

Exploration of some of the 7 concepts identified as constituting a “circular” HRM

Business Case: Intesa Sanpaolo - Bank (Italy)

The Intesa Sanpaolo Group is one of the leading banking groups in Europe, with a market capitalisation of 38.5 billion euro¹, and is committed to supporting the economy in the countries in which it operates, particularly in Italy, and to becoming an exemplary model in terms of sustainability and social and cultural responsibility.

Intesa Sanpaolo is the market leader in Italy in all operating sectors (retail, corporate and wealth management). The Group supplies its services to some 11.8 million customers via a network of around 3,800 branches across the country, boasting a market share of at least 12% in most regions.

Intesa Sanpaolo has a strategic international presence, with roughly 1,000 branches and 7.2 million customers, including subsidiary banks operating in commercial banking in 12 countries in Central/Eastern Europe and in the Middle East and North Africa. It also has an international network specialising in providing support to corporate customers in 25 countries, particularly the Middle East and North Africa, and in countries where Italian businesses are especially active, such as the United States, Brazil, Russia, India and China.

Interview : Umberto Alunni is a former general manager of Intesa Sanpaolo

Date of interview: 14 May 2020

Context

This study is an integration of Mr. Umberto Alunni interview and the Group's 2019 Consolidated Non Financial Statement

<https://intesasanpaolobanka.ba/bain/wp-content/uploads/2020/04/Group%E2%80%99s-2019-Consolidated-Non-financial-Statement-.pdf>

The study of the Intesa Sanpaolo seemed to be an interesting case study in terms of the applicability of circular economy principles to human resources management, even if Intesa Sanpaolo doesn't name its approach as Circular HRM.

Concept 1

The design of 'work practices' and 'work spaces', emphasising maximum positive impact on a worker during his/her employed experience

There is a tendency towards basic training that can best orient employees towards possible future challenges. It has been found that the establishment of a "level playing field" in the employee's information assets can be a not insignificant competitive factor capable of ensuring the appropriate flexibility with regard to its employability in combination with the company's needs and expectations. The next stage is professional enrichment closely related to the tasks that the employee is or may be performing. The tools for transferring such skills are different and tend towards distance learning.

The practices are in full compliance with the national employment contract and the supplementary contract. With reference to the latter, recently welfare platforms have been used to provide utilities with particular tax advantages. Instead of supplementary bonuses, the same amount is used, tax-exempt, for travel, purchase of books, medical expenses and the like.

The most significant forms of flexible working concern:
Flexibility within the time limit of x minutes for entering and leaving the workplace;
Part time in its two versions, vertical and horizontal;
Smart working according to needs (on call, x days a week, on time, etc.).

In relation to this concept of Circular HRM approach 5 main projects can be highlighted:

1. TALENT DEVELOPMENT
2. #PEOPLE: THE PORTAL FOR THE PEOPLE OF INTESA SANPAOLO
3. INCLUSION AND DIVERSITY MANAGEMENT
4. APPRENTICESHIPS FOR PEOPLE WITH DOWN SYNDROME
5. DISABILITY MANAGEMENT

TALENT DEVELOPMENT

The International Talent Program (ITP) has established itself as one of the most important talent development initiatives at a Group level. Launched in 2017 to develop a new generation of managers with an international outlook, the Programme is aimed at a target group of employees who are professionals or middle management. The key element of the Programme is its personalised development courses of 3-5 years. Each course consists of inter-functional, inter-divisional and international work experiences, each of which lasting indicatively at least a year. The aim is to develop new skills - technical/specialised, behavioural and managerial - and an overall vision of the Intesa Sanpaolo Group.

#PEOPLE: THE PORTAL FOR THE PEOPLE OF INTESA SANPAOLO

Launched in 2018, this is the space dedicated to all Intesa Sanpaolo Group people. From the portal all employees can access their personal profile, which contains their main personal details together with their CV and a space for introducing themselves and sharing their professional ambitions, and the LECOIP 2.0 and POP (Performance-based Option Plan) section, so they can keep track of their personal investment plan. There are also sections on internal mobility, like Jobs@ISP, the internal job marketplace with professional opportunities dedicated to all Group

