

The ALTIS experience in Milan

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The context

ALTIS was born three years ago at the Università Cattolica del Sacro Cuore (UCSC), Catholic University of the Sacred Heart, in Milan Italy. UCSC, in virtue of its being the expression of the Italian Catholic people, plays a special role in the Italian academic system. Founded in 1921 by Father Agostino Gemelli and legally recognized by the Italian state on October 2nd, 1924, UCSC is the largest private university in our country with fourteen faculties and five campuses: Milan, the original and the largest; Rome, dedicated principally to Medicine, with the Policlinico Gemelli, best known as the Pope's Hospital; Brescia and Piacenza-Cremona in the North; and Campobasso in the South. In Italy, apart from UCSC, there are only a few other very small Catholic universities.

Until 2005 UCSC did not have a postgraduate school for business. It offered only a series of postgraduate courses proposed by various professors on an individual base. This is due in part to the fact that Italy does not possess a long standing tradition of graduate business schools. There are only a few in the country. The leading Italian business school and the only one to be classified in the international rankings, SDA Bocconi, like UCSC, is located in Milan. Its proximity plays an important role in the unfolding of ALTIS's strategy.

The ideas at the origin of ALTIS

During his first mandate (2002-2006) our University President, Prof. Lorenzo Ornaghi, implemented a strategy for the development of postgraduate education. It was in this context that I decided to submit a proposal for a new initiative in the business education field that took advantage of my research and teaching experience in strategy, business values and corporate social responsibility.

The idea was not to launch a new generalist business school (too dangerous considering the strength and proximity of our above mentioned competitor), but to structure an original initiative characterized by:

1. the expression of the University's and my Catholic identity;
2. the positing of CSR and sustainability as the pivotal while not exclusive issue;
3. an orientation toward the international arena especially in regards to emerging countries;
4. the combining of ideas and action;
5. a strategy of incremental growth.

I would like to explain these five elements.

1. A Dynamic Catholic Identity

A small group of friends and colleagues and I were strongly motivated to create an institute that could express our Christian identity in the field in which we had been working for many years.

Although our notions were only roughly formulated, we were confident that our faith could be the source of a positive experience in management education and research, providing an hospitable environment for the student and a catalyst for the development of knowledge.

Regarding business education, we posed a question that also contained an implicit goal: How can we help our students to be glad to be Christian and how can to increase in them the desire to live this identity in the work world?

To best begin to answer this question it is necessary to understand what I learnt and I'm learning in my Christian experience. I'd like to recall two quotes that form the basis of our methodology:

- "People are not so much moved by words as they are struck by a presence"¹;
- "You can not adhere to something that asks of you a sacrifice if you are motivated by an abstract preconception: you adhere to something rather out of the force of attraction it has(...). We need to discover, therefore, in our education, the way of perceiving, bringing to fulfillment and affirming the attraction of that which is proposed to us. Only if what is proposed to us is attractive can we take it seriously"².

I recently found the same accent in Benedict XVI's first Encyclical Letter: "Being Christian is not the result of an ethical choice or a lofty idea, but the encounter with an event, a person, which gives life a new horizon and a decisive direction"³.

What does it mean for a business school?

First of all it's important to understand what it is not. It is not important not to reduce the Christian identity to an ethical appeal. Frequently the Christian orientation of a Business school is understood as an emphasis on ethics, honesty, transparency, anti-corruption policies, etc. While important, these elements are not sufficient to convince. They do not move. "The Christian faith is a subversive and surprising way to live the ordinary"⁴. It is from this experience that a man learns the value of honesty and rectitude for himself and others.

