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Social Thinking. Creation of Value for Stakeholders

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ABSTRACT

La creazione di valore, tipico obiettivo degli azionisti, dovrebbe essere considerata nel processo di ottimizzazione di una funzione oggettiva più ampia e complessa, derivante da un "compromesso politico" riguardante gli obiettivi delle diverse classi di stakeholder. In particolare, questa funzione deve essere compatibile con le esigenze dell'ambiente esterno, tenendo conto dell'influenza delle radici culturali in un contesto di responsabilità sociale d'impresa. La presenza di interessi contrastanti, sia all'interno che all'esterno dell'azienda, crea la possibilità di conflitti tra gruppi; il profitto dipende dalla misura in cui avviene la risoluzione dei conflitti interni ed esterni. Questo studio si propone di descrivere modi di identificare i principi di una gestione responsabile che, sebbene derivino da culture diverse, se collegati tra loro consentono una comprensione più significativa del comportamento delle moderne società. L'analisi della letteratura internazionale sarà accompagnata dagli esempi di 5 aziende italiane.

The creation of value, a typical goal of stockholders, should be considered in the process of optimizing an objective function that is larger and more complex, resulting from a "political compromise" regarding the aims of the different classes of stakeholders. In particular, this function must be compatible with the needs of the external environment, taking into account the influence of cultural roots in a context of Corporate Social Responsibility. The presence of conflicting interests, both inside and outside of the company, creates the possibility for conflicts between groups; profit depends on the extent to which internal and external conflict resolution takes place. This study aims to describe ways of identifying the principles of responsible management that, although resulting from different cultures, if linked together allow a more meaningful understanding of the behavior of modern corporations. The analysis of the international literature will be accompanied by the examples of 5 Italian companies.

Keywords: Corporate Social Responsibility, Creation of Value, Stakeholder, Sustainability Report

1 – Introduction. The shareholders' interests

The severe financial crisis that first hit the United States and subsequently European countries, along with the numerous scandals of recent years, the corruption of managers, and fraudulent financial statements, have necessitated an

everdeeper integration between the objective of shareholder value and the practices of CSR (Jones and Nisbet, 2011). CSR approach has shifted the attention from shareholder to stakeholder due to their crucial roles (Nikolova and Arsić, 2017). The stakeholders affect the community and the environment. CSR plays a positive role on impacting, for example, on socially conscience consumer purchasing behavior, and brand reputation (Vătămănescu, Gazzola, Dincă and Pezzetti, 2017).

The integration between the objective of the creation of value and Corporate Social Responsibility (CSR) is an unavoidable process, typical of the modern economies, resulting from the interconnection between internal goals of the enterprise and the outcome to the environment. This integration testifies to the profound change in the logic of the firm which has occurred during the last one hundred and fifty years. The capitalist enterprises, understood as autonomous organizations for production, which are financed by shareholders with equity, and by debt, has ancient origins, and its spread can be traced back even before the start of the Industrial Revolution in 1750.

In the traditional literature capitalist firms are, strictly speaking, business profit-oriented organizations that are conceived of as systems for the creation of economic and financial value for their shareholders (Mella, 2007). Their performance – based on profit and the economic value of capital – is measured by a system of monetary values. For the production of value, capitalist firms must carry out five parallel macro functions that can be considered as processes of transformation (Mella, 2005, 2014):

- a. a *productive transformation* of factors into production, governed by productivity and by quality;
- b. an *economic transformation* of costs and revenues into operating income, governed by prices and therefore by the market;
- c. a *financial transformation* of capital into returns;
- d. an *entrepreneurial transformation* of information into strategies;
- e. a *managerial* (organizational) *transformation* of strategies into actions of management control.

The success of the capitalistic firm in producing economic value depends on the capability of the entrepreneur, together with his management, and should be based on these rules:

1. create a dynamic portfolio of businesses along a virtuous path from “question mark” to “cash cow” businesses by means of an effective entrepreneurial function;
2. regarding decisions to start up or continue businesses, it is necessary to take into account their economic efficiency, the amount of capital invested for their start up, and the sources of available financing;
3. achieve the maximum exploitation of the present market and expand toward new markets in order to increase the firms’ production volume, QP, and increase as much as possible the selling price, pP, through an efficient marketing function;
4. maximize the productive efficiency of the production transformation, by contracting the unit factor requirements, qF, while expanding the *quality* of products by means of an efficient production function, thereby increasing *productivity*;
5. reduce the average factor prices, pF, through an efficient supply function which searches for supply markets where the factors have a higher quality and lower purchase prices.

