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# 1998-2007: Great Transformations at the Turn of the Millennium

by Stefano Basaglia and Zenia Simonella\*

**T**his second article in the miniseries dedicated to the thirty years of *Economia&Management* concentrates on the decade from 1998 to 2007. This is the decade in which, on March 19, 2004, the founder and first editor of this magazine, Claudio Dematté, died before his time. His successor was Vincenzo Perrone (already the Deputy Editor since 1989), who would remain in his position until 2013. So in this decade, there was not only a change in the social, cultural, and economic environment, but also a change in the magazine. The shift from the management of the founder to another Editor-in-chief is always an important step for the identity and image of a magazine.

Starting with issue number 5 of 1999, Dematté himself had decided to make a change in the contents and graphics, together with the publisher at the time (the Etas company, in the Rizzoli Group). Among the most significant changes were: more focus on current events, a new layout with images and figures, a space managed by what were known as the “SDA Bocconi Areas” (groups of teachers affiliated with the school that worked on the same issues and/or fields), the introduction of a “letter to the editor” section, and an interface with the magazine’s website. In his editorial, Dematté explained the reasons behind those decisions (1):

*“In our country, there is something strange in the way the question of the training of the governing class is dealt with; at the least, there is inaction or grave undervaluation. [...] The inaction on this issue is even more striking if we consid-*

*er that not only for all professions, but also for some activities that are not qualified as professions, there exists a formal training process, that is often mandatory, including theory and practice. [...] This does not happen for management activity. For the most part, it is taken for granted that such a role comes automatically with property rights (the entrepreneurial exercise of one’s own business), whether direct or by inheritance, or through a simple traineeship in the field, step by step, without the need for structured training. [...] The deficiencies that are found in management institutions are also reflected in sectors such as publishing, books, and periodicals. In the latter field, few magazines have survived the drop in demand. To judge from the data, those who prepare to perform the activity of management, not only invest little or nothing in their own training through participation in programs for this purpose, but also read very little. Perhaps the fault lies in the material offered, where there is difficulty in finding a balance between the ‘scientific’ rigor of one’s ideas and the need to make them legible for those who have little time and many other things to think about. The graphic and editorial reorganization of our magazine [...] is a response to reflection within the editorial board on the processes through which entrepreneurs, managers, and those who prepare to hold those roles work on the development of their managerial skills. [...] The reorganization of the magazine [...] also is, and wants to be, an occasion to again reflect on the underestimation of the importance of managerial training and the weakness of what is offered by the system - after many discussions and projects in the 1970s and ‘80s. [...] In these circumstances - and even more so in a phase of significant, sudden changes - management assumes a robust culture, that is essential to grasp and interpret the phenomena within which the company is*

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located, a culture that can mature through different training paths or even different life experiences. To manage an organization today, it is also necessary to have knowledge and to be able to use a series of conceptual and practical instruments specific to the management function, whose assimilation requires both study and practice. [...] As long as the function of management is (and can be) conceived as a right/privilege, due to ownership or nepotism or patronage, and is structurally not complex and involves limited interests, whoever has intelligence, a strong character, and a good dose of common sense can aim to exercise it even without specific training. But when the environmental conditions (such as pressure from competition) or the complexity of the task (due to the dimensions or complexity of the company) go beyond certain limits, the function of management acquires a strong professional dimension that requires the possession of a wealth of knowledge and tools like any other profession [...]. Training by reading takes on a central position [...] books and magazines remain an indispensable tool to establish our mental maps”.

Dematté’s editorial was written in 1999. The situation of the knowledge and skills of the Italian management class remains critical today. Based on a study from 2015, 38.1 percent of Italian managers and professionals do not read even one book a year, compared to 17 percent of those in Spain and France (2).

After Dematté passed away, Perrone took over starting with issue 3 of 2004, but it was in the editorial for the first issue of 2005 that he laid out some guidelines.

In particular, he defined the magazine’s goal, identified the target and the way in which to meet the needs and expectations of the readers (3):

“To offer those who operate in public and private enterprises a tool for professional updating, cultural and civil growth, based on scientific contents but oriented towards the resolution of concrete and important problems for its readers. All expressed in an easy and engaging style that can favor reading. [...] To conciliate [...] scientific rigor, relevance for practice, and generalizability to different business contexts is a small miracle that is not always successful”.

In addition, focusing attention on the characteristics of “those who operate in enterprises”, he specified:

“To know who you are and what you want is in fact extremely important for those who, like us, produce a management magazine in a country like ours. A country with an economic/production structure that is peculiar and in continuous transformation. [...] A country in which the weight of large companies and the managers who populate their ranks has gradually diminished over time, in which small entrepreneurs and professionals are very important, as are the public administration and banks, with their peculiar aspects of regulation, management, and organization. Aiming for a common denominator between such different situations is not easy, and at times it has seemed more convenient to differentiate the contents so as to have contributions able to speak to a particular segment of readers; even at the cost

FIGURE 1 | SOME COVERS OF ECONOMIA&MANAGEMENT



of losing general attractiveness and reducing the cohesion of the contents of each number. This is a conscious choice, though, made to continue to be a proudly Italian magazine, although with the ambition of meeting international quality standards, able to speak to readers with varied interests”.

Therefore, E&M aims to be a professional management magazine able to combine scientific rigor and practical relevance, that addresses a public of Italian readers.

We have already seen that the orientation of a magazine influences both its contents and graphic design. In this regard, Figure 1 presents some covers that marked a change over the decade (the first, from January 1998; the cover of issue 5 of 1999, that indicates a design change; issue 1 of 2000 where there is an adjustment to the masthead; number 6 of 2003 in which the reference to SDA Bocconi becomes more direct and a new logo appears; and number 3 of 2004, the first signed by Vincenzo Perrone and the first with a reference to the founder Claudio Dematté). Figure 2, on the other hand, compares internal layouts.

