luxury Management, an itinerant program with modules in various cities around the world. Finally,” continues Busacca, “a memory that still makes me smile is when the then managing director Bruno Pavesi and I were feverishly reviewing the minutiae of protocol while awaiting the arrival of the Norwegian royals”.

The future of executive training will be marked by change, a change somewhat accelerated by the pandemic but which could be glimpsed even before then.

Busacca imagines it this way: “More and more, a hybrid and integrated teaching model will be adopted, with the aim of maintaining interaction in the classroom only for high-value activities, such as business experiments. Another large area will be that of life-long learning, the continuous development of skills starting from undergraduate studies, with the involvement of alumni and corporations, who will have to tell us what they want from us. The School will have to guide students towards the challenges of the future.” ■



# More than a business school

*Since its founding, SDA Bocconi School of Management has set itself the goal of standing alongside individuals and organizations, public and private, to accompany them in their process of growth and development of skills throughout their adult lives. 50 years after its foundation, in a very crucial period for the post-pandemic restart of Italy and Europe, the mission of the school has never been so important. As its director, Giuseppe Soda, an expert in network dynamics, tells us. And the network of people remains the great strength of the school*

by Emanuele Elli @

**G**iuseppe Soda, who everyone in the university knows as Beppe, was a student, doctoral student, researcher, lecturer, department head at Bocconi. Today he is professor of Organization Theory & Social Network Analysis and since 2016 he leads, as Dean, SDA Bocconi, the business and management school, which this year celebrates its first 50 years. With him at the helm, SDA has logged its best results ever in the international rankings.

→ **With all these rankings don't you always feel like you're under scrutiny?**

Fortunately not, because I can't attribute all our merits to myself. I inherited a machine that worked, with a group of extraordinary people, faculty and staff. With this team we have only pressed a little more on the innovation pedal to accelerate the transformation and meet the great global challenges that lifelong learning is facing. And not all rankings are the same.

→ **What do you consider your to be your "championship ring"?**

The third place in Europe obtained in 2019 in the Financial Times' ranking of rankings. I consider it the pinnacle of the long march that began in 1989, when SDA decided (we were the first in Italy) to teach the Master in Business Administration in English so as to be able to compete on international markets and embrace the globalization that at that time was also



beginning to interest the higher education sector. To read that decision today, it was truly a turning point that led us to a cultural transformation, to a discipline and a constancy that perhaps otherwise we would not have had. Measuring yourself against the best is a difficult game, sometimes frustrating, but it leads you to have a long-term vision and to understand that great results come with perseverance and determination. Today, also thanks to the new campus, we are committed to further enhancing the school's international reputation, aware that the stronger the

SDA is, the stronger Bocconi is as a whole.

→ **How can a management school respond today to the upskilling or reskilling needs emerging in all sectors?**

SDA was conceived and founded by a group of very young professors with the aim of giving Italy, the productive world, companies and institutions a place in which to train a class capable of leading development and facing the great challenges of society and the economy. It was born as a School of Management and not a Business School. It is a precise direction, it means that our mission is to train good management also for the public sector and for all areas in which an open and competent leadership is needed. Today, faced with the challenges of



# ol, a school for the country

restarting, this responsibility is felt even more strongly and spurs us to make the SDA a truly transformative experience, for people as well as for the organizations that come to us.

→ ***Beyond the rankings, what are the signs, in your opinion, of the good functioning of a management school?***

A management school competes on many markets, there are custom courses (those created ad hoc for companies and institutions), open courses, Master programs, applied research. It is therefore difficult for there to be only one significant data point; it's like being in command of a plane, you have to keep an eye on many parameters, altitude, speed, course, inclination, and all of them must be corrected promptly because our markets are constantly changing. Beyond the indicators, however, there are moments that, on a symbolic level, have great value. To give an example, the other day at the end of the Executive MBA Graduation ceremony, one of our alums told me: "I thank SDA for helping me make the professional and personal transformation I felt I needed." Here, this sentence gives meaning to our work much more than all the rankings and indicators with which we are measured every day because it contains the sense of the school's mission: to guide professional and personal transformation to affect the future.

→ ***How is it possible to make the educational offer of a business school personal and unique?***

Within each major management school there are specific research and teaching traditions that can represent points of differentiation. We at SDA remain generalists and this is a strong point. From the point of view of disciplines, we can leverage the Bocconi system and human capital and its recent developments, for example in the field of data science. We also have points of excellence and pride, for example the managerial development programs aimed at strengthening SMEs, but also those for public government and health. Then there are vocations more closely related to Italy, such as fashion, design and luxury, but also all of our culture and skills in the manufacturing sector.

→ ***You define yourself first of all as a researcher. What role does research play within a management school?***

I always say that our distinctive competence is not to spread knowledge but to produce it. It is an almost ontological fact: a professor must first devote himself to the discovery and then to the transfer of knowledge

**GIUSEPPE SODA**  
A 54-year-old professor of *Organization Theory & Social Network Analysis*, since 2016 he leads the *SDA Bocconi School of Management*. After his *PhD in Business Administration and Management*, he completed his studies at *Carnegie Mellon University* in Pittsburgh and carried out his career at *Bocconi University* leading the *Department of Management & Technology* (from 2013 to 2016) and the *Research Division of the SDA Bocconi School of Management* (from 2006 to 2013). At *Bocconi* he has also been recognized for excellence in research several times and in 2016 he was given the *Research Impact Award*. In recent years he has been called to hold important positions within some of

the main global institutions that govern business schools such as the board of *EQUIS* (European Quality Improvement System) of the European Foundation for Management Development (the European business accreditation system school) and that of *GMAC* (Graduate Management Admission Council).

through teaching. The creation of new knowledge, the result of research activity, is in itself a deviant act: the exercise of an alternative thought to the dominant one, supported by the rigor of the method. Thus, the innovative effort in managerial knowledge is always to go further, to seek answers to complexity and not necessarily reduce it to a recipe based on common feelings or on past experience. At the same time, the research carried out in SDA and transmitted in its classrooms has always been conceived as "influential". It is focused on relevant topics, developed with the precision and quality typical of scientific disciplines, but at the same time it is able to produce knowledge with a high impact on the communities of reference.

→ ***Among the bonuses launched by governments to relaunch consumption, there is nothing concerning training. How do you judge this lack?***

The word training in the PNRR, National Recovery and Resilience Plan, is repeated 206 times. In the plan, training represents the main lever of many policies that will be central to the restart, such as the National New Skills Plan. However, there is no specific incentive to push companies and institutions to use training as an accelerator for competitiveness. It seems to me that the strategic importance of human capital is well understood and, beyond the fiscal lever, in the implementation of the PNRR we will need a concrete plan for the reskilling, upskilling and digital transformation of our production system and of Public Administration.

→ ***You are considered one of the leading experts in Network Dynamics, how would you define the experience in a school like SDA in this sense?***

University institutions, schools, are loosely connected systems, in the sense that their essence is precisely that of a network of connections and interactions, rather than that of vertical and hierarchical organizations. The production of knowledge is largely based on the network of relationships of exchange and sharing of knowledge and ideas in which we are all immersed. Although founded by very charismatic leaders, such as Claudio Dematté, SDA has always been a large network of very different people, some of academic derivation, others more linked to managerial practice. But this "connected diversity" has been and is a great strength. My responsibility as Dean is precisely to make this network more and more dynamic, multiplying the opportunities for exchange and interaction in order to be faster and more innovative in responding to a context, that of higher education, in profound transformation. ■





# The phygital school

*Hybridization of physical and digital models of learning, personalized training paths, virtual classrooms, artificial intelligence: the future of teaching is already here. And Bocconi contributes to it*

by Leonardo Caporarello @

**T**raining models and teaching processes must constantly evolve in response to the socio-economic environment in which they are immersed.

Furthermore, as recent events have clearly highlighted, what until a year ago was considered an opportunity to be explored - remote learning and teaching - has now become a necessity, sometimes to be implemented very quickly.

How prepared are we in dealing with the current situation and, above all, how are we going to plan for the near future? "Being prepared" should be understood as a dynamic and not a static condition. Consequently, the training processes that support "continuous education" require reference models consistent with the characteristics of an environment with different levels of complexity.

It is evident that digital technology plays an essential role, however we must avoid falling into the trap of its "overestimation". It is first of all important to define the educational objectives (to develop one or more skills) for the achievement of which the most effective use of available technologies must be made. Thus, the learning paths will be constructed in such a way as to make students live real

"personalized training experiences" for each one of them. The educational experience will be multidimensional, that is it will be the result of an appropriate combination of content format, teaching methods, temporally distributed activities (in synchronous and asynchronous modes), place (online and in person) and type of interaction (individual, group). In other



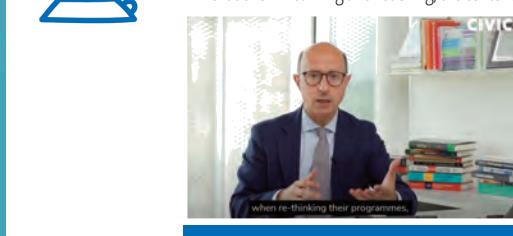
LEONARDO CAPORARELLO  
Director of BUILT, Bocconi  
University Innovations  
in Learning and Teaching

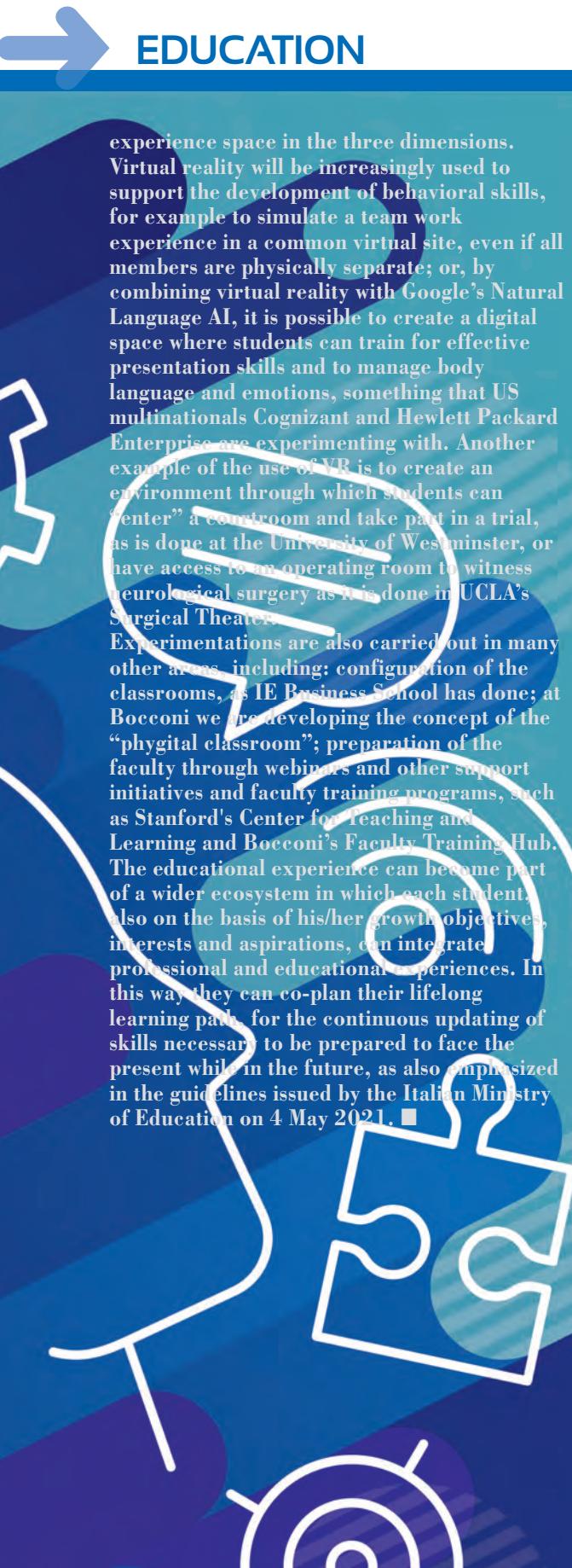
words, several teaching methods will be used, through which students, individually and in groups, will be involved in synchronous and asynchronous activities, in physical and virtual environments, with various levels of interaction (between students, between groups of heterogeneous students, between students and simulated environments). In other words, the educational model will be phygital (Physical+Digital). The learning experience will be supported learning analytics feedbacks, processed by the instructor and by AI systems, capable of giving suggestions and indications on the progression of one's learning throughout the entire experience. There are many experiments with educational innovation that insist on one or more of the above dimensions. Experimentation with virtual reality will see significant growth: the VR for education market is expected to increase from current \$8.3 billion to \$30 billion by 2025. Here are some examples. YouTube has created a VR channel where you can browse 360-degree videos, for a more immersive experience. Students of the Yale School of Arts already have access to a digital creative area that allows them to fully virtually



## THE RESEARCH

Teaching innovation and technological innovation for learning have a central hub of development at Bocconi: BUILT - Bocconi University Innovations in Learning and Teaching, the center directed by Leonardo Caporarello. The objective of the center is to promote innovation in teaching methodologies at Bocconi for the creation of enhanced and unique learning experiences.





## EDUCATION

experience space in the three dimensions. Virtual reality will be increasingly used to support the development of behavioral skills, for example to simulate a team work experience in a common virtual site, even if all members are physically separate; or, by combining virtual reality with Google's Natural Language AI, it is possible to create a digital space where students can train for effective presentation skills and to manage body language and emotions, something that US multinationals Cognizant and Hewlett Packard Enterprise are experimenting with. Another example of the use of VR is to create an environment through which students can "enter" a courtroom and take part in a trial, as is done at the University of Westminster, or have access to an operating room to witness neurological surgery as it is done in UCLA's Surgical Theater. Experiments are also carried out in many other areas, including: configuration of the classrooms, as IE Business School has done; at Bocconi we are developing the concept of the "phygital classroom"; preparation of the faculty through webinars and other support initiatives and faculty training programs, such as Stanford's Center for Teaching and Learning and Bocconi's Faculty Training Hub. The educational experience can become part of a wider ecosystem in which each student, also on the basis of his/her growth objectives, interests and aspirations, can integrate professional and educational experiences. In this way, they can co-plan their lifelong learning path, for the continuous updating of skills necessary to be prepared to face the present while in the future, as also emphasized in the guidelines issued by the Italian Ministry of Education on 4 May 2021. ■

## The future of education

**Gianmario Verona**, Rector of Bocconi, in the web series Executive chat met three protagonists of the world of higher education to talk with them about the impact of the pandemic on universities and the lessons we must not forget

**Anant Agarwal**  
Founder & CEO edX

*"Education is a human right – everyone in the world should have access to education. With digital technology we can increase education all over the world on a massive scale. And at universities we can also improve quality of education with blended learning. The new normal on campuses will be blended learning".*



**Jeff Maggioncalda**  
CEO Coursera

*"Investors recognize how much need there will be to integrate tech into making high-quality education more available. The world is changing so fast and going to school for just four years will not meet the needs of what we need to learn. And investors go after opportunities and the money going into Edtech is creating more innovative companies."*



**Cristina Messa**  
Minister for Universities  
and Research, Italy

*"We need to mix as much as possible different disciplines in new courses and teaching to help the young generations to face a world with lots of complexity. We also need a research community that involves many actors and that research be transferred more rapidly to the world of business. And our society needs graduates – we need to work on the links between university and the job market."*



# Bocconi Podcasts

# MUCH MORE

# THAN WORDS

Bocconi podcasts enable listeners to go deeper and learn more about topics that really matter, in order to get inspired and gain new perspectives on relevant issues. Another way to fulfill our mission of spreading knowledge around the world.

Welcome to our podcasts.



What are the causes behind the most puzzling issues of our time? This series of talks shines a light on solutions for this chaotic world, in order to gain clarity thanks to the experience of guest experts interviewed by David W. Callahan.

Everybody tells a story. But nobody tells it as we do. This podcast series collects facts and reports from ViaSarfatti25, Bocconi University's magazine. Listen to what professors and researchers have to say about the big topics in the fields of business, management, data science and politics.