The production of value does not exclusively benefit the shareholders but instead concerns a vast group of stakeholders.

The Industrial Revolution gave rise to large production firms with substantial flows of goods. These firms required large plants with a substantial productive capacity and high specialization. The large amounts of capital were provided by individuals or families, or raised through significant amounts of self-financing, thereby giving rise to typically family-run businesses belonging to a capitalist-family head or a family.

The large size of the plants required a large amount of capital, and their specialization made it impossible to shut down the plants short of selling the entire enterprise, with its factories, warehouses and clientele. Precisely because it was not possible to recover the invested capital, the maximum objective of the capitalist-family head was, on the one hand, to obtain the maximum flow of profits, and on the other to maximize the size of the enterprise through monopolistic policies.

The creation of the corporation, through the issuing of shares, was the means of resolving the problem of recovering the capital supplied by the entrepreneur-family head, through the increase of equity to non-industrial third party savers.

In this context, in the years following the First World War, high-level professional managers became more common in corporations; these managers were directly appointed and charged with managing the invested capital (with the obligation to issue periodic financial statements) provided by the shareholders meeting together in an assembly. The managers-administrators gradually gained more control over the corporation's management, leaving to the capitalist-family head the ownership of the capital and the final periodic control of the activities of the administrators, who were charged with producing profit.

In the large corporations there was a clear separation between management and the ownership of capital. This phenomenon was studied by Adolf Berle and Gardiner Means already back in the 1930s. In their well-known book, *The Modern Corporation and Private Property* (1932), they analyzed in depth the separation between ownership and control, a phenomenon which "... has destroyed the unity that we commonly call property - has divided ownership into nominal ownership and the power formerly joined to it. Thereby the corporation has changed the nature of the profit-seeking enterprise." (p. 130).

The separation between management and ownership also changed the views about the firm's objectives. Profit gave way to return, that is, profit in relation to the capital needed to produce it. *Return on equity* (roe) replaced income in all calculations of the provider of equity (Mella and Pellicelli, 2008).

In this new context, the legal form of the corporation – which rapidly spread in all industrialized countries as an instrument for raising equity through the stock exchange – made it clear that the value, or price, of shares was simply derived from the discounted value of the corporation's dividends, which in turn depended on the level of *roe* that could be produced by the company over a more or less extended period in the future (Greiner, 1998).

The enterprise, as a company, no longer had its own objective. Instead, the objectives were transferred to the managers-administrators, who had to achieve the maximum shareholder value by maximizing the return on equity, bringing the latter to a level greater than that of the return expected by the investor. In this way the stock market value and the company's capitalization would be maximized, in the manner set out by Copeland, Koller and Murrin (1996), which is shown in Table 1.

From the legal point of view the shareholders are the owners of the company; however, "agency theory" (Jensen and Meckling, 1976) states that the manager-administrator should act in the

interests of the shareholders (and thus be their “agent”). As a result the value created by the firm belongs to the shareholder. Managers who do not act in the interests of the shareholders must be replaced following the rejection of the balance sheet of the company they manage (Carter and Conway, 2000).

The managers of large corporations use every strategy imaginable to maximize *shareholder value*, since they are deemed “capable of managing”; they are kept on and paid as long as the shareholders are satisfied with the periodic dividends and the increase in value of their shares (Pellicelli, 2007).