### THE ZEITGEIST BETWEEN THE MID-1990S AND THE MID-2000S

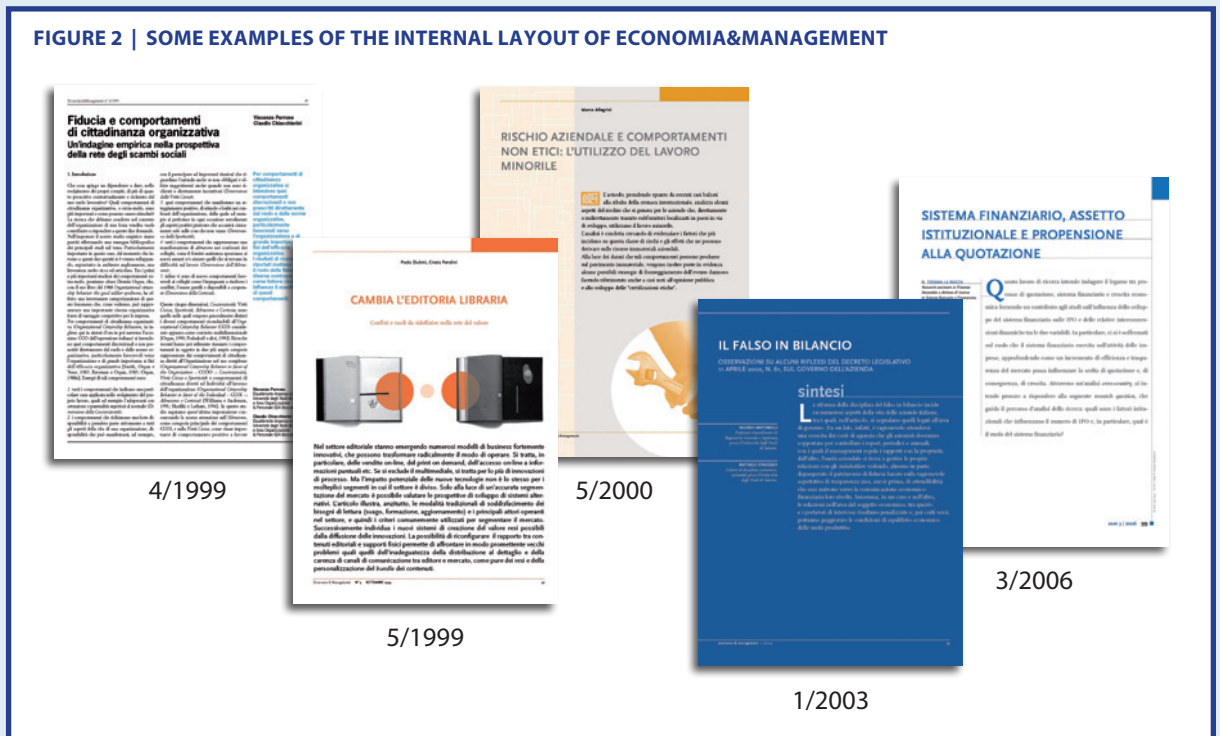
Internationally, the period was characterized by three political figures. On the one hand, Bill Clinton, President of the United States from 1993 to 2001, and Tony Blair, British Prime Minister from 1997 to 2007; on the other, George W. Bush, President of the

United States from 2001 to 2009. Clinton and Blair brought a new left to power, based on the so-called “third way”, which no longer challenged the market, and in economics, continued along the path plotted by their predecessors (4). George W. Bush brought the conservative right back in to power, and in the period after the attack on the Twin Towers, launched the “War on Terror”, along with Blair. If we expand our view to beyond the Anglo-American world, we can add: Angela Merkel, Chancellor of the Federal Republic of Germany since 2005; and Vladimir Putin, President of the Russian Federation from 1999 to 2008, and then again since 2012.

A film and a television series can give the idea of the spirit of the times.

The film is *Matrix* by the Wachowski brothers (1999), a cult film like *Blade Runner*, *Star Wars*, and *Metropolis*. The film captured the atmosphere of paranoia of the millennium that was ending, and the fear of the new one coming. The special effects gave an indication of the new potential of technology and of computer graphics and animation. The release of *Matrix* came right at the height of the speculative bubble defined as the “New Economy”, in which the technological mystique dominated the attention of the media and the imagination of citizens (5), in which physical “marketplaces” were transformed into digital “marketspaces” and the term “virtual” reigned in public discourse together with the social and economic importance of ICT (6). In *Matrix*, content, form, and method of dis-

FIGURE 2 | SOME EXAMPLES OF THE INTERNAL LAYOUT OF ECONOMIA&MANAGEMENT



tribution were the emblem of the so-called information society.

The television series is *Sex and the City*. Conceived by Darren Star for HBO based on the novel of the same name by Candace Bushnell, the show was broadcast between 1998 and 2004. Its protagonists are four female friends, sex, and the city of New York, as the title indicates. *Sex and the City* depoliticizes feminism and diversity, transforming the concept of equity from the 1970s into something different: for the first time, the issue of emancipation of women is posed as a theme linked to the independence of behavior, at work and in consumption. In particular, the link between identity and consumption becomes one of the characteristic traits of the series. In an episode of the sixth season, the protagonist Carrie Bradshaw says: “I like my money right where I can see it; hanging in my closet”.

There were some key events internationally: the birth of the Euro (1999) and its entry into circulation (2002); the attack on the Twin Towers in New York on September 11, 2001 and the subsequent War on Terror in Afghanistan and Iraq; and the eastward expansion of the European Union (2004–2007).

In Italy, it is important to mention the alternation between center-left and center-right governments: the center-left governments of Prodi, D’Alema and Amato in 1996–2001, and of Prodi again in 2006–2008; and the Berlusconi governments led by the center-right coa-

lition. Remaining in the political/institutional realm, we can cite: the appointment of Romano Prodi as president of the European Commission (1999–2004); the election of Carlo Azeglio Ciampi as President of the Republic (1999–2006), and the subsequent election of Giorgio Napolitano (2006–2015). In terms of policy, we should cite: the effort to balance public finances in view of the entry into the Euro at the time of its birth (1996–1998); the approval of the “Treu Package” that introduced flexibility and insecurity in the labor market (1997); the approval of the Bassanini reform of the Public Administration (1997–1998); the promulgation of the “Draghi Law” on financial intermediation (1998), and the approval of two laws on immigration (Turco–Napolitano in 1998, and Bossi–Fini in 2002). On this point, the issue of diversity begins to emerge not only in relation to the dynamics linked to the aging of the population, but also for the growth of migratory processes towards Italy (7).

#### THE SOCIAL AND ECONOMIC CONTEXT IN ITALY

The Censis Institute (8) divides the decade into two sub-periods: the first (1997–2003) defined as “The molecular society”, and a second sub-period (2004–2008) summarized as “The slowdown of the economy and active minorities”.

The first period saw the centrality of the individual and his/her autonomy with respect to any collective

TABLE 1 | ITALY FROM A MACROECONOMIC VIEWPOINT

YEAR	GDP GROWTH (% CHANGE)	DEFICIT/GDP RATIO (%)	DEBT/GDP RATIO (%)	INFLATION RATE	UNEMPLOYMENT RATE
1998	1.4%	-3.1%	114.9%	2.0%	11.3%
1999	1.5%	-1.8%	113.7%	1.7%	10.9%
2000	3.7%	-0.9%	109.2%	2.6%	10.1%
2001	1.8%	-3.1%	108.8%	2.3%	9.1%
2002	0.5%	-3.0%	105.7%	2.6%	8.6%
2003	0.0%	-3.5%	104.4%	2.8%	8.5%
2004	1.5%	-3.6%	103.9%	2.3%	8.0%
2005	0.7%	-4.4%	105.9%	2.2%	7.7%
2006	2.0%	-3.3%	106.6%	2.2%	6.8%
2007	1.5%	-1.5%	103.6%	2.0%	6.1%

Source: International Monetary Fund, *World Economic Outlook Database*, September 2011.

