

Transparency and Company Growth*

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Abstract

AFOL metropolitan is experiencing a moment of strong change connected to the incorporation of some agencies training and work of the territory. The regulations on transparency can constitute, in addition to an occasion of further openings towards the stakeholders, also the opportunity to structure information systems able to support important strategic and operational decisions that are functional to the governance of the paths of change.

Keyword: Corruption; Transparency; Training Agencies; Career Guidance; Employment; Job Vacancies

1. The Development of Training-Employment Agencies

The Agencies for Training, Career Guidance and Employment (AFOL) were set up in 2008 with the aim of offering integrated services to people and firms, and with the statutory purpose of “*promoting the right to work as a social service intended for persons, enterprises and society in general, through activities of training and career guidance so as to combat risks of social exclusion and poverty by carrying out interventions for the full integration of citizens into the social and economic fabric of their local area*”.

This strategic vision allowed the high degree of fragmentation of offerings of public services in the territory of the province to be surmounted by merging structures and functions spread over a plurality of pre-existing entities (about 20 consortia and associations).

The project that was achieved in 2008 and materialised in the setting up of a network of Local Agencies - Milan city, North Milan, East Milan, North-West Milan, South Milan and West Milan - operating in each of the 6 areas into which the local territory of the then Province of Milan was split, became a part of a more complex regional regulatory framework (cfr. L. R. 22/2006 and L. R. 19/2007) which defines and regulates the delivery of services for employment and training equating public bodies and private bodies through the setting up of registries of accredited operators.

Following the initial years of experimentation of the new formulas, a further process rationalising these was set in motion. In this way AFOL Metropolitana was started, being set up on 14 January 2015, and which is currently the result of merging four of the pre-existing Agencies (AFOL Milano, AFOL Nordovest Milano, AFOL

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Nord, AFOL Est) into a single new consortium Agency established between Città Metropolitana di Milano and 40 metropolitan Municipalities, including the Provincial seat. Additionally, the process to merging AFOL Sud too, is progressing. This process will bring other Milan Province Municipalities within the corporate perimeter.

More specifically, the setting up of AFOL Metropolitana had the objective of optimising the services provided by the local AFOLs aimed at people and enterprises without compromising the underlying features leading to creating the system of Agencies for career guidance and employment, and more especially:

- an offering of integrated services to the public in matters of professional training and employment policies;
- structured cooperation between the broad area Body and Municipalities in managing these services of supra-municipal interest on a unitary basis;
- a local approach that is able to ensure adequate responses to the specific needs of the individual areas making up the metropolitan area;
- management of services using a networking approach in which the public party operates within a broader local network (national/regional authorised and/or accredited private parties) and is highly interconnected with the education system (School/University)

Currently, AFOL Metropolitana operates in the following areas of intervention:

- employment services including both the functions of an administrative and certification kind under Centres for Employment, and services of active policies for employment that the firm, as an accredited Body within the regional system of employment Services, develops to increase levels of employment;
- services of a training kind, beginning with those foreseen within the education system, such as training itineraries in rights/duties of training and instruction and other training activities aimed at strengthening what we can call “human capital”;
- services of career guidance intended to support individuals during the transition between various life phases, starting at school and going on to the professional one and seeking work;
- services for self-employment and creating an enterprise;
- local welfare services with a number of targets such as the young, foreigners, ill-treated women and separated fathers.

The overview just given allows highlighting how Afol metropolitana, after starting life with the merger of small local entities, has in a short period grown in size, functions and services directed towards users.

2. The Dual Nature of AFOL

However, leaving aside for a moment the quali-quantitative development of the Agency, the fundamental consideration that needs to be made in order to understand the nature of a Special Agency like AFOL Metropolitana goes as follows: the legal form and full public ownership not only determine a social purpose and a public service, but at the same time require rules of a public type in force nationally to be applied. This even though AFOL has the connotations of a “firm”.

AFOL cannot therefore avoid its specific nature as a public service in planning and delivering its services, nor can it forget its public nature under the rules and compliances that bound the perimeter of its action as a Special Agency. On the other hand, AFOL, as an “operator” in services for employment and training, acts in accordance with regional guidelines and regulatory provisions which, via a system of regional accreditation, place public operators and private operators on the same plane, and within the same *market*, having indeed access to the same public resources in delivering services.

Additionally, the constant reduction in direct financing for delivery by public bodies of employment services and training, actually creates a need for the Agency to seek out the economic resources necessary for its financial stability in the *marketplace*.

In reality, it finds itself needing to balance *the public nature of the services and mission* as an AFOL, with *a private and corporate nature*, and above all the implications underlying *these two natures*.

In our view, in order to succeed in managing a corporate activity of this kind strategically and effectively, the following question must be asked: how can regulatory *constraints* and duties imposed by a public nature be transformed so as not to slow down and render corporate activity less efficient, effective and economic and that must produce in order to ensure its ongoing existence? How can the above constraints be transformed into *resources* serving corporate productivity?

This is, we believe, the true challenge that an Agency like AFOL must face up to and resolve.