If James Bond practiced law, it would be international arbitration. Don't you believe it? Just consider how many international arbitrations would make a great plot for a James Bond movie. For example, in a plot stranger than any 007 fiction, an Israeli investor in one case found out the hard way that *The Spy Who Loved Me* can be a dangerous double-agent. That case brought together a buccaneering tycoon investor who owned a lavish Italian yacht, an aging (now deceased) Guinean dictator, his most recent of four wives, the largest iron-ore resources on the planet located in one of its poorest countries, the FBI, a wiretapping sting operation, philanthropist George Soros, a French businessman, armies of lawyers, several Swiss investigators, racketeering charges in New York, a



CATHERINE A. ROGERS  
Full Professor of Domestic  
and International  
Arbitration,  
Bocconi University

McMansion in Florida, and allegations of South African secret agents interfering in an African election. In 007 movies, the audience knows from the opening credits that Bond is on the side of good, battling for nothing less than the survival of the free world.

Today, however, critics have flipped the script. Critics claim that international arbitration is a dark villain that subverts the common good in favor of mustache-twirling corporate conglomerates and their malevolent financiers. In light of these criticisms, a *Spectre* is hanging over international arbitration. Like a *Thunderball* barreling downhill, these criticisms are also gaining momentum. Beyond investment arbitration, a leading jurist in England and Wales cast

# The world is not enough



*At least not the world of James Bond. If the most famous movie spy had been a jurist, he would have dealt with international arbitration. Don't believe it? Read this article, and take a look at the whole saga*

by Catherine A. Rogers @



himself as Dr. No by arguing that international arbitration undermines the development of the common law in commercial disputes.

Taken together, these complaints are not necessarily a *Skyfall*. But they should scare *The Living Daylights* out of those who believe international arbitration is an important form of global governance and an essential mechanism for international trade.

Unrivaled by any viable alternatives, international arbitration had historically rested on a dismissive *Live and Let Die* approach to criticisms. But as mediation and forum selection clauses become more viable and a global investment court threatens to displace investment arbitration, we should be shaken, not

# not enough



## THE PAPER

**The World Is Not Enough: ethics in arbitration seen through the world of film**, by Catherine A. Rogers

stirred, into action. *From Russia with Love*, the \$50 billion award in Yukos, is a good illustration. Although the biggest award in history, it is at least as well-known for bringing the cameras in for a close-up on alleged tribunal secretary excesses. For the audience, it seems difficult to understand how everyone failed to foresee the problems.

Some dismissed the case as anomalous, but most instead took the position that we should *Never Say Never Again*. In response, new sources were created to establish clear guidelines to limit the role of tribunal secretaries. What does all this mean for international arbitration? It does not require a *Goldeneye* to see the answer. It merely requires that - in tending to the needs of clients, organizations, institutions, and their own professional goals - arbitration specialists must look beyond their most immediate, short-term self-interests. They should consider how their

individual actions affect the system's legitimacy, and hence their long-term enlightened self-interest.

It does not do anyone - not lawyer, not client, not arbitrator, not outside funder, and not institution - any good to have their case become the poster child for some endemic problem or controversy. When one actor in a particular case does not have the wherewithal to see or act beyond immediate strategic considerations, others have a longer-term self-interest to step in. Despite increasing criticism of international arbitration, it is *No Time to Die*.

Instead, a *Quantum of Solace* can be taken from the fact that those professionals active in international arbitration care deeply about the field's real and perceived legitimacy. Internal reforms demonstrate a collective impulse to address problems through self-reassessment, internal recalibration, and self-regulation. These reforms ensure that, for international arbitration, *Tomorrow Never Dies*. ■



# Future

*What will the new normal look like in the post-pandemic world? How will megatrends, from climate change and digital transformation to demographic factors, political changes in Europe and new economic tendencies, impact the world we know? We discussed with Gianmario Verona, Rector of Bocconi, and Michael Spence, Nobel laureate in economics and Senior Professor at Bocconi, who with Francesco Billari, Valentina Bosetti and Catherine*

by Jennifer Clark, Tomaso Eridani @

# world

*De Vries are the protagonists of the five video masterclasses "Future World" that we present in these pages. Including expert opinion from: Barbara Buchner (Managing Director Climate Policy Initiative); Vittorio Colao (Minister of the Italian Government); Timothy Garton Ash (University of Oxford); Fred Hu (Chairman of Primavera Capital Group); Dubravka Šuica (Vice President of the European Commission)*



**H**as the Covid-19 pandemic changed the mega trends that are shaping the world we will live in 10 years from now? *Sarfatti25* sat down - in person! - with Bocconi University Rector Gianmario Verona and Nobel laureate Michael Spence, Senior Professor of Economics at Bocconi, to get their take on the interaction between post-pandemic recovery and pre-existing macro forces like climate change, digital transformation, challenges for SMEs, the geopolitical shift in the global economy, populism, and the risk of inflation. Here's what they said.

→ **What are some of the main mega-trends you see on the horizon? What do governments and companies need to do to be prepared to deal with them?**

**MICHAEL SPENCE** One that I think is irreversible is the shift of the global economy to Asia. The elephant in the room is China. But the next giant is just as big, and that's India. This trend has lots of implications in terms of where economic power and influence is now, and where it will lie in the future, and what companies, governments and others need to consider as they ease into this new world. The second one for me is digital transformation of the economy. There are large sectors - like tech or like finance now - that have a big digital footprint. Then there are other sectors that were just toddling along and minding their own business, like healthcare - and I am not talking about biomedical science - or construction. We are going to see an acceleration. The notion that we are going to revert to the inertia we saw before the pandemic and fall asleep again seems wrong. And the third one is climate change. I think there will be a very substantial pickup in the trajectory of taking it seriously instead of just talking about it. Global emissions are roughly 36 to 38 billion tons of CO<sub>2</sub> per year. That's at

least three times anything remotely viewed as safe.

**GIANMARIO VERONA** In terms of megatrends facing corporations in the future, I think digital transformation and what we call the sustainability challenge are the two fundamental ones. Digital transformation has been happening since the late 1990s, but now clearly it is providing the opportunity to use data to reconfigure entire corporations and industries. We have seen this in media and retailing, and we are now seeing it in education. All industries will be revolutionized by data. Think about vaccines, and about how researchers who shared data were able to come up with a solution in just eight months, something that has never happened before. This is a problem in a country like Italy characterized by small and medium sized firms, because they will take longer to achieve this transformation, which is happening in the next 10-15 years. And the other thing is climate. Corporations like to use these three words: ESG, environmental, social and governance. So not only climate change, but an organization's entire social impact. This means shifting towards a stakeholder-based model. All CEOs now are also evaluated in terms of what they do in this arena.

→ **Let's move to the economy. Which sectors will perform best post-pandemic?**

**SPENCE** Two observations that I think are relevant. There has been a major transformation in the way value is being created, a shift from tangible to intangible assets. The luxury brands aren't worth what they are worth because they have a whole lot of plants. No, it's brands, and increasing digital assets, data, the ability to use it. The other is that entrepreneurial activity used to



be concentrated in a few geographical areas. If it was digital, it was Silicon Valley. Now it's global. You have unicorns being built everywhere ... China, Indonesia, India, Europe. Then if I had to pick the sectors, just diving into it, I would say fintech is one. If you look at Alibaba and its push into financial services, you'll see that the combination of the ecommerce data, mobile payments data, and financial data allows them to do a better job of lending money to households and very small businesses. Health care is another. What strikes me as most interesting about health care, telemedicine, or machine learning in areas of medicine, is the startling inclusiveness of the growth patterns. And that story gets repeated over and over again. In addition to these complicated, slightly scary transformations, there is this remarkable set of opportunities, whether it is in finance or health care or other things, to expand the accessibility to crucial types of services.

**VERONA** I will build on what Mike said. Value creation in the future will come from putting together consumer data in different ways that satisfy demand. In the past it was about products. Now it is about finding the way to connect the dots. This is in principle. In terms of types of industry, for sure science and digital will be the most important in the next few years. But for all industries there will be the opportunity to create additional value. This calls for a change in the strategic perspective of an organization. In the past, companies have always thought mainly about products first, and convincing consumers afterwards. Now the world is demand-driven. We have data. Companies need to pull together data and find ways to provide services to consumers. Amazon and Google are the champions in this area. For sure, the digital sector will be the one that's the most important. Those industries that can innovate more quickly with an approach that is demand-driven more than supply-driven are clearly those that will grow faster. And in general, digital industries and life science industries are probably the two that will grow fastest.

#### → **What do small- and medium-sized companies need to do in order not to be left behind?**

**VERONA** It is a cultural problem. Let's talk about design and luxury, which is important for Italy. There are few organizations that have learned that the data around the design and the way the consumer connects with that



## PODCAST / 2

Politics, demography, climate change - so many forces were already impacting these aspects of our society before the pandemic and now they face even more critical challenges. In this episode of Bocconi's *StoryScanner* podcast professors **Francesco Billari**, **Catherine De Vries** and **Valentina Bosetti** discuss what lies ahead.



design is as important to the business as the product itself. But many have not. The pandemic has helped us to overcome some of the "digital inertia" Mike mentioned because it forced us to embrace new behaviors and new logic. But SMEs have the problem of limited resources. I am personally very concerned, because they should be helped to embrace these new challenges. The Next Generation EU fund is very important in terms of overcoming inertia and achieving digital transformation and sustainability. And what I am seeing in Italy with the Resilience Plan that Prime Minister Mario Draghi has launched is that it could convince firms and sectors to embrace digital and become more sustainable in the way they produce products.

**SPENCE** It's a big challenge at all levels. If you want the productivity effect at the macro level, you need the SMEs on board or you don't get the result. How do you help them? I completely agree with what Gianmario says. When I ask a question like that, India is an interesting case. They have a tiny fragmented retail sector full of mom-and-pop companies. What happened there was rather than the big players like Walmart and Carrefour coming into the market and blowing them away, Indian entrepreneur Mukesh Ambani's phone company, Reliance Jio, expanded the country's mobile internet access and digital platforms. He sold mobile phone services at such a low price that Jio now has over 400 million users. They basically digitized India in terms of access. Now the game plan is to build digital infrastructure that supports retail sector with better management of supply chains and data. So rather than blow small retailers away, they are getting behind them and turning them to more modern operations. It's at an early stage, but that is the kind of thing that is possible.

#### → **How will our lives be transformed after 2027 when the Next Generation EU is finished? What will the impact be?**

**VERONA** The plans we see coming out of Italy, Spain and France have been designed carefully and in line with the megatrends that Mike mentioned at the very beginning. Down the road, there's the geopolitical and also economic problem that Mike raised. We have the U.S. and China as two economic powerhouses, and



## PODCAST / 1

What will be the growth patterns and dynamics of the economy in the post-pandemic recovery and what will be the role and impact of digital transformation? **Michael Spence**, Nobel Prize in Economics in 2001 and Professor of Economics at Bocconi, and **Gianmario Verona**, Rector of Bocconi, discuss in this episode of Bocconi's *StoryScanner* podcast.



Europe is in the middle. In the past, Europe seems not to have had a strategy. Now we are trying to catch up a little bit. Mario Draghi talks about the Marshall Plan. Most of Italy's leading companies were born in the 1950s and 1960s after World War II, thanks in part to the Marshall Plan. If Next Generation EU can boost the economy the way the Marshall Plan did, probably things will be a bit more balanced internationally, and Italy can play a stronger role. And Europe can be much stronger than it has been in the recent past. The problem is about the execution of this plan. There is a risk of political instability in Europe. And I am concerned about the dynamics of politics in France and Germany.

**SPENCE** I am pretty optimistic. When you spend a lot of time studying growth patterns, you realize that the scarce resource is human talent. And there is a ton of it right around here. If you remove the obstacles, barriers and restraints, you could have an explosion of innovative activity. With a really top flight government like the one Italy has now, which knows exactly how to find and remove obstacles to growth, the potential is just enormous. To inject a note of skepticism, governments have absolutely crucial roles. If a government either doesn't know what it was doing or was busy doing something not in the public interest, nothing good is going to happen. Markets, private sectors, entrepreneurs and dynamic companies are important. But so are governments. And governance. So listening to Gianmario with the new commitment to Europe with our really good government here, sure, there are fragmented centrifugal forces all the time. we feel it in America with the Trump people. One third of the

## Future world's backstage



electorate thinks the election was stolen. We are not exactly all together. But I think there is real progress.

→ **On the topic of governments, does the level of cooperation during the pandemic bode well for the future?**

**VERONA** If you think about Europe before the pandemic, the legitimacy of Europe itself was being questioned by populism. And all of a sudden, governments have come together. I want to be optimistic in the years to come. I hope history will tell us a lesson we can learn.

**SPENCE** We think of it in terms of governments. But the scientific community tends to ignore national boundaries and talk to each other. And they did in this case. It wasn't new, but it was impressive.

→ **What is your outlook for inflation? How concerned are you?**

**SPENCE** I think you have to take it seriously. After the 2008 financial crisis and the follow-on sovereign debt issues in the eurozone, most of the luggage was carried by central banks and fiscal responses were relatively muted. And fast forward to today, now we have much bigger fiscal responses. And instead of a different fiscal/monetary balance, we have the central banks still "all in."

**VERONA** The peculiarity of this crisis, unlike the financial crisis, is that it has been a crisis of demand and supply. Right? A shock. It is more like a war. Now there is the need to make money available to stimulate consumption. And this is different from the last crisis. So what Mike is saying is clear, and we need to pay a lot of attention to that.

→ **Anything you would like to say to sum up?**

**SPENCE** I would only add that most of what we have talked about here will require the engagement of the corporate sector. The corporate commitment to the multi-stakeholder model is important. Employees are stakeholders in this new world. They are not disposable inputs. Of course, you need government, social security systems, educational institutions and others. But you can't do it without the corporate sector. ■

## From Future world to FTxBocconi

Applications are open for the 3rd edition of the [FTxBocconi Challenge](#). Open to university students and young professionals from all over the world, the Challenge will see participants called upon to develop innovative ideas, that must first of all be sustainable, for today's hybrid world. A world characterized by megatrends impacting all aspects of our society and to which Bocconi has dedicated Future World – a series of five masterclasses that we present here and that will be broadcast on [Bocconi](#) and [FT channels](#), looking at the forces impacting our society, the challenges and opportunities, and how we will have to transform and adapt.



# CLIMATE CHANGE

Climate change is a megatrend. Whether we will manage to slow the process down or not, these changes will affect several ecosystems, multiple economic sectors and several features of our own lives. The latest science shows that some of these changes may be faster than we expected and that if we don't act we could risk triggering non-linear modifications in the natural systems. We have already caused enough damage with our past actions, and it is now time to break the cycle. The solutions are out there: from carbon-free electricity to electrified transport. But the technological shifts come with challenges and to trigger change we will need policies. It is a complex effort, requiring high levels of coordination across sectors, activities and countries.



**“Developing and emerging countries cannot implement policies and strategies to fight climate change alone – and this is where the international financial community has a crucial role to play.”**

BARBARA BUCHNER  
Global Managing Director  
of Climate Policy Initiative

**“Climate change is possibly the largest challenge humanity has ever faced. It requires ingenuity and innovation; not just in technologies but also in policy making and in our behaviors. It also requires never before witnessed levels of international cooperation - and can only be done with social justice in mind.”**



VALENTINA BOSETTI  
Full Professor of Climate Change  
Economics, Bocconi University

# POPULATION

Demography shapes and is shaped by economic, social, political, and environmental change and population change becomes a megatrend that drives global and local trends in a number of domains. As a result, demographic scenarios are used as input for scenarios on the future of various fronts, including the economy, political and social change, democratization, climate change. Demography is shaped by many forces - in recent years for example the digital revolution has quickly shaped population change and recently the Covid19 pandemic has compressed deaths in a short time. While the main force driving fast population change is migration, a force which magnifies the uncertainty associated with population change, on the other hand, at the global level, and relatively slowly, population aging will unavoidably transform economies and societies everywhere.



**“Population change can be slow, but can also be fast and addressing the challenges and opportunities of demography requires acknowledging this double speed. And knowing more than the basics of demography, given its centrality, will become a source of comparative advantage.”**

FRANCESCO BILLARI  
Full Professor of Demography,  
Bocconi University

**“Demographic change is not just a challenge but also an opportunity to be grasped, for both slow and fast change, and we must not limit ourselves just to problem analysis but also think of solutions and policies, to respond to and anticipate changes.”**



DUBRAVKA ŠÚICA  
Vice President of the  
European Commission



# DIGITAL TRANSFORMATION

Digital transformation has been reshaping our lives since the late 1990s. Nonetheless, we are realizing its actual impact on most sectors of the economy and its potential for future economic growth only now - during the Covid19 pandemic. And it has given us a clear idea of the relevance of Digital Transformation to our lives in the future - which will increasingly be a combination of the physical and the digital. But it is not simple to digitize the economy without clear incentives that change the behavior of organizations and individuals. And while the lives of citizens and consumers have been transformed by the digital revolution, from the supply side there is still a long way to go. The EU in the meantime has reacted proactively, making Digital Transformation one of the two major pillars - along with sustainability - of the Next Gen EU Fund with a substantial investment.