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| <p>THE PRINCIPLES OF THE CREATION OF VALUE</p> <ol style="list-style-type: none">1. The firm creates value when the return on the invested capital is higher than the opportunity cost of the capital (measured by the return of an investment of equal risk).2. The more the firm invests at a return higher than the cost of capital, the more value it creates (growth creates more value the longer the return exceeds the cost).3. The firm must choose those strategies that maximize the expected discounted cash flow (discounted at the opportunity cost of the capital).4. The value of the shares of a firm in the stock market is equal to the value of the expectations the market itself has regarding future results; but these expectations are not necessarily a reliable measure of those results.5. The return on the capital from shareholders depends more on the variations in expectations about the future than on the present results of the firm. |
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Figure 1 – The principles of the creation of value
(Source: Copeland, Koller and Murrin, 1996: pp. 53-54).

2 – The stakeholders’ interests

Clearly the management of the value-producing firm, which strictly follows the principle of *corporate economic rationality*, tends to distinguish between the financial interests of *shareholders* and the non-financial interests of the other *stakeholders*.

Companies constitute the economic, social and political “fabric”, and their management becomes closely linked to all the outside actors, since the internal processes are intrinsically connected to the outside environmental processes. The creation of a shared and efficient network of relations among the firm and its environment of reference becomes the condition for the production of value. Thus, management cannot limit itself only to pursuing the interests of the shareholders but must seek consensus from the local, national and international stakeholders, involving these social entities that, in order to advance their non-financial interests, impose constraints and conditions on the corporation’s activities.

The Corporate Social Responsibility concept thus gained sway, linked to the responsibilities firms have toward society as a whole. Recognizing that the activities of corporations have a growing social, ecological and ethical impact, which can be perceived and measured with regard to the stakeholders, and that the CSR principle represents the necessary integration between the internal management of the firm, from the point of view of value production based on corporate

economic rationality, and the management of the outside environment through the processes of supply, marketing, work, finance and environmental conservation and through the relationship with workers and the local authorities, Keith Davis (1975) proposes five interpretative points regarding CSR:

- 1 – Social responsibility derives from social power.
- 2 – The firm is an open system in two ways: in receives inputs from society and provides results to society from its activities.
- 3 – The social costs and benefits of all business activities must be carefully calculated and valued in order to decide whether or not it is socially useful to engage in such activities.
- 4 – The social costs of each activity must be borne (in some form) by the clients.
- 5 – Firms, as social institutions and also as citizens, have the responsibility of facing social problems (which can be solved with the help of their experience) even if these lie outside their normal sphere of activity.

McGuire, Sundgren and Schneeweis, (1988) believe there is a physiological link between the production of shareholder value and Corporate Social Responsibility, a link that management must recognize and transform into constraints and opportunities, thereby joining the satisfaction of shareholders to the needs of all the other stakeholders.

3 – The CSR and its socio-political connections

In Europe the practice of considering ethics and profit in contrast with each other was widespread, and the goal of creating value justified the use of non-ethically valuable “means” (Serra, 2000). It was therefore accepted that a business management oriented toward corporate efficiency could produce negative effects of a social nature; however, equally widespread was the opinion that these issues fell exclusively within the sphere of activities of the state, which had to be vigilant that they did not occur and take steps to eliminate them. In recent years the opinion has grown that each firm has a value based on what it brings to its own environment, with which it forms a system of mutual advantages and disadvantages (Michaelson, 2010).

This new approach considers enterprises as social actors, naturally embedded in a wider variety of networks of relationships, constituted by numerous actors, economic, political and social, with whom enterprises share the reasons and the resources for their existence and development. (Tencati and Perrini, 2006). Companies, therefore, in an environment of increasingly tighter social and political connections (Scherer and Palazzo, 2007), are no longer considered only production systems of financial and economic values, but should be viewed as actors and motors that are responsible for the environmental development (Wilson, 1999), and as such can produce environmental and social value as a condition for producing an internal development sustainable with the environment.

This new concept leads to the formation and consolidation of the notion of the reputation of the firm as a social actor that expresses the degree to which the firm integrates its economic-financial strategies (Doh and Guay, 2006) with environmental requirements, assuming a concrete Corporate Social Responsibility, as advocated by the European Commission in the Green Paper of July 2001 (European Commission, 2001): “*voluntary integration of social and environmental concerns in an enterprise’s trading activities and its relationships with the interested parties*” and embodied in the definition of sustainable development of the Brundtland Commission of United Nations, 1987: “*Sustainable development is development that meets the economic, environmental and social needs of the present generation without compromising the ability of future generations to meet their own needs*”. (ISEA, 1999).