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dimension that translates into a diversification and fragmentation of behavior, a personalization of needs and politics. In particular, there is the mention of a social bond and of “a class that has culture and ambitions to guide development” (9).

The second period is characterized by a split between a majority focused on itself in which economic and social discontent is intensifying, leading to the emergence of little fears and a need for security; and on the other hand, by a series of active minorities, better equipped to face globalization, united by a positive approach to innovation and cultural, social, and technological change.

From a macroeconomic standpoint (Table 1), in those years Italy saw GDP growth with an average of 2.1 percent in the period from 1998 to 2001 (with a peak of +3.7 in 2000), of 0.7 percent in 2002–2005 (with a minimum of practically zero in 2003), and an average of 1.8 percent in 2005–2008. The deficit/debt ratio was below or around 3 percent in the period 1988–2002 (being almost balanced in 2000, at -0.9%), around 3.5 percent in 2003–2004, at 4.4 percent in 2005, to then drop to 3.3 percent in 2006 and 1.5 percent in 2007; the debt/GDP ratio fell gradually from 114.9 percent in 1998 to 103.6 percent in 2007. The rate of inflation remained between 1.7 percent in 1999 and 2 percent in 2003, with an average of 2.3 percent. The unemployment rate gradually fell from 11.3 percent in 1998 to 6.1 percent in 2007.

We now move on to the type of actors that populated the economic system in the period of 1998–2007 (10).

The economic system in this period was the result of four phenomena: the privatizations which culminated in 2000 with the placement into liquidation of IRI, the success of new entrepreneurs, the reorganization of old family groups, the constraint of the Euro, and the rethinking of the development model. In particular, the possibility to base development on the relationship between competitive devaluation, deficit/debt, and inflation was no longer possible starting in the second half of the 1990s. The response of economic actors, between 1998 and 2001, was to launch acquisition, merger, and concentration operations at the national and international level. In addition, in these years it became even more pressing to face the question of the dimensions of businesses and investments in research and development in order to strengthen the human capital of the single actors, and of the Italian economic system as a whole.

In particular, there was a tendency to abandon the myth of “small and beautiful” of industrial districts and come back to the importance of large enterprises. Some focused attention on an intermediate form of enterprise

between those of industrial districts and large companies; these are the so-called “pocket-sized multinationals”, medium-sized enterprises oriented towards internationalization that express a fourth type of capitalism, after the first capitalism of large private enterprises, the second capitalism of public entities and state-owned companies, and the third capitalism of small and medium enterprises and districts (11). Among the companies in the “fourth” category: Merloni, Tod’s, Luxottica, Brembo, and Pininfarina. These companies joined those remaining from the first capitalism (Fiat, Pirelli), those that emerged from the second capitalism (Telecom Italia), and those that, in a new and different perspective, remained from the second capitalism (on the one hand, Finmeccanica, Eni, and Enel; on the other, Poste Italiane and Ferrovie dello Stato), along with the myriad of micro and small enterprises that populated the third capitalism and those enterprises that decided to diversify towards the service sector (the publishing of the Benetton family). In addition, we must not forget the world of cooperative companies, municipal-owned enterprises, insurance (Generali, Unipol), and what happened in the banking sector. In the latter area in particular, between the end of the 1990s and 2007, we saw the start of a process that would lead to the birth of the two national leaders, Intesa Sanpaolo and Unicredit. Lastly, the process of privatization and liberalization of some markets was associated with the birth of agencies responsible for regulating specific sectors.

## THE MANAGEMENT DEBATE

Discussion regarding management in this period was strongly influenced by the development of innovation, of products and processes, based on information and communication technologies. The Internet and the World Wide Web began to take on a significant dimension with the appearance of the first browsers (Mosaic in 1993, Navigator 1.0 in 1994, and Explorer 1.0 in 1995). Terms were coined such as *New Economy*, *Net Economy*, *e-business*, *Information Society*, and *Information Age*. These innovations cut across sectors and different managerial disciplines. Cultural industries and the mass media, however, were the first sectors to be affected by the spread of digital and the related devices. Electronic media, electronic commerce, and virtual banks became popular. New enterprises were born or became popular again, and became models for business: Amazon (founded in 1994 by Jeff Bezos, who was chosen as the man of the year by *Time* magazine in 1999); Apple, after the return of Steve Jobs in 1997; Google, founded in 1998 by Larry Page and Sergey Brin; and Facebook, founded in 2004 by Mark Zuckerberg. Some books anticipated and spread the principles of the new economy: *Competing in the Age of Digital*

*Convergence* (1997) by David Yoffie, *Information Rules* by Carl Shapiro and Hal Varian (1998), and *Competing On Internet Time: Lessons From Netscape and Its Battle With Microsoft* by Michael Cusumano and David Yoffie (1998). Enthusiasm in the worlds of academics, consulting, and practitioners, led to a true bubble around Internet and the “.com” world (12).

In this situation of change, on the evergreen front of sources of competitive advantage and the determinants of business success, two macro-currents of research were taking shape: one aimed outwards, regarding the organizational environment; and one aimed inwards, concerning the resources and skills of organizations. The first current added to the classical analysis of the competitive environment by Porter, by developing a broader, sociological view. Thus, among others, the issue of Darwinian selection of the fittest organizations by the environment, and the issue of the environment as a source of social legitimization, became popular.

The second current, on the other hand, focused attention on the identification and development of resources and key and distinctive skills by organizations. The analysis of these skills was also seen as a determining factor in “make-or-buy” choices, decisions for reduction/modification of the size and confines of organizations (terms such as outsourcing, downsizing, and delayering became popular), and the construction and management of value chains/networks and global supply (for example, through offshoring). In the latter area, one of the theories that became popular was the theory of transaction costs proposed by the economist Oliver Williamson; he received the Nobel Prize for economics in 2009.

Finally, discourse on management was affected by some scandals that brought ethical questions to the fore. Internationally, the Enron scandal caused a sensation in 2001. In Italy, the Cirio scandal of 2002 and the Parmalat scandal of 2003 astonished observers, including internationally.