**"The future is hybrid: with digital technologies complementing analog technologies and data-driving organizations pursuing innovations that markets want. With the Next Gen EU plan, Europe is taking the lead on digital transformation and we have a crucial platform to boost digital technology in our society."**



GIANMARIO VERONA  
Full Professor of Technology  
and Innovation Strategy,  
Rector of Bocconi University

**"There are three key pillars for digital transformation in Europe - creating a true European cloud, pursuing the Digital Compass 2030 and continuing the effort to promote STEM skills and to leverage European human capital."**



VITTORIO COLAO  
Minister of Technological Innovation  
and Digital Transition,  
Italian Government

# ECONOMY

While there are many areas of uncertainty in the post-recovery economy, some industries seem poised for a period of extraordinarily rapid growth. Specifically, in sectors with a combination of technological possibilities, available capital, and high demand for creative new solutions, conditions will be highly favorable for investment and new company formation. The three leading candidates for growth are the application of digital technologies across the entire

**"In the post pandemic global world, powerful digital tools, entrepreneurs, growth companies, and supportive innovative ecosystems will lead the charge and these new systems will be global in scope and impact. And the potential for expanded inclusive growth patterns is very real."**

MICHAEL SPENCE  
Nobel laureate of Economics  
2001, Senior Professor  
of Economics,  
Bocconi University





# EUROPEAN UNION

economy, biomedical science and its applications in healthcare and beyond, and technologies that address the various challenges to sustainability, especially those associated with climate change. The distribution of income will be another key factor in productivity growth, since if incremental income continues to flow mainly to high-income individuals and the owners of capital it will be bad for demand, and hence business investment and productivity.

**"The entrepreneurial sector in China has shown great resilience and energy and seized the opportunities and challenges caused by the pandemic to drive innovation. In general, entrepreneurial activities spreading digital technologies, in China and elsewhere, have made a crucial difference to how societies have coped with the pandemic."**



FRED HU

PhD

Chairman of Primavera  
Capital Group

The coronavirus outbreak was only the latest stress test for the EU after Brexit, the refugee crisis and the Eurozone debt crisis. Although European leaders reacted quickly this time around, the EU is not out of the woods yet. While member states have become more interconnected over the past decades, at the same time their political, economic and social trajectories have grown further apart. The EU recovery fund, Next Generation EU, was designed to avoid an uneven recovery and economic fragmentation but it will unlikely be able to overcome deep imbalances. And even though support for EU membership is high, this doesn't mean people are satisfied with the direction the EU is taking. What is more, European politicians are increasingly weaponizing the topic of European integration to serve their domestic political goals. The European continent faces key challenges and to deal with them effectively European leaders will have to coordinate their actions.

**"The EU needs to reconcile radically different views about the appropriate scope and depth of integration that exist both across and within member states and that are often hot topics of domestic debate. At the same time, European leaders need to secure public support for the European project to make its future sustainable."**



CATHERINE DE VRIES

Full Professor of Political  
Science, Bocconi University

TIMOTHY GARTON ASH  
Professor of European Studies,  
Oxford University



**"The key to a better future is for the European Union to deliver on the policies that really matter to European citizens and to better manage diversity in an increasingly diverse EU."**

# The origins of the gap between

*An experimental study shows that the differences in terms of development and employment are not linked to cultural factors but to the economic policies that have occurred over the years. Actions aimed at relaunching the South should be based on the generalized reciprocity that characterizes the population and promote activities aimed at building a broad sense of identity*

by Arnstein Aassve @

**S**ince before its unification in 1861, Italy has been characterized by a divide between the North and South in terms of development, employment and economic performance, a disparity that has persisted to date. Influential scholars advanced a variety of arguments as for why this divide originated. Many claim that the origins of such divide are related to culture. A prominent explanation dates back to the work of the sociologist Edward Banfield, who in a 1958 book suggested that the backwardness of southern communities could stem from amoral familism (i.e. the inability to cooperate with people outside the nuclear family). Banfield's work generated a stream of contributions in this field, including the influential analysis by Robert Putnam who ascribes the divide to longstanding differentials in social capital. Renewed interest in this topic has challenged cultural explanations to the North-South gap, by asking whether Banfield's and other scholars' hypotheses were right. In a paper recently published in the Journal of Regional Science with Pierluigi Conzo (University of Turin) and Francesco Mattioli (Dondena Centre / incoming Bocconi PhD student) we try to answer this question. We do so by using the novel dataset from the Trustlab project, a research initiative launched by the OECD in partnership with world-class institutions from member countries aimed at improving the measurement of interpersonal and institutional trust. The Italian Trustlab, which I head, benefits from the combination of experimental economics techniques (money incentivized experiments such as the trust game, the public goods game, the dictator game, and the risky decision game) and extensive survey modules. For the first time, an online laboratory experiment was conducted on a large sample of over 1,000 Italians representative of the total population.



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Thanks to several experimental and survey measures of pro-social preferences and behaviors, we are able to assess whether and over which dimensions of social capital Southern residents differ. Results show that Southerners are comparable to other Italians as for trust towards unknown people, cooperation, altruism, risk tolerance, expectations about others' trustworthiness, and engagement in voluntary work. The only gap emerging from the analysis consists of Southerners' lower levels of trustworthiness, i.e. the ability to reciprocate an act of trust by others. In particular, it is observed that Southerners tend to return less money to an unknown partner the larger is the monetary amount initially received by them as an act of trust. Similarly, when collective contributions to a public project are very large, Southerners prefer not to contribute as much as their partners.

Contrary to the hypotheses put forward by Banfield and Putnam, the inferior reciprocity of Southerners is not driven by different levels of familism or social capital. Neither does it depend on the aversion to being betrayed by other people, nor it is shaped by migration patterns occurring throughout respondents' lives. Rather, the authors find evidence of intergenerational transmission of social norms: in fact, having a parent from the South predicts the lower reciprocity of respondents, although parents' exposure to a high-trustworthiness environment might offset this inheritance.

In summary, new results from Trustlab data suggest that Southern Italians tend to reward highly pro-social acts to a lower extent than other Italians, whereas they are statistically similar with respect to most social preferences. Therefore, the reasons of the uneven economic outcomes of Italian macro-areas might not necessarily be cultural, but could be the result of bad economic policies implemented over time at a national and subnational level. Or, if policies must target cultural differences in order to achieve economic convergence across Italy, they should not target Southerners' propensity to cooperate with strangers, but their generalized reciprocity while promoting activities aimed at building a broad sense of identity. ■



## THE PAPER

Was Banfield right? New insights from a nationwide laboratory experiment, by Arnstein Aassve, Pierluigi Conzo, Francesco Mattioli

# n northern and southern Italy



# The mobility puzzle





*Sustainability, sharing mobility, expansion of public services, digital platforms. The interlocking of these four trends will determine how we and the goods we consume will move. With one goal: to increase spatial equity and equity between generations*

by Marco Percoco @

**P**erhaps never as in recent years have we had such a clear perception of how mobility and transport services are a blessing and a bane of contemporary society.

On the one hand, the restrictions on the movement of people imposed by almost all governments have made us appreciate how important proximity is, which often implies the possibility of social, personal, and professional relationships. On the other hand, the explosion of e-commerce, with its long-haul and last-mile logistics, has made us better understand how much our lives as modern consumers depend crucially on one type of service, that of freight transport, often invisible to our eyes and not appreciated enough.

This renewed attention comes at a time of great turmoil in the sector, which is responding to important demands of an economic and social nature, related to two objectives above all: improving accessibility and ensuring environmental sustainability.

As for accessibility, there is no doubt that one of the most pressing issues for contemporary cities is to ensure greater spatial equity, or a reduction in inequality of accessibility to the many opportunities that cities offer. And it is precisely in this area that the integration between the different modes of transport (private, public, sharing) are making the first timid attempts at integration, albeit in a space



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defined by a bloated regulatory system.

Globally, transport is responsible for about 20% of climate-altering emissions and, through the emission of particulate matter and ozone, for about 400,000 premature deaths. These are the reasons, expressed in their crudeness, why a considerable effort is now required from mobility services to contribute to the achievement of those objectives of environmental sustainability that the international community is successfully imposing. The transport sector is responding to this challenge by supporting or trying to change mobility habits, but also, and perhaps most significantly, through radical technological innovations, in fuels, as well as in traction.

With an extreme effort of synthesis, it is possible, however, to identify four basic trends that would seem to be driving the innovative ferment of the sector.

The strongest push in the last decade has been that relating to sustainability, which has led to a growing penetration of hybrid and electric cars, to the point of discussing, today, the potential of hydrogen, especially for the transport of goods.

The propensity to own cars has decreased considerably, especially among the young. This change was accompanied by a strong growth in sharing mobility services, now present in almost all medium and large cities.

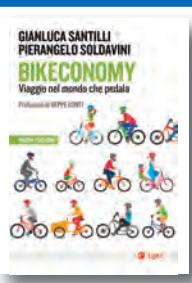
In recent years, there has been a slight expansion of the offer of public transport services, with a timid, but important, tendency towards integration, at least from the point of view of the organization.

Finally, the advent of digital platforms, while on the one hand has raised serious issues related to the world of work, on the other has ensured greater accessibility to the most disadvantaged neighborhoods, ensuring greater spatial equity. Ultimately, the mobility sector is experiencing a moment of great vitality and it is useful to think of its dynamics as a series of actions aimed at ensuring greater equity not only over time, between generations, but also in space, or between individuals who belong to the same generation but live in different places. ■



## THE BOOK

The bicycle is a critical driver of economic development and tourism, but it is also the means of transport around which we can rethink our cities to improve local mobility. It has become an irreplaceable pillar of a new economy, with an annual turnover in Italy of almost 8 billion euros. This is discussed in *Bikeconomy* (Egea, 2021, 216 pp. €20, in Italian), the new edition of which includes a chapter on future cities and new urban planning.





# New mobility services: time to integrate them, with an eye to customization

*Abroad there are already apps that allow you to plan for and purchase different mobility packages at once, says alum Tomaso Aguzzi, sales director of Arval BNP Paribas. "In Italy we have to start imagining how to meet various needs of transportation with different integrated mobility solutions"*

by Camillo Papini @

Cars, bicycles, mopeds and scooters, either shared or rented, plus the subway, trams, buses and all the other means of public transportation: today there is an embarrassment of choices when it comes to decide how to move around the city without your private car. However, since a varied mobility ecosystem already exists, it is time to integrate the many services into common digital platforms that allow you not only to choose a vehicle but to plan the entire trip, whether it is the cheapest, fastest, or greenest, for example by combining the use of car+metro+scooter and paying in a single transaction. "Abroad there are already cases of apps that allow you to purchase different intermodal travel packages at once," explains Bocconi graduate **Tomaso Aguzzi**, sales director of Arval BNP Paribas Group. "And to further enrich the consumer experience, another step is being taken: investing in the personalization of commercial offers. In the current experimentation phase, there are car sharing services for whole buildings, family subscriptions to car rentals, and the provision of a virtual credit pool that rewards users, especially if they are employees of a company, who have a lower environmental footprint".

## → **What is the Italian situation in the international scenario that is shaping the future of mobility?**

In Italy, I am not aware of any applications that offer a good user experience to integrate different mobility systems around a single transaction, including public transit. Usually these are solutions that refer to individual web environments of the various modes of transportation. Yet, an accomplished model of Mobility as a Service (MaaS) would meet the needs of the population, distributed between large cities and small towns, people who are often

**TOMASO AGUZZI**  
is sales director of Arval, a company specializing in long-term rental and mobility services of BNP Paribas Group. He graduated in Business Administration at Bocconi University in 2000 and, before becoming interested in mobility, he worked for 7 years in consumer goods, within the Marketing department of Unilever Italy. In Arval he has taken on various roles, in the development of the Retail business and then in the launch of the Arval Mid Term and Car Sharing business unit. Of his university period and his transition to the working world, he remembers "the progressive awareness of knowing how to combine academic studies with many practical aspects of corporate life," says Aguzzi. "When this ability begins to be cultivated in the university it becomes an excellent decision-making accelerator in the complexity of business choices".

in smartworking mode, while the head offices of companies remain in the metropolis. We have to imagine different needs that are satisfied by diverse integrated mobility solutions. For example, looking at provincial cities, car sharing is less likely to spread and a rental system is more likely to be created. Or thinking of those who commute for work, when in the city, they need to cover the last few kilometers to get from the bus stop to the office.

## → **Will private car ownership disappear?**

No, the private car will remain. Even now it remains the primary mode of transportation. But the reasoning is how to learn to use it more sustainably. Creating new forms of travel, and perhaps giving up the second car, can help reduce pollution and costs for families. The idea is to progressively move from the concept of ownership to that of use. Legislators, in particular, have a role in this evolution both in terms of infrastructure and giving a clear direction.

## → **And what can be the proactive role of companies?**

Auto manufacturers and companies specializing in mobility are already taking steps to implement and better segment services. I believe that in the coming years, there will be more and more groups of companies joining forces to create integrated digital platforms, composed for example of automotive, insurance, fintech and real estate companies. Without forgetting the municipalities and regions that govern the territory.

## → **In short, a very articulated and technological kind of mobility awaits us. Will it be within reach of the older demographic?**

The target audience of this revolution are certainly people that are young and/or attentive to digital innovation. But we

do not neglect senior citizens, for whom learning to use hi-tech tools is less complicated than you'd think. Above all, they don't know whether they will continue to stay in the city in the medium term or move to the countryside. For them, as

for many other Italians, the new forms of mobility also

respond to the uncertainty among consumers about what types of internal combustion vehicles will be allowed to circulate in the future. ■





# Cars, no longer a product but a service

*While the automobile remains a fundamental element of individual mobility whose use is essential on some occasions, the challenge is to change the way it is used by simplifying it, explains alumnus Andrea Castronovo, president of Alphabet Italia*

by Emanuele Elli @

To free up people's time and resources, eliminate the stresses typically associated with owning a car, and leave only the pleasure of driving and mobility. This is the mission to which the many new long-term rental formulas that are progressively replacing ownership in the automotive market aspire. More than a new business model, therefore, a new culture of mobility that changes every aspect of the market. "In the last 10 years, rental has more than doubled its weight in the Italian market, going from about 8 percentage points on registrations to over 17%", confirms **Andrea Castronovo**, Bocconi graduate in International Economics, and today president of Alphabet Italia, an NLT company of the BMW group.

→ **What, in your opinion, is the secret of the success of rental formulas in the car market?**

Growth rewards a formula that is simple to understand and explain, a "convenient" product not in the sense of inexpensive, but in the sense of easy and useful. The customer who chooses rental does not need to scout to find the best insurance offer, nor to negotiate repairs with the mechanic or the dealer but has a complete solution that allows him to save time and avoid surprises. There are no additional costs, and they benefit from a premium service and continuous assistance. This formula is able to meet the needs of companies, freelancers, but also individuals. In a market like Italy, it is estimated that the rental share to individuals has now exceeded 10%, if we look at the data coming from the new digital channels, the share of private individuals reaches almost 50%.

→ **So, what does Alphabet represent in the galaxy of a group like BMW? Is it an investment, a control, a promotional vehicle?**

Alphabet is the group's window on the changing world, on constantly evolving mobility needs, on increasingly attentive and demanding customers. Alphabet has always shown that it knows how to anticipate industry trends and customer needs with innovative and flexible products and services, while providing the group with new growth opportunities. That's because we accompany the customer throughout his life, responding with ad hoc solutions to every need for mobility: from cars for novice drivers to cars for the whole family, as well as sports vehicles and commercial vehicles for business.