In a framework of this kind, it is necessary to consider how much has been regulated by Lawmakers in the matter of *transparency and the fight against corruption* in recent years, and the effects that these rules have produced on the organisation of work. Indeed, the impact, above all in terms of *man-hours*, complying with these rules has had on organisation cannot be taken lightly.

We believe that the most functional response in seeking an effective balance between these two demands is to regard regulations on transparency as a *management ally*, a facilitator when defining policies, when scheduling, when monitoring results achieved during the year and at the time of final reckoning. This vision can transform the costs incurred in complying with these regulations into costs for improving the quality of corporate management through having, in the end, a favourable fall-out on productive capacity.

Thus framed, specifically for AFOL, the rapid growth of the firm, both in terms of the number of staff and the functions performed is worth highlighting, and which has indeed increased the complexity of management, both in terms of control and in terms of monitoring.

3. Transparency for Strategic Development

- A number of corporate areas that have specific relevance at this time in the development of the Agency are:
- recruiting staff;
- the matter of absenteeism;
- corporate and individual performance;

- management of advisors and collaborators.

The matters may find an important ally in the rules of transparency in that they may help to define policies at the time of planning and monitoring results achieved during the course of the year and in a final reckoning.

Here below, corporate strategies in respect of the above questions will be analysed, and just how duties of transparency may be a lever in support of these strategies will become clear.

Recruiting staff;

Through its progressive itinerary of growth, AFOL, has actually doubled its workforce. On the website “Transparent Administration” for corporate dirigenti and cadres forming the management of the firm, the following information is to be found (art. 15 of Legislative Decree 33/13) In particular, for dirigenti:

- a) the deed of appointment with an indication of the duration of the appointment;
- b) *the curriculum vitae*;
- c) the compensation of any kind connected with taking on the office; sums for travel on duty and assignments paid for from public funds;
- d) data concerning the taking-on of other offices with public or private bodies and related compensation for any cause paid out;
- e) any other offices which charges borne by public finance and an indication of the compensation due;

In respect of corporate cadres, the related curricula are disclosed.

Thanks to the obligations introduced by the transparency Decree, the firm had to equip itself with IT systems in respect of staff which, besides the need to disclose data, may be an important source of knowledge at a time when it is needed:

- to manage the expansion in numbers of employees;
- to supplement them from the standpoint of the skills possessed and those sought by the firm;
- to identify training itineraries aimed at avoiding tensions in respect of roles that are implicit in any corporate merger process.

Staff absenteeism

Special firms disclose data in respect of rates of absence of staff quarterly, split by offices at dirigente level (art. 16, paragraph 3 of Legislative Decree 33/13).

This obligation to disclose also becomes an interesting element in monitoring during the course of sustained growth in the number of human resources of a firm. The findings from this monitoring may enhance polices to combat absenteeism or, on the contrary, display the arising of virtuous situations that can be a signal that the way a firm is developing and growing is being properly managed.

Corporate and individual performance

In the same way, it would seem to be important to receive the requirement of lawmakers imposing upon special firms disclosure of the aggregate sums of bonuses reserved and distributed to dirigenti and employees and the criteria defined for assigning said bonuses and incentives, and aggregate data relating to the distribution and levels of differentiation achieved in the “Transparent Administration” Section favourably (art. 16, paragraph 3 of Legislative Decree 33/13).

This allows the outcomes of incentive polices based on merit that a firm may intend to field, especially in respect of differentials in bonuses distributed and the weight of these as compared to the fixed components of compensation to be highlighted.

Management of advisors and collaborators.

A final important issue that may be helped by the duties to disclose defined by lawmakers is the one relating to corporate advisors. Special firms must disclose (art. 15 of Legislative Decree 33/13) in respect of the holders of appointments of advisor or collaborator:

- details of the deed awarding the appointment;
- the reasons for the appointment;
- the curriculum vitae;
- data in respect of performing the appointment or the holding of offices in entities under private law governed or financed by the public administration or carrying on professional activities;
- compensation, however defined, relating to the relationship of advisor or collaborator and highlighting specifically any components that are variable or tied to an evaluation of the result;
- the sum paid out during the year in respect of said compensation.

These data are to be disclosed within three months from award of the appointment and for the three years subsequent to the appointment ceasing.

In cases of failure to disclose this information, payment of the consideration will lead to liability attaching to the dirigente ordering it and, once the outcome of disciplinary proceedings are certain, lead to payment of a sanction equal in amount to the sum paid.

Regulations that are this restrictive can be found suited to preventing pathological phenomena in the matter of awarding appointments for external offices and, conversely, highlight situations of outsourcing that work to the advantage of effective and economic corporate action.

Finally, we believe that it is worthwhile evidencing one of the fundamental features of the regulations regarding transparency: transparency. Lawmakers were certainly inspired by a principle of achieving external visibility of management data in order to be able to exercise control, both directly and via the intervention of the public at large. At the same time however, transparency data become data on the organisation that are available to all staff operating in the firm. So, the data from which management assessments derive may also be used by staff in becoming fully aware of their organisation. From this perspective, used and disclosed properly, transparency becomes an element in internal communications facilitating and easing the management of staff.

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