## THE ROLE OF ECONOMIA&MANAGEMENT

### The editorials

In the period from 1998 to 2007, 61 editorials were published: 36 signed by Claudio Dematté, 13 by Vincenzo Perrone, and 4 by Andrea Sironi. The rest were written by Bruno Busacca, Mario Monti, Fabrizio Pezzani, Severino Salvemini, Giuseppe Soda, and Gianmario Verona. Starting with the management of Perrone, the editorials were no longer written only by the Editor-in-chief. This led to an expansion of the issues that were dealt with, and a more technical-specialist approach in their development.

The most frequent macro themes of the editorials (Figure 3) regarded (13): governance, business models, and the basics of management (23 percent); competition between companies and the related strategies (13 percent); the national economic system (11 percent); the new economy (10 percent); economic, financial, and social pathologies (10 percent); work, human capital, and organizations (10 percent); competition and market regulation (8 percent); financial intermediaries and finance (8 percent). The most frequent words were (14): “business” and “businesses”, “market” and “markets”. Many of the macro themes treated in the editorials revolved around these two areas (“business and the market”).

The decade opened with an editorial by Dematté on the nature and relationship between managerial and entrepreneurial functions (15). Starting with the publication of a book by Pier Luigi Celli, *L'illusione manageriale* (1997), Dematté developed a reflection on the concept of leadership, arguing that a technical approach is not sufficient to manage a business well:

*“it is important to see the path to be followed, but also important to have the ability to create processes of organizational identification, emotional involvement, and pioneering enthusiasm, as well as the ability to overcome fear and anguish when faced with changes in course” (16).*

FIGURE 3 | THE THEMES OF THE EDITORIALS



\* (the magazine, the relationship between economics and culture, the European Union)

According to Dematté, it is necessary to go beyond the analysis and rationalization of information, performing broader evaluations for which “sensitivity, equilibrium, wisdom, and the ability to weigh complex actions and reactions” are necessary” (17). This is why it is essential to have “management that is deeper and more complex than what is concealed behind the claims of scientific management” (18).

In 1999, Dematté returned to a theme dear to him - business strategy. This time, though, he linked to the financial function. The risk cited by Dematté is that:

*“our entrepreneurs, fully occupied with industrial and commercial activity, despite remaining competitive on the product level, could be caught off guard with respect to competitors in other countries, precisely due to their inability to use the financial function in coordination with the other business functions for proper positioning in the new dynamics of competition” (19).*

Starting with the editorial published in the first issue of 2000, Dematté inaugurated a series of editorials on the theme of the New Economy, discussing the way the new instrument would change the organization of production of tangible and intangible goods, and more in general, of business models and the way to compete on the market (20). The latter is an aspect that he would further examine in the next editorial, “How to ride e-business”, where he analyzed the transformations of businesses in light “of the technological revolution” (21). In closing, Dematté stressed the need for businesses to have an integrated training system to efficiently manage all of the information:

*“Too many people undervalue the central role of information systems. An Internet strategy - even if centered on only on the optimization of the communication channel and even more so if intended to produce on-line transactions - intersects only a limited portion of the potential if it is not based on an internally integrated information system - like Enterprise Resource Planning (ERP), that is automatically connected with all of those subjects the Internet makes it possible to integrate. A good Internet strategy that lacks such an integrated information platform is destined to fail” (22).*

The subsequent editorials (23) dealt with the same argument from different perspectives; not limited to analyzing the issue of e-commerce, but addressing the way the business can (and must) adapt to the next context.

Dematté would return to the question the next year in the editorial “The Seesaw of Moods towards New Economy Companies; the Need for a Compass” (24), but with a different tone. In fact, in the meantime the Internet speculative bubble had burst and the companies that had jumped into the sector had taken a big hit, many of them going bankrupt. For Dematté, the gen-

eral state of euphoria and optimism that had characterized the rise of the New Economy had been followed by a period of crisis in which, “the results promised by the new companies, or expected by the market even if not promised, were not achieved or were subject to delays and reductions” (25). This took place because “the scenario writers had described an expansion that was entirely unrealistic” (26).

Dematté argued that companies should get moving again, analyzing the points of strength and weakness of their activities and the reasons clients may resist accepting their products/services. It was necessary to work to build the credibility of their brand, but also to control costs and investments, which required greater prudence and reflection. In short, “it is necessary to revive the march towards e-business, with the same faith in its potential, but knowing that the fruits are not just around the corner” (27).

Dematté also addressed three important events of the time. The first was in the field of governance, regarding the acquisition of Telecom Italia by Pirelli (28). The Pirelli-Telecom case was seen by Dematté as the re-emergence of a principle expressed by a famous merchant banker during Italy’s “First Republic”: “Shares are weighed, not counted”. For Dematté, this was a problem, because companies (29):

*“in order to face the expansion of the competitive theater, need to become larger with acquisitions and extraordinary operations that cannot be funded with current cash flow or with equity from the current controlling shareholders. [...] It seems fairly clear that in the future only the entrepreneurs who can demonstrate competence and business acumen to the market, and at the same time prove that they respect the principles of protection of non-controlling shareholders will succeed in obtaining the risk capital necessary to grow”.*

The other two regard the theme of economic-financial pathologies, and refer to the cases of Enron, Parmalat, and Cirio (30). With regard to Enron, Dematté wrote (31):

*“Enron was one of the most studied and hailed cases in U.S. business schools. It was presented as an example of innovative strategy, a precursor of a new business model, made possible - if not even obligatory - by the thrust of new information and communication technologies (ICT) and by the liberalization of markets. [...] On these assumptions, the stock began its rise, and seemed unstoppable. Nobody had realized that the old company had changed not only its management model, but also its nature. It had gone from being a manufacturing company to being above all an intermediary. [...; N]obody had realized that the company’s management, far from following management practices that were indispensable, given its new and different nature, had taken a dead-end road for an industrial company: that of cheating*

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on its accounts, first to inflate its stock, and then not to be wiped out by the fall. The rest of the story is known: the company fell apart, the shareholders lost all of their savings; the employees lost their jobs, and even their pensions, since they were mostly invested in the company's stock; the banks lost their credits; and the U.S. stock market was shaken by a crisis of confidence that would require time and decisive interventions to overcome”.