INCLUSION AND DIVERSITY MANAGEMENT

The company population is fairly evenly spread between male and female employees (46% men and 54% women). Representing 28.5% of all female employees in the Group, the number of female managers (executives and middle managers) as a proportion of all managers rose slightly compared with last year to 39.4%. The Diversity & Inclusion structure, created in late 2018 in the Chief Operating Officer Governance Area, became fully operational in 2019 with the aim of promoting all forms of diversity that coexist within the Group's personnel. One of the structure's first actions was to carry out a survey aimed at gathering feedback from the company's personnel in Italy on numerous aspects of life in the company (such as how well they know the specific inclusion and non-discrimination content of the Code of Ethics, how aware they are of the numerous initiatives the Group has already focused on these issues and the degree to which they approve them and regard them as useful), analysing people's level of openness and acceptance of inclusive practices and encouraging them to submit new ideas and proposals.

APPRENTICESHIPS FOR PEOPLE WITH DOWN SYNDROME

To promote the inclusion of people with intellectual disabilities, in 2019 Intesa Sanpaolo, in collaboration with a number of local Associations, launched an important project for the employment of people with Down Syndrome on apprenticeships. The project began with the addition of two people at branches in Milan and Turin following a training course for the apprentices, the branch teams and the tutors. The objective for 2020 is to extend the project to other branches of Banca dei Territori and in other cities across the country.

DISABILITY MANAGEMENT

As part of the second-level collective bargaining Agreement, in 2018 an inter-functional working group coordinated by the Welfare Function was created to address all problems connected with the world of disabilities and illness. The goals of the working group include promoting the culture of inclusion, the launch of awareness campaigns and training, and the enhancement of people with disabilities.

Concept 2

Processes of understanding and responding to the needs of workers to optimise redeployment within the same company

In the business plan, normally at three years of age, apical positions are foreseen and, conversely, it is possible to know the personnel needs for the relevant coverings. During periodic staff evaluations, at least once a year, it is possible to identify employees with characteristics capable of providing coverings. These are worked on by developing parallel and supplementary training courses, perhaps testing them by covering similar tasks with senior tutoring.

The best training is provided by combining classroom, distance and field training. These three situations are inseparable and the possible lack of one would undermine the employee's overall development.

WORKFORCE TRANSFORMATION PROGRAMME

In accordance with the 2018-2021 Business Plan, in 2019 the Workforce Transformation programme was launched with the aim of modernising people's methods of working and collaborating, driving overall efficiency, increasing the attractiveness of the Group among new talents and contributing to the development of inclusive and flexibility policies within the Group. The programme therefore aims to increase people's level of satisfaction, improving the work-life balance while at the same time maximising productivity, also thanks to the optimisation of spaces and sites.

The first phase of the project analysed a number of international best practices, gathered together the opinions and requests of the Group's various structures through feedback activities, and defined the guiding principles that will gradually be developed.

Concept 3

Supporting the reintegration of a worker so he/she, following a period of leave (short/long term) can continue to be employed in his/her original function or in a new role within the same company

The reasons for an absence can be of various kinds: one may be faced with absence due to the employee's choice (sabbatical year, experimentation with other employment, study, etc.), illness and other causes. Each of the motivations requires different tutoring. In any case, the customisation of the tutoring does not depend on a probationary period towards a job equal or similar to the one he/she had already held with the assistance of an experienced senior. This situation allows the employee to regain confidence and determination, enabling him/her to face possible future employment.

The key to a peaceful and fruitful coexistence within a company is mutual loyalty. Once this aspect has been clarified, it goes without saying that the best key to managing a relationship with one's own company should not neglect to share the reasons

for the absence and not just its communication. This knowledge will allow the company to optimise the productive factor of work during the absence and to make a better assessment at the time of reintegration.

Since 2014 **ALI (Intesa Sanpaolo Employees' Association)** has been the only Group association in the Group Welfare System. With over 150,000 Members in 2019, it offers a wide range of services at both local and national level, from social, tourism, cultural and sporting activities to personal services dedicated to the work- life balance. For the children of Members, as well as a wide range of junior campuses in Italy and abroad

People Care, the project launched in 2018 with the aim of improving the quality of life in the company and increasing employee wellbeing, continued in 2019 in accordance with the 2018-2021 Business Plan. The People Care model is founded on five pillars: the promotion of the current range of personal services and the ease with which they can be accessed, the permanent observatory of leading businesses on People Care systems at international level, active listening to the needs of employees, support for the development and evolution of the current range of services, activation of a listening and support service.