→ **In your opinion, how will the diffusion of rental change the appearance of the manufacturers and the habits related to mobility?**

The car is, and remains, a fundamental element of

*ANDREA CASTRONOVO graduated in Political Economy with specialization in International Economics in 1989 at Bocconi and with a Master in international management at the Ecole des Hautes Etudes Commerciales in Paris. He worked for The Boston Consulting Group, Ferrari, Michelin, Renault, covering various managerial positions before joining the BMW group in 2007 as president and CEO of BMW Italy, later becoming CEO for Central & Eastern Europe. Since February 2018 he has been in Alphabet where he now holds the role of president.*



individual mobility and should no longer be seen only as the second item of family expenditure after the home, but as an essential tool of a mobility system in which the car is a nodal part, almost irreplaceable, especially on some occasions. At the same time, other services are becoming increasingly important that simplify their use and thanks to which, for a single fixed monthly fee, the motorist can delegate every task, from road tax to insurance, to maintenance and claims management. Through Alphabet there is also the possibility of using complementary mobility formulas, whether they are cars for a week or a month or alternative mobility solutions to the car. In the first case, we meet the needs of a family unit or a company that may vary over time. In the second case we operate in support of micro-mobility and mobility in urban areas according to a concept of integrated mobility, short-range travel, the so-called "last mile", in a practical, economic and, above all, eco-sustainable way. The offer is therefore becoming increasingly integrated and flexible, to support all needs, whether it is an alternative commuting to the car, or the simple last mile route, for multimodal, flexible, efficient, sustainable and safe mobility.

→ **Italians are perhaps more tied to car ownership than others, does this make our country a more difficult market for your business?**

Rental develops differently according to the various markets but there are other variables that affect it. The sector is strongly influenced, for example, by the tax advantages or disadvantages associated with this formula. If there are "benefits in kind" on company cars, companies provide them, where there are none, they opt for other benefits or welfare formulas. Unlike other European countries, Italy is characterized by a high penetration of services in contracts, by being one of the most advanced markets in the offer to individuals and freelancers, and by close collaboration with the dealer network. ■



# Tailor-made solutions



*Financial reporting strategies in family businesses may differ depending on the value the company places on its socio-emotional wealth. That is, value that grows if the name of the controlling family is included in the company name*

by Angela Pettinicchio,  
Domenico Campa @

**R**ecently, the debate on family firms' strategic choices has been evolving with the tendency to frame such choices through the Socioemotional Wealth (SEW) perspective. The SEW is a novel theoretical approach tailored to Family Firms (FFs) which mainly focuses on all those non-economic factors related to the "stock of affect-related value a family derives from its ownership position in a particular firm" (Berrone et al., 2012). In particular, this theoretical framework claims that the primary goal of FF owners is the preservation of the SEW. This would imply that family owners are loss-adverse with regard to threats to their SEW and they would even be willing to make sub-optimal economic decisions to preserve it. For example, FFs may prefer projects that are financially less optimal or hire family members irrespective of their abilities because, regardless of the financial aspects of these choices, these decisions may provide other

benefits to the FF, such as improving its reputation or retaining more devoted employees. FFs are also less likely to dismiss family CEOs but pay them less thus providing greater job security but less compensation. The preservation of SEW also affects the composition of boards of directors of FFs. For example, if investors perceive governance problems, FFs appoint outside directors to signal its quality and legitimacy in order to preserve their SEW (Kalm and Gómez-Mejía, 2016). The preservation of SEW could also be reflected in financial reporting decisions. Thus, our research entitled "Financial Reporting in Family Firms: A Socioemotional Wealth Approach toward Information Quality" aims to understand whether different levels of SEW endowment affect the financial reporting quality of unlisted FFs. It considers an event associated to changes in accounting quality of entities: the voluntary adoption of International Financial Reporting Standards. We examine the two main strategies used to manipulate earnings: accruals and real activities. The former involves the use of those items included in an annual report that are not directly related to immediate cash-flow movements that, therefore, imply a certain degree of estimation and judgment from the management (e.g., depreciation and amortization, provisions, etc.). This type of earnings management is relatively simple to carry out, but it is also easy to detect by external monitors. Real activity manipulation consists of implementing business transactions that do not reflect



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optimal economic decisions but are undertaken with the objective of influencing accounting numbers (for example, applying aggressive discounts with the aim of temporarily increasing sales). Due to its nature, real activity manipulation is more difficult to detect, because monitoring bodies cannot judge the economic decisions of firms.

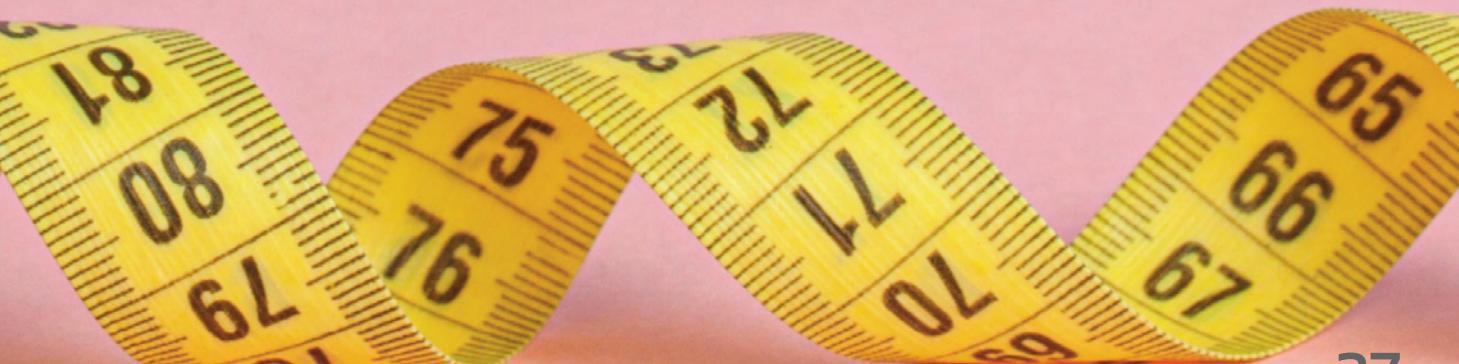
We find that FFs highly interested in preserving their SEW, especially those that use the name of the controlling family as part of the company name, are also those that are mainly interested in protecting their status and image in the community and would consider a loss in reputation to be "emotionally devastating". Thus, this type of family firm, if they decided to manipulate earnings around an event that provides opportunities for earnings manipulation, they would be more inclined to engage with real activities manipulation. By contrast, we observe that FFs with lower levels of SEW endowment, in particular those firms that do not use the name of the family in the company name, would be more interested in preserving their dominant position inside the firm and less worried about a loss of reputation. Accordingly, they do not use earnings manipulation strategies that may decrease the firm's future performance but opt for accrual manipulation.

Our research contributes to the understanding of FFs' dynamics since it shows that different levels of SEW endowment could be associated with different earnings management practices, even within the group of family firms. Our study emphasizes the importance of investigating the inherent heterogeneity within the group of FFs, especially between those that use the name of the controlling family as part of the company name and the those that do not, and shows how strategic choices, e.g., accounting choices in the case of our research, can vary depending on the degree of SEW. ■



## THE PAPER

Financial reporting in family firms: a socioemotional wealth approach toward information quality, by Andrea Calabò, Mara Cameran, Domenico Campa and Angela Pettinicchio



# Collateral damage

by Eleanor Spaventa @

In recent weeks the effects of Brexit on immigration patterns have come to the attention of the media: young Italian women being detained in immigration centers for believing they could still work as au pairs; EU citizens wrongly denied entry when attending job interviews or returning from their home countries. The disruption caused in the UK from severe labor shortages especially in the hospitality and transport industries. UK artists being unable to perform in the EU because of the time and cost of complying with visa requirements. Those are just but a few examples of the new Brexit reality. Yet, as harsh as they are, those consequences are the natural (and predictable) outcome of the UK becoming a separate country. Perhaps more worrying however is the spillover effect of Brexit on those EU and UK citizens who had moved, often before the referendum, and built their lives in the UK/EU. Have their rights been sufficiently protected?



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After all, one of the priorities restated by both the EU and the UK in the Brexit negotiation was the need to safeguard UK/EU citizens that, having already moved, were most at risk of being caught in the Brexit storm. The agreed aim was that of ensuring that those citizens would not become collateral damage of a complex political process and that they would continue living as before. Accordingly, the Withdrawal Agreement (also known as the separation agreement) seeks to reproduce the rights available under EU law. EU/UK citizens are allowed to continue residing in the UK/EU Member State of residence if two conditions are satisfied: they moved before the 31 December 2020; and they are economically active (employed/self-employed); economically independent (having sufficient resources and comprehensive health insurance); students with comprehensive health insurance; pensioners; or job seekers.

Once Brexit citizens satisfy these conditions, they are entitled to a range of rights, including the right to reside, the right not to be discriminated against on grounds of



*The separation agreement for many categories of citizens is far from satisfactory. In fact, there are several cases in which individuals from one day to the next go from being privileged immigrants to illegal immigrants. Covid is also complicit (but not the only culprit)*

nationality, the right to work and so on. Moreover, their families are also protected, including third country national family members and future children.

All's well that ends well, then? Unfortunately not, as there are many situations where the Brexit citizen might well end up with diminished rights. For instance, due to the Commission's rigidity, UK citizens in the EU can no longer move to Member States other than that where they resided before the end of December 2020, regardless of the fact that when they moved they could not reasonably have expected that they would be locked in a single country. This was a deliberate political choice, and a cruel one at that: the Commission considered that since the UK had excluded granting free movement rights to EU citizens, UK citizens already in the EU should be confined to their Member State of residence.

Moreover, affected citizens have been caught in a double spiral: that of having to prove their right to reside and that of having to do so in a very short time span (the final deadline being only 6 months after the end of the

transition period). This double spiral then became a vortex when the pandemic hit, given the Covid-related reduction in domestic administrative capacity which provoked severe delays in bureaucratic processes. Furthermore, while Italy decided that British citizens can apply for their new status also after the deadline of 30 June 2020, other countries, like France and the UK, have taken a different approach. There, failure to apply within the deadline might deprive individuals of their right to reside and all other related rights forever. In this way, EU/UK citizens go from being privileged immigrants to being unlawful third country migrants overnight. In the UK the situation has been further exacerbated by additional problems: from the sheer number of applications to be processed (more than 5 million) to the rigidity imposed by semi-automated systems.

Adding to that, many potential beneficiaries both on the continent and in the UK might struggle to produce the correct documentation – we know for instance that Italian citizens, who moved to the UK before it was even a member of the EU and are now retired, are having difficulties in producing the correct paperwork and that children in care risk losing residence rights because they

rely for their applications on overstretched social services. And, even when processes work correctly, there are big losers - for instance those who quit work to look after children and/or the elderly, who are not economically active and are unlikely to have health insurance; those working in the gig economy or in atypical on-call contracts, who might struggle to persuade the administrative authorities that they are economically active; those who have lost their jobs because of the pandemic through no fault of their own; or those who moved to their Member State of origin during the pandemic, for instance to care for relatives, and were unable to return to the UK/EU before the end of 2020. In this respect, the regime adopted in the Withdrawal Agreement is far

from satisfactory - even if just a small percentage of citizens are affected, the disruption to those who had built their lives in the EU/UK is both unfair and unwarranted. That the EU and UK could not even bring themselves to provide a transitory and exceptional regime to take into account the impact of the Covid pandemic calls into question the rhetoric about safeguarding the rights of those caught in the middle of one of the biggest political storms to have hit the EU and the UK in the post war era. ■





# Serving the government

*A study on 18F, a team commissioned by President Obama, highlights that the motivation which drives qualified professionals to work for governments and organizations is above all the desire to make a difference. A useful indication for human resources departments, which should plan their recruitment and retention strategies by leveraging prosocial motivations*

by Greta Nasi @

Organizations are heavily investing in digital technologies to support their functioning and to deliver their services. This increases the competition for highly skilled IT professionals.

The private sector seems to win by offering more flexible work environments and the highest salaries, while governments still often face a significant skill gap as a result of looming retirement waves, demographic changes, and the outsourcing to external service providers of highly specialized IT competencies.

Finding ways to attract highly skilled IT talents has become paramount for government organizations. Some interesting initiatives have emerged, like UK's Government Digital Service, Italy's Team Digitale (now Dipartimento per la Trasformazione Digitale), the Canadian Digital Service, and the Obama administration's setup of two high-level digital service teams. In most cases these initiatives created special HR instruments to fast track high-profile individuals from the private sector into government for a fixed term (i.e. two years). They have all successfully attracted IT professionals from companies such as Google, Twitter, Facebook, and other government and private sector organizations.

The paper aims to understand what motivates IT workers to join the government, despite more attractive options outside the public sector to inform governments' HR policies.

We analyzed the case of 18F, a digital service team founded by then-president Obama and initially located at the General Service Administration to bring innovative, agile methods for designing digital service delivery into the US federal government.

We content-analyzed the statements of 171 IT professionals who joined a specific unit in the US



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# ent. From the heart



## THE PAPER

Prosocial motivation of private sector IT professionals joining government, by Ines Mergel, Nicola Bellé and Greta Nasi

federal government on a so-called “tour of duty” (i.e., a short-term employment of up to 2 years) to help transform government digital service delivery. We aimed at disentangling the effects of different types of motives, such as extrinsic, intrinsic, and other-oriented motivational forces on the decision to accept a challenging government IT job.

The findings show that most of these talented professionals shared common prosocial motives focused mostly on making a difference in terms of impact on government, followed by the magnitude of impact, impact on the public in general, and finally impact on the country. They wanted to build software to give citizens access to government and especially equal access for those citizens who might not have had access before. In addition, they showed intrinsic motives related with competence motives instead of creativity or innovation motives. This is not surprising, given that the subject might not expect large degrees of creativity in a bureaucratic environment like the US federal government.

Some - not all in our sample - give up high-paying jobs in much more agile and fast-moving industries to give back to their country and help improve the government's digital infrastructure. In light of our findings, HR departments could design recruiting and retaining strategies that speak to the motivational forces that simultaneously target prosocial and intrinsic motives and communicate the opportunity to fulfill intrinsic motivation by working with talented coworkers on technologically challenging tasks that require higher order thinking skills, self-directedness, and creativity to improve public service quality and delivery, thus ultimately benefiting society as whole and especially underserved citizens. ■





# From startup to UN

*International organizations also need IT talent, explains alumnus Amadou Sow, Accelerator Lab Specialist at UNDP, because they need to seize all the opportunities offered by the Industrial revolution 4.0. More skills in AI, digital and cyber security mean greater speed and value creation*

by Jennifer Clark @

**A**fter working as a software engineer and as a manager at a telecommunications startup, Amadou Sow made a major career shift in 2008 when he joined the United Nations Development Programme. The Bocconi alumnus talks to *ViaSarfatti25* about why he made the choice, and how international organizations can be more effective in recruiting highly-skilled people.

→ **What do you do in your current job at the UN?**  
I'm an Accelerator Lab Specialist at the UNDP, the Regional Advisor for Africa. We aim to accelerate learning through a network of 91 labs in 115 countries around the world. We build portfolios of innovative solutions to test and address development challenges; we try to learn quickly what works and what doesn't.

→ **You left a telecommunications company in 2008 to take a job at the UNDP. What led you to this decision?**  
I joined a telecom company in 2006, which we created from scratch. It was rewarding, both to be a pioneer in the effort to liberalize telecoms, and access to the internet. But it required a lot of sacrifice on the personal level with endless working hours, and no vacation in 2 years. That made me start to think about what I wanted to do, and exploring a career in development. I wanted to help people, and not just make a profit. So then I started to develop and provide free statistics courses to refugees. One day during a discussion, a colleague suggested that I volunteer for the United Nations. That's how I started at UNDP.

→ **What are the challenges in attracting highly-skilled people in the public or government sector?**  
The international public sector and governments are facing competition from the private sector in the field of technology, and digital in particular, in the case of data sciences, cybersecurity, and innovation in general. There is a need for political will and leadership to invest in these areas, to mobilize skills and expertise outside the country, and to create an environment and an ecosystem conducive to the emergence of talent, while giving them a sense of purpose in their role in development. It is this similar approach that we use to create three profiles in each of our labs.

→ **What sort of suggestion would you make to non-profits, governments or international organizations**



AMADOU SOW  
received an Executive Master of Management in International Organization (EMMIO) from SDA Bocconi in 2015, and went on to earn a Doctorate in Business Administration from SDA Bocconi in 2020.