Dematté saw a connection with the cases of Parmalat and Cirio. In particular, in analyzing the latter two cases he pointed out that if taken to the extreme, the principle of maximization of shareholder value has degenerative effects (32):

*“The exclusive, excessive, and obsessive pressure towards maximization of value for shareholders, reinforced by aggressive systems of incentives and sanctions, produced two deleterious results: 1. a lack of attention towards the interests of other stakeholders (creditors, bondholders, employees); and 2. an “ethical” slide of many managers that transferred into true expropriations of value, first from stakeholders, but then also from external shareholders, those lacking management powers”.*

The editorial by Vincenzo Perrone “Trust is a Serious Thing”, published in issue number 3 of 2004, returned to the macro theme of “economic-financial pathologies”. Starting with the Parmalat case, he analyzed the role of trust for the functioning of “a healthy economy and a society in which it is nice to live” (33). Lastly, again regarding the pathologies of the economic and financial system, in editorial number 1 of 2006, Andrea Sironi defined 2005 as “the *annus horribilis* for the Italian banks”, with reference to the cases of Banca Antonveneta and BNL (34):

*“The management of these events heavily involved the Italian oversight agency, that was strongly criticized for its actions, and cannot be defined as an independent arbiter with respect to the parties to the case. These events contributed to creating a climate of growing criticism of the operations of the banking system, which has undoubtedly suffered considerable harm to its reputation”.*

As regards the “national economic system”, the magazine deals not only with the issue of scandals, but also with that of competitiveness. In particular, it more directly addresses the theme of districts (35) and Made in Italy production (36), with strong attention to the local territory as a strategic asset. In the editorial signed by Severino Salvemini, “When ‘Carmina Dant Panem’: Culture as an Economic Resource” (37), the idea was stressed of treating culture as a factor on which to concentrate for growth through the imple-

mentation of *ad hoc* policies. In general, in the editorials written between 2005 and 2007, we see considerable attention to the issue of symbolic, immaterial, or intangible goods, and the importance of exploiting them to favor the country’s economic development.

The theme “work, human capital, and organizations” was addressed from two different angles. The first (38) analyzes the question of human capital as a strategic factor for the growth of productivity, with particular attention to the quantification, measurement, and evaluation of performance. The second (39) looks more at questions that regard individuals, their relationships, and their well-being: the role of social capital, its potential, and the related risks and possible pathologies; age, career, and the relationship between different generations; the transformations of work, seen also in light of instability and precariousness, that push scholars to question the sense of work in this new context. Not only is it necessary to conduct a “serious study that produces useful elements to decide not only the forms and rules that must govern the conditions at which a job is found, maintained, changed, or left”; but it is also necessary “to know how to again give attention to the intrinsic qualities of the work experience and the quality of the organizational environment in which that experience takes place” (40).

Lastly, on a strategic-competitive front, importance is given to the issue of innovation and its management, where a discussion is begun on models of “collaborative innovation,” “customer-centricity”, and technology (41).

### The articles

In the period 1998–2007, 694 articles were published (42). The number of authors involved, including multiple times, was 1014. Of these, 71 percent were men, and 28 percent women. The words used most often in the headlines are “business”, “management”, “Italy”, “value”, “analysis”, “innovation”, and “opportunity”. Figure 4, on the other hand, shows the most frequent terms in the abstracts of the articles (43). We see that the list somewhat mirrors the headlines, as the most frequent words are: “businesses” and “business”, “market”, “development”, “management”, “system” and “systems”, “model”, and “analysis”.

The most frequent words in the titles and abstracts reflect the fact that the magazine authors’ preferred actors are businesses (in Italy) and their management. In doing this, the prevailing viewpoint tends to be favorable to the market, innovation, and change.

Apart from the most common words in headlines and abstracts, we classified the articles based on two aspects (44). The first regards the *discipline*. The three





**FIGURE 6 | THE MACRO THEMES TREATED IN THE ARTICLES**



\*organizational culture, project management, territorial marketing, external communications, Europe, globalization, SMEs, decisions

a general level, where themes were addressed that regard all organizations (subjects that we could define as “general management”), and a more specific level, that regarded specific organizations or sectors. For example, in the field of finance and financial intermediaries, space was given to risk management, and to “Basel 2” in particular. In the field of public management, the issue of corporatization, managerialization, and changes and transformations of companies in the utilities sector became important. As a consequence, to give an idea of what is in the categories, we have decided to focus on these themes that cut across disciplines or represent something new in the management panorama.

With respect to these *cross-sector themes*, the dominant one is the “New Economy” and “e-business”, that affects areas relating to strategy (for example, in terms of business opportunities (45), but also threats or rhetoric (46)), marketing (for example, in terms of development of new forms of customer loyalty based on integration between affiliation and lock-in, between cognitive and behavioral loyalty (47), or in terms of personalization of products, services, and the consumption experiences made possible by the development of digital environments (48)), organization (for example, such as methods of managing training and professional updating of employees (49)), logistics (for example, in terms of efficacy and efficiency in the management of deliveries to end customers (50)) and finance (for example, in terms of financial structure that allows a business to sustain development, minimize the cost of capital and maximize the value of economic capital based on the development of its technological assets (51)). In addition, e-business directly affects in-

formation systems. On this front, a great deal of attention was dedicated to the so-called “millennium bug”, and more in general, the already-mentioned enterprise resource planning (ERP) systems and management by processes. This last subject is often also addressed by those who deal with accounting, given that it involves more strictly administrative aspects linked to management control and performance measurement. Lastly, the theme of ICT, Internet and the Web, does not regard only businesses, but also the public administration and health care sector. In particular, this theme can be applied in the public field along two lines: the introduction of new technologies in public agencies, and the regulation of technologies at the legislative level (52).

The reference to the question of regulation allows us to focus attention on the *new issues* that emerged in this decade. Market regulation is one of these. In particular, the magazine decided to systematize the coverage of the column “The Market of Rules” by Donato Masciandaro, starting with issue number 4 of 2005. During 2007, the column concentrated on the Bank of Italy, bank oversight, and the role of central banks and independent authorities. In this regard, Masciandaro wrote (53):

*“If we listen to economic analysis, there is ample room for the creation of independent authorities. But two caveats are necessary. First of all, we must never forget [...] that the choice of what politicians are to do, and what bureaucrats are to do, is often made by the politicians themselves, who [...] will pragmatically ask themselves which functions allow them to gain votes and credibility - to keep those - and*

which to leave the authorities. Secondly, all of the reasoning [in favor of the authorities] is based on the ability to define rules that guarantee authentic independence for regulation and oversight entities. The devil, as always, is in the details, and the details are precisely in the laws, statutes and regulations that can enshrine the authentic autonomy of an authority, or that subtle balance between being the succubus of politicians, or become self-referential and irresponsible subjects (in the literal sense of the term). Responding to the ancient question “*Quis custodet custodes?*” thus becomes [...] the only path to understand if a certain institution has been created, or is managed, to serve the public interest, or to please the politician or bureaucrat of the moment”.

Two other themes that the magazine decided to follow systematically were China and entrepreneurship. Starting with issue number 1 of 2005, two columns were launched: “Doing Business in China” by Maria Weber, and “Stories of Extraordinary Entrepreneurship” by Paolo Preti and Marina Puricelli.