In this context of an interchange of relations between enterprises and their environment, greater attention to meeting the expectations of stakeholders is necessary for the success of the enterprise in facing new challenges:

- a) the process of globalization (Scherer and Palazzo, 2008) involves undertaking new responsibilities for the evolution of the economies of poor countries;
- b) the company's reputation is inextricably linked to its environmental policy (Mella and Gazzola, 2015).;
- c) the social awareness of consumers has grown and is increasingly attentive to ethical behaviour and values promoted by the companies;
- d) the weight given by the respect for human rights and labour rights imposes new constraints in human resource management throughout the supply chain;
- e) the growing importance of human capital underlines the need for personnel policies to enhance employees;
- f) the unification of financial markets calls for increasing levels of fairness and transparency (Molteni, 2003).

These factors produce a clear evolution of the concept of CSR (De Bettignies, 2002); we observe, in fact, a transition from the concept of "compliance with the expectations of stakeholders" to the idea of "action to achieve the expectations of stakeholders" as a responsible firm behaviour aimed at highlighting and reinforcing corporate social citizenship (Carroll and Buchholtz, 2008) and at guaranteeing the "righteousness of enterprise" (Keeley, 1988). The CSR also defines the ethical values (Crivelli, 2001): the respect for employees, society and the environment (Borzaghi, 2003), the rules of fairness, accountability, transparency, assume an increasing role, because they give social legitimacy to the enterprise and management, without which it cannot survive and grow.

4 – The integration between shareholder value and corporate social responsibility

The maximization of the performance of the stakeholders and all forms of value consumed, managed and generated by the company, implies the passage from the traditional notion of value created for shareholders to the sustainable value for the social, political and physical environment (Elkington and Fennell, 1998).

The creation of value must be a process compatible with the needs of the environment (Mella and Gazzola, 2005) and involve the optimization of a complex objective function, which results from a political compromise of the different needs and interests of all stakeholders who refer to it, as has already been amply highlighted by economists belonging to the behaviourist school (Simon, 1961; Cyert and March, 1963). The opposing interests regarding the distribution of the value added can affect both the definition of the characteristics of production and the relationship with customers, workers, suppliers and lenders.

The way in which these conflicts can be resolved greatly affects the production of value because, in simple terms, it is possible to view the solutions in terms of costs and revenues for the affected stakeholders. Therefore, a price reduction, in the same conditions of demand and competition, which leads to a reduction in revenues and profits, penalizes the return on capital (internal interest), but serves the firm's customers (external interest). Similarly, an increase in the remuneration of labour, though reducing profit, creates benefits for workers.

The increasing attention paid by companies to achieving development and business continuity in the environment in which they operate (Moon, 2007), protecting the labour and human needs and ensuring client satisfaction as well as the expectations of all social actors (Post, Preston and Sachs, 2002), led to the adoption of behaviour consistent with the system of ethical (Zamagni, 2008) and social values and the development of methods of information and external communication highlighting the commitments made and results achieved.

Companies, following the affirmation of stakeholder theory (Freeman, 1984), have had to redefine their competitive strategies and how they manage social and environmental issues as assessed by shareholders and judgment of legitimation of new groups of stakeholders. Consequently, communication with the outside world represents an important opportunity for the company to increase its social acceptability and to offer its point of view as understandable as possible, objective and verifiable. To respond to the new information needs expressed by society, it was necessary to define the characteristics of an instrument of social and environmental reporting (Marcus and Fremeth, 2009) which, together with the traditional information tools, enables companies to implement a strategy of widespread and transparent communication able to pursue consensus (Jennings, 2005) and social legitimacy, which are a prerequisite for achieving any other goal, including the type of earnings and competition.

The financial statement, as a model that tends to depict as a set of values that are inherent in the operations management of the company as well as highlighted in the "Sustainability Reporting Guidelines" of the Global Reporting Initiative - cannot grasp and recognize the many ways in which companies have their influence on ecosystems and social environment in which they operate, beginning with the use of human resources and natural resources, of capital and value creation (Hill and Jones, 1992). The financial statement refers to a model of the economic system. This economic system typically consists of swap transactions with other companies.