*'From the very start of the interview process, I had the feeling there was a strong human side. There was always someone to help out and get it sorted. The message was: there is space for you, whoever you are. You have your place. So that's the start.' What sticks in his mind looking back? 'The quality of the faculty, the diversity and the simple but profound interactive exchanges, are the assets of these programs that I benefited from over a period of 5 years from EMMIO to DBA... You learn to question your thoughts, to challenge the known and the unknown, to create, and to innovate...'*

*looking to recruit people like yourself?*

Last year, UNDP launched an innovative campaign to recruit new talent to build its network of labs, seeking skills in entrepreneurship, social innovators, data scientists, ethnographers, or sociologists that we didn't have before. We devised new, unconventional job titles, such as head of experimentation, head of exploration. Then we went beyond social networks, with context and country specific game plans, we also organized interactive and active "Ask Me Anything" sessions in real time. Attracting people and getting them to join a cause is important beyond the issues of benefits and compensation.

→ **What are the benefits for a governmental or NGO to having highly skilled IT talents?**

The future of work is being designed. Governments and international organizations need plans that take into account the opportunities offered by the Industrial Revolution 4.0 by developing quality curricula. The work of governments and organizations could be extended through automation, and digital, through skills in areas such as artificial intelligence, digital, cybersecurity. Thanks to these skills, they will be able to work faster, improve quality and create value. In the work I do, and through the labs, we have seen the role of quality and targeted recruitment that encompasses functions such as experimentation, exploration including the use of time-based data, or ethnography to expand our understanding of the issues and the human dimension, serve as a lever in the response to the Covid crisis; We have seen, for example, in Uganda the use of existing e-commerce platforms to connect the informal sector (about 70% of jobs in Africa) with consumers.

→ **What would you tell people who are mulling going into the public sector from private like you did?**

You have to be prepared for it. Technical skills are important, but you also need managerial and emotional skills: so be curious, learn continuously, be able to listen. It is a multicultural environment where you have to adapt, be ready to make sacrifices, to work where there are socio-economic, political, security needs and challenges... I have traveled a lot to places where there was no electricity, no water, no place to sleep. ■

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*As happens with contracts for the compensation of executives, US mergers and acquisitions should be subjected to mandatory voting by shareholders. In fact, a study shows that in case US companies would make fewer acquisitions resulting in destruction of equity value and major losses for shareholders*

by Stefano Rossi @

# American stockholders: ti

**S**hareholders have lost billions of dollars invested in US corporations for acquisitions they never approved. A prominent example occurred on April 24, 2019, when Occidental Petroleum waged a bidding war with Chevron, a bigger company, over the acquisition of Anadarko Petroleum. The CEO of Occidental structured the offer entirely in cash and was thus able to circumvent approval by the shareholders' meeting, which would

have taken place had Occidental issued new shares. In the months following the announcement, Occidental shares fell by 20% relative to the S&P 500 Index.

This outcome was not inevitable. For example, it wouldn't have happened in the UK. The reason being that, for listed companies, British regulators impose that the buyer's shareholders always have a say over acquisitions and their vote is binding. If Occidental



# me to vote

Petroleum had been listed on the London Stock Exchange, its shareholders would have voted on the

## THE COURSE



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## THE PAPER

Should shareholders have a say on acquisitions?

by Marco Becht, Andrea Polo, Stefano Rossi



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proposal to acquire Anadarko, and most likely they would have rejected it. Is it time for US shareholders to have a say on mergers and acquisitions, too? The debate on the introduction of mandatory voting for M&As has been going on for decades in American law schools. Legal scholars agree with the premise that mergers and acquisitions can be a potential source of losses for the buyer's shareholders, and cite the relevant literature. Nonetheless, at this point the legal literature splits into two groups: one group argues that the vote of shareholders is a potential solution to the problem (for example, Coffee, 1984; Black, 1989; Black and Kraakman, 2002). A second group argues instead that voting would impose substantial costs and limited benefits (Dent, 1986 and Afsharipour, 2012) and propose alternative solutions. Such solutions rely on giving the courts the power to act to prevent acquisitions whose announcement would cause a "material decline" in the buyer's stock price. Another proposal sees the buyer issuing options to its shareholders, up to 20% of the circulating stock, which would confer the right (but not the obligation) to resell the shares to the company doing the acquisition for cash at a price determined prior to the announcement of the acquisition. Many US lawyers reject the idea of introducing compulsory shareholder voting as "politically unfeasible" because the Delaware Supreme Court has a long history of depriving the buyer's shareholders of voting rights, and because US commercial law favors managerial prerogatives over shareholders' interests.

In an article recently published in the *Journal of Applied Corporate Finance* (with M. Becht and A. Polo) we intervene in this debate with our data and empirical identification. A cross-Atlantic comparison of mergers and acquisitions indicates that if US shareholders had a say with their vote, US companies would make fewer acquisitions that destroy stock value and their shareholders would suffer fewer losses.

We also find a significant difference in the UK, where major acquisitions subject to mandatory voting generate higher returns than those that are not. We conclude that the time is ripe for a reform of US corporate governance. The United States has already introduced mandatory voting on executive compensation contracts; we believe it is time to introduce it also for M&As. ■



# The impossibility of ran

*It is impossible to measure a right's weight and establish a priori which one is worth more because, as also stated by the Italian Constitutional Court, there are no "tyrannical" rights. But informed and reasonable arguments about them must be built and evaluated. Because unlike what has been stated in the literature, the crucial point is to predict the consequences of the decision to balance conflicting rights*

by Damiano Canale, Giovanni Tuzet @

In Hudson County Water Co. v. McCarter, a 1908 decision of the US Supreme Court, the celebrated Oliver Wendell Holmes stated that all rights "tend to declare themselves absolute", yet all in fact are "limited by the neighborhood of principles of policy" and the boundary at which the conflicting interests balance "cannot be determined by any general formula in advance". The only reasonable thing to do is fix some "points in the line" by decisions that "this or that concrete case falls on the nearer or farther side". This will help in deciding further cases. In decision 85/2013, the Italian Constitutional Court stated that "no right is tyrant". It meant that all rights, including constitutional ones, must be balanced against competing rights and principles. The case concerned some measures about the Ilva plant in Taranto and the need to strike a balance between right to health, right to work, right to a clean environment, and the economic value of production. The Court made it clear that no right can be so strong as to always impose itself on the others.

No existing constitution establishes a definite hierarchy of rights and principles. There is no "general formula in advance", as Holmes put it. In this respect, the Federal Constitutional Court of Germany has elaborated a pattern of "proportionality analysis" that is supposed to assess the balance between competing rights, and Robert Alexy, a well-known legal theorist and philosopher, has refined this pattern of analysis and enhanced an international discussion about it.

But the discussion has polarized into two competing theses. In one view, balancing is both irrational and subjective. When courts "weigh" conflicting constitutional rights, they actually make choices based upon considerations that cannot be rationally justified. One of the reasons for this is the supposed incommensurability of



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principles and values. In the other view, balancing is a rational argumentative framework grounded in the very structure of constitutional rights and principles. And according to an economic understanding of it, it can be taken as a form of cost-benefit analysis.

The supporters of the two views tend to polarize toward the extremes, and neither of these competing theses is true. In our understanding, it is possible to analyze the argumentative structure of balancing decisions and show that they are composed of multiple steps. If we make them explicit, we can see under what conditions they can be justified in a given constitutional legal system. So, balancing is neither rational nor irrational per se. The rationality conditions of balancing depend on the justification of its multiple steps.

Consider the obligation to put health warnings on tobacco products. Tobacco producers in Germany claimed that it interfered with freedom to pursue one's profession. The Court considered it as a relatively "light" interference with that right. In particular, the Court noted that it was lighter than other possible legal measures: a total ban on tobacco products would count as a "serious" interference, and restrictions imposed on tobacco sellers as a "moderate" one. The same scale was applicable to the competing reasons. The health risks resulting from smoking are high, so imposing health warnings promotes the protection of health and high expected benefits, stated the Court.

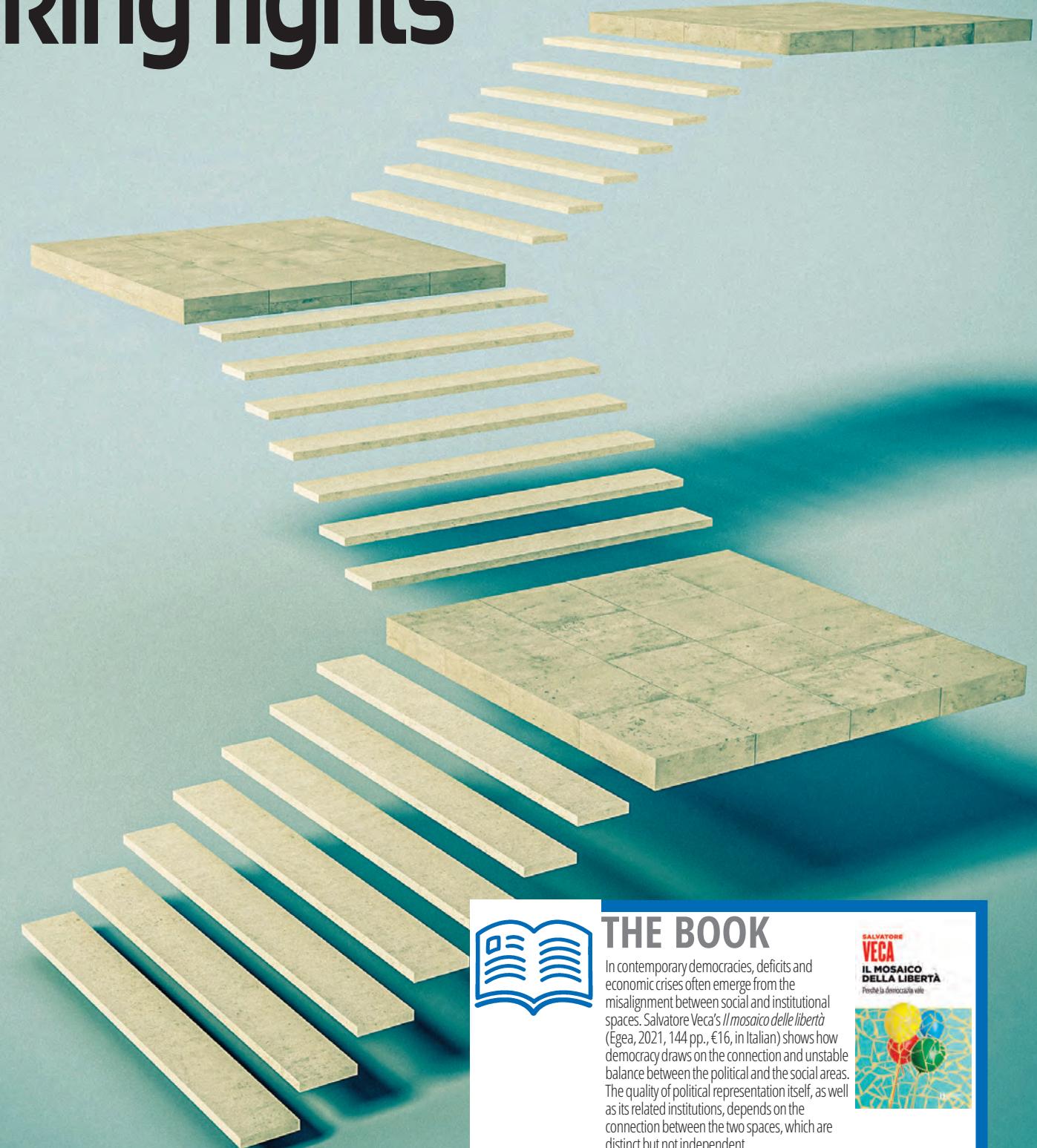
If we analyze the argumentative steps of the decision, we can understand whether they are justified. It is true that the obligation interferes with freedom of profession. And according to scientific evidence it is true that risks associated with smoking are high. Is it also true that health warnings are effective in discouraging people from smoking? To answer this, one would need an accurate account of the actual and expected consequences of the warning. If one just speculates about it, one cannot dismiss the relevant argumentative commitment. Contrary to what has been claimed in the literature, predicting the consequences of the decision is the real crux of balancing. To conclude, the balancing metaphor risks being confusing if it suggests that rights and principles can be exactly measured on a scale. They cannot. But we can construct and assess informed and reasonable arguments about them. ■



THE PAPER

Can constitutional rights be weighed?  
by Damiano Canale and Giovanni Tuzet

# king rights



## THE BOOK

In contemporary democracies, deficits and economic crises often emerge from the misalignment between social and institutional spaces. Salvatore Veca's *Il mosaico delle libertà* (Egea, 2021, 144 pp., €16, in Italian) shows how democracy draws on the connection and unstable balance between the political and the social areas. The quality of political representation itself, as well as its related institutions, depends on the connection between the two spaces, which are distinct but not independent.

SALVATORE  
VECA  
**IL MOSAICO  
DELLA LIBERTÀ**  
Perché la democrazia va





# Safety is a team effort

*The psychological capital of an individual made up of hope, optimism, resilience, and self-efficacy, positively influences behavior focused on safety. However, a lack of collaboration is putting patients' lives at risk, as demonstrated by a study conducted on teams working in acute care hospitals. The hospital leaders therefore have the task of creating the right organizational climate*

by Elisabetta Trinchero @

Are hyper-efficiency and operational reliability competing goals? The widespread adoption of neoliberal work practices in public organizations has brought about decisive changes in the workplace that, despite their rhetoric for optimizing performance, threaten sustainable organizational success. The single most decisive impetus for such practices in the public sector is the New Public Management (NPM) reforms in most OECD countries. Tasked with the objective of improving the efficiency and overall performance of the public sector, NPM reforms led to accountability pressures and excessively high workloads which often resulted in negative employee outcomes, including workplace harassment, lower levels of employee wellbeing and reduced workplace engagement. Some organizations, however, cannot afford to have their operations tightly coupled, such as organizations working with human life and health (e.g., acute hospitals) or operations routinely incubating risks to human life (e.g., nuclear power stations). Such organizations, referred to as high-reliability organizations (HROs), should have the 'ability to maintain and execute error-free operations' when operating in complex, high-risk environments. But to do so, they require organizational slack. Organizational slack is 'the pool of resources in an organization that is in excess of the minimum necessary to produce a given level of organizational output'. By depleting organizations of slack in pursuit of efficiency, managers create pathways of vulnerability, with people more likely to make errors and minor incidents more likely to escalate into major accidents, in the organizational equivalent of a domino effect. As NPM reforms are here to stay and may deepen further under austerity policies promoted in some countries, it becomes increasingly important to offset the effects of ever-reducing organizational slack on public sector professionals with initiatives aimed at restoring positive associations with work. Important progress in this direction is seen with the



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emergence of the Positive Organizational Behavior (POB) movement in organizational studies, which aims to investigate the contribution of positive individual resources to coping with work demands. The psychological capacities that appear suitable for treatment under the POB framework are hope, optimism, resilience, and self-efficacy. Hope indicates willingness and engagement to achieve defined targets; optimism suggests anticipation of a positive consequence from one's own actions; resilience implies aptitude to counteract major problems; and, lastly, self-efficacy indicates confidence and has been shown to predict performance. Together, they make up a person's Psychological Capital, a positive psychological state of development that individuals can count on to reach their goals. PsyCap positively affects safety-focused behaviors, promoting greater safety awareness. Against the backdrop of decreased "organizational slack" in public sector organizations, our research investigates the positive contribution of teams to individuals' safety behavior in high-reliability settings as part of a wider conversation about public sector professionals under crisis. Our study identifies the strong positive effect of teamwork on individual professionals' safety behaviors within Italian acute care public hospitals. We tested the crucial role of teamwork in enhancing the effectiveness of safety improvements among healthcare staff and within surgical teams. Because of the high level of specialization and interdependence of healthcare professionals working together, teamwork is argued to be strongly related to trust. Furthermore, effective teamwork is related to members' abilities to deal with



### THE PAPER

With a little help from my friends: the positive contribution of teamwork to safety behavior in public hospitals,  
by Trinchero, Georgios Kominis, Adina Dudau and Roxana Corduneanu



## THE COURSE

**Hospital Management Simulation** is a unique opportunity to experience the pressing challenges of executive leadership and strategic decision-making of a competitive multi-hospital environment.

conflict and the presence of helpful behaviors, empathy, and emotional support within the team. Communication and teamwork in the prediction of adverse events in healthcare settings, indicating that they count more than staff's clinical skills. A strong safety culture (and subsequent safety behavior) presupposes communication founded on mutual trust, shared perceptions of the importance of safety and confidence in the efficacy of preventative methods, all of which are indicative of high levels of teamwork. According to the respondents, the most important issue jeopardizing patient safety in the acute hospital was 'collaboration defects' In terms of interactions, the issues affecting teamwork among healthcare professionals were related with interpersonal issues such as trust and assertiveness.