The launch of the column on China followed a dossier dedicated to Asia published in issue number 4 of 1998 (in which China was still seen as part of Western Asia) and an article by Maria Weber published in issue 6 of 2003 under the headline “21st Century China: the Engine of the Global Economy”. Maria Weber wrote (54):

*“China has entered the third millennium as the country with the greatest economic growth in the world. The entry into the World Trade Organization (WTO), decided in Doha in November 2001, officially sanctions the integration of the country into the global economy. [...] There are increasing business opportunities, as well as legal guarantees, but Italian economic operators continue to be broadly skeptical that China will really adapt to the basic rules of the WTO. Added to this is the perception of a high risk of infringement of trademarks, which is still widespread in China. This skepticism risks slowing the internationalization strategies of Italian enterprises”.*

In the column, the issue of China was addressed in strategic terms (for example, its competitive positioning) and in organizational terms (for example, on the front of organizational behavior to take into account cultural differences, and as regards the management of human resources). Space was given to the themes of accounting (accounting standards in China) and operations (logistics). However, the magazine also dealt with the problematic aspects linked to opening to China; in particular, analyzing the changes that affected the textile district of Prato (55):

*“China’s entry into the WTO and the liberalization of trade have produced a flood of clothing items in the Europe-*

*an markets. Incoming goods are widespread and prices are going down. [...] The Prato district is subject to a double challenge due to the extraordinary development of China: on the one hand, there is the competitive pressure to which enterprises are subject; on the other, there is the large community of immigrants who have settled in the district, where they live and work. Today the Chinese community in Prato is considered one of the largest concentrations in Europe. It is difficult to presume such a massive inflow in the absence of potential of the local economy. As a consequence, Prato is searching for a new balance, a new social and urban structure, while local institutions find themselves dealing with the complexity of a multi-ethnic society”.*

The “Stories of Extraordinary Entrepreneurship” column concentrated on the theme of entrepreneurship, its relationship with managerial skills, and the cases of small and medium enterprises that succeeded in distinguishing itself the Italian or international scene. For example, the first case is that of Luigi Guffanti of Arona, “*Formaggi per tradizione dal 1876*”. The company

*“has become an instrument to give value to artisanal production, in some cases that were on the verge of extinction, and connect them to food lovers around the world who are able to appreciate sophisticated cheese. [...] To understand the final phase of the process, I was invited to observe the employees during the portioning, packaging, and shipping phase. One woman was pointed out to me, who actually had a degree in philosophy and had worked at the company for at least ten years. She was working on the most complex shipment: she has to ensure that each week, thirty kilograms of Aversa buffalo mozzarella makes it to the tables of the Japanese, taking no more than two and a half days for shipment” (56).*

In the decade covered by this article, the issue of diversity also appeared, with particular attention to the role of women in organizations and society. The first article on the subject is from 1998: “Management of differences, managing gender”, by Maria Cristina Bombelli. In the abstract, we read (57):

*“The management of the future faces situations very different from the past. [...] Gender differences is one of the possible interpretations to be used to design tools and personnel management that can represent an innovative dimension in management methods. In addition, a gender viewpoint becomes more important since the trends in the labor market show a strong, irreversible feminization. The work below aims to address this issue - with an explicit focus on the female gender and the managerial segment - first of all providing a warning regarding hasty interpretations that could*

generate stereotypes and proposing a cultural interpretation as a possible balance between the negation of differences and the hardening of male and female characteristics. [...] It is necessary], where possible, for organizations to recognize female skills as an added value in the framework of existing organizational tendencies, rethinking the structure of incentive systems as a function of different emerging needs, in relation to both gender and to other possible perspectives on differences”.

It should be noted that in this first article, the term “differences” appears, not “diversity”. “Diversity” is found later, in 2003, again in an article by Maria Cristina Bombelli (58), although she prefers to use it in English. In an article from 2006 (“The Reserve Army: Feminization and Profit in the English Legal Profession” by Daniel Muzio) the effects of the stereotypes, prejudices, and discriminations that characterize women in organizations is highlighted (59):

*“In the legal profession, horizontal segregation (the division between female and non-female areas) produces situations of vertical stratification, contributing to explaining the strictly salaried positions for women lawyers in partnerships. This leads to a net polarization between areas of practice that are principally female, underpaid, and oriented towards the solution of private problems, and legal areas dominated by men, that are more lucrative and oriented towards corporate activities. [...] This horizontal segregation does not reflect the choices and attitudes of women lawyers, but derives from prejudices according to which women must occupy roles more suited to their femininity”.*

The magazine deals with the diversity of workers, but also the effects of downsizing policies initiated by companies. This passage is from an article by Giuseppe Soda in 2002 entitled “Layoffs and Value: an Empirical Study on the Relationship between Downsizing Announcements and Stock Listings” (60):

*“The peculiarity of downsizing as a true corporate strategy is based on the assumption that scaling down the organizational structure, through a rapid and considerable reduction of fixed costs linked to labor, can allow an organization to pursue not only goals of cost savings, but also a lasting competitive advantage [...]. In addition, large reductions of personnel are generally accompanied by a massive recourse to outsourcing, leading to a more general reduction of fixed cost components not directly traceable to human labor. This reduction of fixed costs is in part offset by the growth of variable costs, but also by the resulting greater flexibility and reactivity with respect to the economic cycle”.*

The effects of downsizing are not only negative for

workers, however, but also for companies. Soda continues (61):

*“The study clearly shows that when faced with downsizing announcements from Italian companies, investors do not react euphorically; to the contrary, they show basically negative reactions. [...] A culturally and cognitively hostile environment towards layoffs could amplify the difficulties for restoring the business competitiveness demonstrated by the tool of downsizing. [...] we certainly understand why investors do not embrace shortcuts to achieve competitiveness that could turn out to be fleeting. [...] Thanks to this work, we now know of investor skepticism regarding downsizing announcements and we know the relationship between the drastic nature of personnel reductions and the negative nature of the reaction”.*

Lastly, Soda cites ethics with reference to the evaluation of reductions in personnel. In the decade being considered, ethics in fact became a theme that was increasingly discussed and linked to the concepts of corporate social responsibility (CSR) and sustainability. On this issue, Francesco Perrini wrote (62):

*“2006 can and must be the year of corporate social responsibility (CSR), understood as an innovative approach to business management, a new model for managing relations with stakeholders, able to produce a proper balance between social, economic and environmental dimensions in line with sustainable development. [...] CSR can provide a concrete contribution to that process of renewal through the search for a new equilibrium in business management goals”.*

## SO...

In its second decade of activity (1998–2007), *Economia&Management* underwent many changes. One was particularly dramatic, the passing of its founder and Editor-in-chief in 2004. At any given time, a publisher and editor cannot in fact disregard the imprinting given by the founder, the history and path of the magazine over time. In analyzing the reasons for imprinting, Stinchcombe (63) cites, among others, the strength of tradition, the persistence of specific interests, and an ideological inspiration that supports it. It is no coincidence that the decision was made to refer to Claudio Dematté in the masthead of the magazine: “*Economia&Management*, magazine of the Luigi Bocconi University School of Business Management, founded by Claudio Dematté”.