Our desire is that the student understand that to live the Christian faith makes life more human, even within all the limits that we inevitably have. This is a very challenging task, and here I have identified some crucial ingredients:

1. It is fundamental that the group of people promoting the school are sincerely committed to living the catholic experience. Only with this group can one hope to create an organizational culture and the style;
2. It is important to underline that more than the testimony of the single person (professor or staff member), it is the friendship and unity among this group that constitutes the first and most effective sign of the School's Christian identity⁵;

¹ It's the Italian exergue of L. Giussani, *Is It Possible to Live This Way? An Unusual Approach to Christian Experience*. Volume 1: Faith. Montreal: McGill-Queen's University Press, 2008.

² L. Giussani, *L'uomo e il suo destino. In cammino*, p. 153, Marietti 1820, Genova, 1999.

³ Benedict XVI, *Deus Caritas Est*, 1.

⁴ L. Giussani, *Dall'utopia alla presenza*, p. 330, Rizzoli, Milano, 2006.

⁵ Cfr. Gv 17.

3. If this nucleus is present, it can welcome the contribution of other people, even those very far from Christian faith, creating an open and welcoming environment. Those welcomed in their turn can be “infected” by the existing climate, a climate which is open to all.
4. A portion of the faculty must share the same ideal of those promoting the school. It is up to this core group of faculty to involve other professors who might have different cultural orientation. It is the responsibility of that group of faculty to guarantee students a learning experience that reflects the ideal of the school while being open to other contributions that can enrich knowledge and increase the critical debate;
5. Research activities have to be developed studying both the principle issues connected to the mission of the school as well as the most current topics of specific managerial disciplines. Without research it is not possible to communicate a knowledge that is perceived as “experienced” by the people who teach;
6. The ideal shared by the core group of faculty must be present throughout the contents of the course offering. It is a structural dimension of every subject and not an added exhortation or isolated in a specific course. In other words, the challenge becomes the mainstreaming of the ideal within the contents of the maximum number of courses. In some courses this will bring about the identification of new and original responses to traditional problems while, in other cases it will simply be able to pose the proper managerial questions;
7. The involvement in our courses of entrepreneurs and manager who explain their attempts to create a competitive and responsible enterprise is essential. They have the task to demonstrate that it’s possible to manage a successful firm while placing the priority on the person (first of all employees, customer and local citizens);
8. Administrators (tutors, placement managers, accommodation coordinators, etc.) are as important as professors. They demonstrate, in action, the level of importance that we place on our students;
9. Given these conditions, specific courses regarding Catholic Social Doctrine, subsidiarity in the economic system, social entrepreneurship and so on become particularly interesting. The mistake would be to hope that from these courses could the source of the Christian orientation of a learning project. Words cannot create a new way of thinking and therefore a new generation of entrepreneurs and managers. The Church is a life and a life that educates people in a persuasive (attractive) way while words are a tool (very important, indeed) of this life. It is through experience that a person can be touched in the deepest of his/her interests and motivation. A pure discourse can not make a difference in the lives of our students, instead a true learning experience has the potential to significantly influence our students perspective when confronting business management issues on a global scale;
10. The possibility of offering to alumni an ongoing connection with the school where reciprocal help on the job, opportunity for cultural development and the stimulus to serve the ideal are present.

Summarizing, ALTIS doesn’t want to be known as “the Catholic Business School in Italy”, but as a modern and open school of management in which a group of Christian people strive to make their contribution. Our desire is that whoever approaches ALTIS is provoked by the following question: Why are these people is so positive, enthusiastic, responsible? The only answer will have to be: “Because they are Catholic!”. “Thus, by their fruit you will recognize them”⁶.

⁶ Mt 7, 20.

2. CSR and sustainability as pivotal

ALTIS' mission statement reads "Entrepreneurship and management for sustainable development". I would like to briefly discuss each element of our mission.

First of all "**sustainable development**". I know that this term (as well as Corporate Social Responsibility – CSR) can be ambiguous. Sometimes this label can disguise business practices that are very far from the Christian culture. At the same time, I think that speaking only in terms of Catholic Social Thought (CST) teaching risks being unable to reach those otherwise open to the values it promotes. For us the language of sustainable development becomes the vehicle through which (also explicitly) we express these principal ideas of CST:

- a strong commitment to the value of managing enterprises as a mean to contribute to the *common good*;
- the *centrality of the person* in managing an organization;
- the emphasis on the value of *human freedom*. Of course people in organizations operate under many constraints, but within these constraints there is always a degree of freedom which allows for creativity and innovation.