These findings confirm the key role of communication and teamwork in the prediction of adverse events in healthcare settings. This study provides evidence to support the view that individual positive resources (PsyCap) have a positive effect on safety outcomes. Teamwork has a strong, positive effect on PsyCap. Yet, there is a need to understand the issues that affect safety behaviors during 'business as usual' and not retrospectively through the analysis of known crises. Regarding patient safety, our results emphasize the role and responsibilities of hospitals' top and middle management. Notably, hospital leaders are responsible for creating the right organizational climate to allow staff to work across interprofessional boundaries, as well as those between clinical and non-clinical staff. In light of our findings, we argue that poor teamwork affects not only professionals' safety behaviors but also their positive individual resources such as PsyCap, which can make them more likely to behave unsafely. Therefore, hospitals may have to take active steps to not only engage in initiatives that increase PsyCap upskilling opportunities for their staff but also increase organizational slack for more effective teamwork through team communication. These avenues may be appropriate for other public sector high-reliability settings and professionals 'in crisis'. ■



# We will be better if we know how to network

*To better manage efficiency in the use of resources and operational reliability, the key is to balance with a vision of lean management. Bocconi graduate Stefano Manfredi, general manager of the National Cancer Institute of Milan, tells us why*

by Emanuele Elli @

In many areas there is a before and an after the pandemic. Even more so in healthcare, where the epidemic has posed unprecedented challenges to systems, professionalism, organizations and managers. Will the sector know how to come out of it better? "Yes, if we are able to clearly deal with a wide-ranging reflection on what has happened and what needs to be changed," says **Stefano Manfredi**, health manager trained in the courses and Master programs of SDA Bocconi and today GM of the National Cancer Institute of Milan. "What happened in Lombardy, for example, needs to be evaluated in order to mitigate the centrality of hospitals in the system in favor of the creation of a more branched network. In the same way, we must no longer confuse excellence with specialization: you can provide quality integrated home care, displaying excellence, but still have an inefficient heart surgery center".

→ **Proximity and centralization are two of the dynamics that are redesigning the distribution of healthcare on the territory, how is the right balance found?**

Some functions must be concentrated, others distributed throughout the territory and brought closer to the citizens. It is right to close the surgeries with a few interventions, but at the same time we have to open more therapy points on the territory. Let me explain: at the cancer institute you can carry out the surgery and design the treatment path, but chemotherapy must be done as close as possible to your home. This does not mean creating an A league and a B league medicine or surgery, but one of greater and one of lesser complexity.

→ **Are the hyper-efficiency increasingly required of public structures and operational reliability objectives in contradiction?**

In this case too it is necessary to find a balance between the

STEFANO MANFREDI

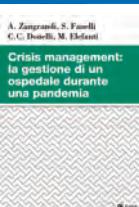
*Came to work in healthcare after a few years in the banking sector. "Those were the roaring years of management control," recalls the current general manager of the National Cancer Institute in Milan. "The experience in healthcare has opened up a new world to me that I did not know, but which immediately interested me, so much so that I decided to enroll at SDA, first in the course in health management and then in the executive Master in management of healthcare companies". Since then*

*Manfredi has risen through all levels of his career, holding the roles of administrative director and general manager in various local ASLs, always remaining in the public sector.*



## THE BOOK

During health crises, healthcare companies play a crucial role in emergency management. The redefinition of strategy, decision-making processes, objectives and responsibilities, and performance measurement systems are all elements which, if well-planned by management, can lead to success against a crisis. *Crisis management* (Egea, 2020, 130 pp, €11.99, in Italian) explores these issues and looks at the impact that Covid has had on Italian healthcare companies.



optimization of the use of resources, which is a very different concept from hyper-efficiency, and operational safety or reliability. One of the themes of the future will be how to best use resources to ensure the creation of value for patients, a result that is not achieved with continuous cuts across the board but by improving the care processes and patient paths and therefore involving operators at all levels. A greater value in the perceived outcome does not go through doing more or doing it more quickly but sometimes, on the contrary, reducing redundant or useless activities and focusing on those with added value. This lean management process gives even greater motivation to the staff as they no longer feel like a simple performer but a protagonist in defining change.

Naturally, this is not just an operational change, but a cultural one, which passes through the overcoming of barriers between departments, between services and between professionals.

→ **How much effort toward change is it legitimate to ask of health professionals already stressed by the pandemic?**

I hear that in Italy we have few doctors, but this is not true, the average is in line with the European one. We have few nurses and few non-medical health professionals. I believe that first of all we need a transfer of competences, as they do in many other countries, and for this reason we ask doctors and nurses to be available to welcome some changes. Wouldn't it also work better in the public sector if, for example, the beds of a ward were managed by a staff of the chief nurse capable of having all the different departments under control rather than just the Heads of Department? The same professionals could devote more time to the activities of their exclusive competence. In short, at the base of everything there must be the willingness to have a dialogue and listen to patients and colleagues, and the example must start from the Strategic Departments.

→ **Is what has happened in the last few months something you felt prepared to deal with as a manager?**

From my studies at SDA Bocconi I learned above all the importance of the method through which there are no insurmountable problems, not even unpredictable ones. Indeed, this emergency has really shown us that we can decide a lot, and well, even in a short time and in conditions of uncertainty. However, we must stop thinking vertically and reason horizontally. As patients we already do this, judging every aspect of a hospital, from admission to the canteen, from cleaning to the professionalism of the nurses, while as doctors or managers we have continued to organize ourselves in watertight compartments. This emergency forced us to involve all the professionals, all levels of the organization, in a continuous exchange that could systematize the various knowledge. From here we can start again. ■



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# The balancing point

*The coordination and the mix of approaches that emerge from a comparative reading of the banking supervision system and the application of competition law can be the starting point for identifying a general standard in the EU context on the subject, for example, of legislation on capital markets, bankruptcy, and insolvency*

by Mariateresa Maggiolino,

Filippo Annunziata @

**A** comparative reading of the EU banking supervision system, and the EU framework for the enforcement of competition law is not only possible, but also fruitful for a better understanding of each of the two systems. It also helps fill the gaps left open and unresolved by legislative texts. The analysis may also provide useful insights on more general aspects concerning key institutional and policy issues in the governance of the European economy.

Albeit in their diversity, the EU systems for the governance of competition and of prudential supervision over credit show a certain degree of similarity. Both are organized on the basis of an articulate structure that combines elements of centralization and decentralization, that sees the co-existence of an EU Institution (the EC vis-à-vis the ECB) and of National Authorities. Both systems identify a criterion that clearly triggers the operation of the centralized level, essentially based on (broadly) quantitative measures. This logically singles out a relevant “threshold” below which a certain topic or issue shifts, moreso or completely, into the hands of National institutions. Hence, the analysis of the two systems shows that the preferred structure for the governance of important economic topics in the EU might indeed move in a direction which results in a combination of centralization and decentralization, organized around a threshold of direct EU relevance, with



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institutions and authorities operating at both levels in a coordinated way.

The comparison also shows that EU competition enforcement and EU prudential supervision serve different goals and respond to different approaches in terms of policy: competition law is indeed closer to a system of adjudication, and operates on an intermittent, case-by-case basis. Financial supervision is, instead, much more flexible and articulated in pursuing its goals, and is performed on a continuous, ongoing basis. This difference in approach is ultimately logical, as it reflects



### THE PAPER

The single supervisory mechanism and the european framework for the enforcement of competition law  
by Filippo Annunziata and Mariateresa Maggiolino



## THE COURSE



The CIB - Executive Management Program in Banking at SDA Bocconi offers managerial culture and specialised skills for management roles in the world of banking and financial services.

the inherently different nature of the two policies. However - in one of the most innovative results of our research - we find that there are signs of osmosis. The need to ensure strict adherence to the Rule of Law in the context of EU Banking Law, together with the increasing attention to issues

of accountability of EU Supervisors, and the already significant cases brought to the attention of EU Courts in those contexts includes, within the SSM, elements that might in part lead it to incorporate at least some core features typical of adjudication. On the other side, the antitrust framework is showing the inoculation of regulatory elements that blend its traditionally adjudicatory nature, providing a more articulated texture than what used to be in its origins. In light of the above, the comparison between competition control and banking prudential supervision provides useful insights on what might be a general standard of EU economic governance. In this respect, as for centralization vis-à-vis decentralization, the balancing point results in a blending of elements. We believe that this coordinated structure and mix of policy approaches, which beyond technicalities and specificities can be seen in both areas of EU economic governance, is per se significant. It does provide a model that might be tested in other areas of EU policies, including, for instance, capital markets legislation, bankruptcy and insolvency, and several others. Therefore, we strongly believe that the dialogue between scholars and institutions belonging to these two fields, which we intended to inaugurate with our paper, should continue. ■



# Stopping the tide

*A study conducted on CERN researchers shows that by acting on the organizational climate, job design, and the socialization regime, the phenomenon of knowledge leaks can be prevented. The same goes for a for-profit company*

by Giada Di Stefano e Maria Rita Micheli @





**E**mployees are crucial repositories of a firm's proprietary knowledge, and as such important conduits for potential leaks thereof. Employees can leave a firm to join a competitor or create a firm of their own, but also, more simply, they may talk to employees from other organizations. Independent of the reasons why employees engage in such conversations, and whether they are aware of the harm caused, such knowledge leakages erode a major source of an organization's competitive advantage and constitute a serious threat to its survival and prosperity. It is hence reasonable to expect organizations to put in place protection mechanisms that shield them against such threat. Such an objective can clearly be achieved by designing financial incentives or imposing contractual obligations. But what if, instead of focusing on regulating behavior through rewards and penalties, firms could just make sure employees were intrinsically motivated to act in the best interest of the organization?

Back in 2016 my co-author and I embarked on an exciting journey into the world of physics, with the goal of understanding how knowledge flows among teams of researchers working at CERN, the European Organization for Nuclear Research, operator of the world's largest and most powerful particle collider. This context may seem distant from those of for-profit firms, but the two organizations subject to our investigation are more typical than one might think. Their employees work across geographical boundaries, through a mix of digital and physical interactions, in hierarchical structures that are quite flat and leave room for personal initiatives. And despite the absence of legal consequences for transferring knowledge across organizational boundaries, engaging in such behavior can seriously affect one's career progress and reputation.

We conducted an extensive field study of ATLAS and CMS, the two



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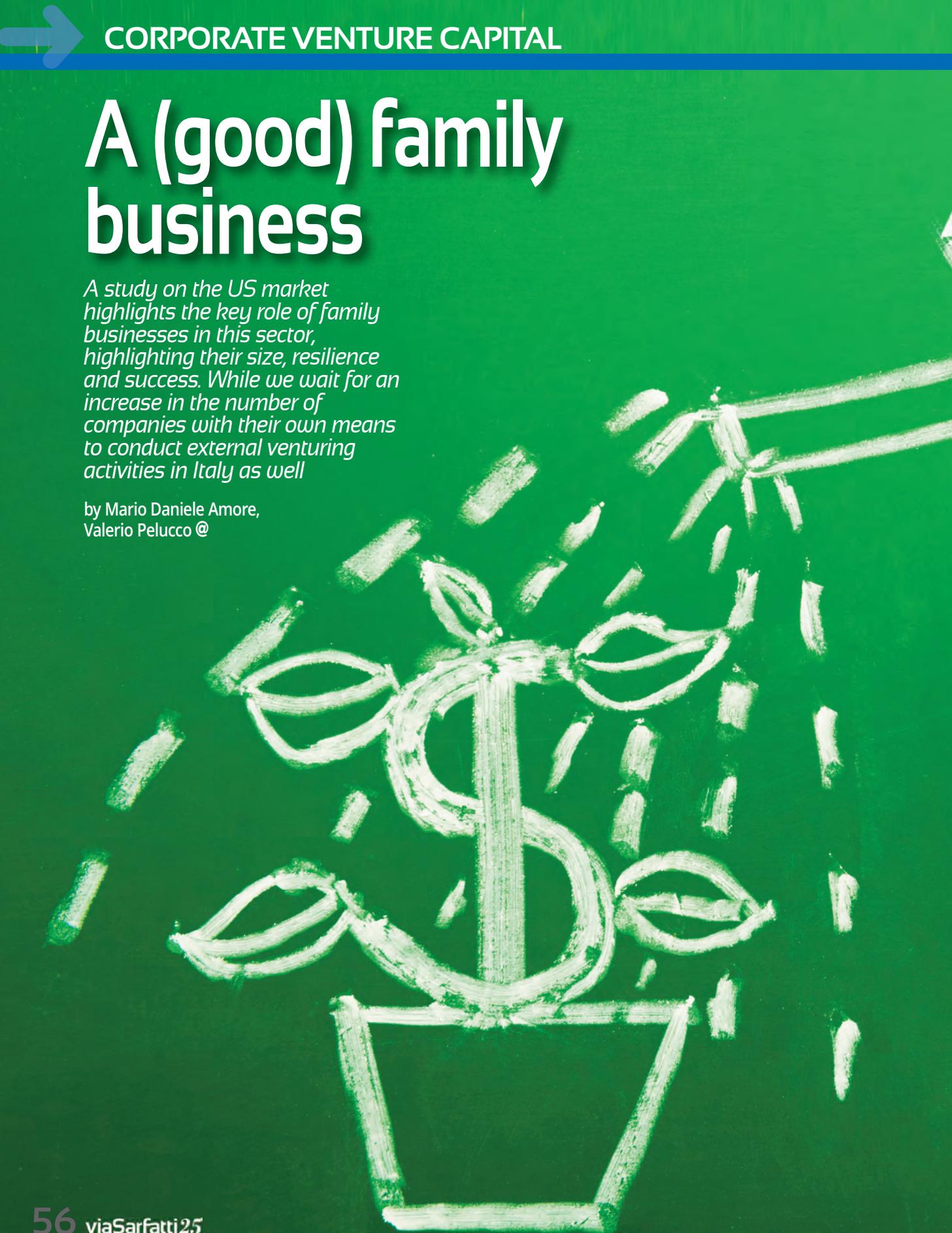
MARIA RITA MICHELI  
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in Paris

largest, general-purpose experiments at CERN, which were created in competition with one another to ensure the validity of scientific discoveries through independent replication. In this context, if knowledge flows from one experiment to the other, independence is compromised and claims of priority are in jeopardy, along with access to human and financial resources. The single employee, on the other hand, may benefit from exchanging knowledge with members of the other experiment, as this can give them access to complementary insights. The fact that the two organizations share institutional linkages (through CERN), employ the same key resource (the collider), and are physically colocated (in Geneva, Switzerland) clearly does not help discourage interactions. Insights from desk research, field observations, interviews with over 50 physicists and a lab-in-the-field study involving over 500 members of ATLAS and CMS, suggest that these two organizations have opposite tendencies when it comes to sharing knowledge, tendencies that we connect to differences in their organizational climates. We test our intuitions by means of two laboratory experiments involving around 400 individuals – thus extending our results to a broader population. Our findings suggest that members of an organization are more likely to transfer knowledge to their colleagues when they identify as an integral part of the organization. But they would rather transfer knowledge to outside competitors, when the organization they belong to encourages them to outperform coworkers. We further uncover how, even in the presence of an unfavorable organizational climate, the transfer of knowledge across organizational boundaries may be prevented by acting upon the single employee through his or her job design and socialization regime. The use of these organizational and individual levers contributes to better align the goals of the individual to those of the organization, and stem the tide of knowledge spillovers. ■



## THE PAPER

To stem the tide: organizational climate and the locus of knowledge transfer, by Giada Di Stefano and Maria Rita Micheli



# A (good) family business

*A study on the US market highlights the key role of family businesses in this sector, highlighting their size, resilience and success. While we wait for an increase in the number of companies with their own means to conduct external venturing activities in Italy as well*

by Mario Daniele Amore,  
Valerio Pelucco @



Corporate venture capital is a set of activities through which established firms invest in startups. The phenomenon has grown significantly over time. As a result of this popularity, practitioners and researchers alike have been interested in understanding what factors shape corporate venture capital (CVC) strategies and success. Together with Samuele Murtinu from Utrecht University, we explored the role of families as owners of CVC funds, showing that family CVCs are a key player in the CVC industry, pursue different investment strategies (principally aimed at reducing the riskiness of their investments), and add more value to their portfolio companies, which are more likely to have successful exits, better market performance and more valuable patents after IPO. Our data, which includes US listed companies from 2000 to 2017, reveals that families are a key engine of corporate venturing activities: about one-third of CVC deals originated from family firms. Since roughly one-third of the largest firms in the US are family-owned, we can say that corporate venturing is as diffused among family firms as it is among non-family ones. We also find stark differences in the strategies and outcomes of family and non-family CVCs. We found that family firms are more likely to



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join forces with other CVC funds, and invest in ventures closer in terms of geography and industry. To put it simply, family firms' investment style helps to mitigate risk exposure through a higher availability of information on the ventures and better monitoring capabilities. Interestingly, family firms use these approaches more commonly when they invest in younger ventures (which represent more uncertain deals).