Other changes were part of the normal evolution of a magazine: we see this in the renewal of the contents and graphic design starting with issue 5 in 1999. That change was accompanied by an editorial by Dematté which focused attention on the question of the training of the Italian governing class; a class which accord-

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ing to Dematté, had little propensity for professional growth, and according to Perrone, was not homogeneous, but highly differentiated, which made it difficult to identify the themes that could satisfy its needs for professional updating.

As regards the dominant themes, technology in the form of information and communication technology (ICT) played a leading role. This is the decade in which there was the rise, the fall (after the speculative bubble of the “.com” companies), and the resurrection of the information society and what was called “e-business” from its ashes. The magazine gave ample space to these subjects, following their evolution.

The decade also saw the strengthening and consolidation of the processes of globalization and liberalization of the markets. From this perspective, a new actor appeared: China. *Economia&Management* addressed the issue of China with a column starting in 2005. Globalization and liberalization, though, were also accompanied by economic-financial scandals (Enron, Parmalat, Cirio, and the Italian bank crises of 2005) and by development models that saw the maximization of shareholder value, the reduction of personnel, and the outsourcing of activities and processes as central. All of this placed attention on the theme of rules, social

legitimization, ethics, and respect for all stakeholders. *Economia&Management* dedicated a column specifically to the question of rules starting in 2005. In relation to social legitimization, *Economia&Management* began to publish contributions that attempted to combine economics, ethics, and politics, and contributed to the spread of a theme associated with that of ethics, CSR.

In describing Italian society in the decade, Censis used two concepts: molecular society and active minorities. In the field of management, we find those two concepts in all of the strategy and marketing articles that concentrate on the importance of personalization, and in those articles on human resources management that begin to address the questions of discrimination and segregation. On the first front, expressions such as “mass personalization”, “personalization of service”, “personalization of products”, and “personalization of consumption experiences” began to be used. On the second front, *Economia&Management* began to deal with the issue of management of differences, what today is commonly called diversity management, starting with an analysis of the role of women in organizations and society, and starting to address the themes of age and generations, and of ethnic and cultural differences.

- (1) C. Dematté, "Il mestiere di dirigere", *Economia&Management*, No. 5, 1999, pp. 4-10.
- (2) "La "classe dirigente" che non legge e il futuro dell'Italia", *Il libraio*, Oct. 15, 2015, [www.illibraio.it/classe-dirigente-non-legge-258871](http://www.illibraio.it/classe-dirigente-non-legge-258871).
- (3) V. Perrone, "Il nuovo anno di *Economia&Management*", *Economia&Management*, No. 1, 2005, pp. 3-6.
- (4) D. Harvey, *A Brief History of Neoliberalism*, Oxford, Oxford, University Press, 2005. See also A. Giddens, *The Third Way and Its Critics*, Cambridge, Polity Press, 2000.
- (5) A. Mattelart, *Storia della Società dell'Informazione*, Turin, Einaudi, 2002.
- (6) For discussion of the relationship between public discourse and ICT, see S. Iacono, R. Kling, "Computerization movements: The rise of the Internet and distant forms of work", in J. Yates, J. van Maanen (eds.), *Information Technology and Organizational Transformation: History, Rhetoric, and Practice*, Thousand Oaks (CA), Sage, 2001.
- (7) P. Bianchi, *La ricorsa frenata: l'industria italiana dall'unità alla crisi globale*, Bologna, il Mulino, 2013; G. Amato, A. Graziosi, *Grandi illusioni: ragionando sull'Italia*, Bologna, il Mulino, 2013; E. Felice, *Ascesa e declino: storia economica d'Italia*, Bologna, il Mulino, 2015; G. Crainz, *Storia della repubblica*, Rome, Donzelli, 2016; M. Salvadori, *Storia d'Italia: il cammino tormentato di una nazione 1861-2016*, Turin, Einaudi, 2018.
- (8) G. De Rita, *Dappertutto e rasoterra*, Milan, Mondadori, 2017.
- (9) *Ibid.*, p. 580.
- (10) This section is based on Bianchi, op. cit.; Amato, Graziosi, op. cit.; Felice, op. cit..
- (11) See Felice, op. cit.
- (12) P. M. Lee, "What's in a name.com? The effects of '.COM' name changes on stock prices and trading activity", *Strategic Management Journal*, 22, 2001, pp. 793-804.
- (13) Based on the information that can be derived from the headline and the text, the researchers gradually identified a series of themes/categories and divided the editorials within these themes/categories. The themes/categories are: governance, business models, basics of management; competition (strategies, entrepreneurship, innovation, and internationalization); the national economy system; the new economy; pathologies (economic, financial, and social); competition, regulation, and the markets; work, human capital, and organizations; the magazine; the Italian banking system; diversity management; the role of finance; the relationship between economics and culture; and the European Union.
- (14) The analysis is based on the frequency with which each word appears in the headline of the 61 editorials.
- (15) C. Dematté, "Tecnica, progettualità e arte politica: tre ingredienti essenziali della funzione manageriale", *Economia&Management*, No. 1, 1998.
- (16) *Ibid.*, p. 9.
- (17) *Ibid.*, p. 10.
- (18) *Ibid.*, p. 12.
- (19) C. Dematté, "Strategia e finanza: un legame sempre più stretto", *Economia&Management*, No. 3, 1999, p. 1.
- (20) C. Dematté, "Internet: una rivoluzione annunciata, ma sottovalutata", *Economia&Management*, No. 1, 2000.
- (21) C. Dematté, "Come cavalcare l'e-business", *Economia&Management*, No. 2, 2000.
- (22) *Ibid.*, p. 11.
- (23) C. Dematté, "Crescere velocemente anche oltre confine è un imperativo tipico della nuova economia", *Economia&Management*, No. 3, 2000; C. Dematté, "Crucialità della finanza negli start-up della nuova economia", *Economia&Management*, No. 4, 2000; C. Dematté, "Come pilotare un'impresa tradizionale verso l'e-business", *Economia&Management*, No. 5, 2000.
- (24) C. Dematté, "L'altalena degli umori verso le imprese della new economy: la necessità di una bussola", *Economia&Management*, No. 6, 2001.
- (25) *Ibid.*, p. 3.
- (26) *Ibid.*, pp. 11-12.
- (27) *Ibid.*, p. 16.
- (28) C. Dematté, "Il caso Pirelli-Telecom: una riprova del nodo scorso del capitalismo italiano", *Economia&Management*, No. 5, 2001.
- (29) *Ibid.*, p. 10.
- (30) C. Dematté, "Il caso Enron: una lezione per tutti", *Economia&Management*, No. 2, 2002; C. Dematté, "Parmalat e Cirio: l'occasione per cambiare", *Economia&Management*, No. 2, 2004.
- (31) C. Dematté, "Il caso Enron", cit., p. 3.
- (32) C. Dematté, "Parmalat e Cirio", cit., p. 6.
- (33) V. Perrone, "La fiducia è una cosa seria", *Economia&Management*, No. 3, 2004, p. 10.
- (34) A. Sironi, "L'annus horribilis delle banche italiane: alcune idee per non sbagliare ancora", *Economia&Management*, No. 1, 2006, p. 5.
- (35) V. Perrone, "Oltre l'orizzonte dei distretti", *Economia&Management*, No. 5, 2004.
- (36) B. Busacca, "Made in Italy: la tutela di una marca che non c'è", *Economia&Management*, No. 6, 2004.
- (37) S. Salvemini, "Quando 'carmina dant panem': la cultura come risorsa economica", *Economia&Management*, No. 3, 2005.
- (38) G. Soda, "Se la cattiva finanza affonda il capitale umano", *Economia&Management*, No. 6, 2005; G. Soda, "Fannulloni o disorganizzati? Viaggio nella produttività che non c'è", *Economia&Management*, No. 3, 2007.
- (39) V. Perrone, "Dell'età. Ovvero: la sindrome della banana acerba", *Economia&Management*, No. 3, 2006; V. Perrone, "Chi trova un amico trova un tesoro", *Economia&Management*, No. 4, 2006; V. Perrone, "La quinta stagione del lavoro", *Economia&Management*, No. 5, 2007.
- (40) V. Perrone, "La quinta stagione del lavoro", *Economia&Management*, No. 5, 2007, p.10.
- (41) G. Verona, "Un anno di innovazione", *Economia&Management*, No. 5, 2005; G. Verona, "La Corporate America dal ponte di comando", *Economia&Management*, No. 4, 2007.
- (42) This overall number of contributions published in the period 1998-2007 does not include: the 61 editorials, that have been analyzed separately; and the columns "Fotogrammi", "Management e dintorni", "Fuori campo" and "Libri", because they refer to disciplines that are not in the field of management. These columns will be analyzed separately, in an analysis presented in the fourth article of this series.
- (43) The size of the word represents the frequency with which the word appears in the abstracts of the 624 article analyzed.