5 – Do image and credibility increase value?

The reasons that push companies to voluntarily disseminate information about their ethical behaviour and their relationship with the social and natural environments are characterized by the consequent advantages in terms of economy, image and credibility that increase their overall value (Siegel, 2009; Skrabec, 2003; Orlitzky et al., 2003). Being a voluntary document, there currently is no general and unique standard for the preparation of a sustainable report; therefore a company can take what it feels is closer to its reality and size, choosing between the most popular national and international models.

The European Commission called all large companies listed in the Triple Bottom Line Reporting (Elkington and Fennell, 1998) to communicate to stakeholders their economic, social and environmental performance, integrating the economic dimension of management with the social and environmental dimension (Bennet and James, 1999), for the benefit of relationships with its stakeholders and markets. Economic prosperity, environmental quality and social justice are the pillars that underpin the creation of business value in accordance with the "triple bottom line" (Warren, 1999).

In order to make such communication effective, some basic rules to be implemented have to be mentioned, such as:

- a) the involvement of top management;
- b) the presence of various instruments of CSR; it is important that the single practice of CSR be inserted into a system of initiatives and socially-oriented behaviour, which in turn is integrated into corporate strategy (Porter and Kramer, 2006);
- c) the economic compatibility of the social actions;

d) the internal coherence and integration with business strategy;

e) the insertion in the specific national, regional or even local context, taking into account factors such as history, culture, level of socio-economic development, the role of the state, etc., which can lead to a different assessment of the intervention of CSR;

f) the communication of operations with a suitable document (Gazzola, 2006).

In addition, strategies for CSR communication have evolved considerably in the past and are now better integrated with the objectives of profit and value creation for shareholders. The sense making theory has been introduced (Craig-Lees 2001, Cramer et al. 2004), later expanded with the concept of sense giving (Gioia and Chittipeddi, 1991; Morsing et. al., 2006), showing the necessary application of three fundamental strategies:

1) stakeholder *information* strategy ("give sense"),

2) stakeholder *response* strategy ("make sense"),

3) stakeholder *involvement* strategy.

In fact, Morsing et. al (2006) insist on the need to actively involve stakeholders and show some recent examples of success, such as Novo Nordisk (Danish pharmaceutical company), one of the most admired companies in 2005, thanks to interactive reporting adopted to give voice to the opinions and even criticism of its stakeholders, and Vodafone, which has been shown to actively involve all social partners in drafting the sustainable reporting since 2004. It should, in fact, be noted that stakeholder engagement is critical for the reputation of the company and, at the same time, maintain a good level of influence on stakeholders.

6 – The example of 5 Italian companies

In order to analyze the process of integration between creating shareholder value and CSR, we present an empirical study that analyzes the top five large Italian companies for turnover in 2018:

A) Exor SpA (€ 143.430 considering all the activities);

B) Assicurazioni Generali SpA (€ 89.204);

C) Enel SpA (€ 72.664);

D) Eni SpA (€ 70.980);

E) Poste Italiane SpA (€ 33.350) (source: www.news.srl), considering the evolution of the financial statements in relation to corporate identity and the companies' goals in the last fifteen to twenty years.

We begin by considering the evolution of corporate statements issued to shareholders and stakeholders over time, starting with Exor, which is the best Italian company in terms of turnover for the year 2018.

A) In order to analyze the objectives of Exor Group we have considered the information relating to all the group. In this regard, while the creation of shareholder value represented in the 90's a fundamental cornerstone for the company (Gavosto, 2002), in recent years we found, next to this goal, considerable attention being paid to the social component, as evidenced by Fiat Group's 2010 Sustainability Report: "*In the Fiat Group, the integration of economic decisions with those of a social nature and the environment is a major concern for long-term value creation. This awareness is rooted in the history and business culture of the Group and has evolved and strengthened over the years, becoming part of the strategic approach that directs the Company. In the way of doing*

business, Fiat is in fact driven by a culture of responsibility and the belief that industrial development has a value only if it is sustainable. The same belief underlies the mode of operation of Fiat Industrial, which since its inception has adopted, making it part of its own rules, the best practice of sustainability." (Report Sustainability, 2010). In the actual strategy of the FCA group the stakeholder are central. In the Sustainability report of 2017 we can find: "Central to FCA's approach is the belief that effective, lasting solutions to climate change and other pressing environmental and social issues can only be achieved through an integrated approach that combines individual and collective commitment; an effective multi-stakeholder strategy; investment in enabling premium processes and technologies; and the incorporation of circular economy principles in operations. All of these elements are an integral part of FCA's model of operating responsibly.