Concept 4

The mentorship of a worker who is considering leaving the company (e.g. due to retirement, or the completion of a project) to apply their skill-set in a different role within the company (e.g. proactive use of skill set prior to retirement, or re-orient skill set to a new project)

Management creates the conditions for the employee to enjoy constant mentoring. In any case, he or she remains available as the employee's supervisor and in a listening position for the various needs that may arise during the restart period.

Concept 5

Categorising the skill set of workers with a view to planning and implementation of worker-centred strategies that optimise the categorised skills sets within a company ecosystem

The combination of personal and economic satisfaction is the spring that in a way contributes to attracting diversity of talent. In the current situation, the reversibility of choices, both by the employee and the company, is particularly welcome.

In relation to this concept of Circular HRM approach 4 main projects can be highlighted:

1. TALENT DEVELOPMENT
2. #PEOPLE: THE PORTAL FOR THE PEOPLE OF INTESA SANPAOLO
3. INCLUSION AND DIVERSITY MANAGEMENT
4. PREVENTION BY PLAYING: NEW EXPERIENTIAL LEARNING COURSES

PREVENTION BY PLAYING: NEW EXPERIENTIAL LEARNING COURSES

More knowledge, less fear: this was the main message of the events organised to raise the awareness of employees on the most common forms of cancer and their treatment. A cycle of 25 meetings in the main Italian towns during which people were involved in an experiential learning course focused on the figures connected with cancer and the virtuous behaviours we can all adopt to prevent them. Participants were firstly asked to answer, tying a knot in a piece of woollen thread, a series of questions on their lifestyles and in particular risk and protection factors that can be modified, such as smoking and drinking habits and levels of physical exercise. The second part of the course reflected more specifically on the numbers of people diagnosed with cancer in Italy each year, their ages and life expectancies. The experience concluded with the creation of a map of the screening exams we all take periodically. The messages were conveyed using an innovative tool, the participatory diagram, which formed the basis of an active, experiential and shared form of learning that encouraged participants to memorise and reflect on the information presented. This physical and playful approach enabled employees to interact directly and see these often little-known figures which may not be fully understood or internalised if only read or heard about. Cancer prevention is one of the great battles of our time and often clashes with our own psychological barriers. So far, around 3,500 employees have taken part in the events.

Concept 6

The prioritisation of human centred optimisation over contractual obligation

The importance of the **Group's people** is evident in the **company's full protection of workers' rights** with particular regard for the development of labour relations and employment protection, its **personnel development activities**, promoting training and merit, its concrete development policies and measures, and its enhancement of a modern and integrated company welfare system. In addition, since some time Intesa Sanpaolo has also adhered to an Occupational Health and Safety Management System compliant with the most advanced international standards. **The programmes adopted, also thanks to the numerous agreements signed with the trade unions**, have made it possible to effectively protect employment levels through professional retraining activities, but also with the **introduction and consolidation of numerous innovative contractual tools**, that are able to foster the development of an effective company welfare system and establish a better work-life balance.

The company's approach to managing issues relating to the protection of workers' rights is outlined in the Code of Ethics, which recognises the principles established by the fundamental conventions of the ILO (International Labour Organization) and in particular the right to freedom of association and collective bargaining, the abolition of forced and child labour, and non-discrimination in employment. The applied collective bargaining system works on two separate and complementary levels: the first at national level and the second at company level for the Intesa Sanpaolo Group (second-level contractual structure). The labour relations model, adopted and developed by the Group together with the Trade Unions, has promoted dialogue between the parties on a continuous basis. The model is a way of identifying the most suitable solutions and tools for addressing and managing the various growth and reorganisation phases that have marked the company's activities over the years, including those involved in the implementation of the 2018-2021 Business Plan. Concrete evidence of this can be seen in the creation and work of bilateral Company/Union bodies, formed with the aim of analysing, identifying and proposing positive actions, solutions and tools in the areas of equal opportunities, welfare, safety and sustainable development.

Concept 7

Supporting the transition of a worker into the external job market where a worker is no longer meeting the requirements of their current contractual obligations

As already stated, the tendency is to identify the positions that will be discovered over the years and, in the meantime, through periodic evaluations and self-assessments for and of employees, possible matching will take place. This is the starting point for a parallel training course to ensure the best possible information for employees who are called upon to hold new position