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- (44) Based on the information that can be gleaned from the title, abstract, text, author(s), and bibliographical references, the researchers divided the articles first of all between the following disciplines: accounting (planning and control, accounting and financial statements), communications, law, political economy, finance and financial intermediaries, management of cultural organizations, public/health care/non-profit management, marketing, operations (production, logistics), organization (organizational theories, organizational behavior, HRM), history, strategy and management (strategic management, business administration, management). Subsequently, one or more key themes were identified. To simplify, these themes were grouped into a series of macro themes, that were: organizational structures, brand management, clients and consumers, organizational behavior, external communication, competition, knowledge, accounting and financial statements, organizational culture, decisions, dynamics of competition, ethics, Europe, basics of management, governance/institutional structure, human resource management, information systems/information and communication technology (ICT), entrepreneurship, innovation and change, strategic/operational marketing, territorial marketing, performance (measurement, evaluation), production/supply chain, project management, business networks (networks, districts, cooperation, collaboration, inter-organizational relationships, joint ventures), finance themes, and focuses on countries and/or sectors.
- (45) P. Dubini, "Passa per la personalizzazione di massa l'e-strategy dei produttori di contenuti informative", *Economia&Management*, No. 1, 2000.
- (46) F. Perretti, "Il futuro di internet e della new economy: scenari e strategie per le imprese", *Economia&Management*, No. 4, 2001.
- (47) E. Prandelli, G. Verona, "Affiliation o lock-in? Strategie di marketing per competere in internet", *Economia&Management*, No. 4, 2001.
- (48) M. Costabile, F. Ricotta, G. Miceli, "La personalizzazione dell'offerta in ambienti digitali: un modello per il Dynamic Profiling dei client", *Economia&Management*, No. 1, 2005.
- (49) P. Bielli, "E-learning sotto la lente d'ingrandimento", *Economia&Management*, No. 1, 2002.
- (50) V. Belvedere, "L'outsourcing logistico nel B2C", *Economia&Management*, No. 5, 2001.
- (51) F. Perrini, "Innovazione, struttura finanziaria e valore d'impresa", *Economia&Management*, No. 1, 2000.
- (52) V. Mele, "Paradigmi e progetti di e-government: l'impatto delle ICT sul settore pubblico", *Economia&Management*, No. 3, 2003.
- (53) D. Masciandaro, "Autorità indipendenti: panacea o placebo?", *Economia&Management*, No. 3, 2007.
- (54) M. Weber, "La Cina del XXI secolo: la locomotiva dell'economia mondiale", *Economia&Management*, No. 6, 2003, pp. 40-41.
- (55) D. Toccafondi, "Ombre cinesi nel distretto di Prato", *Economia&Management*, No. 5, 2005.
- (56) M. Puricelli, "Professione affinato: il caso Luigi Guffanti", *Economia&Management*, No. 1, 2005, pp. 120-122.
- (57) M.C. Bombelli, "Management delle differenze: gestire il genere", *Economia&Management*, No. 6, 1998, p. 43.
- (58) M.C. Bombelli, "Uguali o diversi? Per un utilizzo consapevole del diversity management", *Economia&Management*, No. 5, 2003.
- (59) D. Muzio, "L'esercito di riserva: femminizzazione e profitto nella professione legale inglese", *Economia&Management*, No. 5, 2006.
- (60) G. Soda, "Licenziamenti e valore: una ricerca empirica sulla relazione tra annunci di downsizing e quotazione azionaria", *Economia&Management*, No. 6, 2002, p. 86.
- (61) *Ibid.*, p. 97.
- (62) F. Perrini, "Corporate Social Responsibility: nuovi equilibri nella gestione d'impresa", *Economia&Management*, 2006, 2, p. 7.
- (63) A.L. Stinchcombe, "Social structure and organizations", in J.C. March (ed.), *Handbook of Organization*, Chicago, Rand McNally, 1965.
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