B) In early 2000 the Assicurazioni Generali SpA group adopted the creation of shareholder value as a key strategic line (Generali Group Strategic Plan 2003-2005), but in 2010 declarations about the company it reveals the vision to be mainly focused on values of the individuals and on social responsibility: "Commitment to be an international group of reference that produces consistent and excellent results; belief in the value of employees and creating a competitive advantage based on the commitment of each individual, constantly trying to leverage on the pioneering spirit, on innovation and excellence, and on the commitment to become a more attractive company; persistence in working to strengthen group identity, commitment to promoting mutual respect and social responsibility" (Sustainability, 2010). In the integrated report of 2017, Generali explain the business model that guide the group to create sustainable value. Generali operates in a sustainable manner in all our operations and support the community in addition to our daily activities. These are the two pillars on which our vision of sustainability is based: "We contribute towards a healthy, resilient and sustainable society where people can develop and flourish. This is how we live our role as a corporate citizen, creating long-term value for our stakeholders". The vision is outlined in the Charter of Sustainability Commitments approved by the Board of Directors of Assicurazioni Generali in 2017. In this document it's renewed the commitment of the Group with respect to its stakeholders and the society in general (Annual Integrated and Consolidate Financial Statement, 2017).

C) Enel SpA, in its 2002 Annual Report, showed the great importance it gives to creating value for shareholders: "Our priority has been the refocusing of Enel, which involves concentrating our resources where we have experience with crafts, technologies and expertise in order to create value for shareholders" (Enel Consolidated Financial Statement, 2002). The Enel 2010 Annual Report opens with the "Letter to shareholders and other stakeholders" (thus including them as a fundamental category for which to create value) and declares as its goal "the development of the company in respect of the creation of value for all stakeholders." A Creating Shared Value (CSV) model has been in place since 2015, integrating social and environmental factors into business processes and throughout the entire value chain. In 2016 Enel published the Policy no. 211 "CSV Process definition and management". In 2017 the company prepared 3 documents for the stakeholder: Communities and value sharing, Business model for a low-carbon growth and Sustainability Report 2017 to explain the sustainability strategy.

D) The mission of Eni SpA in the late 90's clearly evidenced the goal of creating value for shareholders: "The aim of ENI is to create shareholder value through the continuous improvement of cost efficiency and quality of products and services for its customers "(ENI Financial Statement, 1997). Unlike what was said in those years, since 2007, first year of publication of the Sustainability Report and of the Code of Ethics, the objectives of sustainable development and corporate responsibility were placed in the foreground in Eni's corporate reports.". Besides the general principles of law enforcement, of transparency, of honesty, of fairness and good faith, the Code of Ethics foregrounds the objectives of sustainable development, including the liability of the corporate responsibility for

the territories in which it operates, the protection of third generation rights and the defence and promotion of Human Rights "(Code of Ethics, 2007). We can also see the introduction of completely new concepts and values with respect to the past, based on the centrality of the person and of human values. The 2010 Annual Report stated: "*We are an integrated energy company, committed to growth in research, manufacturing, transporting, transforming and marketing oil and natural gas. All men and women of Eni have a passion for challenges, continuous improvement, excellence, and give particular value to people, the environment and corporate integrity.*" (Annual Report, 2010). Eni's case is just an example of particular relevance being given to social responsibility efforts; in 2011 the company developed three specific communication reports to describe the themes of sustainability, observing three different perspectives of fundamental interest to stakeholders (www.eni.com):

- "Commitment to Sustainable Development" is the chapter in the 2010 financial report where information on sustainability is integrated with financial information, in conjunction with the major international trends;