Studying the outcomes of CVC investments, we found that family-backed ventures are more likely to be successful, both in the short-run (higher likelihood of IPO/acquisition), and in the long run (better market performance after IPO, and greater innovativeness). We suggest that this is the consequence of family firms' longer time horizons and greater commitment toward their stakeholders. These features make family owners more tolerant of temporary failures, and thus better able to foster the innovation performance of portfolio firms. Moving to parents' performance, we find that family firms appear better able than non-family firms to derive shareholder value from their venturing activities.

Finally, we test whether the families' desire to maintain control, coupled with their long-term horizon, improves the responsiveness of their firms to hard times. We studied how family and non-family CVCs differed in their response to the 2008-10 financial crisis. The latter showed a significant drop in VC investments; however, we found that family CVCs were more resilient, and invested twice the amount invested by non-family CVCs during the crisis.

Our study has focused on the US context due to the higher availability of data and the larger size of the CVC industry. In the Italian context, more and more reputable family firms have established CVC vehicles to conduct external venturing activities. Chiesi Ventures, for instance, is the CVC vehicle of the pharmaceutical group Chiesi established in 2014 to make equity investments in the field of rare diseases. As the number of CVC funds increases, it would be possible to extend our study to the Italian context – which is particularly interesting given the high prevalence of family firms. ■



## THE PAPER

Families in corporate venture capital,  
by Mario Daniele Amore, Samuele Murtinu, Valerio Pelucco



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A high-magnification scanning electron micrograph (SEM) of COVID-19 virus particles. The particles are spherical and feature a prominent, irregular, and somewhat jagged spike protein layer on their surface, giving them a "coronavirus" appearance. The spikes are colored in a bright yellow/orange hue, while the underlying viral envelope is a darker, mottled grey/blue.

# COVID19

by Camillo Papini

Research by

Filippo Annunziata

Giuliana Baldassarre

Edoardo Croci

Paola Caiozzo, Paolo Guenzi and Marco Aurelio Sisti

Vincenzo Galasso and Carlotta Varriale

Nenad Kos

Paola Profeta

Alessandro Romano

Andrea Rurale

Aleksandra Torbica



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# A gentle nudge will be good for the vaccine passport

*Two behavioral economics experiments show that to avoid the polarization of public opinion in favor of or against the Covid digital certificate (as happened for example with the opposition to the app for tracking cases) it is good to combine two information strategies. The first is to reduce the bias of the status quo, the second is to introduce the peer effect*

by Alessandro Romano 

Every measure the government took to fight the Covid19 pandemic was met with hostility by a part of the population. Mandatory mask orders, stay-home-policies, non-essential business closure all encountered fierce opposition. In some instances, the lack of support among the general public completely undermined government efforts. Contact Tracing Apps are a case in point: presented as a key tool to keep the spread of Covid19 under control, they never gained the trust of the public and are now almost unanimously recognized as a failure. Vaccine passports are the latest hotly debated and highly polarizing measure to combat Covid19. For example, the EU Digital Covid certificate is intended to facilitate traveling among members states by providing information about an individual's vaccination status, test results or recovery status from Covid19. Moreover, some countries like Italy, Israel and Chile went as far as requiring proof of immunization to take part in daily life activities like attending shows or going to a restaurant. But can citizens as a whole be persuaded that vaccine passports are important to preserve public health while reopening the economies and restarting large scale international traveling? The answer to this question is especially important because unpopular and polarizing vaccine passports might cause a backlash and increase vaccine hesitancy if they are implemented without the



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support of the general public, and especially of those segments of the population that have less trust in vaccines. To this day, institutional communication has largely relied on a narrative that flagged factors like the importance of the vaccine passport, the fact that they are free, and that they protect the privacy of the user - a rhetoric that closely and disconcertingly resembles the one used for contact tracing apps. We carried out two experiments to show that behavioral economics can provide useful guidance on how to frame communication in order to increase support for vaccine passports, to depolarize them and to minimize the risk that they trigger vaccine hesitancy. In the first experiment, we leverage the fact that vaccine passports are not, in fact, unprecedented. Therefore, we apply the well-known status quo bias, that is, the tendency of people to accept a situation when it is framed as being the status quo rather than as a change. The World Health Organization has long endorsed certificates confirming vaccination against yellow fever for entry into certain countries. Similarly, both conservative (Notre Dame University) and liberal (Yale University) institutions require proof of vaccination from their employees and people who want to use their services. We show that informing respondents about this simple fact greatly increases the support for vaccine passes among both Republicans and Democrats, without increasing vaccine hesitancy. As importantly, we show that this is an effective strategy to depolarize the debate around vaccine passports, as it reduces the distance between the views of Democrats and those of Republicans. In the second experiment, we moved from the observation that for highly debated issues people are unlikely to be exposed to only one nudge. Therefore, we attempted to address an issue that is gaining momentum in the academic literature: what happens if respondents are exposed more than one nudge at once? Does one nudge crowd out the effects of the other(s)? To this end, we tested the impact of using two nudges: i) the status quo bias that we used in the first experiment, and ii) the peer effect. In particular, the second nudge consisted in informing respondents about the percentage of people that currently oppose the introduction of a vaccine passport. We observe that both nudges are effective in increasing the support for the pass and they do not fuel vaccine hesitancy. Intriguingly, we observe that their combined impact is even stronger, which suggests that policymakers can and should rely on both nudges simultaneously. ■



## THE PAPER

Depolarizing the Covid19 vaccine passport,  
by Sebastian Guidi, Alessandro Romano and Chiara Sotis

## FILIPPO ANNUNZIATA

### Performing arts venues are discovering multi-channeling too

The recent pandemic has shaken the world of entertainment to the core, not only because it has forced performing arts venues to remain closed but also and in particular because it has driven them to increasingly use new technologies to reach their audience. For many, there was only one end point: streaming. So some opera and classical music venues have dusted off their YouTube channels, others have moved to the platforms of important TV broadcasters, and still others have inaugurated or made better use of a proprietary channel.

But the real gamble is happening now, which will be "to design shows from the start that are suitable for audiences at the venue and, at the same time, an online audience," explains **Filippo Annunziata**, Associate Professor of Financial Institutions and Markets Law. Along with **Clarissa Annunziata**,

he is the author of the *Dove sono i bei momenti..? Opera Production and Aesthetics in the Age of Covid19*. It is an extensive examination of how the most important performing arts venues reacted to health restrictions, both in Italy (from La Scala in Milan to La Fenice in Venice and L'Opera in Rome) and abroad (from Opéra National de Paris to the Metropolitan Opera

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House in New York).

"A multi-channel perspective will entail a new way of planning performances at a production level, which may concern the scenography, the direction, the use of additional content, such as shooting outdoors, as well as a different use of space," adds Annunziata. "A good example is experimenting with moving the orchestra to the stage and the opera singers to the floor area to ensure social distancing, in an empty theater."

After starting on the streaming route it would be difficult to stop using it, says Annunziata, because "a certain expectation has been created for the audience. Nor should a performance be merely transposed from the venue to the web. It would be perceived as a by-product, with little chance for success with the audience." Furthermore, according to the authors of the study, performances at venues will certainly continue to be held, but streaming can be the right opportunity to bring even the youngest audiences to an opera or classical music concert, while spending less. "It is a matter of survival for the venue itself," concludes Annunziata. "Traditional formulas are increasingly struggling to find new fans."



### THE PAPER

*Dove sono i bei momenti..? Opera production and aesthetics in the age of Covid19*, by Filippo Annunziata and Clarissa Annunziata

## GIULIANA BALDASSARRE

### Leaner, more digital and innovative foundations to overcome the social crisis

In addition to businesses and the state, foundations have also had to review their action plans during the health crisis to ensure their development and cohesion, as they are often some of the most active players locally. The Italian philanthropy sector has revised its model by looking at both their internal organization and relations with external partners. There has been a focus on guaranteeing more streamlined processes of access to funds, and initiating more open consultations and opportunities to hear various requests. In particular, non-profit organizations have also managed to broaden the scope of their interventions, revising

the mission they had originally set for themselves if necessary, and moving towards setting up projects with a view to long-term partnerships. They are reinventing themselves as control rooms, able to activate and coordinate further fundraisers or donations from independent philanthropists. This is what emerges from the ongoing research project, *Strategic Philanthropy and Current Pandemic Emergency: The impacts on philanthropic action*, curated by **Giuliana Baldassarre** (SDA Lecturer of Government, Health & Not for Profit, Bocconi University). According to the research project – carried out in collaboration with Italia Non Profit –

## PAOLA CAIOZZO, PAOLO GUENZI AND MARCO AURELIO SISTI Sales after the pandemic

The lockdown was a period of forced technological learning that changed the way businesses handle fundamental processes such as sales. The study "Covid19 and Remote Selling", by **Paola Caiozzo**, **Paolo Guenzi** and **Marco Aurelio Sisti**, shows that, in the period following the Spring 2020 lockdown, remote selling was slightly reduced, but it is far from disappearing. On the contrary, the experience has highlighted a different way of managing interactions with customers, with pros and cons, and businesses are reflecting about what to keep in the future. "A positive aspect of this emergence is represented by the stimulus that it has given and can continue to give to the process of digitalization of networks and commercial processes, and to the identification of alternative ways of managing commercial relationships with which to prepare the ground for recovery," says Paolo Guenzi, Scientific Director of [SDA Bocconi School of Management Commercial Excellence Lab \(CEL\)](#).

A survey conducted by CEL involved 1,220 subjects, two thirds of whom were salespeople, and one third supervisors and sales managers. A change in sales networks behavior emerged: 58% of the sample had a high degree of decision-making autonomy, used new materials to support the sales session (78%), or increased the use of existing materials (80%). But the most interesting data unveil a marked increase in the involvement of colleagues from other functions (78%). The personal balance, understood as the level of perceived satisfaction, is also good, especially in relation to the technologies that companies have

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made available (50%). The learning effort was not perceived as onerous, but 76% of the sample stated that the effort involved in preparing a meeting is high. Digital interaction is more difficult as interactions are less frequent and shorter. In fact, the sample declares a skill gap to be filled, especially in communication skills, with different needs due to the digital tools. The only sore point is the perception of results: according to the networks, the effectiveness of digital interactions and customer satisfaction are on average lower than in face-to-face interactions. So, do networks intend to use remote selling in the future? The sample is polarized, with differences between sectors: financial-insurance is more inclined to remote selling (+17.1%), pharmaceutical-medical less so (-16.5%).

However, there's no turning back. Salespeople want to maintain the efficiency they've gained, but much will depend on corporate support to address some open gaps: technology support, skills training to increase the effectiveness of digital interaction, and, most importantly, adjusting sales performance management goals and systems and a different guidance and rewards model.

(*Fabio Todesco*)



## THE PAPER

**Covid19 and remote selling**, by Paola Caiozzo, Paolo Guenzi and Marco Aurelio Sisti

the areas that were the focus of efforts by both corporate and family foundations last year include healthcare, food poverty, digital education and home care.

The health crisis has had such extensive social implications as to convince the philanthropy sector to adopt, for reasons of efficiency and timing, "digitization strategies in relations with entities and beneficiaries," adds Baldassarre.



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"This happened in the field of distance learning, achieving a wider range of action, as well as communication, starting new types of online events for instance, and also fundraising, to create new opportunities for contact with current and future donors."

Last but not least, the relationship with the public sector has changed, which remains fundamental in terms of spending capacity and ability to take action. On the one hand, more frequent discussions with public administration and closer collaborations with mayors and city councils are indeed being initiated. In Baldassarre's opinion, however, it is equally true that foundations are now experimenting with a greater degree of innovation, starting pilot projects which, as such, present a risk profile that is not always acceptable to the state.



## EDOARDO CROCI

### Fighting Coronavirus. An international study will evaluate the most effective mitigation systems

Each country followed its own path to quickly counter the spread of Covid. Now that the global vaccination campaign is under way and the peak of the pandemic seems to be over in many countries, it is time to take stock of the effectiveness of the different containment measures taken. This is why the GREEN Center at Bocconi University is participating in the Horizon 2020 project as a third-party partner with Università Vita-Salute San Raffaele.

The title of the project is CORONADX - Three Rapid Diagnostic Tests (Point-of-Care) for Covid19, Improving Epidemic Preparedness, Public Health and Socio-Economic Benefits. It includes the partnership of universities and international research centers, and its main objective is to develop diagnostic tools to support epidemiological, clinical



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and molecular studies relating to the virus. Thanks to the contribution of Bocconi's GREEN Center, which includes **Edoardo Croci** (Scientific Coordinator), **Marco Percoco**, **Annamaria Bagaini** and **Enrico Alessandri**, a macroeconomic evaluation of the measures adopted will also be developed, acting in particular on two levels. The first is an analysis of the impacts of anti-Covid measures and socio-economic impacts at a global level. The second level goes into more detail by looking at the models of five countries (Italy, the UK, Denmark, Sweden and Israel) and including the cost-effectiveness ratio determined by the containment measures chosen. On both levels, this overall assessment relies in part on health and economic indicators. It also takes into account the global response capacity of national health systems (having to divide their resources between the virus and other diseases already present in the area), the vulnerability of the population (based for example on age) and also the environmental consequences (thus including the weight of decreased pollution in relation to lower energy consumption during the epidemiological emergency).

"This project will provide an original macroeconomic scoreboard," says Croci. "It serves to help us better understand the effectiveness of the policies and interventions implemented in both the current Covid containment framework and prevention strategies for possible new future pandemics." The final results of the study completed by the GREEN Center will be available in about one year.



#### THE PAPER

**CORONADX - Three rapid diagnostic tests (point-of-care) for Covid19, improving epidemic preparedness, public health and socio-economic benefits**, by Percoco, Croci and Bagaini, in collaboration with Vita-Salute San Raffaele

## VINCENZO GALASSO AND CARLOTTA VARRIALE

### War metaphors have not proved very effective in political communication

At the peak of the pandemic, Italians got used to watching the press conferences of Giuseppe Conte, who was in his second term as Italian prime minister (from 5/9/2019 to 13/2/2021), to keep people posted on the evolution of the health crisis. But how effective were the live TV and social media interventions of the former prime minister in reassuring the population?

To answer this question, **Vincenzo Galasso** of Bocconi University, and its BAFFI CAREFIN, IGIER, CESifo & CEPR research centers, and **Carlotta Varriale** of the Bocconi Department of Social and Political Sciences have conducted the study "The Effectiveness of Leaders' Public Communication

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During Covid19", which analyzed, thanks to the REPEAT Project real-time survey, public opinion on Conte's statements before and after his public speech on March 28, 2020. The subject of the government's announcement was the plan to support the economy, especially in favor of workers and families in difficulty. An overall positive judgment



#### THE PAPER

**The effectiveness of leaders' public communication during Covid19**, by Vincenzo Galasso and Carlotta Varriale



## NENAD KOS

### How people's behavior and policies affect the virus spread

A decrease in the transmissibility of the disease can lead to more reckless behavior of individuals, up to the point where this effect offsets the fact that the disease is less transmissible. This is roughly the intuition descending from the paper *Epidemics with Behavior* by **Christoph Carnehl**

(Department of Economics and IGIER, Bocconi University), **Satoshi Fukuda** (Department of Decision Sciences and IGIER, Bocconi University) and **Nenad**



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**Kos** (Department of Economics, IGIER and CEPR, Bocconi University). This is one of the most important findings of the paper and, formally, it means that a decrease in the transmission rate (meaning the transmissibility of a disease) can lead to a higher peak prevalence of disease (prevalence is the number of people infected, at a given point in time, and peak prevalence is the largest such number over the course of the disease).