Entrepreneurship is also very important. If the faith is the fruit of an encounter that renews life, creativity will precede correctness! Faith is capable of generating new ways of being and doing business, new ways of ordering relationships between owners, employees, suppliers, customers and community.

As a consequence, ALTIS promotes innovation in businesses in order to simultaneously foster competitive advantages and meet the ever growing social and environmental needs of stakeholders. We want to develop an orientation to foster what we call a **socio-competitive synthesis**: "In order to satisfy legitimate social expectations, we need to answer this question: can we satisfy social expectations by integrating them into corporate strategy, i.e. making them a means to corporate development? By searching for an answer to this question, we have already started on the path towards *social-competitive synthesis*. This is an innovative means of replying to expectations from one or more groups of stakeholders going beyond legal obligations, giving life to a solution that contributes to maintaining competitiveness and long-term success. This strategy can affect the whole of the corporation, one of its specific strategies, or one specific function or process".

The term **Management** wishes to affirm the value of the managerial knowledge and techniques that are useful in order to reach both corporate and social objectives. In this sense efficiency and productivity are considered potential allies and not adversaries of sustainable development.

I mentioned that CSR and sustainability are the pivotal themes of ALTIS, but our activity is not limited to that issue. Over the past 3 ½ years, as I will present in point 4, and deriving from its core reflections, ALTIS has incrementally developed other areas of interest and expertise. We now have 5 divisions, each of which produce research projects and courses:

- *Corporate Social Responsibility & Sustainability*. The Division considers CSR as a constitutional element of the company's strategy. For the top-management, attention to

CSR implies both improvement of company's performance and sensitivity to social and environmental problems. The "CSR & Environment" Division develops research and training projects using a network of relationships with Italian companies and foreign centers of excellence;

- *Italy & New Markets*. In today's global economy new countries are becoming key worldwide players. China, India, Brazil, Eastern Europe, the Mediterranean basin and Africa represents an attractive competitive arena for European companies. In such a context, offering training courses to Italian and foreign managers the Division aims at contributing to the Italian companies' development in large emerging markets and opening access to foreign companies interested in European market. In this division courses are taught in both English and Italian;
- *SMEs & Industrial Districts*. Small and medium size enterprises and industrial districts form a significant part of the Italian economy. This Division has two objectives: to strengthen the competitiveness of this Italian heritage, and to make this distinctive Italian experience an example of sustainable business growth in developing countries. The Division manages several initiatives overseas in collaboration with foreign universities and institutions;
- *Public & Non Profit*. This Division operates as a centre of research and study on advanced topics concerning public administrations and not-for-profit organizations (associations, foundations, NGOs, cooperatives, charitable organizations, religious organizations) operating in the fields of culture, social assistance, education, religion, environment, academic research and international cooperation. It is our strict belief that profit and non profit organizations, even if they had different priorities, are both at the service of the common good and can find areas of collaboration;
- *Finance and development*. This Division is the most recent. It focuses on issues such as: finance for start up and for the growth of SMEs, micro credit, micro insurance, and transparency in financial markets.

As you can easily understand, the contents of the divisions are tightly intertwined and are ordered around the principles of sustainable development and the synergies that exist between Business and Society.

3. International orientation

From its inception an international orientation has been absolutely fundamental for our School. This is first of all imposed by the economic environment. Italian business activity has been severely affected by elements of global competition and the small business fabric that makes up the strength of its economy faces complicated challenges. Facilitating Italian business in its comprehension and interaction with international players by forming young people capable of accepting the challenges of operating in the global economy represents an important contribution that the University can make toward strengthening the Italian business community.