- "Sustainability Performance 2010" is a tool, accessible on the web, containing all data and indicators of sustainability, in correspondence with the GRI indicators; through this tool the user has the ability to customize the graphs of interest by combining financial data with sustainability data;

- "Eni for development" is a position paper devoted to the description of the group's contribution to solving local problems such as poverty and global energy, the protection of ecosystems, fighting corruption, and sensitivity to environmental issues worldwide. In the last four years Eni has transformed the company into an integrated and efficient energy company, capable of creating value even in the most complex market situations and seizing opportunities for energy transition. The sustainability report of 2017 Eni explains how to contribute to a fundamental development need "*that has to be shared in order to create integration and value for a future where everyone can be a protagonist, embracing diversity to contribute even more effectively to the common good: this is our business approach*" (Eni for 2017).

E) Poste Italiane SpA published the first Social Report in 2000. In 2012 the company published his first Sustainability Report, compliant with the GRI guidelines, paying particular attention to the environment, to the employees and to the integration of the disabled.

Poste Italiane pays close attention to sustainability and CSR. This commitment is manifested through the adoption and promotion of values and behaviours respectful of the needs and expectations of all its stakeholders. "*Honesty, transparency, a sense of responsibility and reliability guide the Company's behaviour in its internal processes and its relations with external partners, and this generates confidence and credibility*". Poste Italiane describes the sustainability policies in this way:

- "we have launched concrete programmes aimed at reducing the environmental impact of our business;

- we develop socially responsible and ethical behaviour;

- we have created the foundation Poste Insieme Onlus to carry out projects benefiting the community, and in particular people living in adverse circumstances" (Sustainability Report 2017).

7 – Conclusions

It is a common belief that the creation of shareholder value cannot be the first and only goal of the company, and that shareholder interests should be combined with those of other stakeholders so as not to create imbalances and subsequent questioning of the management. The proposed empirical analysis has shown results which show the tendency, growing stronger in recent years, to integrate the values and principles of CSR with the objectives of profit and value creation for shareholders. The objective of creating shareholder value can be expressed unambiguously. It is based on data that can be compared with the past, with the sector average or with those of competitors.

Whereas the ultimate goal for the survival of the enterprise is to create value, the processes that generate this must be sustainable, which means the long-term involvement and satisfactory remuneration of the various stakeholders, who give resources to the functional long-term success of the organization. Therefore, these processes should enhance and strengthen the firm-environment relationships, ensuring their sustainability. You could say that sustainability of a company depends on the sustainability of its relations with stakeholders. We speak of sustainable value for sustainable relationships, best described as stakeholder value (Figge and Schaltegger, 2000; Freeman, Harrison and Wicks, 2007).

Social responsibility becomes a structural dimension of firms, which, in achieving their typical production mission, inevitably exert an influence on a variety of subjects, creating or destroying value for each of them. However the biggest problem is finding a balance between the different interests without undermining the ability of the firm to attract capital resources and professionally prepared human resources.

No doubt a significant contribution was made by the request for major transparency of rules by the economic authorities, the bodies of institutional control (Consob, Italy), and for the introduction of generally accepted accounting principles.

In any case, we note that the synergy between the social environment and the economy is not automatically implemented; instead, it is the result of a path where professional management and entrepreneurial creativity are linked in order to contribute to a business development that takes account of the stakeholders.

Management should constantly observe the characteristics of its stakeholders and estimate their power against pre-established objectives, in order to build a matrix of priorities to be achieved in their interest. To achieve this goal, we need to build an appropriate communication strategy directed at the internal and external stakeholders that, at the same time, allows appropriate feedback to be received from all stakeholders.

In conclusion, our opinion regarding the need for the integration between CSR and shareholder value has, in recent years, been strengthened, and we feel that this integration can also be improved by adopting new techniques and strategies for performance management. If, on the one hand, the management methods could be improved by making them more effective and associated with integration, on the other they might increase the level of corporate social and environmental responsibility by involving to a greater extent the interested parties and by adopting involvement strategies (stakeholder involvement strategy) in addition to the strategies already traditionally adopted in the dialogue with the stakeholders.

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