The disease does not need to become less transmissible on its own; for example, mask mandates can be interpreted as a decrease in transmissibility because wearing a mask decreases the probability that the disease gets transmitted when two individuals meet and thus is captured by the decrease in transmissibility. However, *Epidemics with Behavior* shows that the decrease in transmissibility will lead to a lower total number of infected people (referring to all the people that get infected throughout the course of the epidemic).

Therefore, while a policy might have a detrimental impact in the short run, it will definitely have a positive effect in the long run. Carnehl, Fukuda and Kos show that it is important to distinguish (and model properly) between the policies that affect the transmission rates (like masks) and policies that only effect the extent to which people interact (like distancing; or for example, closure of restaurants). "The paper is a theoretical model of transmissible epidemic diseases and shows that a policy could lead to an increase in peak prevalence, but it doesn't claim that this is the case with Covid19", says Kos. "The claim is that the effect might occur (with some diseases), so it should be taken into account when designing policies that affect transmission rates".



### THE PAPER

**Epidemics with behavior**, by Christoph Carnehl, Satoshi Fukuda and Nenad Kos

emerges on the management of the crisis, which first avoided accusations of failure to take responsibility for the pandemic situation (in English the so-called blame avoidance) and, consequently, reduced the possibility that a feeling of widespread anger could take hold among Italians. In particular, there was a favorable reaction precisely to the adequacy of actions to support the economy.

Yet, Conte's use of warlike language (also chosen by other foreign political leaders) to explain the details of the efforts to contain Covid did not translate into greater public confidence in the government. Not only that, the survey highlighted that "the positive impact of the

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former prime minister's speech was essentially limited to the workers directly interested in the economic aid being communicated, compared to the rest of the male population," Varriale emphasizes. "The reason is that, probably, the workers affected by the measures paid more attention to the quantitative details of the subsidies put in place." Furthermore, looking in particular at the opinion of the female public, "the war language adopted had less appeal among women", adds Varriale. "Perhaps it would have been useful to rely on a lexicon more linked to issues of family and health. This was the model followed by Chancellor Angela Merkel, based more on scientific evidence, which could have been an alternative to reassure larger sections of the population and maximize political approval of lockdown and aid measures".

## PAOLA PROFETA

### The impact of Covid on women? Not just lost jobs, a vicious cycle has come into being

It has already been clarified that the pandemic has negatively impacted female employment, but what has not yet been carefully explored are the cross-cutting and indirect effects of the health crisis. It is true that the spread of the virus has hit women harder than men, but it is equally true that some categories of women have been more disadvantaged than others. Just think of those who were in a vulnerable condition before the pandemic, for instance single mothers working, those working with a casual contract or in a low-income job, and older women in general. Then add in the simple fact that the sectors most affected (services, hospitality, domestic work) are exactly those with a prevalence of female employment. In short, "the virus has triggered a vicious cycle that makes it even harder to relaunch female employment, especially in a country like Italy where the starting condition was one with only one in two women in employment. The crisis endangers the results already achieved in terms of



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gender equality, in particular in the labor market but not only that", explains **Paola Profeta**, professor of Public Economics at Bocconi, who coordinated the study "Covid19 and its economic impact on women and women's poverty", commissioned by the European Parliament in 5 countries (Italy, France, Germany, Poland and Sweden) and published on [www.europarl.europa.eu](http://www.europarl.europa.eu).

According to the study, government policies in response to Covid have failed to compensate for the gender divide, generating adverse effects even outside the economic sphere. Women, for example, are now exposed to a higher likelihood of domestic violence. The prolonged closure of schools has also created additional work in the household for families, especially for mothers. However, the socio-economic damage of the pandemic was not equal across the the countries analyzed. The most damage occurred in the same countries where closing the gender gap had not been a policy priority before Covid.

This is why, now more than ever, "we need to invest in specific vocational training and higher education programs, especially in finance and financial literacy, given that women live on average longer than men and at greater risk of poverty in old age", concludes Profeta. "It is also recommended to intervene on the quality of women's work, in terms of more formal job classifications, while in parallel making men's work more flexible and expand parental leave for fathers, measures that also bring significant benefits for women".



### THE PAPER

Covid19 and its economic impact on women and women's poverty by Paola Profeta, Ximena Calò, Roberto Occhipuzzi

## ANDREA RURALE

### A missed opportunity for the cultural sector

Never as during the pandemic have public funds supporting theaters and the performing arts proved so crucial for survival. However, the period of forced closure for the cultural industry was not interpreted as an opportunity to take stock and make internal organization more efficient. It was the chance to streamline decision-making processes or increase the number of productions - the cost of shows dropped and there was an influx of state resources. Therefore, "if it is true that, without public support, theater and the arts lose their sustainability", underlines **Andrea Rurale** (SDA Bocconi Arts and Culture Knowledge Center-ACKC), "at the same time it is necessary to rely more on private fundraising, which can push

cultural institutions more forcefully towards internal efficiency and the adoption of innovative models. It is not just a question of increasing overall resources available to cultural institutions but to open them up to experimentation," argues Rurale, recalling how, for example, "during the lockdown, many shows were staged online but they were often offered for free, which to say the



### THE PAPER

The impact of Covid19 on the future of performing arts: a survey of top industry executives in Europe and the US, by Andrea Rurale, Thais Fagundes, Dina Ivanova and Matteo Azzolini



## ALEKSANDRA TORBICA

### The pandemic has caused a drop in blood donations

There are implications of the health crisis about which little is known yet. The spread of Covid has put the Italian national health system under serious stress and caused the postponement of less urgent hospital operations but has also led to a significant drop in blood donations. This reduction, in a vicious circle, has weighed negatively on meeting the demand for blood transfusions, in a period when hospitals were on the verge of being overwhelmed. The fear of contracting the virus during donation has put most donors on hold not only in Italy but throughout Europe, according to the study "Blood donation in times of crisis: Early insight into the impact of Covid19 on blood donors and their motivation to donate across European countries", conducted by **Torsten Chandler** (University of Hamburg) and **Aleksandra Torbica** (CERGAS - Bocconi Research Center on Health and Social Care Management) with other authors. The survey, published in the international journal *Vox Sanguinis*, was conducted in 7 European countries and more than 7,000 citizens participated. Of these, only 1,205 (16.9%) were regular donors and, among them, only 33.8% donated during the first 4-5 months of 2020. The study highlights, in particular, that about 50% of donors have reduced the frequency of donations. Portugal and France were the nations that recorded the most drastic drops. In general, those who feared Covid infection donated less blood, even though the risk of contagion was reduced to a minimum in specialized facilities. Those who are aware of the difficulties

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facing their national health system also reduced their activity as blood donors. Even those who were scrupulously sticking to the Covid health protocol (such as always wearing a face mask and washing hands often) preferred to stay at home. "A scenario has therefore emerged in which even the most convinced donors have declared that they made an additional effort to go and donate," explains Torbica. "The suggestion emerging from the study is that blood collection services should implement communication campaigns that highlight the altruistic motivations behind donations and underline the additional health safety measures adopted during these times of crisis." Especially since, concludes Torbica, "the majority of citizens were unaware that a donation was also an opportunity to do a blood screening, given that donors are subjected to an antigen test for Covid".



## THE PAPER



**Blood donation in times of crisis: early insight into the impact of Covid19 on blood donors and their motivation to donate across European countries**, by Chandler, Neumann-Böhme, Sabat, Pita Barros, Brouwer, van Exel, Schreyögg, Torbica, Stargardt

least, did not allow theaters to test new revenue structures". Finally, according to Rurale, theaters should focus on the acquisition of new skills, ranging from digital to marketing, from process engineering to artificial intelligence. These reflections are contained in the study *The Impact of Covid 19 on the Future of Performing Arts: A Survey of Top Industry Executives in Europe and the US*, which includes the

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contribution by Rurale for Italy (13 institutions considered) as well as analyses for 28 cultural entities in France, Spain, Germany, Great Britain and the United States. The negative consequences of this missed opportunity reverberate outside the entertainment world and the economic sphere. Just think of the adverse consequences on the social dimension, such as the lower involvement of individual citizens who participate in the cultural life of their territories. We also cannot forget those countries where schools do not offer music or theater classes and cultural institutions are among the only places where young people can learn and educate themselves about the cultural heritage of their country.



# Progress? It's all about

*Making the huge amount of information held by the big platforms more accessible, also rethinking the rules on GDPR: this is the only way to truly enable innovation by other companies and break the monopoly of Big Tech. viaSarfatti25 discusses with Viktor Mayer-Schönberger, author of 'Fuori i dati!'*

by Jennifer Clark @

With law degrees from the University of Salzburg and Harvard Law School, plus deep hands-on knowledge as a computer program developer, **Viktor Mayer-Schönberger** is uniquely placed to shed light on the relationship between information and power in our networked age. His 2010 book *Delete: The Virtue of Forgetting in the Digital Age* (Princeton, 2009) won two awards and influenced EU thinking about privacy policy. He followed it up by co-authoring *Big Data: A Revolution That Will Transform How We Live, Work, and Think* (HMH, 2013), which was shortlisted by the Financial Times as one the year's best business books. He is currently Professor of Internet Governance and Regulation at the Oxford Internet Institute, University of Oxford. ViaSarfatti25 talked to him about his book *Access Rules: Freeing Information to stop Big Tech, revive information, and empower society*, published in Italian by EGEA in 2021 (*Fuori i dati! Rompere i monopoli sulle informazioni per rilanciare il progresso*).

### → What was your goal in writing *Access Rules*?

Starting In the 1970s, data protection laws have focused on not only empowering the individual but also about rebalancing the power of information access between the haves and the have-nots. And we have forgotten about that second part. If we look at Google, Amazon, Facebook and Apple, or GAFA, and say “we need to destroy them,” we’ve got it backwards. Humans have always learned from information. The access to data needs to be more widely spread, and not in the hands of just a few monopolistic companies in Silicon Valley. The insights need to be available to the economy and society at large. That was the starting point.

### → What is problematic about a data monopoly?

In an economic context, today data more and more is crucial for innovation, because companies can learn

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# ut access to data

from data, either through statistical analysis on people's preferences, or through artificial intelligence and machine learning. This is a huge problem for Europe in particular, because its economy is full of small - and medium-sized enterprises. Lots of smart people with great ideas. But in order to take the idea and make it into a real product, they often need data, and they don't have it. So they will never be able to compete with Amazon or Google, even if they have a better idea for a search engine or an online store.

→ **The G7 recently reached an agreement on more rigorous taxation of Big Tech. What are governments "doing wrong" in terms of curbing the power of what you call data monopolies?**

The problem is that governments are still thinking in the 20th century. They think that what is really powerful is money, is capital. And to an extent that's true. But if you are a startup company in Europe and have all the money in the world, and you go to Google and say "I would like to get your data for self-driving cars" Google can simply tell you to go away. Taking a little bit of money out of Jeff Bezos's pocket is not going to change much. I am not against taxing large platforms. But that will not undo the information imbalance.

→ **Would it be enough for governments to just treat them like a monopoly, and break them up?**

If you slice

Google into multiple small companies, and you don't undo the underlying economic mechanism that innovation is fed by access to data, you are basically cutting off the heads of the hydra. They will grow back again, like AT&T did after it was cut into many "Baby Bells" in the 1980s.

→ **How do we "fix" Big Tech to make it fairer?**

Very easily. By forcing the large platforms to let other companies to have access to their data. Not all of it, 5% or 10% would be sufficient for small companies to have enough training data to produce great products. That rekindles competition, it invigorates innovation, and it diminishes the information power concentration of the large monopolies.

→ **You say we need "rules of access." Can you give us an example of how this would work?**

I can give you an example of how it already has worked. About 10 years ago, Google bought a large company that was doing back-office work for airline ticket processing. And Google got all the data. The U.S. Department of Justice stepped in and ordered Google to provide open access to data to anyone who asked for it, even competitors, for a period of five years.

→ **But you also explain that Google shut off access on the very day that the five years was up.**

Unfortunately, yes. By the way, we use a similar access mechanism in patents. Patent law is designed for companies to be able to recoup their development costs and make a profit for a limited period of time, after which everybody else can benefit from access to the knowledge because patent applications need to make knowledge transparent. That's what we need do with data, too. It's not an expropriation, it's just making data more liquid, more accessible.

→ **Are you saying that governments already have tools to deal with this?**

We have done it before. All we need is to do it again, and not do it on a case-by-case basis. We need a general rule that says if you are above a certain threshold of size as a company and have lots of data, you need to open up that access to that data to anybody else who wants it.

→ **Why do you say that European General Data Protection Regulation (GDPR) backfired? Is the focus on “data privacy” misguided in your view?**

From the very beginning, as I mentioned, data protection laws had two elements. One was to empower the individual. And the other was to undo information concentrations. We have forgotten about the second, unfortunately, and we have concentrated on the first. This gives us the appearance of choice. But if we want to shop with Amazon, we can mostly just accept their onerous rules. That is not the informational self-determination that GDPR intended. This is just going through the formal hoops of extra clicks. We have convinced ourselves in Europe that we have strong data protection, but in reality, we don't.

→ **Why has the question of the power of who controls the access to information not been addressed in Europe?**

Because we forgot about it. Over time, you know, we focused more and more on empowering the individual. But the individual doesn't want to spend three hours a day exercising their rights on the internet. I often compare it to going shopping in the supermarket. You don't bring a chemistry lab to test what is on sale there. You assume that somebody tested it, and there is an agency that assures what is sold on the shelves is safe. In data protection, we have put all the responsibility on the shoulders of the individuals.

→ **Could you give us an example of the advantages of open data?**

One of the key examples about open data is GPS. It was originally designed by the American military with satellites to send signals on earth to find out locations. It was only for the military. Then in the 1980s a Korean commercial flight was shot down by the Russians accidentally, because it veered off course. U.S. President Ronald Reagan decided to make GPS available to all. Now we have GPS in our cars, in airplanes, in delivery vans, our smartphones. This service rests entirely on data that is open and accessible.

→ **What has Covid taught us about the usefulness of data and access to data?**

At the very beginning of the pandemic about a year and a half ago, we didn't know anything about the virus. What happened was quite remarkable. Researchers at National Institutes of Health in the United States were able to access the virus' genetic footprint that was shared by Chinese and Australian researchers online in January 2020. Using this data the NIH researchers were able to develop the key element of the vaccine extremely quickly. After that it simply became an issue of finding the right delivery platform and enough companies to produce it. The



## THE BOOK

In *Fuori i dati!* (Egea, 2021, 160 pp., €17, in Italian) Thomas Ramge and Viktor Mayer-Schönberger propose a disruptive thesis: in order to relaunch progress, it is necessary to break the information monopolies and put an end to data protection, going beyond the GDPR. Europe must play a leading role in the construction of a new digital ecosystem based on the free flow of information, thus initiating a revolution capable of breaking down the monopolies that are currently holding back the development potential of much of the planet.

THOMAS RAMGE  
VIKTOR MAYER-SCHÖNBERGER

### FUORI I DATI!

Rompere i monopoli  
sulle informazioni  
per rilanciare il progresso



Egea

real “eureka” moment of finding the vaccine was done in a very short time because the genetic footprint was shared online.

→ **Has your view evolved since writing Big Data: The Revolution That Will Transform How We Live, Work and Think?**

The fundamental idea in “Big Data” was that access to data and the analysis of data provides us with insights, so we can make better decisions. The problem that we have today is that ten years after Big Data started becoming available, fewer and fewer companies can make sense of the data. Most of the data collected in Europe, 85%, is never even used once. Google and Amazon would never do that. The problem that we have today is not that we have too little data. We have data concentrated in too few hands. Only a very small number of organizations and companies can create value out of data and they don't let others have access to it. That is extremely dangerous because it destroys competitiveness and innovation in our economy, and because it undoes the democratic and decentralized fabric of our democracy.

→ **What are your thoughts on this undoing of the democratic fabric?**

The fundamental problem with Facebook, for example, is a structural one. If something goes wrong with an algorithm, then the data Facebook has can become weaponized against democracy. Why is this problematic? Because the people at Facebook have all the data and nobody can control them or compete with them. Democracy lives because there is open robust debate. But that requires that information be accessible to all of us, so we can build our own opinion. If we don't undo this concentration of power, we unfortunately cement this two-tier system where some know everything and others know nothing ■.



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