By its emphasis on *emerging countries*, ALTIS sees its mission as the imparting of business competencies to students from developing markets in a way that goes beyond the model of simple economic assistance. By providing both professional expertise and business contacts to students from disadvantaged countries ALTIS aims at creating those conditions in which the poor can access development and economic growth. By placing Italian companies in direct contact with students from emerging markets, ALTIS hopes to be an agent of positive international growth for Italian and European business, offering them competent professionals capable of bridging the gap between the old world and new opportunities.

4. Combination of ideas and action

We are at the beginning of our history, but since the beginning it has been our desire to see the advent of new initiatives. It constitutes a value added for our students (and for us) to be able to aid the start up of new ventures able to combine both financial and social performance.

We started the “Social Project Exchange”, the first structure of its kind in Italy, aimed at developing mutually beneficial partnerships between for-profit and not for profit organizations.

We are trying to help some of our African student to launch their own business in their home country. For this we utilize our database of business and non profit organization contacts.

Together with important business schools in the US and Europe this year we will be the Italian promoter of an international award recognizing the best social business ventures.

We run observatories, that allow us to develop stable relationships with companies and institutions who might later be invited to participate in other projects. Our four observatories monitor: a) Ethical Supply Chain Management, b) Public and Industry Association policies that foster CSR, c) Sustainability reporting in Italy, d) Responsible Consumer behavior in Italy.

We created an association – the CSR Manager Network Italia – also the first of its kind in Italy, that has brought together more than 80 sustainability managers from both Italian and multinational companies operating in Italy. Every year we have six closed door meetings in which experiences and best practices are exchanged and improved policies are promoted and fostered inside these companies.

This action orientation is a strength of our School and we hope that it is proof of our Christian passion for a better world.

5. The incremental strategy

From the beginning it was very clear that the profile of our School could not be immediately and precisely defined, nor could it immediately possess all of the characteristics which would have been ideal. We had to start out on a path of incremental growth. The resources developed can be divided into four categories:

- *human* resources. At the beginning we did not have a large number of professors that shared the intent of the “entrepreneurial” team. Slowly, the number of these professors is growing. It takes time to encounter colleagues who are sensitive to the mission of the school; and it takes more time to train young research scholars who are both good professionals and possess mature Christian personalities. From a cultural point of view this is very important. Gradual growth allows for both the creation of an ecumenical team and a strong core group;
- *knowledge* resources. We live immersed in a culture that isn't Christian. So we know that much time is necessary before a Christian presence might give rise to management concepts and an economic system. The method is not to deduce abstract ideas from CST. Our task is to be present in this world, *inside* it, confident that solutions will emerge in

time. It is not a problem of our generation alone, but of the streams of generations to come. The method is to establish our identity and the rest will come⁷;

- *financial* resources. Our university gave us the facilities but not the money to start. So we had to find external funds (foundations), paid research projects, and courses paid by participants;
- *reputational* resources. To develop our strategy – both in the international market and in the context of the Italian economic system – it’s necessary to possess a good brand. Surely, the brand of UCSC was fundamental at the beginning and is fundamental now, but for the development of the ALTIS brand it is necessary to build its reputation through the effectiveness of our projects and intense communication activities.

We are fond of this incremental approach because it forces us to pay a great deal of attention to experience. Alexis Carrell wrote: “A few observation and much reasoning lead to error; many observations and a little reasoning to truth”⁸.

Our Initial Masters programs

In closing I would like to spend a few word on our MBA program entitled “New Markets & Europe”.

In 2005, our first Master’s program was born of a request from the Prefect of the Congregation for the Evangelization of Peoples. The request made to our University was to launch a “Master’s in Management for Growth and Development” for Catholic students from Africa. The President of the Catholic University of Milan assigned the task to ALTIS. The program was hosted in a beautiful facility belonging to the Congregation for the Evangelization of Peoples, in Castelgandolfo, close to the Pope’s summer residence. This project was completed in collaboration with Urbaniana University (Rome) which provided the theological and moral content. Much of what we gained from that unique experience is reflected in the previous points.

This first Master program was an attempt to move from a model of economic assistance to a model of empowerment, forming future business leaders who could become agents for economic development for their countries. What we found was, while this might still bear out to be true, in the short run many of these students were also very attractive to Italian companies who were operating or who had intentions of operating in the students’ country of origin. The Master “New Markets and Europe” was born of this experience. We opened the recruitment to all emerging markets and we actively promoted the program to Italian firms. In its first year we received over 160 applications and the response from business has been overwhelming. We are currently hosting 33 students form 16 different countries, each of whom will soon do an internship in an Italian firm interested in doing business with the student’s country of origin.

Other elements that testify to our common mission and to the quality and the originality of our programs include:

- Important alliances with other Catholic business schools in India and Brasile;
- The work with a non profit organization “Famiglia per l’Accoglienza”, a group of Catholic families open to hosting foster children and young people. These families hosted

⁷ “Seek first the Kingdom of God, and all these things will be given to you”, Mt 6, 33.

⁸ Alexis Carrel, *Reflections on life*, Hawthorn Books; [1st American ed.] edition (1953).

18 of our foreign (some non Christian) students thus helping to lower costs and aiding the student's cultural integration. But most importantly this helps us to offer a more complete Catholic educational experience;

- Visiting professors from Catholic Universities from Europe and around the world;
- The presence in the classroom of social entrepreneurs and business people.

Conclusion: The contribution of the International Network to the start up of new Catholic Business School

From a strategic point of view, a group of mission-driven Catholic Business schools can reach an extraordinary competitive advantage as compared to any given single institution.

I would like to suggest some directions that could be relevant for ALTIS and, I'd imagine, for those Catholic business schools of recent origin in emerging countries:

- The research of cases of entrepreneurs and managers (Catholic or not) that offer examples of the combining of social and corporate objectives;
- The invitation of visiting professors from established Catholic Universities from US and around the world, to contribute to the formation of both business students and research scholars;
- The opportunity for PhD students and young scholars to study and operate in an established business school, to share knowledge, cultural orientation, methods and hypothesis;
- The creation of summer programs for the exchange of students;
- The launch of a double degree programs (or similar) that increase value for students.

In conclusion, as management scholars we know that trust is a primary building block for the creation of competitive advantage.

We think that our common faith can be the foundation for reciprocal trust and for cooperation in a spirit of gratuitous friendship. This can be a unique opportunity to both enhance our competitiveness with regards to other business school and to form Christian business leaders who desire to work for a better world.

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Since 1994 he has been Director of ISVI (www.isvi.org), Institute for Business Values, a center of research for Corporate Social Responsibility promoted by several Italian universities and important manufacturing industries, banks and associations.

He is the founder of Borsa Progetti Sociali (Social Projects Exchange), a non profit organization created to develop partnerships between profit and non profit sectors.

He has lectured in Corporate Strategy and Corporate Social Responsibility on many Master's Programs (Catholic University, SDA Bocconi, ENI Corporate University, Publitalia). He is also a consultant and trainer in Business Strategy and Corporate Social Responsibility.

He is a member of the Steering Committee of EABIS (European Academy of Business in Society), GBS (the Group for the definition of a model for Social Reports in Italy), and of the Editorial Board of the magazine *Non Profit*.

He is an independent member of the Board of Directors of the Mediolanum Group (quoted), 8a+ Investimenti Sgr and Opera Sgr.

He is a member of the Corporate Governance Oversight Committee of Falck Group and of the "Steering Board" of Fondazione Cariplo. He is also a member of the Scientific Committee of Auchan Italia, Bureau Veritas Italia, Fondazione Operandi, Promos.

RESEARCH INTERESTS: integrating corporate social responsibility in corporate strategy, sustainability report, CSR and financial performance, performance indicator in non profit organizations.

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